

**FY 2020**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**OFFICE OF INSPECTOR GENERAL**

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# OFFICE OF INSPECTOR GENERAL

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# OFFICE OF INSPECTOR GENERAL

## INSPECTOR GENERAL REFORM ACT

The Inspector General Act of 1978 [P.L. 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 2020, this information is as follows:

- OIG's aggregate funding request made to OMB was \$91,486,000.
- OIG's funding request for training needs is \$850,000.
- Funding necessary to support the Council of Inspectors General on Integrity and Efficiency is \$234,000.

# OFFICE OF INSPECTOR GENERAL

## APPROPRIATION LANGUAGE

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, [\$83,487,000] \$84,461,000, together with not to exceed [\$5,660,000] \$5,660,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.  
*(Department of Labor Appropriations Act, 2019.)*

## OFFICE OF INSPECTOR GENERAL

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	FY 2018 Enacted		FY 2019 Enacted		FY 2020 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>A. Appropriation</b>	<b>311</b>	<b>\$83,487</b>	<b>309</b>	<b>\$83,487</b>	<b>311</b>	<b>\$84,461</b>
<i>Subtotal</i>	<i>311</i>	<i>\$83,487</i>	<i>309</i>	<i>\$83,487</i>	<i>311</i>	<i>\$84,461</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	\$308	1	\$310	1	\$330
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>\$6,468</i>	<i>36</i>	<i>\$6,470</i>	<i>36</i>	<i>\$6,490</i>
<b>B. Gross Budget Authority</b>	<b>347</b>	<b>\$89,955</b>	<b>345</b>	<b>\$89,957</b>	<b>347</b>	<b>\$90,951</b>
Reimbursements	0	-\$500	0	-\$500	0	-\$500
<i>Subtotal</i>	<i>347</i>	<i>\$89,455</i>	<i>345</i>	<i>\$89,457</i>	<i>347</i>	<i>\$90,451</i>
<b>C. Budget Authority Before Committee</b>	<b>347</b>	<b>\$89,455</b>	<b>345</b>	<b>\$89,457</b>	<b>347</b>	<b>\$90,451</b>
Reimbursements	0	\$500	0	\$500	0	\$500
<i>Subtotal</i>	<i>347</i>	<i>\$89,955</i>	<i>345</i>	<i>\$89,957</i>	<i>347</i>	<i>\$90,951</i>
<b>D. Total Budgetary Resources</b>	<b>347</b>	<b>\$89,955</b>	<b>345</b>	<b>\$89,957</b>	<b>347</b>	<b>\$90,951</b>
Lapsed FTE & Unobligated Balance Expiring	-5	-\$118	0	\$0	0	\$0
Reimbursements	0	-\$500	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>342</b>	<b>\$89,337</b>	<b>345</b>	<b>\$89,957</b>	<b>347</b>	<b>\$90,951</b>

# OFFICE OF INSPECTOR GENERAL

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2019 Enacted	FY 2020 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$83,487	\$84,461	+\$974
Trust Funds	\$5,970	\$5,990	+\$20
<b>Total</b>	<b>\$89,457</b>	<b>\$90,451</b>	<b>+\$994</b>
 <b>Full Time Equivalents</b>			
General Funds	309	311	2
Trust Funds	36	36	0
<b>Total</b>	<b>345</b>	<b>347</b>	<b>2</b>

Explanation of Change	FY 2020 Change							
	FY 2019 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	345	\$46,153	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$17,490	0	\$0	0	\$0	0	\$0
Employee health benefits	0	\$0	0	\$0	0	\$0	0	\$0
One day more of pay	0	\$0	0	\$1	0	\$229	0	\$230
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$2,430	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$4,920	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$108	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$700	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$14	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$5,292	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$660	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$7,400	0	\$0	0	\$5	0	\$5
Other Federal sources (DHS Charges)	0	\$621	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$620	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$10	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$386	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$380	0	\$0	0	\$0	0	\$0



