

U.S. Department of Labor

Office of Inspector General—Office of Audit

**REPORT TO THE BUREAU OF
LABOR STATISTICS**



**BLS REDUCED RISK OF IMPROPER
DISCLOSURE OF ESSENTIAL ECONOMIC
INFORMATION YET ADDITIONAL
IMPROVEMENTS ARE NEEDED**

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BRIEFLY...

BLS Reduced Risk of Improper Disclosure of Essential Economic Information Yet Additional Improvements Are Needed

Why We Did the Audit

The Bureau of Labor Statistics (BLS) is responsible for publishing some of the foremost statistics on U.S. employment and inflation, such as the Employment Situation and the Consumer Price Index (CPI) news releases. BLS' statistics are used for an array of public and private sector decision-making such as setting wages and adjusting Social Security benefits.

When BLS issues reports and statistics, it follows the Office of Management and Budget's (OMB) statistical policy to establish the exact release time. On multiple occasions in 2024, BLS released undisclosed essential economic information early or prior to release on its public-facing website. Early or unauthorized releases could have given some traders an economic advantage in trading decisions compared to other traders and the public. BLS' improper releases incited complaints from the public and gained congressional interest. Based on these concerns, we performed an audit to answer the following question:

To what extent has BLS implemented controls to mitigate the risk of improper disclosure of essential economic information?

Read the Full Report

For more information, go to:

<https://www.oig.dol.gov/public/reports/oa/2026/17-26-001-11-001.pdf>.

What We Found

We found, in response to three incidents in 2024 where undisclosed essential economic information was released early or prior to posting on BLS' public-facing website, BLS implemented or made improvements to controls to mitigate the risk of improper disclosure of essential economic information. However, we identified additional opportunities for improvement.

In May 2024, an incident occurred when the CPI and Real Earnings data was released 31 minutes earlier than scheduled, allowing 72 Internet Service Providers to access the data early. Second, in August 2024, Current Employment Statistics preliminary benchmark data was provided to users who telephoned or emailed BLS during a 34-minute delay in publishing. Third, on three separate days in 2024, internal or inaccurate CPI methodology was shared with a limited group of users prior to being publicly announced. BLS leadership learned of all three incidents up to an hour after they occurred—sometimes through social media or another agency. As a result, BLS lacked the necessary information to timely assess and respond to the incidents.

These incidents occurred due to deficiencies in BLS' information technology (IT) safeguards, performance standards, management oversight, and training. Further, we identified BLS' policy and procedures: (1) lacked clarity and cohesiveness on the data release process and (2) inadequately demonstrated the importance of adhering to OMB and BLS guidance regarding equitable access to information and safeguarding restricted information.

In response to these incidents, BLS closed gaps in IT safeguards, revised performance standards, strengthened management oversight, updated policies and procedures, and provided training. However, we identified additional improvements BLS could make to reduce the risk of improper disclosure of essential economic information.

BLS still needs to update its testing procedures, clarify its recently updated policies and procedures, and ensure staff's compliance by improving buy-in, understanding of expectations, and accountability. Lastly, BLS should finalize its Crisis Communication Plan and perform related exercises to ensure staff are prepared in the event of another crisis.

BLS' deviation from OMB and BLS policy during these incidents negatively affected its reputation and credibility. It is critical for BLS to further mitigate the risk of future improper disclosures of essential economic information.

What We Recommended

We made two recommendations to BLS to further improve its policies, procedures, and training. BLS generally agreed with our recommendations.

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INSPECTOR GENERAL'S REPORT

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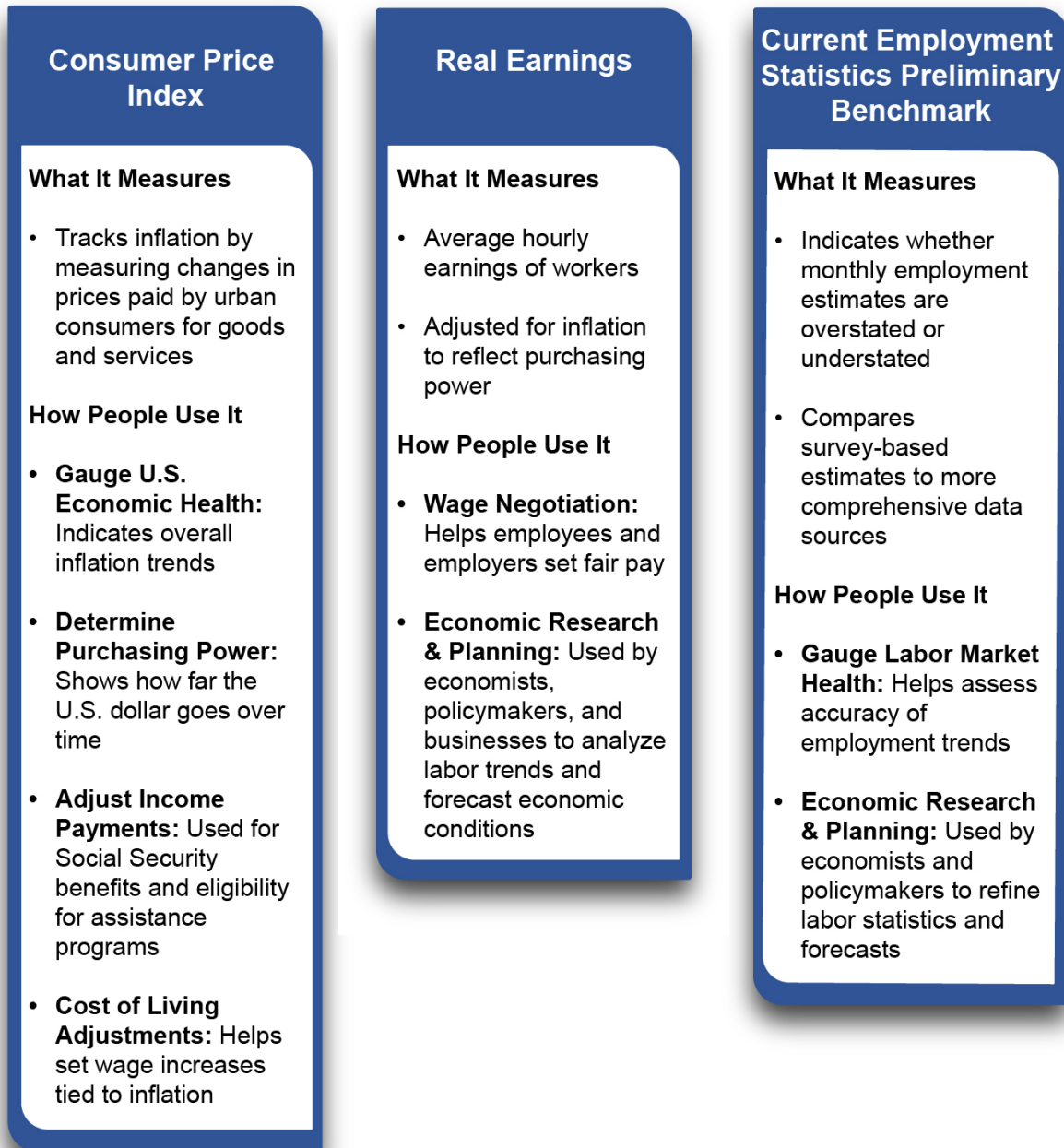
This report presents the results of the U.S. Department of Labor (Department or DOL) Office of Inspector General's (OIG) audit of the Bureau of Labor Statistics' (BLS) response to three 2024 incidents where undisclosed essential economic information was released early or prior to posting on BLS' public-facing website. BLS is responsible for publishing some of the foremost statistics on United States employment and inflation, such as the Employment Situation and the Consumer Price Index (CPI) news releases. BLS' statistics are used for an array of public and private sector decision-making such as setting wages and adjusting Social Security benefits.

