

FY 2022

CONGRESSIONAL BUDGET JUSTIFICATION

OFFICE OF INSPECTOR GENERAL

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OFFICE OF INSPECTOR GENERAL

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INSPECTOR GENERAL REFORM ACT

The Inspector General Act of 1978 [Public Law 95-452; 5 U.S.C. App., as amended through P.L. 114-317] requires certain specifications concerning Office of Inspector General (OIG) budget submissions each fiscal year. Each Inspector General (IG) is required to transmit a budget request to the head of the establishment to which the IG reports specifying: the aggregate amount of funds requested for the operations of the OIG, the portion of this amount requested for OIG training, including a certification from the IG that the amount requested satisfies all OIG training requirements for that fiscal year, the portion of this amount necessary to support the Council of the Inspectors General on Integrity and Efficiency, and any comments from the IG with respect to the proposal.

For FY 2022, this information is as follows:

- OIG's aggregate funding request to the OMB is \$95,740,000.
- OIG's funding request for training needs is \$850,000.
- Funding necessary to support the Council of Inspectors General on Integrity and Efficiency is \$378,140.

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APPROPRIATION LANGUAGE

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [\$85,187,000,]\$89,738,000 together with not to exceed \$5,660,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund. (*Department of Labor Appropriations Act, 2021.*)

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AMOUNTS AVAILABLE FOR OBLIGATION						
<i>(Dollars in Thousands)</i>						
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	298	\$85,187	288	\$85,187	301	\$89,738
<i>Subtotal</i>	<i>298</i>	<i>\$85,187</i>	<i>288</i>	<i>\$85,187</i>	<i>301</i>	<i>\$89,738</i>
Offsetting Collections From:						
Reimbursements	0	\$500	0	\$500	0	\$500
Unemployment Trust Fund	35	\$5,660	35	\$5,660	35	\$5,660
Black Lung Disability Trust Fund	1	\$311	1	\$314	1	\$342
Sequestration Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 as Amended	0	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>36</i>	<i>\$6,471</i>	<i>36</i>	<i>\$6,474</i>	<i>36</i>	<i>\$6,502</i>
Supplemental Appropriations	1	\$26,000	20	\$12,500	0	\$0
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	1	\$26,000	20	\$0	0	\$0
American Rescue Plan Act of 2021 (ARPA)	0	\$0	0	\$12,500	0	\$0
B. Gross Budget Authority	335	\$117,658	344	\$104,161	337	\$96,240
Reimbursements	0	-\$500	0	-\$500	0	-\$500
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	-1	-\$26,000	20	-\$0	0	-\$0
American Rescue Plan Act of 2021 (ARPA)	0	\$0	0	\$12,500	0	\$0
<i>Subtotal</i>	<i>334</i>	<i>\$91,158</i>	<i>324</i>	<i>\$91,161</i>	<i>337</i>	<i>\$95,740</i>
C. Budget Authority Before Committee	334	\$91,158	324	\$91,161	337	\$95,740
Reimbursements	0	\$500	0	\$500	0	\$500
<i>Subtotal</i>	<i>334</i>	<i>\$91,658</i>	<i>324</i>	<i>\$91,661</i>	<i>337</i>	<i>\$96,240</i>
D. Total Budgetary Resources	334	\$91,658	324	\$91,661	337	\$96,240
Lapsed FTE & Unobligated Balance Expiring	-25	-\$204	0	\$0	0	\$0
Reimbursements (Unobligated Balance Expiring)	0	-\$422	0	\$0	0	\$0
E. Total, Estimated Obligations	309	\$91,032	324	\$91,661	337	\$96,240

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2021 Enacted	FY 2022 Request	Net Change
Budget Authority			
General Funds	\$85,187	\$89,738	+\$4,551
Trust Funds	\$5,974	\$6,002	+\$28
Total	\$91,161	\$95,740	+\$4,579
 Full Time Equivalents			
General Funds	288	301	13
Trust Funds	36	36	0
Total	324	337	13

Explanation of Change	FY 2022 Change							
	FY 2021 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	324	\$43,522	0	\$9	0	\$2,633	0	\$2,642
Personnel benefits	0	\$18,096	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,184	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$1	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$5,506	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$133	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$0	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$8	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$8,444	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$634	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$7,920	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$633	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$1,370	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$2	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$140	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$360	0	\$0	0	\$0	0	\$0

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FY 2022 Change

Explanation of Change	FY 2021 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Equipment	0	\$2,525	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$100	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	324	+\$90,578	0	+\$9	0	+\$2,633	0	+\$2,642
B. Programs:								
OIG Operations	324	\$85,187	0	\$0	13	\$2,106	13	\$2,106
BLDTF Increase	1	\$314	0	\$19	0	\$0	0	\$19
Programs Subtotal			0	+\$19	13	+\$2,106	13	+\$2,125
Total Increase	324	+\$90,578	0	+\$28	13	+\$4,739	13	+\$4,767
Decreases:								
A. Built-Ins:								
To Provide For:								
Federal Employees' Compensation Act (FECA)	0	\$583	0	\$0	0	-\$188	0	-\$188
Built-Ins Subtotal	0	+\$583	0	\$0	0	-\$188	0	-\$188
B. Programs:								
Total Decrease	0	+\$583	0	\$0	0	-\$188	0	-\$188
Total Change	324	+\$91,161	0	+\$28	13	+\$4,551	13	+\$4,579

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Request		Diff. FY22 Request / FY21 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
OIG Program Activity	309	91,158	324	91,161	337	95,740	13	4,579
General Funds	309	85,187	288	85,187	301	89,738	13	4,551
Unemployment Trust Funds	0	5,660	35	5,660	35	5,660	0	0
Black Lung Disability Trust Funds	0	311	1	314	1	342	0	28
Total	309	91,158	324	91,161	337	95,740	13	4,579
General Funds	309	85,187	288	85,187	301	89,738	13	4,551
Unemployment Trust Funds	0	5,660	35	5,660	35	5,660	0	0
Black Lung Disability Trust Funds	0	311	1	314	1	342	0	28

NOTE: 2020 reflects actual FTE.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
	Full-Time Equivalent				
	Full-time Permanent	334	324	337	13
	Total	334	324	337	13
	Average ES Salary	\$185,725	\$185,725	\$185,725	\$0
	Average GM/GS Grade	13	13	13	0
	Average GM/GS Salary	\$131,250	\$131,250	\$131,250	\$0
11.1	Full-time permanent	41,450	42,593	46,244	3,651
11.3	Other than full-time permanent	1,473	0	0	0
11.5	Other personnel compensation	4,495	929	929	0
11.9	Total personnel compensation	47,418	43,522	47,173	3,651
12.1	Civilian personnel benefits	18,040	18,679	18,870	191
21.0	Travel and transportation of persons	2,430	1,184	1,184	0
22.0	Transportation of things	0	1	1	0
23.1	Rental payments to GSA	4,920	5,506	5,506	0
23.2	Rental payments to others	108	133	133	0
23.3	Communications, utilities, and miscellaneous charges	700	0	0	0
24.0	Printing and reproduction	14	8	8	0
25.1	Advisory and assistance services	5,494	8,444	8,444	0
25.2	Other services from non-Federal sources	1,220	634	1,371	737
25.3	Other goods and services from Federal sources 1/	8,444	9,923	9,923	0
25.4	Operation and maintenance of facilities	10	2	2	0
25.7	Operation and maintenance of equipment	386	140	140	0
26.0	Supplies and materials	380	360	360	0
31.0	Equipment	1,530	2,525	2,525	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	64	100	100	0
	Total	91,158	91,161	95,740	4,579
	1/Other goods and services from Federal sources				
	Working Capital Fund	7,203	7,920	7,920	0
	DHS Services	621	633	633	0
	HHS Services	310	320	320	0
	Services by Other Government Departments	310	1,050	1,050	0

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AUTHORIZING STATUTES

Public Law/Act	Legislation	Statute No. U.S. Code	Expiration Date
Pub. L. 95-452, as amended	Inspector General Act of 1978	5 U.S.C. Appendix	Indefinite
Pub. L. 114-317, as amended	Inspector General Empowerment Act of 2016	5 U.S.C. Appendix	Indefinite

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2012					
Base Appropriation	\$84,445	\$84,772	\$84,772	\$83,687	417
2013					
Base Appropriation...1/	\$85,108			\$79,310	403
2014					
Base Appropriation	\$86,041			\$80,311	387
2015					
Base Appropriation	\$83,993			\$81,590	379
2016					
Base Appropriation	\$87,985	\$84,660	\$79,311	\$86,300	373
2017					
Base Appropriation	\$94,541			\$87,721	357
2018					
Base Appropriation...2/	\$86,136	\$89,147		\$89,147	347
2019					
Base Appropriation...3/	\$87,721			\$89,147	345
2020					
Base Appropriation	\$90,121	\$90,847		\$90,847	334
2021					
Base Appropriation	\$90,847			\$90,847	324
2022					
Base Appropriation					

Unemployment Insurance (UI) trust fund is included in the amount for each year indicated.
Black Lung Disability (BL) trust fund is not included in the amount for each year indicated.