# OFFICE OF INSPECTOR GENERAL

## FY 2020 Change

Explanation of Change	FY 2019 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Equipment	0	\$0	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$64	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>345</b>	<b>+\$87,248</b>	<b>0</b>	<b>+\$1</b>	<b>0</b>	<b>+\$234</b>	<b>0</b>	<b>+\$235</b>
<b>B. Programs:</b>								
Fighting Fraud Involving Opioids And Compounded Medications In The Federal Employees' Compensation Act (FECA) Program	0	\$0	0	\$0	2	\$974	2	\$974
BLDTF - Increase	0	\$0	0	\$20	0	\$0	0	\$20
<b>Programs Subtotal</b>			<b>0</b>	<b>+\$20</b>	<b>2</b>	<b>+\$974</b>	<b>2</b>	<b>+\$994</b>
<b>Total Increase</b>	<b>345</b>	<b>+\$87,248</b>	<b>0</b>	<b>+\$21</b>	<b>2</b>	<b>+\$1,208</b>	<b>2</b>	<b>+\$1,229</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For: Federal Employees' Compensation Act (FECA)	0	\$653	0	\$0	0	-\$208	0	-\$208
Equipment	0	\$1,556	0	-\$1	0	-\$26	0	-\$27
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$2,209</b>	<b>0</b>	<b>-\$1</b>	<b>0</b>	<b>-\$234</b>	<b>0</b>	<b>-\$235</b>
<b>B. Programs:</b>								
<b>Total Decrease</b>	<b>0</b>	<b>+\$2,209</b>	<b>0</b>	<b>-\$1</b>	<b>0</b>	<b>-\$234</b>	<b>0</b>	<b>-\$235</b>
<b>Total Change</b>	<b>345</b>	<b>+\$89,457</b>	<b>0</b>	<b>+\$20</b>	<b>2</b>	<b>+\$974</b>	<b>2</b>	<b>+\$994</b>

## OFFICE OF INSPECTOR GENERAL

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	FY 2018 Enacted		FY 2019 Enacted		FY 2020 Request		Diff. FY20 Request / FY19 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>OIG Program Activity</b>	<b>342</b>	<b>89,955</b>	<b>345</b>	<b>89,457</b>	<b>347</b>	<b>90,451</b>	<b>2</b>	<b>994</b>
General Funds	306	83,987	309	83,487	311	84,461	2	974
Unemployment Trust Funds	35	5,660	35	5,660	35	5,660	0	0
Black Lung Disability Trust Funds	1	308	1	310	1	330	0	20
<b>Total</b>	<b>342</b>	<b>89,955</b>	<b>345</b>	<b>89,457</b>	<b>347</b>	<b>90,451</b>	<b>2</b>	<b>994</b>
<b>General Funds</b>	<b>306</b>	<b>83,987</b>	<b>309</b>	<b>83,487</b>	<b>311</b>	<b>84,461</b>	<b>2</b>	<b>974</b>
<b>Unemployment Trust Funds</b>	<b>35</b>	<b>5,660</b>	<b>35</b>	<b>5,660</b>	<b>35</b>	<b>5,660</b>	<b>0</b>	<b>0</b>
<b>Black Lung Disability Trust Funds</b>	<b>1</b>	<b>308</b>	<b>1</b>	<b>310</b>	<b>1</b>	<b>330</b>	<b>0</b>	<b>20</b>

NOTE: 2018 reflects actual FTE.