When BLS releases reports and statistics, it follows the Office of Management and Budget's (OMB) statistical policy to establish exact release times. BLS' adherence to this policy protects the agency's integrity and credibility and ensures no one can gain an economic or political advantage through advanced knowledge of the information.

In 2024, BLS experienced three incidents of improper releases involving three types of essential economic information (see Figure) as follows:

1. CPI and Real Earnings data was released 31 minutes earlier than scheduled, allowing 72 Internet Service Providers to access the data early;
2. Current Employment Statistics (CES) preliminary benchmark data was provided to users who telephoned or emailed BLS during a 34-minute delay in publishing; and
3. On three separate days, internal or inaccurate CPI methodology was shared with a limited group of users prior to being publicly announced.

Figure: Three Types of Essential Economic Information Involved in Improper Release Incidents



Source: OIG analysis of BLS overview of CPI and CES survey programs

These early or unauthorized releases could have given some traders an economic advantage in trading decisions compared to other traders and the

public who did not receive the same information. These incidents incited complaints from the public and gained congressional interest.

Based on these concerns, we conducted a performance audit to answer the following question:

To what extent has BLS implemented controls to mitigate the risk of improper disclosure of essential economic information?

To answer our objective, we conducted interviews with BLS leadership, management, and staff. Further, we assessed relevant controls including BLS policies and procedures, other pertinent documents related to customer service, and the data release process. Lastly, we reviewed BLS' internal communications to: (1) determine the causes of each incident and (2) identify and confirm the agency's implemented or planned mitigation efforts. Our audit work was limited to the three incidents that occurred between January and August 2024.

Following the incidents, the agency initiated three reviews—one conducted by the Office of the Chief Information Officer, one conducted by an External Review Team, and one conducted by BLS' Office of Administration's Division of Management Systems, Office of Technology and Survey Processing, and Office of Publications and Special Studies. We reviewed the issues and recommendations the three teams reported to BLS. Our review helped inform the development of the scope and methodology for this audit. However, this audit was not intended to assess or verify actions taken in response to the recommendations identified in the three agency-initiated reviews. See Appendix A for additional details on scope and methodology.

RESULTS

We found BLS implemented or made improvements to controls to mitigate the risk of improper disclosure of essential economic information. However, we identified additional opportunities for improvement.

When BLS releases reports and statistics, it follows OMB's statistical policy to establish the exact release time. The purpose of OMB Statistical Policy Directive No. 3 is to ensure all users have equitable and timely access to data disseminated to the public and that no information or data estimates are released before their official release time. BLS' public releases also follow guidance outlined in BLS Commissioner's Orders. BLS' adherence to these policies ensures no one can gain an economic or political advantage through advanced knowledge of the information.

In May 2024, BLS released the CPI and Real Earnings data 31 minutes earlier than scheduled, allowing 72 Internet Service Providers to access the data early. This incident occurred due to deficiencies in BLS' information technology (IT) safeguards, noncompliance with BLS' policies, and insufficient software testing resulting from inadequate testing policies and procedures. In response to the incident, BLS closed the gaps in IT safeguards that led to the early release, updated policies surrounding how new software is implemented, and provided training on the importance of following those policies.

In August 2024, CES preliminary benchmark data was provided to users who telephoned or emailed BLS during a 34-minute delay in publishing. This incident occurred due to the agency's deviation from its standard release procedures, deficiencies in software testing processes, and a lack of formal policies. In response to the incident, BLS revised its policies and procedures and provided additional training to customer service staff.

In early 2024, on three separate days, internal or inaccurate CPI methodology was shared with a limited group of users prior to being publicly announced. These issues occurred due to deficiencies in BLS' management oversight and policies and procedures. In response to the incident, BLS revised performance standards to strengthen management oversight, updated policies and procedures, and provided additional training.

Further, we found BLS staff did not follow communication procedures found in either BLS Administrative Procedure 20-1 or BLS' Crisis Communication Plan during the incidents identified in this report. Staff's deviation from agency communication procedures led to senior leadership not being promptly informed of the improper releases. Consequently, BLS leadership was caught off guard and lacked the necessary information to timely assess and respond to the incidents.

BLS' deviation from OMB and BLS policy during these incidents led to concerns expressed through media coverage and prompted congressional scrutiny, potentially harming BLS' reputation and credibility. It is critical for BLS to further mitigate the risk of future improper disclosures of essential economic information. We identified opportunities for improvement BLS could take to reduce the risk of improper disclosure of essential economic information.

BLS Closed Gaps but More Could Be Done to Reduce the Risk of Early Release

On May 15, 2024, BLS released the CPI and Real Earnings data earlier than scheduled. In response to the incident, BLS closed the gaps in IT safeguards that led to the early release, updated policies surrounding how new software is implemented, and provided training on the importance of following those policies. However, BLS still needs to update and formalize its draft testing procedures to include guidance on “negative testing,” which uses invalid inputs to ensure users do not perform unauthorized tasks.