1/ Reflects a 0.2% across the board rescission pursuant to P.L. 113-6 and the sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

2/ A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

3/ This bill was passed by the Senate. It was passed out of the House Subcommittee but was not reported out of the House Committee or by the full House.

4/ This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or full Appropriations Committee.

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OVERVIEW

Introduction

The Office of Inspector General (OIG) at the U.S. Department of Labor (DOL) serves the American workforce, the Agency, and Congress by providing independent and objective oversight of Departmental programs through audits and investigations, and by combatting the influence of labor racketeering in the workplace.

The OIG conducts audits to review the effectiveness, efficiency, economy, and integrity of all DOL programs and operations, including those performed by its contractors and grantees. The OIG conducts this work to determine whether: DOL efficiently and economically uses its resources; DOL programs achieve their intended results; and DOL programs and operations comply with applicable laws and regulations.

The OIG also conducts criminal, civil, and administrative investigations relating to violations of Federal laws, rules or regulations, including those performed by DOL contractors and grantees; as well as investigations into allegations of misconduct on the part of DOL employees. In addition, the OIG conducts criminal investigations to combat the influence of labor racketeering and organized crime in the nation's labor unions. The OIG conducts labor racketeering investigations in three areas: employee benefit plans, labor-management relations, and internal union affairs. The OIG also works with law enforcement partners on human trafficking matters.

Coronavirus (COVID-19) Pandemic Oversight Activity

OIG is the primary federal law enforcement agency responsible for investigating fraud involving the UI benefit program. As reported by OIG, fraudulent activity poses a significant threat to the integrity of the UI benefit program, with identity thieves and organized criminal groups continuing to exploit program weaknesses. These fraudsters have taken advantage of federal and state program vulnerabilities during the pandemic. Indeed, the volume of UI investigative matters currently under review is unprecedented in the OIG's history. Since the pandemic started, the OIG has reviewed more than 15,000 investigative matters and has opened more than 2,600 complaints and investigations concerning UI fraud. These investigative matters have resulted in the execution of 204 federal search warrants, 221 UI fraud related indictments and over \$680 million in monetary results. As a result, UI investigations now account for more than 75 percent of the OIG investigative case inventory, compared to 12 percent prior to the pandemic. Although the OIG is focusing the majority of its investigative efforts on the most egregious UI offenders, due to magnitude of the fraud and our limited resources, our efforts to thoroughly evaluate all complaints and initiate additional investigations on potentially actionable, high-impact investigations have been hampered. In addition, based on past oversight experience of federal UI disaster aid, the OIG expects to be actively investigating UI fraud relating to the pandemic for several years. Given the statute of limitations for most violations charged in UI fraud type prosecutions and the extension of pandemic related UI benefits under the American Rescue Plan Act, it is possible that DOL-OIG will be doing these investigations through September 2026. Should new unemployment benefits be authorized in response to the COVID-19 pandemic, the OIG anticipates further investigative activity in this area. Finally,

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although the OIG has focused the majority of its investigative resources on UI benefit programs, the OIG has a vast investigative jurisdiction covering other high-risk DOL programs that will continue to warrant oversight.

In FY 2020, the OIG received an appropriation of \$26 million to carry out oversight activities of DOL's response to the COVID-19 pandemic under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This included \$25 million to oversee the expansion of UI benefit programs that were provisioned by the CARES Act and \$1 million for oversight of DOL activities that were supported with funds appropriated to prepare for and respond to the COVID-19 pandemic, including worker safety and job training. On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law, providing the OIG an additional \$12.5 million to conduct further pandemic-focused oversight activities. With these supplemental funds, the OIG has increased program integrity oversight and criminal investigative efforts.

As part of the CARES Act and ARPA, unprecedented levels of federal funding have been allocated to the UI benefit program, currently estimated at approximately \$896 billion. In 2020, [paymentaccuracy.gov](https://www.paymentaccuracy.gov) reported a fraud rate for the UI benefit program of 4.3 percent. Using this fraud rate as a basis, the OIG can assume the CARES Act and ARPA will result in at least \$38.5 billion in fraud. OIG's audit and investigative work has shown that this amount may be much higher. The OIG's Office of Investigations (OI) is the federal agency with primary jurisdiction to investigate this fraud.

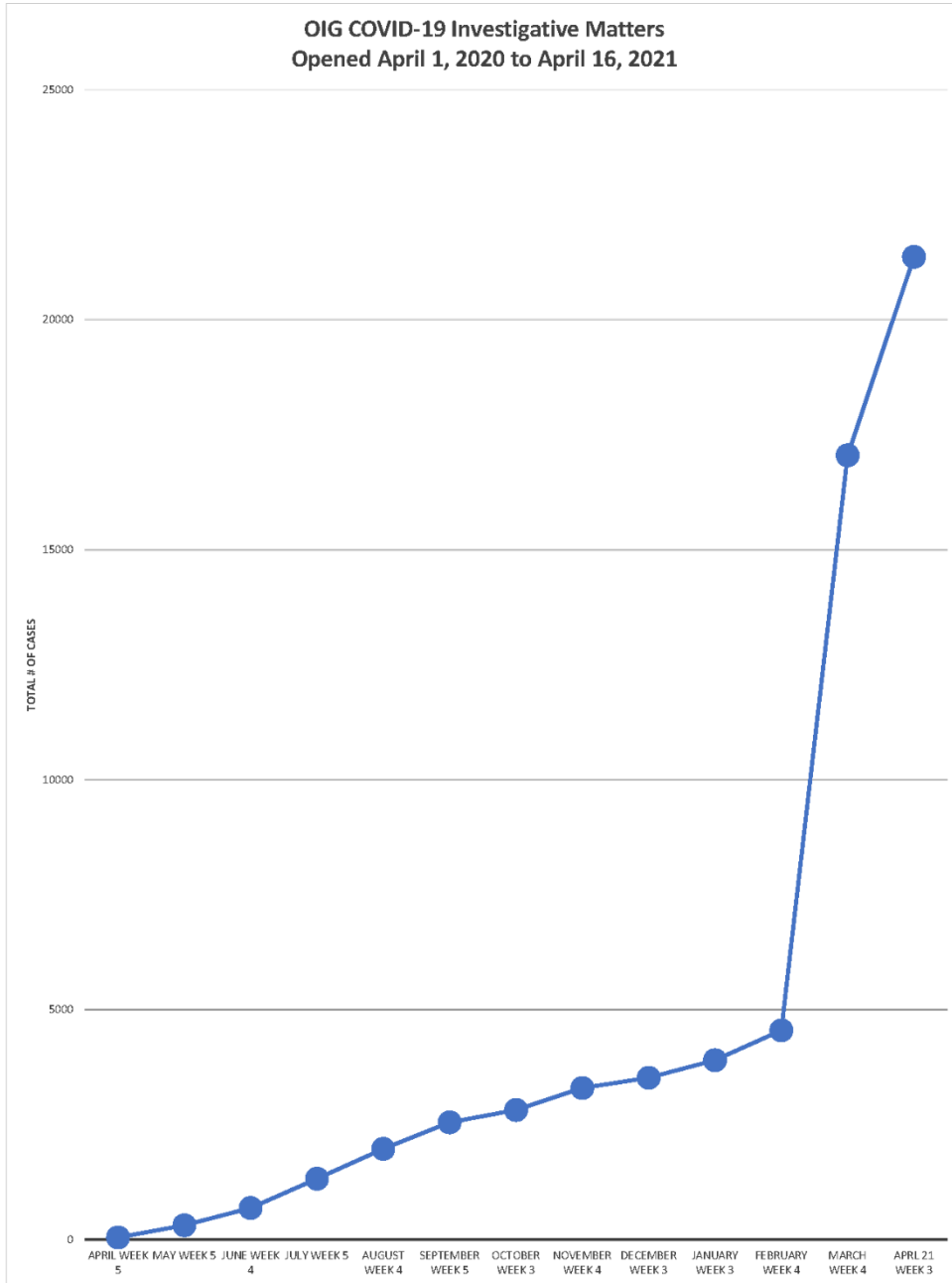
For FY 2022, DOL is expected to receive large budgetary increases for its UI benefit program and its worker safety agencies. As a result, the OIG's oversight responsibilities will also increase.