## OFFICE OF INSPECTOR GENERAL

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2018 Enacted</b>	<b>FY 2019 Enacted</b>	<b>FY 2020 Request</b>	<b>Diff. FY20 Request / FY19 Enacted</b>
	Full-Time Equivalent				
	Full-time Permanent	347	345	347	2
	<b>Total</b>	<b>347</b>	<b>345</b>	<b>347</b>	<b>2</b>
	Average ES Salary	\$184,400	\$184,400	\$184,400	\$0
	Average GM/GS Grade	13	13	13	0
	Average GM/GS Salary	\$114,917	\$117,100	\$119,000	\$1,900
11.1	Full-time permanent	41,179	40,185	40,706	521
11.3	Other than full-time permanent	108	1,473	1,473	0
11.5	Other personnel compensation	4,494	4,495	4,495	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>45,781</b>	<b>46,153</b>	<b>46,674</b>	<b>521</b>
12.1	Civilian personnel benefits	18,587	18,143	18,040	-103
21.0	Travel and transportation of persons	2,847	2,430	2,430	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	5,356	4,920	4,920	0
23.2	Rental payments to others	108	108	108	0
23.3	Communications, utilities, and miscellaneous charges	530	700	700	0
24.0	Printing and reproduction	14	14	14	0
25.1	Advisory and assistance services	6,077	5,292	5,292	0
25.2	Other services from non-Federal sources	704	660	1,258	598
25.3	Other goods and services from Federal sources 1/	7,450	8,641	8,646	5
25.4	Operation and maintenance of facilities	284	10	10	0
25.7	Operation and maintenance of equipment	1,348	386	386	0
26.0	Supplies and materials	140	380	380	0
31.0	Equipment	429	1,556	1,529	-27
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	300	64	64	0
	<b>Total</b>	<b>89,955</b>	<b>89,457</b>	<b>90,451</b>	<b>994</b>
	1/Other goods and services from Federal sources				
	CIGIE	234	0	0	0
	Working Capital Fund	6,473	7,400	7,405	5
	DHS Services	422	621	621	0
	HHS Services	146	310	310	0
	Services by Other Government Departments	175	310	310	0

# OFFICE OF INSPECTOR GENERAL

## AUTHORIZING STATUTES

<b>Public Law/Act</b>	<b>Legislation</b>	<b>Statute No. U.S. Code</b>	<b>Expiration Date</b>
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

## OFFICE OF INSPECTOR GENERAL

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2010					
Base Appropriation	\$84,014	\$84,341	\$84,341	\$84,014	425
2011					
Base Appropriation...1/	\$85,082	\$84,173	\$84,173	\$83,846	417
2012					
Base Appropriation	\$84,445	\$84,772	\$84,772	\$83,687	417
2013					
Base Appropriation...2/	\$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...3/	\$86,136	\$89,147		\$89,147	347
2019					
Base Appropriation...4/	\$87,721			\$89,147	345
2020					
Base Appropriation	\$90,121				347

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/ A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared.

2/ 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.

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

4/ 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.