On the day of the incident, BLS was scheduled to publish the CPI and Real Earnings data at 8:30 a.m.¹ However, a BLS IT contractor responsible for executing the news release started the process 2 minutes prior to the authorized time. Due to gaps in IT safeguards, this action triggered the software to automatically release data files to BLS’ public-facing website 31 minutes prior to the scheduled release time. During those 31 minutes, 72 unique Internet Service Providers accessed the CPI and Real Earnings data early, which could have given those who accessed the data a competitive advantage. The incident attracted negative national media coverage to BLS.

Gaps in IT Safeguards

Through a multi-year process that concluded on March 1, 2024, BLS replaced the software that it uses to copy data between its multiple servers for public releases. As a safeguard, BLS limited the new replication software’s operating window to 7:00 a.m. through 6:59 p.m. During this time, copying data designated for public release is allowed. The new replication software includes both automatic tasks that run based on set rules and manual tasks that require someone to start them. Even though the new replication software was available to start copying data at 7:00 a.m., it would not begin until an employee manually started the process.

On May 15, 2024, BLS’ IT contractor was supposed to start the process of moving data files to the public server at 8:00 a.m. Instead, the contractor started the process at 7:58 a.m. As a result, an automatic task began copying the CPI and Real Earnings data tables and they were published on BLS’ website at 7:59 a.m. If the contractor started the process at 8:00 a.m. as planned, the automatic task would not have run because BLS had IT safeguards to prevent this task from copying between 8:00 a.m. and 8:33 a.m.

¹ All times mentioned in this report are in Eastern Standard Time.

Also, during the incident, the new replication software firewall rules BLS put in place to prevent early data releases did not work as expected. Instead, the new software bypassed BLS' firewall rules. Prior to BLS data being released, it must be moved from the agency's multiple internal servers to its public-facing server. To move the data between servers on the day of the incident, BLS had designated a particular port—which is like a specific address for a server task—and a specific file transfer method. When the contractor started the process 2 minutes early, the designated port and file transfer method were unavailable because they had been blocked by firewall rules.

However, the new replication software was designed to find and use another port and file transfer method if the designated ones were unavailable—which is exactly what occurred on the day of the incident. BLS was unaware of this enhanced functionality of the new replication software compared to its previous software. The previous software only allowed one type of port and file transfer method to be used at a time so the firewall rules would have worked. As a result, the CPI and Real Earnings data were published on the primary public server earlier than scheduled.

According to OMB Statistical Policy Directive No. 3, statistical agencies shall ensure that no information or data estimates are released before their official release time. Because the CPI and Real Earnings data was published 31 minutes before scheduled, BLS was not in compliance with this directive.

In response to the incident, BLS identified gaps in its IT safeguards and further limited the new replication software's operating window to begin at 8:00 a.m., which prevents an employee from starting the process before 8:00 a.m. In addition, BLS implemented a safeguard that prevents data from being copied to the public server prior to 8:30 a.m. BLS also updated the firewall rules to route all file transfers through one designated port, using a specific file-transfer method and only during specific times. These firewall updates block all other ports and file transfer methods and limit the transfer to occur only at the scheduled release time.

These updated safeguards and firewalls should prevent early release of the 8:30 a.m. news release. Although we found the updates BLS made were satisfactory as it relates to the 8:30 a.m. release process, our review did not cover BLS' 10:00 a.m. release process. However, upon briefing BLS of our audit results during the audit exit conference, BLS tested the IT safeguards related to its 10:00 a.m. news release to ensure the agency's controls would prevent the early release of information. We reviewed testing documentation provided by BLS and agree the IT safeguards worked as intended. Therefore, no further action is needed at this time.

Noncompliance with Configuration Management Policy

We found BLS' implementation of the new replication software was not managed and documented in accordance with BLS' Configuration Management Plan. This plan outlines activities meant to manage and monitor the configuration of information systems to achieve adequate security and minimize organizational risk. The Configuration Management Plan states that, when new software is needed, a formal change request must be submitted, approved, and tracked using support tickets. Management is responsible for reviewing and authorizing changes, evaluating security impacts, ensuring records management, and assigning development work. Any changes must be developed under configuration control requirements, documented, and tested, including acceptance testing in a controlled environment. Before deployment, management must verify that required documentation, testing, training, support plans, and infrastructure updates are complete and then management may approve the move to production.

The new replication software project was primarily managed by a BLS IT Specialist. BLS could not demonstrate that implementation of the new software received the appropriate level of management oversight to comply with the Configuration Management Plan. According to BLS, there were several staffing changes at various levels during the implementation of the new replication software and some documentation was lost, including the version history, which could have demonstrated evidence of management oversight. During our audit, BLS provided the OIG with documentation for purchase authorizations, acceptance testing, and authorization to implement the new replication software. However, BLS did not have recorded documentation through support tickets for the assignment of development work and the review and authorization of changes, to include evaluation of security impacts.

When asked why BLS did not identify the implementation of the new replication software as an event that triggered the Configuration Management Plan, BLS stated that they did follow the Configuration Management Plan in certain areas, such as establishing firewall rules and procuring software. BLS further stated the administration of servers, systems, and databases within the agency does not normally follow the conventional software development life cycle. Further, BLS noted that limited staffing levels at the time of the incident required employees to balance competing priorities, including production support and research and development projects.

The OIG disagrees that the implementation of such critical software would not need to comply with BLS' Configuration Management Plan. Even though updates

to the administration of databases and servers may follow a different process than regular software development, the configuration management process must weigh both the type of change and the business impact of any downtime when considering the next steps. In response to the incident, BLS implemented additional controls to ensure compliance with the Configuration Management Plan. Specifically, all updates must now be tracked in a version control repository. BLS also revised the Configuration Management Plan to designate specific staff responsible for reviewing security impact analyses. Further, BLS implemented a peer review process to ensure all software changes are reviewed and documented.

To reinforce these improvements, in August 2024 and February 2025, BLS conducted training sessions for its IT staff who run the replication software and emphasized adherence to the agency's configuration management process. Further, BLS scheduled annual refresher training for May 2026 to cover the configuration management process. Additionally, the agency plans to conduct annual fire drills beginning in August 2026 to validate the configuration management process. We found the updates to BLS policies and the annual training sufficient to reduce the risk of reoccurrence and no further action is needed at this time.

