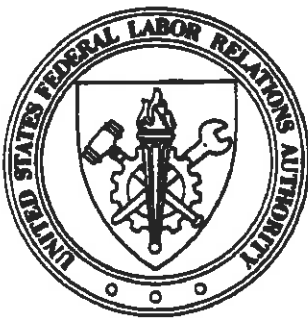


**Federal Labor Relations Authority**  
***OFFICE OF THE INSPECTOR GENERAL***



***SemiAnnual***  
***Report***  
***to***  
***Congress***

***October 1, 1994 thru March 31, 1995***

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UNITED STATES OF AMERICA  
FEDERAL LABOR RELATIONS AUTHORITY  
OFFICE OF THE INSPECTOR GENERAL

WASHINGTON, D.C. 20424

**April 28, 1995**

**The Honorable Phyllis N. Segal  
Chair  
Federal Labor Relations Authority  
Washington, D.C. 20424-0001**

**Dear Chair Segal:**

**I respectfully submit the Office of the Inspector General's Semiannual Report to Congress for the six-month period ending March 31, 1995, as required by section 5 of the Inspector General Act of 1978, as amended.**

**Sincerely,**

A handwritten signature in black ink that reads "William R. Tobey". The signature is written in a cursive style.

**William R. Tobey  
Acting Inspector General**

**Enclosure**

## ***EXECUTIVE SUMMARY***

**This is the eleventh semiannual report issued by the Office of the Inspector General (OIG) at the Federal Labor Relations Authority (FLRA). This report, submitted pursuant to section 5 of the Inspector General Act of 1978 (Pub. L. 95-452), as amended by the Inspector General Act Amendments of 1988 (Pub. L. 100-504), summarizes the major activities and accomplishments of the Office during the period October 1, 1994 through March 31, 1995.**

**The mission of the OIG is to prevent and detect fraud, waste and abuse in agency programs and operations. The OIG is also charged with promoting economy, efficiency, and effectiveness within the agency. The activities of the Office are planned to meet those objectives.**

### **Audits**

**During this period, the OIG issued one management letter relating to a congressionally mandated review by Inspectors General of lobbying control and reporting requirements. The Office also continued work on an audit of the FLRA's unfair labor practice hearing process. In addition, the Office worked with the agency to resolve three significant recommendations outstanding at the beginning of the reporting period.**

### **Investigations**

**During this period, two new investigative cases were opened and one case from a prior period was closed.**

## ***INTRODUCTION AND BACKGROUND***

**The Federal Labor Relations Authority (FLRA), an independent entity within the executive branch, was created to oversee the labor-management relations program in the Federal service. The FLRA provides leadership in establishing policies and guidance regarding Federal sector labor-management relations. It administers Title VII of the Civil Service Reform Act of 1978, the Federal Service Labor-Management Relations Statute (5 U.S.C. §§ 7101-7135) (the Statute). The Statute protects the rights of employees of the Federal government to bargain collectively and to participate through labor organizations of their own choosing in decisions affecting conditions of their employment. The FLRA ensures compliance with the statutory rights and obligations of Federal agencies, Federal employees, and the labor organizations that represent Federal employees in their dealings with Federal agencies. The FLRA is composed of the Authority, the Office of the General Counsel, and the Federal Service Impasses Panel. In addition, the Foreign Service Labor Relations Board and the Foreign Service Impasse Disputes Panel were established within the FLRA by the Foreign Service Act of 1980.**

**The Authority is composed of three full-time members appointed for 5-year terms by the President with the advice and consent of the Senate. One Member is designated by the President to serve as Chairman of the Authority and is the chief executive and administrative officer of the agency.**

**The Chairman and members adjudicate cases brought before them pursuant to the provisions of the Federal Service Labor-Management Relations Statute. The Authority is empowered by the Statute to determine the appropriateness of units for labor organization representation and to supervise and conduct elections to determine whether a labor organization has been selected as an exclusive representative by a majority of the employees in an appropriate unit. The Authority also prescribes criteria relating to the granting of consultation rights, and resolves disputes relating to unfair labor practices, negotiability issues and arbitration awards.**

**The General Counsel of the Federal Labor Relations Authority is appointed by the President, with the advice and consent of the U.S. Senate, for a term of five years.**

**The General Counsel has independent authority to investigate all unfair labor practice charges pursuant to the Federal Service Labor-Management Relations Statute, the Panama Canal Act, and the Foreign Service Act. Working through Regional Directors in seven regional offices, the General Counsel issues and prosecutes complaints after conducting investigations and obtaining evidence on the charges. Parties may appeal to the General**

**Counsel when a Regional Director declines to issue a complaint. The Regional Directors also have delegated authority from the Authority Members to investigate representation petitions, supervise representation elections, and certify to the parties the results of such elections.**

**The Statute provides that the Federal Service Impasses Panel shall be composed of a Chairman and at least six other members who are appointed by the President from among individuals who are familiar with Government operations and knowledgeable in labor-management relations. The role of the Panel is to resolve impasses between Federal agencies and unions representing Federal employees arising from negotiations over conditions of employment. If bargaining between the parties and mediation assistance, usually from the Federal Mediation and Conciliation Service prove unsuccessful, the Panel, as an entity within the FLRA, has the authority under section 7119 of the Statute to recommend procedures or to provide direct assistance to the parties using appropriate methods for resolution of the impasse. If these efforts do not lead to a settlement, the Panel may take whatever action it deems necessary to resolve the impasse. The Panel also has jurisdiction to resolve disputes under the Federal Employees Flexible and Compressed Work Schedules Act of 1982, 5 U.S.C. § 6120, et seq. where an agency refuses to establish a flexible or compressed work schedule or decides to terminate one.**