# OFFICE OF INSPECTOR GENERAL

## OVERVIEW

### **Introduction**

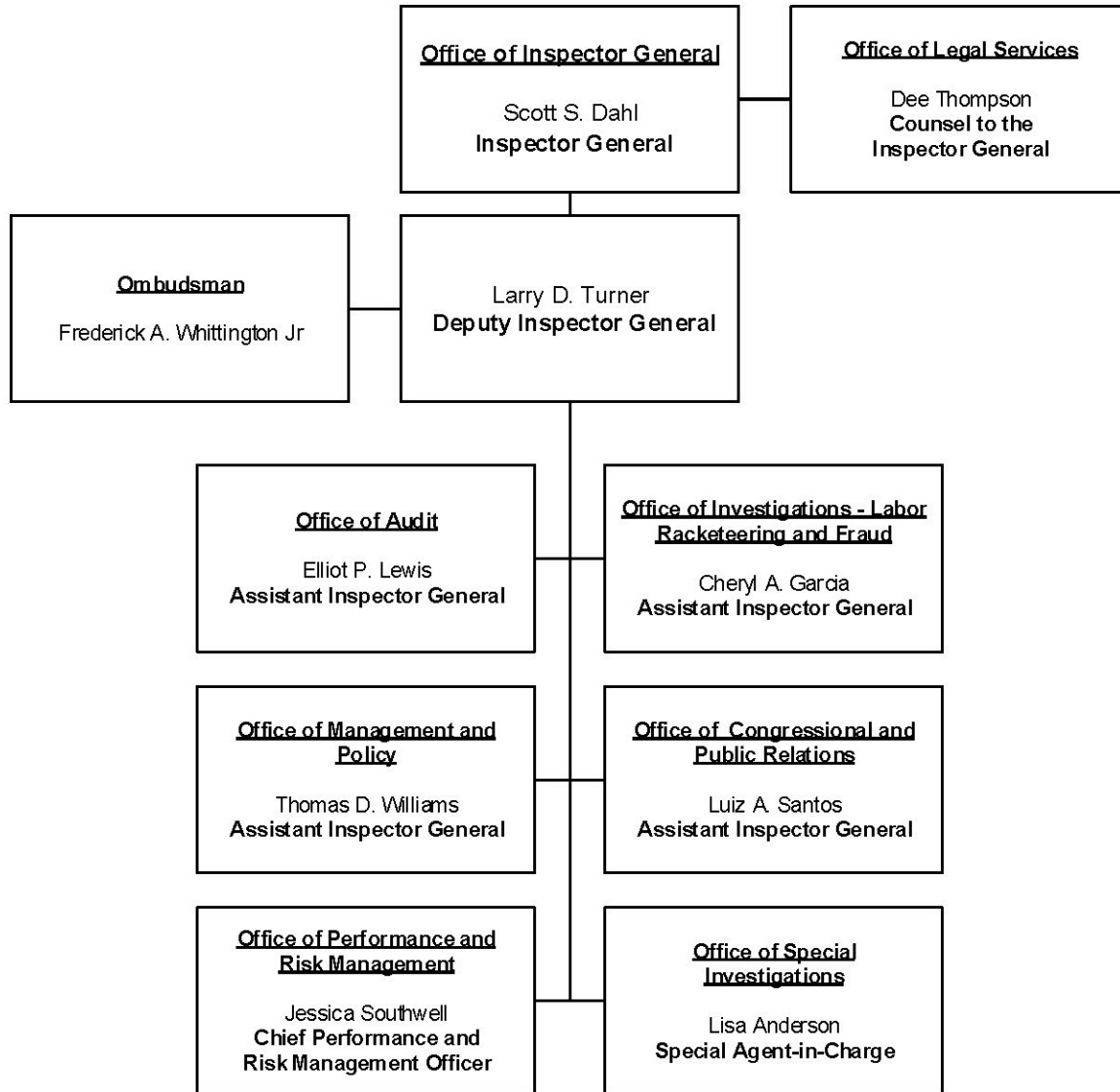
The Office of Inspector General (OIG) at the U.S. Department of Labor (DOL) serves the American Workforce, the agency, and the Congress by providing independent and objective oversight of Departmental programs through audits and investigations, and by combatting the influence of labor racketeering in 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. OIG conducts this work in order to determine whether: DOL efficiently and economically utilizes 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 other law enforcement partners on human trafficking matters.

In FY 2020, the OIG requests \$90,121,000 (not including Black Lung Trust Funds) and 347 FTE to continue efforts to support numerous national priorities including: addressing the opioid crisis by fighting fraud against the Federal Employees' Compensation Act (FECA) program; combatting threats to the integrity of foreign labor certification programs; and overseeing the efficiency and integrity of DOL programs and operations. In addition, the OIG will continue its efforts to transition from measuring its performance based solely on the number of audits and investigations conducted, focusing instead on large-scale, high-impact work that provides the greatest benefit to American workers and taxpayers.

# OFFICE OF INSPECTOR GENERAL







## OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2018 Enacted</b>	<b>FY 2019 Enacted</b>	<b>FY 2020 Request</b>	<b>Diff. FY20 Request / FY19 Enacted</b>
<b>Activity Appropriation</b>	<b>89,955</b>	<b>89,457</b>	<b>90,451</b>	<b>994</b>
FTE	342	345	347	2

NOTE: FY 2018 reflects actual FTE. Authorized FTE for FY 2018 was 347.

### **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 nearly \$9 to the federal government and American taxpayers. Over this period, the OIG identified more than \$7.2 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 2020 funding that OIG requests will allow us to continue the important criminal law enforcement and oversight activities outlined above. 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 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.

## OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

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, including EEO services, developing OIG policy, supporting information technology, budget planning, procurement, and agency-wide strategic planning.
  - 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.

# OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

## Five-Year Budget Activity History<sup>1</sup>

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2015	\$81,590	379
2016	\$86,300	373
2017	\$87,721	357
2018	\$89,147	347
2019	\$89,147	345

## FY 2020

In FY 2020, the OIG requests \$90,121,000 (not including Black Lung Disability Trust Funds) and 347 FTE. The following is illustrative of FY 2020 OIG audit and investigative oversight activities of important DOL programs and operations. In particular, in FY 2020, the OIG will continue its efforts to transition from measuring its performance based solely on the number of audits and investigations conducted, focusing instead on large-scale, high-impact work that provide the greatest benefit to American workers and taxpayers.