Inadequate Testing During New Replication Software Rollout

As part of the change process set out in the Configuration Management Plan, thorough functional testing must be conducted to ensure any software changes are ready for deployment. Such testing is performed by quality control staff, who are responsible for creating software test plans. They base the test plans on their understanding of the data release process gained from prior knowledge and reviewing BLS' systems operations manual and IT support tickets. In this case, the quality control staff had developed several acceptance test scenarios that focused on how the new software would be used when staff followed the release process correctly. However, they did not include negative tests using invalid inputs to ensure users could not perform unauthorized tasks.

According to BLS, conducting negative tests could have helped identify gaps in the agency's IT safeguards and improved staff's understanding of the new replication software. However, neither BLS' policy nor its draft testing procedures required the creation of negative tests to check for undesirable or unauthorized outcomes.

After this incident, BLS updated its policy to require negative test scenarios. However, to ensure future testing incorporates negative testing, BLS still needs

to update and formalize its draft testing procedures. Further, the procedures need to include detailed guidance on what is required when conducting negative testing. In response to our findings, BLS updated its draft testing procedures to include guidance on negative testing. We are working with BLS to ensure these actions address the concerns of this finding and our related recommendation presented later in this report.

BLS Removed Special Procedures that Led to a Late Release Incident but Could Improve Testing Procedures

On August 21, 2024, BLS' release of the CES preliminary benchmark was delayed. However, users who telephoned or emailed BLS to request the information during the delay received the preliminary benchmark. This unequitable release could have given some traders an economic advantage compared to other traders and the public who did not receive the same information. In response to the incident, BLS revised its policies and procedures—including removing the ability to use special procedures—and provided additional training to customer service staff. Still, improvements are needed to ensure BLS' draft testing procedures: (1) incorporate all documents that describe the agency's data release processes and (2) are formalized.

What are...?

Special Procedures

A manual process BLS used to publish announcements together with a news release.

Specifically, on the day of the incident, the CES preliminary benchmark was scheduled to be published with the Quarterly Census of Employment and Wages (QCEW) news release at 10:00 a.m., but instead the preliminary benchmark was published at 10:34 a.m. During the 34-minute delay, customer service staff provided the preliminary benchmark to users who telephoned or emailed to obtain the data. This was problematic because those who telephoned or emailed could have gained a competitive advantage by obtaining the preliminary benchmark data before the public. Additionally, these types of mistakes can harm BLS' reputation with the public.

Deviation from Standard Release Procedures

BLS uses standard release procedures to distribute the CES annual benchmark with the Employment Situation news release. However, once a year, BLS has

released the CES preliminary benchmark announcement—which included a supplemental file and six web files—with the QCEW news release. Because of this, special release procedures were used to manually insert the supplemental file into the QCEW news release. Then, the six web files were to be published directly following the news release. BLS’ use of special release procedures instead of its standard release procedures is what led to the delayed release of the CES preliminary benchmark on August 21, 2024. BLS has encountered issues publishing the preliminary benchmark in 3 of the last 4 years.

Normally, when BLS moves the news release files to the staging server, the system automatically updates the file’s timestamp. However, on August 21, 2024, since the supplemental file was added manually, the timestamp was not updated and instead showed that the file was last modified the day before the release. According to BLS’ IT safeguards, files must be modified within 90 minutes of the release. Therefore, on the day of the incident, since the timestamp for the supplemental file had the previous day’s date, the preliminary benchmark was not published. Further, BLS attempted to publish the preliminary benchmark web files at 10:03 a.m., but IT safeguards prevented the web files from being published between 9:35 a.m. and 10:05 a.m. while the news release was being published.

In response to the August incident, BLS terminated the special release procedures. Since the preliminary benchmark announcement is closely watched and BLS has previously encountered issues publishing the preliminary benchmark, BLS now issues the preliminary benchmark as a standalone news release, which now goes through the formal news release process. We found BLS’ actions addressed the issue with the preliminary benchmark not following the standard release procedures and no further action is needed at this time.

Inadequate Testing of Special Release Procedures During New Replication Software Rollout

Before implementing the new replication software, BLS performed testing to ensure controls were implemented correctly. BLS had draft testing procedures for quality control staff to use; however, the agency did not specify which documents must be reviewed when creating test plans. We found quality control staff created test plans from prior knowledge and as a result of reviewing BLS’ systems operations manual and IT support tickets. However, BLS’ systems operations manual did not include the special release procedures, web file release procedures, or IT safeguards associated with release tasks. As a result, BLS did not test the web file task for the special release. Accordingly, when BLS attempted to publish the preliminary benchmark web files at 10:03 a.m., IT safeguards prevented the web files from being published between 9:35 a.m.

and 10:05 a.m. while the news release was being published. Due to this unique situation, BLS' quality control staff was not aware IT safeguards would prevent the release of data at the time it was scheduled.

As a result of this incident, BLS identified the lack of testing performed on the web file task for the special release and discontinued the use of the special release procedures. However, BLS should formalize its draft testing procedures and ensure testing procedures incorporate all documents that describe the agency's data release processes. This will provide BLS' IT staff with clear expectations to reduce errors and strengthen accountability to prevent untimely publication. In response to our findings, BLS updated its draft testing procedures to reference some of its data release procedures. We are working with BLS to ensure these actions address the concerns of this finding and our related recommendation presented later in this report.

Informal Policies Allowed Unequitable Release of Preliminary Benchmark

One minute after the preliminary benchmark was scheduled to be released on August 21, 2024, CES customer service staff began receiving questions because the BLS website was still displaying the prior year's information. According to a BLS supervisor, the CES Program had an informal policy where information could be shared with external users after the scheduled release time. Since the 10:00 a.m. release time had passed, BLS supervisors emailed the preliminary benchmark information to customer service staff to share with external users. As a result, customer service staff shared the preliminary benchmark by email and telephone before it was published on BLS' website at 10:34 a.m.

The purpose of OMB Statistical Policy Directive No. 3 is to ensure all users have equitable and timely access to data disseminated to the public.² Additionally, BLS Commissioner's Order 10-1 emphasizes that it is crucial to BLS' mission to maintain the confidentiality of pre-release information. Pre-release information includes information not yet released to the public. BLS' pre-release information generally has significant commercial value because it indicates the current condition and direction of the U.S. economy. Therefore, customers who called or emailed could have gained an advantage by obtaining the data before the public.