Other OIG Activities

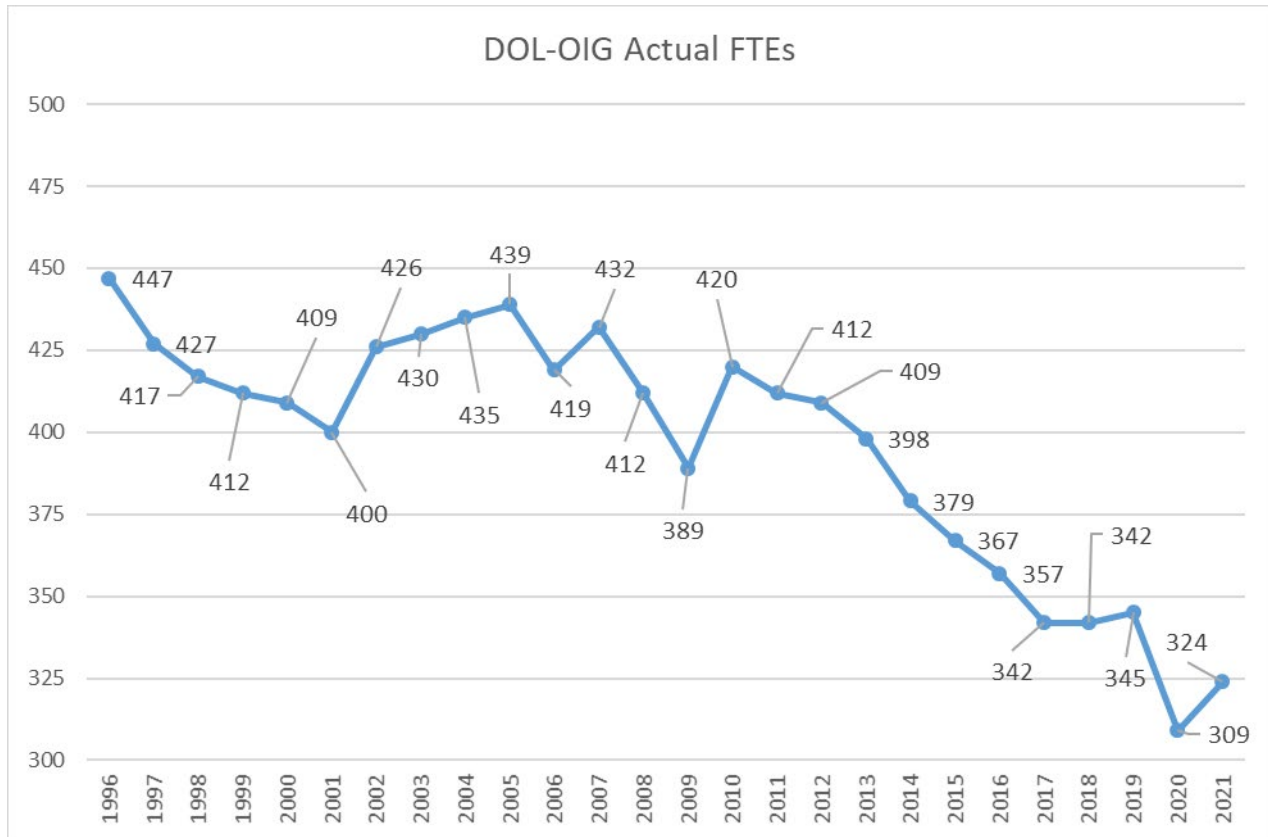
The OIG pandemic oversight plan also includes resources for mission-enabling functions necessary to support the oversight and investigative work. This includes additional legal capacity, additional capacity for whistleblower cases, and providing necessary information technology infrastructure and tools.

The magnitude of the issues that are surfacing as the OIG conducts its work on the pandemic response is unlike any that has ever been seen, all while Full Time Equivalent (FTE) resources have been reduced. The following tables illustrate these trends:

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In order to meet this unprecedented need in FY 2022, the OIG requests \$95,740,000 and 337 FTE to continue efforts to support numerous national priorities including, oversight activities of DOL's response to the COVID-19 pandemic under both the CARES Act and ARPA. The OIG's pandemic oversight will continue to involve a substantial focus on key areas of risk, including the UI benefit program, worker safety and health, and worker development programs. Beyond our mandated work, and to the extent resources allow, we will continue oversight over the following areas: combatting threats to the integrity of foreign labor certification programs; addressing the opioid crisis by fighting fraud against the Federal Employees' Compensation Act (FECA) program; and overseeing the efficiency and integrity of DOL programs and operations.

The FY 2022 funding that OIG requests will allow the OIG to continue its important criminal law enforcement and audit oversight activities. The FY 2022 request seeks funds for additional audits, investigations, and tools beyond those in the OIG Pandemic Oversight Plan which are provided via funding through the CARES Act and ARPA. This funding will allow the OIG to build back capacity to more effectively conduct oversight of all DOL's activities. Without additional funding, the OIG will need to reduce and limit program integrity oversight and criminal investigative efforts. Consequently, the significant, positive return on investment that the OIG generates for the American taxpayer will be diminished.