## Fighting Fraud Involving Opioids in the 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. We have also recently joined a federal opioid taskforce and plan to join another opioid taskforce shortly. Finally, the OWCP has focused significant resources towards its Program Integrity Unit as well as in managing opioid use. The OIG has seen a significant increase in the number of criminal fraud referrals made by the OWCP Program Integrity Unit to the OIG for further investigation during the past year. 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 2020, 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 our 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 2020 funding that OIG requests will allow us to continue the important criminal law enforcement and audit oversight activities.

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<sup>1</sup> This table reflects direct discretionary funding sources and FTE.

## OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

### **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. Our investigations have also uncovered numerous instances of unscrupulous employers misusing FLC programs to engage in human trafficking, with victims often exploited for 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 foreign labor certification 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.

On January 30, 2019, the OIG issued an Investigative Advisory Report to inform the Department about its investigative findings over the last several years. The report, *Recommendations for Enhancing Forms Used for H-2B Nonagricultural Temporary Workers*, makes recommendations based on the OIG's work.

In FY 2020, 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 activity. The OIG will also continue a number of oversight activities relating to DOL foreign labor certification programs. These activities include ongoing or planned work relating to debarment use in all Foreign Labor Certification programs, H-1B program enforcement, and H-2A program application integrity.

### **Leveraging Data Analytics to Strengthen Program Integrity Efforts**

The power and use of data analytics enables OIG auditors and investigators to continuously monitor agency operations. Continuous monitoring serves as a deterrent to fraud, allows the OIG to discover problems more quickly, and enables DOL management to correct problems earlier. Data analytics also allows OIG to test complete sets of data, resulting in more comprehensive and timely audits.

Over the past few years, the OIG developed a prescriptive data-analytic tool called RADR. RADR was designed to take our investigative FECA case data and use it to develop fraud models. The RADR fraud models have assisted the OIG in identifying several cases that were previously unknown to the OIG, as well as assisting case agents and analysts on their current investigations. These models have expanded several already large-scale investigations by identifying additional victims of crimes under investigation, as well as possible co-conspirators.

## OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

It has allowed the OIG to observe how some pharmacies have closed up shop, renamed themselves, while retaining their clients, thereby continuing their fraud schemes under a different business entity.

In FY 2020, the OIG will continue its use of data analytics in its oversight and investigative activities.

### **Combatting Improper Payments and Fraud in the Unemployment Insurance Program**

For years, the Unemployment Insurance (UI) program has been among the ten federal programs with the highest improper payment amounts. This trend continued in 2018 as the UI program had the tenth-highest amount of improper payments (\$3.7 billion) among all federal programs. Moreover, the UI program had the fourth-highest improper payment rate (12.5 percent) among all federal programs.

OIG investigations continue to identify significant amounts of fraud in the UI 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 program.

In FY 2020, the OIG will continue to support investigations 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 also determine if states used UI information system modernization funds as intended.

### **Department of Labor Management Processes**

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

In FY 2020, OIG will continue to 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 FISMA of 2002. 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.

### **FY 2019**

A full-year 2019 apportionment for this account was enacted at the time the budget was prepared (P.L. 115-245, Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019, which includes, at Division B, the *Department of Labor Appropriations Act of 2019*). The amounts included for 2019 reflect the full-year appropriation bill that was enacted.

# OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

## **Investigative Programs**

The OIG continues to focus on fraud against Departmental programs, such as the Unemployment Insurance, the FECA, and the Foreign Labor Certification (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.

In one recent example, Wright State University entered into non-prosecution agreement for visa offenses with the U. S. Attorney's Office, Southern District of Ohio. In the agreement, the university's board of trustees accepted responsibility for visa fraud offenses on behalf of Wright State and agreed to pay the U.S. Government \$1 million.