Since the preliminary benchmark was shared before it was publicly published, BLS did not comply with OMB Statistical Policy Directive No. 3 nor BLS Commissioner's Order 10-1. To prevent this from reoccurring, BLS implemented

² Preliminary estimates and benchmark revisions are included in the term "data" and are covered by the provision of this OMB directive.

a new policy where staff must wait for an “all clear” before answering inquiries or conducting briefings on released information with entities outside of BLS. Additionally, BLS held mandatory trainings that covered the “all clear” policy. We found BLS’ corrective actions sufficient and no further action is needed at this time.

**BLS Improved CPI Customer Service
Controls but More Could Be Done to Mitigate
Improper Disclosure Risk**

In three separate instances in January and February of 2024, a BLS employee sent emails that contained restricted or inaccurate CPI information to external recipients from banking, investment, and trading companies. The BLS employee labeled these email recipients as “super users.” The term “super users” implied that there was a special group of stakeholders who receive unique information; however, BLS stated they maintain no such designation or list. In response to the three instances, BLS updated Commissioner’s Order 10-5, implemented CPI Protocols for Customer Service, standardized customer service training, streamlined monitoring, and revised performance standards. However, more work is needed to clarify policies and procedures, improve staff buy-in, reduce staff confusion, and strengthen staff accountability to ensure compliance.

On January 11, 2024, BLS announced changes to the quality adjustment to calculate used car prices in the CPI news release. However, the agency did not provide detailed explanations for the changes, noting it would distribute additional explanation in the next month’s news release. BLS received questions about the changes and an employee responded by email on January 31, 2024, to a group of 19 external users referencing internal decision-making materials related to the changes. On February 13, 2024—2 weeks after the employee’s January 31, 2024, email—BLS published fact sheets on the methodology changes.

Further, on February 13, 2024, after BLS published the CPI news release, the agency received questions concerning unusual patterns in the shelter data³. The same employee responded on two occasions—once to a group of 7 external users on February 15, 2024, and once to a group of 50 external users on February 27, 2024—explaining the methodological adjustments to the shelter data. The employee consulted with BLS subject matter experts who provided

³ Shelter data are the cost of housing, which includes rent, an estimate of what homeowners would pay if they rented their home, lodging away from home, and tenant’s and household insurance.

internal explanations using BLS specialized terminology and a hypothetical example. Subsequently, the employee copied and pasted those internal communications into the external emails. According to BLS, these explanations were never intended to be sent to the public. Additionally, in the February 15, 2024, email, the employee provided an inaccurate conclusion concerning the unusual patterns in the shelter data. BLS formally published additional information on the methodological adjustments to the shelter data on February 29, 2024, and also held a webinar on March 7, 2024, to provide additional clarity on this topic.

Although providing restricted access information violates BLS Commissioner’s Order 10-5, no evidence came to our attention that the information the groups received gave them an advantage over other users. Despite this, public perception that the “super user” group received information not available to others drew negative national attention. Negative media and public attention from this incident damaged BLS’ reputation and led to added scrutiny from Congress.

Insufficient Emphasis on Withholding Restricted Access Information

A senior employee in the CPI Program told us that the goal of CPI customer service is to provide excellent service to its users, which sometimes led staff to provide information that may not have been covered in published materials. For complex questions from users, it had been normal practice for staff to consult CPI subject matter experts. These experts would then provide informal explanations to staff so they could better understand the topic.

What is...?

Restricted Access Information

Information BLS does not routinely release to the public and that has not been approved by BLS management for public release.

However, BLS did not provide CPI staff with formal written procedures on handling complex questions to ensure compliance with BLS Commissioner’s Order 10-5. BLS’ CPI Program held annual customer service training on the topics of ensuring confidentiality of respondents’ and pre-release information, as well as on interacting with journalists. However, the annual training did not discuss how to avoid disclosing restricted access information when handling sophisticated users who ask complex questions.

As a result of these improper disclosure instances, BLS issued its CPI Protocols on Customer Service to all CPI staff in April 2024. These protocols require staff

to treat all data and information received from BLS subject matter experts as confidential and not for public consumption. Further, the protocols required subject matter experts to label such communication as “for internal use only—not for public consumption.” Also, BLS updated customer service staff’s performance standards to include completion of all required customer service training and adherence to the CPI protocols. Additionally, in May 2024, BLS held agency-wide data handling, security, and customer service training on restricted access information and how to protect it. Lastly, BLS updated its Commissioner’s Order 10-5 to include more examples of restricted access information.

BLS’ actions should help encourage staff to refrain from providing restricted access information to external users. However, the CPI Program should reference the relevant Commissioner’s Orders in its policies and procedures and during BLS trainings. This would help explain the rationale, improve buy-in, reduce confusion or misinterpretation, ensure compliance, and support accountability by emphasizing that these practices are not just suggestions but requirements.

Lapses in Management Oversight

We reviewed emails provided by BLS concerning the unauthorized disclosure of information—starting with the first instance on January 31, 2024, through the last instance on February 27, 2024—and found the supervisor of the CPI customer service staff was aware of the complex questions from sophisticated users. The supervisor provided guidance on how shelter data was collected and advised the customer service employee who disclosed the information to consult with a subject matter expert. The supervisor was copied on all emails related to the three instances in this incident but did not receive a draft of the email before it was sent. Instead, the issue was discovered after another senior employee noticed inaccurate information was sent to external users on February 27, 2024.

After the incident, BLS issued the CPI Protocols on Customer Service, which require employees to send draft responses of complex questions to their supervisor before the responses are sent. BLS also updated supervisors’ performance standards to strengthen oversight and accountability of customer service activities. Additionally, during the September and October 2024 training courses, BLS clarified that supervisors of customer service staff should review all draft responses of complex questions before they are sent. Further, the supervisor involved increased their review of staff responses to external user inquiries from sporadic monitoring to monitoring three times a day. We found these corrective actions to sufficiently address gaps in management’s oversight and no further action is needed at this time.

OTHER MATTER: BLS DID NOT FOLLOW COMMUNICATION PROCEDURES DURING INCIDENTS IDENTIFIED IN THIS REPORT

During the incidents identified in this report, BLS staff did not follow communication procedures found in either BLS Administrative Procedure 20-1 or BLS' Crisis Communication Plan. Staff's deviation from agency communication procedures led to senior leadership not being promptly informed of each incident. Instead, senior leadership learned of the incidents up to an hour later—sometimes through social media or another agency. Consequently, BLS leadership was caught off-guard and lacked the necessary information to timely assess and respond to the incidents. Accordingly, the agency's mission and reputation were put at risk.