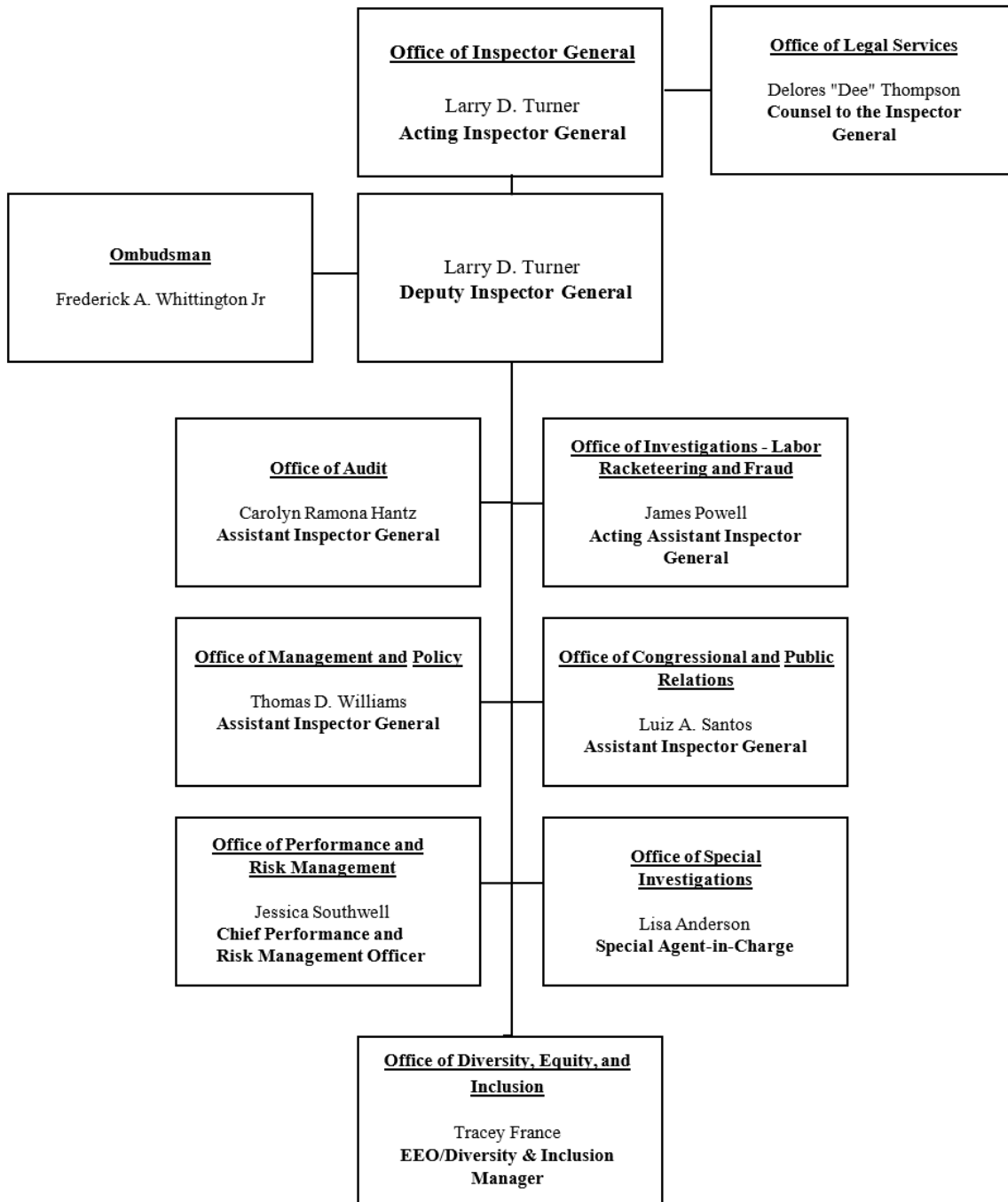
The OIG will continue to review the effectiveness and efficiency of DOL programs intended to serve those impacted by the pandemic, and to prevent waste, fraud, and abuse. Specifically, the OIG must be able to address how DOL, states, grantees, and contractors are administering and overseeing the expenditure of funds and ensuring the safety of American workers and program

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participants. This includes reviewing how DOL is providing guidance to states and grantees, establishing performance measures for activities, developing required reporting, and assessing what was accomplished with the additional funding. Finally, the OIG must be able to conduct any necessary data analytics and criminal investigations to immediately address fraud, abuse, misconduct, and other types of wrongdoing involving DOL's coronavirus response.

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ORGANIZATION CHART



OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
Activity Appropriation	91,158	91,161	95,740	4,579
FTE	309	324	337	13

NOTE: FY 2020 reflects actual FTE. Authorized FTE for FY 2020 was 324.

Introduction

Over the past ten fiscal years, every dollar invested in the U.S. Department of Labor (DOL), Office of Inspector General (OIG) resulted in a return on investment of more than \$8 to the Federal government and American taxpayers. Over this period, the OIG identified more than \$7 billion in questioned costs, recommendations that funds be put to better use, and investigative recoveries and savings. This demonstrates that the OIG offers a solid investment for U.S. taxpayers, particularly in times of resource constraint.

The FY 2022 funding that OIG requests will allow the Agency to continue the important criminal law enforcement and oversight activities. There is a particular emphasis on the OIG's oversight activities of DOL's response to the coronavirus (COVID-19) pandemic under both the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the American Rescue Plan Act (ARPA). Without additional funding, OIG will need to reduce and limit program integrity oversight and criminal investigative efforts. Consequently, the significant, positive return on investment that the OIG generates for the American taxpayer will be diminished.

In carrying out its statutory responsibility to conduct and supervise audits and investigations relating to the programs and operations of the DOL, the Inspector General provides program direction over: the Office of Audit, the Office of Investigations – Labor Racketeering and Fraud, and the Executive Direction and Management function.

- **Office of Audit:** The Office of Audit is responsible for conducting and supervising audits relating to the Department's programs and operations and for making recommendations to promote economy and efficiency in the administration of DOL programs and operations. It is similarly responsible for preventing and detecting fraud, waste, abuse, and mismanagement in these programs and operations. Finally, it assists the Inspector General in keeping the Secretary and the Congress fully informed about current problems and deficiencies relating to the administration of the Department's programs and operations, as well as the necessity for, and progress of, corrective action.
- **Office of Investigations – Labor Racketeering and Fraud:** The mission of the Office of Investigations – Labor Racketeering and Fraud is to prevent and detect fraud and abuse in DOL programs and operations. In order to accomplish this mission, the OIG conducts criminal investigations relating to programs, operations, and employees of the Department. In addition, the OIG conducts criminal investigations to combat the

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influence of labor racketeering and organized crime in the nation's labor unions in three areas: employee benefit plans, labor-management relations, and internal union affairs.

Through criminal investigations and collaboration with other Federal law enforcement agencies, the OIG works diligently to ensure the prosecution of individuals involved in the infiltration, exploitation, and/or control of a union, employee benefit plan, employer entity, or workforce for personal benefit by illegal, violent, or fraudulent means.

- **Executive Direction and Management.** This function provides the overall direction, planning, management, administration, and inspections necessary to independently carry out the OIG's nationwide mission, supplying centralized management of OIG headquarters and regional staff. The major components of the Executive Direction and Management function include:
 - Office of Management and Policy: Provides overall planning, direction and management of all administrative responsibility of the OIG. This includes: independently providing the full range of human resources; developing OIG policy; supporting information technology; budget planning; and procurement.
 - Office of Legal Services: Provides independent legal services and counsel to the IG and the OIG components. Services include legal support and advice relating to audit and investigative activities, representation of OIG employees, litigation support, ethics training, and disclosure determinations. Moreover, the office operates a hotline and complaint analysis unit to address stakeholder allegations of wrongdoing involving DOL operations and programs.
 - Office of Special Investigations: Responsible for employee integrity investigations involving OIG employees and high-level DOL employees.
 - Office of Congressional and Public Relations: Provides independent Congressional, media and public relations services to the OIG. The office is also responsible for legislative review and external reporting.
 - Office of Performance and Risk Management: Leads a variety of organizational performance and risk management activities across the OIG, working closely with the Assistant Inspector Generals and senior leadership to improve how OIG manages performance and risks to the OIG mission.

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Five-Year Budget Activity History¹

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2017	\$87,721	357
2018	\$89,147	347
2019	\$89,147	345
2020	\$90,847	334
2021	\$90,847	324

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Request Summary:

In FY 2022, the OIG requests \$95,398,000 (not including Black Lung Disability Trust Funds) and 337 FTE. The following is illustrative of FY 2022 OIG audit and investigative oversight activities of important DOL programs and operations. In particular, in FY 2022, the OIG will continue its efforts to provide oversight activities of DOL's response to the coronavirus (COVID-19) pandemic under both the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the American Rescue Plan Act (ARPA).

Combatting Improper Payments and Fraud in the Unemployment Insurance Benefit Program

As the federal agency with primary oversight of the DOL, the OIG remains committed to meeting the challenges created by the COVID-19 pandemic and assisting DOL and Congress in improving the efficiency and integrity of the Unemployment Insurance (UI) benefit program. Strengthening the UI benefits program to prevent improper payments, including fraud, and to detect and recover improper payments that have been made, is key to ensuring unemployed workers expeditiously receive much needed benefits, while safeguarding tax dollars directed toward that goal.

For years, the UI benefit program has been among the 10 Federal programs with the highest improper payment amounts. This trend continued in fiscal year 2020 as the UI benefit program had the fifth-highest amount of improper payments (\$8 billion) among all Federal programs. Moreover, the UI benefit program had the ninth-highest improper payment rate (9.2 percent) among all Federal programs.

Over the years, OIG has reported on the limitations of the Department's ability to measure, report, and reduce improper payments in the UI benefit program. To date, DOL has not estimated an improper payment rate for UI benefits provided in response to the COVID-19 pandemic. Though slightly lower in 2020, the reported improper payment estimate for the regular UI benefit program has been above 10 percent for 14 of the last 17 years. Assuming an improper payment

¹ This table reflects direct discretionary funding sources and FTE.