### **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. Our 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 we are seeing 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 North Texas doctor was convicted of receiving kickbacks for referring OWCP patients to a Dallas area surgical hospital. The doctor pleaded guilty to conspiracy to pay and receive health care bribes and kickbacks as well as aiding and abetting commercial bribery for his role in a \$200 million health care fraud scheme.

## **Worker and Retiree Benefits Programs**

### **Fighting Fraud Involving Opioids in the FECA Program**

In FY 2019, the 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.

## **OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY**

In one recent example of the OIG's work, the OIG played a major role in the largest ever health care fraud enforcement action involving 601 charged defendants across 58 Federal districts – including 165 doctors, nurses, and other licensed medical professionals – for their alleged participation in health care fraud schemes involving more than \$2 billion in false billings. Of those charged, 162 defendants, including 76 doctors, were charged for their roles in prescribing and distributing opioids and other dangerous narcotics.

### **FECA Second Opinion and Referee Medical Exams**

In a recent FY 2019 audit, OIG found that OWCP's procedures for second opinion and referee medical examinations were designed to provide reasonable assurance that the agency used qualified and impartial second opinion and referee physicians.

### **Worker Safety and Workers' Rights**

In FY 2019, the OIG will review Occupational Safety and Health Administration (OSHA)'s rulemaking process, and continues its audit to determine if OSHA established and followed appropriate procedures for issuing guidance documents as supplements to existing OSHA standards and requirements. In the area of mine safety and health, the OIG will conduct an audit to determine if Mine Safety and Health Administration has effectively issued, terminated, modified, vacated, and conferenced citations and orders for safety violations identified during mine inspections.

## OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

<b>WORKLOAD AND PERFORMANCE SUMMARY</b>				
	<b>FY 2018 Enacted</b>		<b>FY 2019 Enacted</b>	<b>FY 2020 Request</b>
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>OIG Program Activity</b>				
OIG Audits	25	22	25	25
OIG Investigations	225	228	225	225

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



## OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2018 Enacted</b>	<b>FY 2019 Enacted</b>	<b>FY 2020 Request</b>	<b>Diff. FY20 Request / FY19 Enacted</b>
11.1	Full-time permanent	41,179	40,185	40,706	521
11.3	Other than full-time permanent	108	1,473	1,473	0
11.5	Other personnel compensation	4,494	4,495	4,495	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>45,781</b>	<b>46,153</b>	<b>46,674</b>	<b>521</b>
12.1	Civilian personnel benefits	18,587	18,143	18,040	-103
21.0	Travel and transportation of persons	2,847	2,430	2,430	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	5,356	4,920	4,920	0
23.2	Rental payments to others	108	108	108	0
23.3	Communications, utilities, and miscellaneous charges	530	700	700	0
24.0	Printing and reproduction	14	14	14	0
25.1	Advisory and assistance services	6,077	5,292	5,292	0
25.2	Other services from non-Federal sources	704	660	1,258	598
25.3	Other goods and services from Federal sources 1/	7,450	8,641	8,646	5
25.4	Operation and maintenance of facilities	284	10	10	0
25.7	Operation and maintenance of equipment	1,348	386	386	0
26.0	Supplies and materials	140	380	380	0
31.0	Equipment	429	1,556	1,529	-27
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	300	64	64	0
	<b>Total</b>	<b>89,955</b>	<b>89,457</b>	<b>90,451</b>	<b>994</b>
	1/Other goods and services from Federal sources				
	CIGIE	234	0	0	0
	Working Capital Fund	6,473	7,400	7,405	5
	DHS Services	422	621	621	0
	HHS Services	146	310	310	0
	Services by Other Government Departments	175	310	310	0

# OFFICE OF INSPECTOR GENERAL PROGRAM ACTIVITY

## CHANGES IN FY 2020

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Employee health benefits	0
One day more of pay	230
Federal Employees' Compensation Act (FECA)	-208
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	5
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	-27
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

**Built-Ins Subtotal** **\$0**

**Net Program** **\$994**

**Direct FTE** **2**

	Estimate	FTE
<b>Base</b>	<b>\$89,457</b>	<b>345</b>
<b>Program Increase</b>	<b>\$994</b>	<b>2</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>