We note that this matter did not contribute to the improper disclosure of essential economic information. However, once updates to BLS' Crisis Communication Plan are finalized and communicated, we encourage BLS to schedule and conduct tabletop exercises with the appropriate program staff to: (1) validate the effectiveness of its crisis scenarios, (2) identify any gaps or unclear roles and responsibilities, and (3) ensure staff are prepared in the event of another crisis.

Noncompliance with BLS Administrative Procedure 20-1

In the February 27 and May 15, 2024, incidents, BLS staff deviated from communication procedures outlined in BLS Administrative Procedure 20-1. The procedure states staff are to immediately email BLS' breach email account with all readily available information regarding the suspected or actual breach involving sensitive information, including pre-release and restricted access information. Additionally, supervisors at all levels must continue to notify through the supervisory chain to their Associate Commissioner without delay. For all breaches involving pre-release information, the Associate Commissioner must notify the Deputy Commissioner, who may notify the Commissioner. For breaches involving other sensitive information, the Associate Commissioner will exercise judgment in notifying the Deputy Commissioner.

In the case of the February 27, 2024, email that contained unauthorized disclosure of information, the CPI Program did not comply with BLS Administrative Procedure 20-1. Instead, a senior employee notified the employee's supervisor of the email. Then, rather than reporting the incident to BLS' breach email account, the supervisor had the employee who sent the email

retract it—an hour and a half after the email was sent. Meanwhile, the Office of Publication and Special Studies (OPUBSS) Associate Commissioner found out about the email from a Twitter post.

Further, in the case of the May 15, 2024, early release of CPI and Real Earnings data, the Office of Technology and Survey Processing also did not comply with BLS Administrative Procedure 20-1. A BLS IT Specialist discovered the CPI and Real Earnings data on BLS' website at 8:19 a.m. and notified the IT Production Supervisor. Instead of reporting the incident to BLS' breach email account, the IT Production Supervisor immediately began investigating the early release. OPUBSS' Associate Commissioner was not notified until nearly 30 minutes later. In turn, the Associate Commissioner notified the Deputy Commissioner, who notified the Commissioner at approximately 8:55 a.m.

In May 2024, in response to the February and May 2024 incidents, BLS held agency-wide data handling and security training. This training reviewed BLS Administrative Procedure 20-1. The training also defined restricted access information and discussed how to protect it. Further, BLS updated its Commissioner's Order 10-5 to include more examples of restricted access information. In addition, in August 2024, BLS reminded senior leaders of the Crisis Communication Plan and re-distributed it to them. However, these actions did not solve BLS' communication issue as another breakdown in communication occurred during the August 21, 2024, incident.

Noncompliance with Crisis Communication Plan

BLS established its Crisis Communication Plan in 2017 and exercises were conducted to test compliance. However, subsequently, the Communications Director left BLS and the plan was overlooked until August 2024 when it resurfaced. In August 2024, the Crisis Communication Plan was shared with senior leaders and they were asked to identify which crisis scenarios applied to their office and to determine the critical personnel to participate in a tabletop exercise. Then, on August 20, 2024, BLS conducted tabletop exercises to assess staff understanding of the agency's policies and how to respond to difficult or unexpected situations. The exercises covered three scenarios: early data release, late data release, and a BLS statement that resulted in negative attention.

However, the day after the Crisis Communication Plan tabletop exercises, an additional breakdown in BLS' communication occurred. When responding to the delayed release of the CES preliminary benchmark on August 21, 2024, the CES Program, the Office of Technology and Survey Processing, and OPUBSS did not follow BLS' Crisis Communication Plan. The plan outlines responsibilities

and protocols for certain crisis scenarios including a possible delayed release. According to the plan, within 5 minutes of a crisis being reported, the matter must be communicated to the appropriate program officials and the Crisis Communication Team, which includes the Commissioner, Deputy Commissioner, and the OPUBSS Associate Commissioner.

Shortly after the scheduled 10:00 a.m. release, CES supervisors, an IT supervisor, and an OPUBSS press officer became aware of the crisis and immediately began working to fix the issues. At 10:23 a.m., a CES supervisor notified the OPUBSS acting Associate Commissioner. However, the OPUBSS acting Associate Commissioner did not inform senior leadership until 10:47 a.m. By that time, senior leadership had already learned about the incident from DOL's Director of Public Affairs.

In response to the August 21, 2024, incident, BLS began updating its Crisis Communication Plan to clarify responsibilities, improve lines of communication, and revise crisis scenarios. BLS also plans to schedule and conduct tabletop exercises with the appropriate program staff. Once updates to BLS' Crisis Communication Plan are finalized and communicated, we encourage the agency to follow through with scheduling and conducting biannual tabletop exercises to: (1) validate the effectiveness of its crisis scenarios, (2) identify any gaps or unclear roles and responsibilities, and (3) ensure staff are prepared in the event of another crisis.

CONCLUSION

Our audit of BLS' response to the 2024 incidents found that BLS has taken positive steps to reduce the risk of improper disclosure of essential economic information. However, we identified additional opportunities for improvement. We found BLS can further strengthen its IT testing policy and the CPI Program's customer service policies, procedures, and training. Lastly, BLS should finalize and communicate its draft Crisis Communication Plan to all BLS staff and perform related exercises to ensure staff are aware of how to respond if a crisis occurs.

The improvements we outlined will help BLS further comply with OMB statistical policies that require statistical agencies to ensure: (1) no information or data estimates are released before their official release time and (2) all users have equitable and timely access to data that are disseminated to the public. The agency's deviation from OMB and BLS policy negatively affected its reputation and credibility. It is critical for BLS to further mitigate the risk of future improper disclosures of essential economic information.

IG'S RECOMMENDATIONS

We recommend the Commissioner for the Bureau of Labor Statistics:

1. Update and finalize the draft testing procedures to include references to all data release procedure documents.
2. Include reference to BLS Commissioner's Order 10-5 in the Consumer Price Index Program's training materials and policies and procedures. Consider including reference to these policies in training materials and policies and procedures for all BLS programs.