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rate of 10 percent or higher for extended federal benefits under the CARES Act and ARPA, at least \$89 billion of the estimated \$896 billion in UI benefit program funds could be paid improperly, with a significant portion attributable to fraud. The OIG's initial pandemic audit and investigative work indicate UI benefit program improper payments, including fraudulent payments, will be higher than 10 percent. For example, the [alert memorandum](#) we issued on February 22, 2021, identified \$5.4 billion in potential fraudulent payments.

OIG investigations continue to identify significant amounts of fraud in the UI benefit program, as identity thieves and organized criminal groups have found ways to exploit program weaknesses. Additionally, OIG investigations continue to combat complex, large-scale, multi-state fictitious and fraudulent employer schemes to defraud the multi-billion dollar UI benefit program.

In FY 2022, the OIG will continue to support investigations and audit oversight efforts to combat these fraudulent schemes. OIG will also continue ongoing oversight activities by assessing selected states' efforts to reduce UI improper payments caused by recipients continuing to claim benefits after returning to work. OIG will examine states UI system capability in processing COVID UI claims, and whether IT system modernization funds were used as intended.

Leveraging Data & Predictive Analytics to Strengthen Programmatic Oversight

The power and use of data and predictive analytics enables OIG auditors and investigators to continuously monitor Agency programs and operations to prevent, detect and investigate fraud against the Agency's programs. Continuous monitoring serves as a deterrent to fraud, allows the OIG to promptly discover areas of weakness, and enables DOL management to timely correct problems.

Through its data analytics program, the OIG has established direct access to more data than ever before. The availability of this data enables the OIG to understand the organization's data better, proactively analyze the data to identify areas in need of greater oversight, and reduce the burden on the Department for specific data requests that otherwise would be made throughout the audit and investigation processes.

Since 2020, the OIG developed a modular and platform-independent data warehouse, OIG Warehouse & Learning System (OWLS). The OWLS is the central repository for our collected data from our Department program offices. OWLS also houses our in-house developed Warehouse Analytics Service Portal (WASP). The WASP is a familiar user interface that allows our auditors and investigators to self-search for data in a standard manner while also allowing our programmers and data scientists the ability to create new tools and processes.

As we continue to expand the capabilities of the data analytics program, we have begun looking to other infrastructure changes which will further security, storage, and accessibility of the data. We are testing a data lake concept that will allow for a faster and more secured system.

In FY 2022, the OIG will continue its use of data analytics in its oversight and investigative activities.

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Audit Oversight

The OIG has integrated data analytics into several audits and reviews of DOL programs, most recently the pandemic unemployment compensation benefit programs. In a cross-function audit and investigative review, the OIG identified through the use of data analytics more than \$5.4 billion of potentially fraudulent UI benefits paid to individuals with Social Security numbers filed in multiple states, to individuals with Social Security numbers of deceased persons and federal inmates, and to individuals with Social Security numbers used to file for UI claims with suspicious email accounts. In an [alert memorandum](#) issued by auditors in February 2021, the OIG notified DOL of these high risk areas for potentially fraudulent claims and recommended DOL take corrective actions.

Likewise, using data analytics, the OIG was able to analyze 18 years of the Mine Safety and Health Administration's (MSHA) public datasets, producing critical support for our determinations on the impact of the Civil Monetary Penalty Program. The OIG is currently using data analytics to assist auditors in the review of home health care costs in the Energy Employees Occupational Illness Compensation Act (Energy Workers) program, as well as the use and cost of pharmaceuticals in the Federal Employees' Compensation Act (FECA) program. Data scientists are also providing statistical and data analysis to support the determination of whether OSHA adequately addressed COVID-19 complaints and referrals, and ensured employers took adequate and timely abatement actions during COVID-19 inspections. Finally, data scientists are providing statistical and data analysis to support the measurement of WHD's effectiveness in implementing and enforcing the Families First Coronavirus Response Act (FFCRA).

In FY 2022, OIG will make strides in enhancing its data warehouse through the receipt of recurring sets of Departmental data and applying data mining and predictive modeling to identify under-performing grantees and establish risk profiles of DOL programs and funding recipients. These activities will provide for greater oversight of the Department's highest risk programs as well as grant administration and management processes. Further, in FY 2022, OIG will expand its use of data analytics in audits of programs across the Department to increase the scope of the work and decrease resource burden. Audited programs will include unemployment insurance and worker safety and health.

Investigations

Data analytics is also an integral part of OIG investigative work. In FY 2020 and the beginning of FY 2021, the OIG completed more than 1,231 separate analysis requests. This aided in the successful investigation, criminal prosecution, and conviction of numerous individuals and entities who committed fraud against the DOL programs. From October 2019 through April 2021, OIG investigative work has resulted in 604 indictments, 279 convictions, and more than \$363 million in monetary accomplishments. Data analytics has contributed significantly to these accomplishments, including:

- Identifying and investigating 9,531 California state UI claims that matched the SSNs of inmates at Federal Bureau of Prisons facilities nationwide. These claims totaled over \$29.5 million in benefits paid.

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- Through our outreach, we identified 13 email addresses with suspicious activity as identified by a banking company, that were used to disburse UI benefit payment accounts, uncovering nearly \$2 million in UI payments to ineligible claimants.
- A joint investigation with the Oklahoma Employment Security Commission stopped more than \$2.8 million in unemployment benefits from reaching the hands of international criminals.
- A massive and sophisticated criminal enterprise targeting Maryland's UI system for more than \$500 million in fraudulent claims was uncovered by the OIG, Maryland state officials and the U.S. Attorney's Office.
- Following an investigation, two individuals agreed to pay \$41 million to resolve allegations of unnecessary urine drug testing. Data analytics was used to query FECA data and identify billing codes used for fraud and assist with final allocation of settlement.

In FY 2022, the OIG also requires additional funding to enhance the level of data it can directly access and leverage that data to establish or augment existing analytics that identifies areas of programmatic weakness and integrity pitfalls, including the misuse of program funds. Such analysis will help the OIG identify where programmatic funds should be put to better use, and possibly where funds should be returned to Treasury.

Additional FY 2022 funds would also allow the OIG to leverage data analytics to provide proactive oversight of more DOL programs. From the start of the Pandemic nearly 900 Billion was allocated to Pandemic-related Federal UI Spending. The use of data analytics is critical to identifying and investigating the most severe UI fraud offenders. Data analytics identified claimants who are fraudulently receiving payments in multiple states, claimants who provided social security numbers of deceased individuals, claimants in custody of the Federal prison system, and claimants who applied for benefits in multiple states.

More specifically, the OIG obtained Bureau of Prisons (BOP) data from the U.S. Department of Justice that included identifiers for current federal inmates. The data analytics program conducted an analysis to compare the inmates' social security numbers (SSNs) against unemployment insurance (UI) claim data reported by states in the WASP database. This analysis determined that the social security numbers of 13,446 potentially ineligible federal prisoners were used to file for UI claims that paid out more than \$98 million in UI benefits. The OIG will continue to use its data analytics program to highlight these previously undetected fraud schemes and provide oversight of ETA as they increase efforts to ensure SWAs implement effective controls to mitigate fraud in these high risk areas.

The Federal BOP analytical model is being used to also identify claimants in the State and Local prison systems. While in New Jersey, BOP's Fort Dix facility was the facility identified as having the second highest total benefit amounts paid totaling over \$820,000 from 262 claims that used inmates' SSNs. This analytical model has launched OIG investigations nationwide and has strengthen our law enforcement investigative efforts to combat UI fraud federally and locally.

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The OIG also consolidated and built predictive models utilizing 545,000 Rhode Island UI claimants and 54,000 reported identity theft cases. Our initial results determined an estimate of 12-15% (or \$54 Million in payments) of Fraud within RI, and identified over 2,000 confirmed fraud filings identified from other states. OIG with the state prosecutors launched a criminal investigation into these activities.