Analysis of Agency's Comments

In response to a draft of this report, BLS generally agreed with our recommendations to further improve its policies, procedures, and training. While BLS did not provide specific corrective action it intends to take, we look forward to working with BLS personnel to ensure the intent of the recommendations is addressed. BLS also provided additional comments regarding some of the OIG's conclusions in the report. We reviewed BLS' response and made minor updates to the report including further acknowledging the corrective actions BLS took following the exit conference. Synopses of BLS' concerns, as well as our corresponding responses, are detailed as follows:

- BLS noted that some statements made by the OIG do not account for evidence BLS provided to the OIG during audit fieldwork. BLS stated it has already taken corrective action and provided evidence to the OIG that testing procedures were updated to include negative testing.
 - We agree that, after the exit conference, BLS provided evidence of updated testing procedures including negative testing. We previously incorporated details about BLS' corrective action into our finding above. The corrective action addressed the first part of Recommendation 1, which has been removed. However, BLS must also ensure it addresses the remaining part of Recommendation 1 by including references to all data release procedure documents in its testing procedures. We will continue to work with BLS to ensure the intent of the recommendation is addressed.
- BLS noted some statements made by the OIG do not account for or contradict evidence BLS provided to the OIG during audit fieldwork.

Specifically, BLS stated it provided the OIG evidence that BLS implemented additional IT safeguards at the application and network layers, as well as put backups into place for those safeguards. BLS stated the same safeguards and firewall protections were implemented for both the 8:30 a.m. and 10:00 a.m. news releases.

- We agree that, after the exit conference, BLS provided evidence of its implementation of IT safeguards for the 10:00 a.m. news release. We incorporated details about BLS' corrective action into the reported finding and continue to note there is no further action needed.
- BLS noted the OIG inaccurately interpreted the applicability of OMB Statistical Policy Directive No. 4 to data associated with a Principal Federal Economic Indicator. BLS indicated OMB Statistical Policy Directive No. 4 is not applicable to the documents in question since: (1) OMB Statistical Policy Directive No. 4 governs non-Principal Federal Economic Indicator statistical products and (2) CPI and Real Earnings releases are governed by OMB Statistical Policy Directive No. 3. More specifically, BLS noted, "While BLS does not believe that OMB [Statistical Policy Directive] No. 4 applies to the CPI, we agree with the spirit of equitable access to both news releases and their supporting explanatory material. BLS will ensure that references to all applicable policies are included in training materials, policies, and procedures for all BLS programs."
 - We acknowledge OMB Directive No. 4 governs non-Principal Federal Economic Indicator statistical products and clarified the report accordingly. However, we note that OMB Statistical Policy Directive No. 4 requires that information released to help users interpret data accurately—such as transparent descriptions of the sources and methodologies used to produce the data—is equitably available for all users of federal statistical products. Therefore, OMB Statistical Policy Directive No. 4 provides a relevant framework for supporting explanatory materials associated with Principal Federal Economic Indicators. BLS should consider citing OMB Statistical Policy Directive No. 4 as a best practice when discussing supporting statistical products in training materials, policies, and procedures.

The agency's response to the draft report is included in its entirety in Appendix B. We appreciate the cooperation and courtesy BLS extended to us during this audit.



Laura B. Nicolosi
Assistant Inspector General for Audit

APPENDIX A: SCOPE AND METHODOLOGY

Scope

The audit covered controls BLS had in place to mitigate the risk of improper disclosure including early, delayed, and unauthorized disclosure of essential economic information related to three incidents in 2024. The audit also covered the changes BLS made in response to the 2024 incidents.

The three 2024 incidents included the following:

1. early release of the CPI and Real Earnings data on May 15, 2024,
2. delayed release of the CES preliminary benchmark data on August 21, 2024, and
3. unauthorized disclosure of internal CPI information in three separate instances—January 31, 2024; February 15, 2024; and February 27, 2024.

Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To answer our audit objective, we:

- reviewed OMB policies that covered equitable and timely access to statistical data;
- reviewed BLS policies that covered: (1) controls over sensitive information including pre-release and restricted access information and (2) communication during a breach of sensitive information and crisis situation;
- examined the three agency-initiated reviews—one conducted by the Office of the Chief Information Officer, one conducted by an External Review

Team, and one conducted by BLS' Office of Administration, Division of Management Systems.

- obtained an understanding of the three incidents by interviewing BLS senior leadership, CPI and CES Program officials, Office of Technology and Survey Processing officials, and Office of Publication and Special Studies officials;
- interviewed Office of Technology and Survey Processing officials to obtain an understanding of the: (1) data release process, (2) new replication software's safeguards, and (3) change management process, including software testing and oversight;
- reviewed Office of Technology and Survey Processing policies and procedures on data release processes, change management, and testing;
- observed the data release process of CPI and Real Earnings news releases;
- reviewed documents used during the new replication software implementation;
- interviewed CPI and CES Program officials and Office of Publication and Special Studies officials to obtain an understanding of the customer service process;
- reviewed BLS customer service guidelines and CPI and CES Programs' customer service training materials; and
- reviewed emails that had been released in response to public Freedom of Information Act requests seeking information about the three CPI "super user" emails. Specifically, the emails we reviewed included external inquiry emails, staff response emails, and supervisors' emails that showed their review of staff's response emails.

Internal Controls

In planning and performing our audit, we assessed BLS' internal controls relevant to our audit objective by obtaining an understanding of those controls and reviewing program policies and procedures. We assessed the following internal control elements relevant to the audit objective: control environment, risk assessment, control activities, information and communication, and monitoring. Our assessment of internal controls for BLS' data release, customer service, and internal communication processes may not necessarily disclose all matters that

could be significant deficiencies. Due to inherent limitations on internal controls, misstatements or noncompliance may occur and remain undetected.