In FY 2022, the OIG will continue using machine learning and predictive analytics to identify previously unknown cases of fraud within the UI system. Further, the OIG will work with ETA to provide guidance to SWA's to help prevent future fraudulent claims.

Protecting the Health and Safety of Workers, Including Miners

The Occupational Safety and Health Administration (OSHA) is responsible for the safety and health of 130 million workers employed at more than 8 million establishments, and OSHA must ensure employers are providing the level of protection required under relevant laws and policies. In FY 2022, OIG will continue its oversight of OSHA's ability to target its compliance activities to areas where it can have the greatest impact.

OSHA carries out its compliance responsibilities through a combination of self-initiated and complaint-based inspections. However, due to resource limitations, the program only reaches a fraction of the regulated entities. Consequently, OSHA must target the most egregious or persistent violators to protect the most vulnerable worker populations. Since the start of the pandemic, OSHA has received an influx of complaints. At the same time, OSHA has had to reduce the number of its inspections, particularly on-site inspections, as a way to reduce person-to-person contact. It received 15 percent more complaints in 2020, but performed 50 percent fewer (13,164 less) inspections compared to a similar period in 2019. Therefore, the risk that OSHA may not ensure the level of protection that workers need at various job sites has increased. OSHA's on-site presence during inspections has historically resulted in timely mitigation efforts for at least a portion of the hazards identified. However, with most OSHA inspections done remotely during the pandemic, workplace hazards may remain unidentified and unabated longer, thereby leaving more employees vulnerable. OIG plans to follow-up on workplace safety during and following this pandemic.

While OSHA has issued several guidance documents to enhance safety provisions during the pandemic, guidance does not carry the weight of OSHA rules or standards. Since the outbreak of COVID-19 more than a year ago, OSHA has not issued an emergency temporary standard for airborne infectious diseases that could protect employees' health and safety at worksites. OIG remains concerned over DOL rulemaking processes, and the ramifications to workers when guidance is issued in lieu of rulemaking. Further, OIG plans to follow-up on its recommendation regarding reconsideration of the need for an emergency temporary standard during this pandemic.

Further, in FY 2022, OIG will continue its oversight of the Mine Safety and Health Administration's (MSHA) ability to complete mine inspections while safeguarding the health of miners and the agency's staff during and/or following the COVID-19 pandemic. Mine operators'

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underreporting of occupational injuries and illnesses hinders MSHA's ability to focus its resources on addressing concerns at the most dangerous mines, emphasizing the need for continued OIG oversight. OIG is also concerned with the high incidence of powered haulage accidents in mines, which accounted for about half of all mine fatalities in 2017 and 2018 and a quarter of all mine fatalities in 2019. Finally, lung disease in Appalachian coal mining states related to quartz content in respirable dust remains a worker health concern that OIG will continue to monitor in FY 2022. Quartz can cause deadly and incurable chronic diseases such as silicosis and black lung disease.

Improving the Performance Accountability of Workforce Development Programs

In FY 2022, OIG will conduct oversight of Department's post-pandemic efforts to ensure that its investment in workforce development programs is successful in advancing participants' skills and placing them in suitable employment. The high unemployment rates caused by the pandemic make it more important than ever that the Department's workforce development programs address the needs of disadvantaged workers and employers. Critical to this task is the Department's ability to obtain accurate and reliable data to measure, assess, and make decisions regarding the performance of grantees, contractors, and states in meeting the programs' goals.

As part of this focus, OIG will provide oversight of the Department's efforts to ensure investments in credential attainment align with the needs of local employers and have the desired impact on participants' ability to obtain or advance in a job. In a 2018 audit that followed up on the employment status of a sample of Job Corps students 5 years after they left the program, OIG found that Job Corps faced challenges in demonstrating the extent to which its training programs helped those participants obtain meaningful jobs related to their training.

Additionally, research suggests that opioid dependency has been a leading cause of workforce exits for workers ages 25 to 54. To date, the Employment and Training Administration (ETA) has approved up to \$116 million in National Health Emergency Grants for 21 states and the Cherokee Nation to address the opioid crisis. In FY 2022, OIG will monitor the risk and provide additional oversight, as appropriate, regarding the performance of discretionary Department of Labor grants awarded for the delivery of services to employers and workers affected by the opioid crisis.

Combatting Threats to the Integrity of Foreign Labor Certification Programs

The intent of DOL foreign labor certification programs is to permit U.S. businesses to hire foreign workers when necessary to meet their workforce needs while protecting the jobs and wages of U.S. workers. OIG audits and criminal investigations since the inception of the program have shown these visa programs to be susceptible to significant fraud and abuse, particularly by dishonest immigration attorneys, labor brokers, employers, and organized criminal enterprises. OIG investigations have revealed schemes in which fraudulent applications were filed with DOL on behalf of individuals and fictitious companies. The OIG's investigations have also uncovered numerous instances of unscrupulous employers misusing Foreign Labor Certification (FLC) programs to engage in human trafficking, with victims often exploited for

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economic gain. These investigations protect jobs for U.S. workers and protect compliant companies from unfair advantages gained by those who misuse or circumvent the programs.

OIG has also seen numerous instances of unscrupulous employers misusing FLC programs to engage in labor trafficking. Victims are often exploited for economic gain, and are forced to work for far less than the prevailing wage, often under deplorable conditions. This causes significant harm to U.S. workers because the payment of proper prevailing wages is vital to ensuring that U.S. workers are not displaced by foreign workers.

In November 2020, OIG issued an overview of vulnerabilities in foreign labor certification programs—permanent (PERM), H-1B, H-2A, and H-2B. The foreign labor certification programs face a number of challenges and vulnerabilities. DOL continues to have limited authority over the H-1B program as it can only deny incomplete and obviously inaccurate applications and conduct complaint-based investigations, challenges in protecting the welfare of the nation's workforce. The PERM program relentlessly has employers not complying with the qualifying criteria. Therefore, the PERM and H-1B programs remain highly susceptible to fraud.

In FY 2022, the OIG will continue investigating foreign worker visa fraud schemes and labor trafficking offenses in order to protect American workers from harm caused by these types of criminal activities. The OIG will also continue a number of oversight activities relating to DOL FLC programs. These activities include ongoing or planned work relating to debarment use in all FLC programs, H-1B program enforcement, and H-2A program application integrity.

Fighting Fraud Involving Opioids and Other Pharmaceuticals in the Federal Employees' Compensation Act (FECA) Program

In addition to the OIG's investigative work combatting recent increases in the costs and abuse of compounded drug medications in the FECA program, the OIG has initiated more investigations relating to criminal activity involving opioids. The OIG also anticipates an increase in the number of organized crime and labor racketeering investigations involving opioids and union-affiliated health and welfare plans. The Office of Workers' Compensation Programs (OWCP) has focused significant resources towards its Program Integrity Unit as well as in managing opioid use. Since 2019, the OIG has received over 185 criminal fraud referrals made by the OWCP Program Integrity Unit to the OIG for further investigation. The OIG expects a further increase in the amount of criminal fraud referrals made to the OIG by OWCP in the area of opioid fraud and abuse.

In FY 2022, the OIG will continue working with OWCP and other OIGs that face similar problems with opioids in an effort to identify best practices and programmatic changes that reduce susceptibility to fraud. The OIG will also continue its review of OWCP's management of pharmaceutical costs in all of its compensation programs, including reviewing OWCP's management of the use of opioids, which has become an area of concern for the OIG. The FY 2022 funding that OIG requests will allow the Agency to continue important criminal law enforcement and audit oversight activities.

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Audit Oversight

Since OIG's audit of OWCP pharmaceutical spending began in 2016, annual opioid spending in the FECA program has fallen by approximately \$30 million. However, 41 percent of pharmaceutical cases received at least one opioid prescription in FY 2020.

As a result of OIG audit oversight and reports, OWCP instituted controls to address opioid risks, such as requiring letters of medical necessity before approving prescriptions. OWCP is also ramping up its data analytics capabilities in response to OIG recommendations. This will allow the tracking of opioid users and identify those at risk of addiction or in need of treatment.

In May 2019, OIG issued its final report (*OWCP Must Continue Strengthening Management of FECA Pharmaceuticals, Including Opioids – Report No. 03-19-002-04-431*). This report found that OWCP has made progress in addressing recommendations from our first report but more action is needed. Specifically, while OWCP has identified risks and implemented controls over compounded drugs and opioids, it needs to further reduce risks for opioids. Specific findings included:

- OWCP policy on opioids was too permissive, and OWCP had not developed sufficient controls to manage opioid addiction.
- OWCP did not do enough to ensure it paid the best price for prescription drugs.
- OWCP could do more to help ensure FECA prescriptions are safe from overuse and adverse interaction with other FECA medications.
- OWCP had not reported excluded providers to the national healthcare fraud and abuse data collection program, or accessed this data to ensure FECA providers were qualified. However, OWCP had taken actions to identify questionable providers, refer them to DOL OIG for investigation, and exclude providers convicted of fraud.

Additional FY 2022 funding will allow OIG to follow up on OWCP's status in implementing the recommendations from our final reports. Further, the OIG will assess the new controls implemented as a part of the OWCP Pharmacy Benefit Manager (PBM) contract to ensure it is achieving its intended results and helping to reduce the risk of opioid dependency and fraud in the program. OIG will also conduct a follow-up review to assess the effectiveness of the use of a PBM in controlling the cost of drugs under the FECA program.

Additional FY 2022 funding will also provide the resources OIG needs to continue collaborating with OWCP and other OIGs to monitor data and proactively identify changes in the trends of opioid prescriptions under the FECA program. Further, OIG will seek to identify additional best practices and effect programmatic changes that reduce susceptibility to fraud, waste, and abuse. The FY 2022 funding requested will allow OIG to continue these important audit oversight activities.

Investigations

The OIG is the only Agency within DOL authorized to conduct criminal investigations relating to the FECA program, and we focus its resources on medical provider fraud. OWCP recently

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received additional resources to identify and reduce fraud within the FECA program. OWCP's criminal fraud referrals has contributed significantly to the OIG's investigative work in the FECA program including:

- In March 2020, a Houston pharmacist was convicted of conspiracy to pay and receive kickbacks, conspiracy to commit health care fraud, as well as 11 counts of health care fraud for his involvement in a \$21 million compounded prescription medications fraud scheme to injured federal workers.
- Multistate Business Owner Sentenced to 57 months in prison for her Role in a Conspiracy to Pay Health Care Kickbacks in Connection to Federal Employees' Compensation Act Program.

The OIG anticipates further increases in criminal fraud referrals in the area of opioid fraud and abuse resulting from OWCP's increased resources. The OIG requires additional FY 2022 funding in order to keep up with the referrals, ensuring that allegations against this important program are properly and timely investigated. Without this funding, the OIG will not be able to address these increased referrals.

Finally, the OIG continues to make referrals of individuals and entities who have defrauded the OWCP program to DOL for government-wide provisional suspension and debarment. Since 2018, the OIG has made over 300 referrals resulting in the suspension or debarment of approximately 240 individuals and entities who committed fraud against DOL programs.

Department of Labor Management Processes

The OIG conducts a number of audits related to the management of DOL procurement activities, information technology (IT) systems, and financial systems.

In FY 2022, OIG will determine if controls over ongoing and planned DOL IT modernization projects are adequate to manage project deliverables and control related costs. OIG will also continue its annual audit of DOL consolidated financial statements and will conduct information security audits in accordance with the Federal Information Security Management Act of 2002, as amended. Further, the OIG will determine if DOL complied with the Improper Payments Information Act, as amended, and will assess if DOL complied with the Data Accountability and Transparency Act requirements to submit accurate, timely, quality financial and award data for publication on USASpending.gov.

In FY 2022, OIG will also audit the Department's Enterprise Risk Management (ERM) process. OMB Circular A-123 requires agencies to implement an ERM process, which is required to be coordinated with the Government Performance and Results Modernization Act of 2010's strategic planning and review process, and the internal control process required by the Federal Managers' Financial Integrity Act and GAO's Green Book. OIG will determine whether management has implemented an effective ERM process that identifies, assesses, responds, and reports on risks.

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FY 2021

A full-year 2021 apportionment for this account was enacted at the time the budget was prepared (H.R. 133, Division H, Title I – *Consolidated Appropriations Act, 2021*). The amounts included for 2021 reflect the full-year appropriation bill that was enacted.

Combatting Improper Payments and Fraud in the Unemployment Insurance Benefit Program

In April 2020, the OIG published our [Pandemic Response Oversight Plan](#) detailing how the OIG would conduct its oversight, with a significant focus on the UI benefit program. The OIG structured the work for completion in four phases. During Phase 1, we examined past audits related to the American Recovery and Reinvestment Act of 2009, and the Disaster Unemployment Assistance program, and assessed comparable lessons learned as they were applicable to the UI benefit program. As a result, in late April 2020, we issued an [Advisory Report](#) outlining the OIG’s initial concerns regarding the implementation of the UI benefit program provisions under the CARES Act. The report summarized dozens of OIG recommendations to implement corrective action in these areas.

Since then, the OIG has issued several other reports and alerts involving the UI benefit program. For example, the OIG’s assessment of DOL’s CARES Act implementation plan resulted in an [Alert Memorandum](#) in May 2020, describing its concerns regarding claimant self-certification in the Pandemic Unemployment Assistance (PUA) program. In the OIG’s view, reliance on such self-certifications rendered the PUA program highly vulnerable to improper payments and fraud. The OIG’s alert memorandum informed recent COVID-19 legislation, which included provisions to improve SWAs’ abilities to ensure proper claimant eligibility and to mitigate fraud.

In June 2020, the OIG provided a [member briefing](#) and a [statement for the record](#) to Congress highlighting challenges DOL and SWAs face in administering and overseeing the UI benefit program. As the OIG reported, the unprecedented infusion of federal funds into the UI benefit program gave individuals and organized criminal groups a high-value target to exploit. That, combined with easily attainable stolen personally identifiable information and continuing UI benefit program weaknesses identified by the OIG over the last several years, allowed criminals to defraud the system.

Following the passage of the CARES Act, fraud against the UI benefit program exploded. Working with our federal and state partners, the OIG has been able to identify billions in potential UI fraud nationwide. The OIG has reviewed more than 15,000 investigative matters and has opened more than 2,600 complaints and investigations concerning UI fraud since the crisis began, up from an average of 100 UI fraud matters pre-pandemic. In response to the extraordinary increase in oversight demands, the OIG hired additional criminal investigators; increased the caseload of investigators already on-board; deployed federal and contract staff to review DOL and SWAs’ efforts; and strengthened our data analytics program. In addition, the OIG took several other actions to augment our efforts, including the following:

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- Initiated the development of a [National UI Fraud Task Force](#), alongside the U.S. Department of Justice (DOJ);
- Collaborated with DOJ on the strategic assignment of 12 term-appointed Assistant United States Attorneys assigned solely to prosecute UI fraud;
- Established a multi-disciplinary Pandemic Rapid Response Team within the OIG;
- Appointed a national UI fraud coordinator to manage our national investigative response to UI fraud;
- Appointed 7 regional UI fraud coordinators to partner with the SWAs and federal, state and local law enforcement on UI fraud matters in their geographic areas of responsibility;
- Leveraged resources from the Council of the Inspectors General on Integrity and Efficiency, Pandemic Response Accountability Committee;
- Collaborated with States' Auditors to help develop their audit strategies for the CARES Act UI benefit programs; and
- Implemented an extensive outreach and education program targeted to SWAs, the Department, financial institutions and their associations, law enforcement agencies, and the public to inform and raise awareness regarding fraud trends, best practices, red flags, and more.

The OIG's efforts to date have directly resulted in the identification and recovery of more than \$150 million in fraud involving the UI benefit program. The OIG also assisted in the identification and recovery of more than \$565 million in fraudulent UI benefits. In addition, the OIG identified more than \$5.4 billion of potentially fraudulent UI benefits paid to individuals with social security numbers filed in multiple states, to individuals with social security numbers of deceased persons and federal inmates, and to individuals with social security numbers used to file for UI claims with suspicious email accounts.