Criteria

- Office of Management and Budget Statistical Policy Directive No. 3: Compilation, Release, and Evaluation of Principal Federal Economic Indicators, effective February 19, 2024
- Office of Management and Budget Statistical Policy Directive No. 4: Release and Dissemination of Statistical Products Produced by Federal Statistical Agencies, effective April 7, 2008
- Office of Management and Budget OMB Circular No. A-123 (Revised): Management’s Responsibility for Internal Control, March 10, 2026
- Government Accountability Office GAO-14-704G: Standards for Internal Control in the Federal Government, September 2014
- BLS Commissioner’s Order No. 10-1: The BLS Sensitive Information Framework, September 8, 2023
- BLS Commissioner’s Order No. 10-5: BLS Restricted Access Information, November 7, 2011
- BLS Administrative Procedures 20-1: Procedures for Breach Reporting, February 27, 2014
- BLS Configuration Management Plan Version 15.0, June 2022
- BLS Configuration Management Plan Version 16.0, January 2023
- BLS Crisis Communication Plan, November 1, 2017

Prior Relevant Coverage

During the last 5 years, neither the OIG nor the Government Accountability Office have issued a report of significant relevance to BLS’ improper disclosure of essential economic information.

APPENDIX B: AGENCY'S RESPONSE TO THE REPORT

The agency's response to our draft report follows.



MEMORANDUM FOR : LAURA B. NICOLosi
Assistant Inspector General for Audit
Office of Inspector General

FROM : WILLIAM J. WIATROWSKI
Acting Commissioner

SUBJECT : Management Response to Office of Inspector General Draft
Report No. 17-26-001-11-001, *BLS Reduced Risk Of Improper
Disclosure Of Essential Economic Information Yet Additional
Improvements Are Needed*

This response addresses the Office of Inspector General (OIG) Report Number 17-26-001-11-001, “BLS Reduced Risk Of Improper Disclosure Of Essential Economic Information Yet Additional Improvements Are Needed.” The Bureau of Labor Statistics (BLS) appreciates the opportunity to review and provide comments.

In September of 2024, the OIG issued its Audit Workplan that stated the following focus for this audit:

Our focus will be on how the Bureau of Labor Statistics protects economic data from early or unauthorized disclosure.

BLS appreciates the opportunity to clarify its ongoing commitment to safeguarding economic data from premature or unauthorized disclosure and continuously enhancing protocols to maintain this protection. The results of this audit are generally consistent with the previous reviews that were initiated to document the protection of BLS economic data from early or unauthorized disclosures. BLS agrees with OIG’s assessment that the agency has proactively implemented improvements in controls to reduce the risk of improper disclosure. Though OIG recognizes several corrective measures undertaken by BLS, in some cases the report and recommendations fail to recognize the totality of corrective measures taken or clarifying documentation provided.

Concerns with the Results Section

BLS has two primary concerns with the information included in the Results section of this report: (1) some statements made by OIG do not take into account or contradict evidence BLS provided to the OIG during audit fieldwork and (2) OIG inaccurately interpreted the applicability of OMB SPD No. 4 to data associated with a Principal Federal Economic Indicator (PFEI).

- (1) Some statements made by OIG do not account for or contradict evidence BLS provided to the OIG during audit fieldwork.

- On page #5, OIG stated “BLS still needs to update and formalize its draft testing procedures to include guidance on “negative testing,” which uses invalid inputs to ensure users do not perform unauthorized tasks.”

BLS provided evidence to OIG that testing procedures were updated to include negative testing and BLS provided confirmation that negative testing occurred.

- On page #5, OIG stated “BLS should consider implementing additional IT safeguards to prevent premature disclosure.”

BLS provided evidence to OIG that BLS has implemented additional IT safeguards at the application and network layers, as well as implemented backups to those safeguards. The report does not identify any specific IT safeguards that should be implemented.

- On page #6 and #7, OIG stated “Although we found the updates BLS made were satisfactory as it relates to the 8:30 a.m. release process, our review did not cover BLS’ 10:00 a.m. release process. Therefore, BLS should conduct an assessment of the IT safeguards related to its 10:00 a.m. news release.”

BLS provided evidence to OIG that the same safeguards and firewall protections are implemented for both 8:30 AM and 10:00 AM releases.

(2) OIG inaccurately interpreted the applicability of OMB SPD No. 4 to data associated with a Principal Federal Economic Indicator (PFEI).

- On page #13, OIG stated “OMB Statistical Policy Directive No. 4 requires that information released to help users interpret data accurately—such as transparent descriptions of the sources and methodologies used to produce the data—is equitably available for all users of federal statistical products.”

OMB SPD No. 4 is not applicable to the documents in question, as OMB SPD No. 4 governs non-PFEI statistical products. Furthermore, CPI and Real Earnings releases are governed by OMB SPD No. 3.

Concerns with the Conclusion Section

In the conclusion of this report, OIG outlined opportunities for BLS to reduce the risk of improper disclosure of essential economic information. Specifically, BLS can further strengthen its IT testing policy, strengthen the CPI Program’s customer service policies, procedures and training, and finalize and communicate the BLS Crisis Communication Plan to all BLS staff and perform related exercises to ensure staff are aware of how to respond if a crisis occurs.

The OIG conclusion does not recognize that BLS has already strengthened IT testing, updated customer service policies, procedures and training, updated and disseminated the BLS Crisis Communication Plan to all BLS staff with defined roles and those staff have exercised said plan. By prioritizing both technological safeguards and comprehensive communication strategies, BLS

demonstrates its commitment to reducing risks associated with improper disclosure and maintaining the integrity of its data and operations.

Response to the OIG's Recommendations

BLS management provides the following response to the two recommendations issued by the OIG:

Recommendation 1: Update and finalize the draft testing procedures to include: (1) guidance on conducting negative testing and (2) reference to all data release procedure documents.

Management Response:

BLS believes this recommendation has been addressed and evidence has been provided to OIG.

Recommendation 2: Include references to Office of Management and Budget Statistical Policy Directives No. 4 and BLS Commissioner's Order 10-5 in the CPI Program's training materials and policies and procedures. Consider including references to these policies in training materials, and policies and procedures for all BLS programs.

Management Response:

While BLS does not believe that OMB SPD No. 4 applies to the CPI, we agree with the spirit of equitable access to both news releases and their supporting explanatory material. BLS will ensure that references to all applicable policies are included in training materials, policies, and procedures for all BLS programs.

Conclusion

BLS appreciates that the OIG acknowledged some of the numerous improvements that BLS has made to its data release procedures to ensure equitable access and reduce the risk of improper disclosure. Though it would have been preferable for the report and its recommendations to reflect all improvements implemented, BLS will address any outstanding OIG recommendations in pursuit of continued transparency and accountability for data users and to reaffirm its commitment to maintaining data integrity.

If you have any questions, please contact Jarrett Jacobs, OIG Audit Liaison, at Jacobs.Jarrett@BLS.gov.

cc:

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