Since the start of the pandemic, more than 140 individuals have been charged and arrested for federal offenses related to UI fraud. In one recent OIG case, [U.S. v. Leelynn Danielle Chytka](#), in the Western District of Virginia, a defendant pleaded guilty for her role in a scheme that fraudulently stole more than \$499,000 in UI benefits using the identities of individuals ineligible for UI, including a number of prisoners.

Investigative Programs and Audits

The OIG continues to focus on fraud against Departmental programs, such as UI, FECA, and FLC Programs. The OIG also continues to investigate labor racketeering and/or organized crime influence or control in unions, employee benefit plans, and the workplace.

Foreign Labor Certification (FLC)

OIG investigations concentrate on fraud that facilitates the submission of falsified labor related visa applications, denies U.S. citizens opportunities for employment, deprives honest immigrants opportunities for advancement, or threatens the security of the U.S. and its citizens. OIG efforts have identified unscrupulous attorneys, accountants, labor brokers, employers, and their associates, some with suspected non-traditional organized crime connections, as prominent threats to the integrity of the FLC programs administered by the Department.

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Office of Workers' Compensation Programs (OWCP) Medical Provider Fraud

OIG investigations focus on healthcare providers (doctors, clinics, pharmacists, physical therapists, etc.) who defraud OWCP programs. Recent investigations have focused on doctors and pharmacists who defraud OWCP programs by billing for services not rendered or medically necessary, charging multiple times for the same procedure, billing for non-existent illnesses or injuries, overcharging for services, and participating in kickback schemes. Another disturbing trend that the OIG has seen associated with pharmaceuticals in the FECA program is allegations of over-prescription and illegal distribution of opioids and other pain management medications.

The OIG has also seen a significant increase in the number of allegations received involving opioids. Opioid-related investigations are a top priority for the OIG and our law enforcement partners. In one recent example, a San Antonio man was sentenced to 84 months in prison and ordered to pay \$6 million in restitution to the Office of Workers' Compensation Programs. After a 10-day trial, the defendant was convicted on six counts of health care fraud, five counts of wire fraud, and one count of aggravated identity theft.

Worker and Retiree Benefits Programs

Fighting Fraud Involving Opioids in the FECA Program

In FY 2021, OIG continues to work with OWCP and other OIGs that face similar problems with opioids in an effort to identify best practices and programmatic changes that reduced susceptibility to fraud.

Past OIG work examined whether the OWCP effectively managed the use and cost of pharmaceuticals in the FECA program. OIG determined that OWCP's policy on opioids was too permissive, and OWCP had not developed sufficient controls to prevent claimants from becoming addicted to opioids. Further, OIG work found OWCP had not done enough to ensure it paid the best price for prescription drugs. Audit work noted OWCP lacked a pharmacy benefits manager to help contain costs and had not determined if alternative drug pricing methodologies would be more competitive. OIG is currently performing an audit to identify the major factors influencing pharmaceutical spending in the FECA program, including any impact from the COVID-19 pandemic, and determine if OWCP effectively manages pharmaceutical spending in the FECA program.

Worker Safety and Workers' Rights

In February 2021, OIG concluded its review of the plans and guidance OSHA developed to address challenges created by COVID-19 and to what extent these challenges have affected OSHA's ability to protect the safety of workers and its workforce. OIG found that OSHA has taken a series of actions to address its challenges and has issued guidance in response to the pandemic. However, OSHA received 15 percent more complaints in 2020 compared to a similar period in 2019, but performed 50 percent fewer inspections, with most inspections performed remotely. As a result, there is an increased risk that OSHA is not providing the level of

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protection that workers need at various job sites. OIG recommended the Deputy Assistant Secretary for Occupational Safety and Health: improve OSHA's inspection strategy by prioritizing very high and high-risk employers for COVID-19 related onsite inspections, particularly as businesses reopen and increase operations in various localities across the United States; ensure remote inspections are tracked retroactive to February 1, 2020, and going forward; compare remote inspections to onsite inspections and document analysis of the frequency and timing of inspectors in identifying and ensuring abatement of worksite hazards; and analyze and determine whether establishing an infectious disease-specific emergency temporary standard is necessary to help control the spread of COVID-19 as employees return to worksites. OSHA agreed with all of our recommendations.

In November 2020, OIG found OSHA whistleblower complaints were not investigated completely or timely, as 96 percent of those sampled did not meet all essential elements and 88 percent of cases exceeded statutory timeframes for investigations by an average of 634 days. OIG recommended the Principal Deputy Assistant Secretary for OSHA: explore solutions to improve case management, develop and implement a system to track and monitor the work performed by FTEs to better allocate personnel costs by program and ensure resources are used as intended, continue efforts to find solutions to developing a reasonable balance between the quality and timeliness of investigations, and ensure OSHA issues an updated Whistleblower Investigation Manual by the end of FY 2021 and complete desk guides for all applicable statutes. OSHA agreed with the report recommendations and stated strengthening the Whistleblower Protection Program continues to be one of OSHA's top priorities.

Also in November 2020, OIG determined that MSHA had not sufficiently protected coal miners from exposure to respirable crystalline silica. The MINE Act requires MSHA to set standards based on the best available evidence. MSHA's current silica exposure limit, however, is out of date. Despite a significant body of evidence showing that a lower silica exposure limit would be a major factor in preventing coal workers' deaths and illnesses caused by silica exposure. MSHA has not changed its legal silica exposure limit in more than 50 years. Moreover, MSHA has spent the past two decades in rulemaking without any changes to its silica exposure limit. OIG recommended the Assistant Secretary for Mine Safety and Health: adopt a lower legal exposure limit for silica in coal mines based on recent scientific evidence; establish a separate standard for silica that allows MSHA to issue a citation and monetary penalty when violations of its silica exposure limit occur; and enhance its sampling program to increase the frequency of inspector samples where needed (e.g., by implementing a risk-based approach). The Assistant Secretary did not fully agree with our recommendations, but indicated MSHA would take corrective actions to address them.

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WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2020 Revised Enacted		FY 2021 Enacted	FY 2022 Request
	Target	Result	Target	Target
OIG Program Activity				
Strategic Goal ALL - All Strategic Goals				
Strategic Objective ALL.1 - All Strategic Objectives				
Audits				
OIG Audits	33	--	30	32
OIG Investigations	241	--	435	520

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
11.1	Full-time permanent	41,450	42,593	46,244	3,651
11.3	Other than full-time permanent	1,473	0	0	0
11.5	Other personnel compensation	4,495	929	929	0
11.9	Total personnel compensation	47,418	43,522	47,173	3,651
12.1	Civilian personnel benefits	18,040	18,679	18,870	191
21.0	Travel and transportation of persons	2,430	1,184	1,184	0
22.0	Transportation of things	0	1	1	0
23.1	Rental payments to GSA	4,920	5,506	5,506	0
23.2	Rental payments to others	108	133	133	0
23.3	Communications, utilities, and miscellaneous charges	700	0	0	0
24.0	Printing and reproduction	14	8	8	0
25.1	Advisory and assistance services	5,494	8,444	8,444	0
25.2	Other services from non-Federal sources	1,220	634	1,371	737
25.3	Other goods and services from Federal sources 1/	8,444	9,923	9,923	0
25.4	Operation and maintenance of facilities	10	2	2	0
25.7	Operation and maintenance of equipment	386	140	140	0
26.0	Supplies and materials	380	360	360	0
31.0	Equipment	1,530	2,525	2,525	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	64	100	100	0
	Total	91,158	91,161	95,740	4,579
	1/Other goods and services from Federal sources				
	Working Capital Fund	7,203	7,920	7,920	0
	DHS Services	621	633	633	0
	HHS Services	310	320	320	0
	Services by Other Government Departments	310	1,050	1,050	0

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CHANGES IN FY 2022

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$2,642
Personnel benefits	0
Federal Employees' Compensation Act (FECA)	-188
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$2,454**

Net Program **\$2,125**

Direct FTE **13**

	Estimate	FTE
Base	\$93,615	324
Program Increase	\$2,125	13
Program Decrease	\$0	0