**The Foreign Service Act of 1980 created a statutory labor-management relations program covering Foreign Service employees in the U.S. Information Agency, the Agency for International Development, and the Departments of State, Agriculture and Commerce. The Act is similar in many respects to the Federal Service Labor-Management Relations Statute. The Act established the Foreign Service Labor Relations Board within the FLRA. The Board administers the Act and is composed of three Members.**

**The Board does not have a separate staff. Instead, the staff of the Authority provides support for the Board. The General Counsel of the FLRA investigates alleged unfair labor practices and prosecutes unfair labor practice complaints.**

**Based on current projections, the FLRA will use approximately 224 full-time equivalents this fiscal year. The FLRA had a total FY 1995 appropriation of \$21.7 million.**

**The majority of the Authority's personnel are located in Washington, D.C. The General Counsel maintains Regional Offices in Boston, Washington, Atlanta, Dallas, Denver, Chicago and San Francisco. Sub-Regional Offices are located in New York, Philadelphia, Cleveland and Los Angeles.**

## **OFFICE OF THE INSPECTOR GENERAL**

The FLRA'S Office of the Inspector General was established pursuant to Pub. L. 100-504, the Inspector General Act Amendments of 1988, which amended Pub. L. 95-452, the Inspector General Act of 1978. The Inspector General reports directly to the Chair.

As set forth in the authorizing legislation, the Inspector General is to:

- Conduct and supervise audits and investigations relating to the programs and operations of the FLRA.
- Provide leadership and coordination, and recommend policies which (1) promote economy, efficiency and effectiveness in agency programs and operations; and (2) prevent and detect fraud and abuse.
- Keep the Chair and the Congress fully informed regarding problems and deficiencies, as well as the necessity for and the progress of corrective action.

The Office of the Inspector General is currently staffed at three positions: an Acting Inspector General, a Senior Auditor, and an Inspection Assistant. The Office's FY 1995 budget is \$258,000. At the close of the semiannual reporting period, the FLRA was in the process of selecting a permanent Inspector General.

## ***AUDIT ACTIVITY***

**One management letter was issued during the reporting period. Much of the other audit activity during the period related to assisting management in its implementation of three associated outstanding significant recommendations.**

### **Management Letter**

***"REVIEW OF LOBBYING REPORTING AND PROCUREMENT CONTRACT CLAUSE REQUIREMENTS," DATED MARCH 31, 1995.***

**This congressionally mandated review was previously done in conjunction with another mandated review relating to consulting services. The requirement for the latter review was eliminated as a result of the recent passage of the "Federal Acquisition Streamlining Act of 1994."**

**Our review found that the agency did not contract for any procurements in excess of \$100,000 for which agency lobbying reporting and control requirements are applicable. Our review found that all prior audit recommendations relating to lobbying requirements have been implemented.**

### **Prior Report Significant Recommendations**

**During the reporting period, the Office worked with agency management to resolve three outstanding significant audit recommendations relating to computer security.**



## ***INVESTIGATIVE ACTIVITY***

The Office opened two new investigative cases and closed one case remaining from a prior period. The Office received three hotline inquiries. These activities are summarized below.

### **Notebook computer theft**

Two notebook computers, valued at \$3,250 each, were stolen from one of the agency's offices on or about December 1, 1994. The agency contacted the Federal Protective Service (FPS), which began an investigation of the theft. The FPS investigation, which we are monitoring, is still active.

### **Computer inventory**

The agency conducted a follow-up review after it was unable to locate 12 computer items (desktop computers, monitors, printers, and one laptop) during a year-end inventory that took place during the summer and fall of 1994. The OIG is assessing whether any issues remaining after the agency's review merit attention by the Office.

### **Unfair labor practice charge processing**

An individual raised questions concerning the processing of certain unfair labor practice charges by one of the agency's regional offices. We analyzed the case files, but found no improprieties.

### **Hotline activity**

The Office received three hotline inquiries during the reporting period. One inquiry pertained to and was forwarded to another federal agency. A second inquiry did not raise any matters requiring investigative follow-up. The remaining inquiry was received as a partial recording, without a contact number, over our regular telephone lines. It remains open at this time pending further communications with the caller.

## ***OTHER OIG ACTIVITY***

### ***Participation on the Executive Council on Integrity and Efficiency***

**The Executive Council on Integrity and Efficiency (ECIE) was established by executive order in 1992 to coordinate and implement Government-wide activities to combat fraud, waste and abuse in Federal programs and operations. The FLRA's Inspector General is a member of the ECIE and participates in activities and monthly meetings conducted by that organization.**

## ***OTHER REPORTING REQUIREMENTS***

### ***Serious or Flagrant Problems Requiring Reporting Within 7 days***

No problems requiring such reporting were found during the reporting period.

### ***Access to Information***

The OIG was not denied any information requested during the reporting period.

### ***Significant Recommendations of Prior Semiannual Reports not Implemented***

No significant recommendations of prior semiannual reports are outstanding.

### ***Significant Revised Management Decisions***

No significant management decision was revised during the reporting period.

### ***OIG Disagreement with Significant Management Decisions***

Not applicable for this reporting period.

Table I  
AUDIT REPORTS  
WITH QUESTIONED COSTS

	<u>NUMBER OF REPORTS</u>	<u>QUESTIONED COSTS</u>	<u>UNSUPPORTED COSTS</u>
A. For which no management decision has been made by the commencement of the reporting period.	0	0	
B. Which were issued during the reporting period.	0	0	
Subtotal (A plus B)	0	0	
C. For which a management decision was made during the reporting period.			
(i) dollar value of disallowed costs.	0	0	
(ii) dollar value of costs not disallowed.	0	0	
D. For which no management decision has been made by the end of the reporting period.	0	0	
<hr/>			
E. Reports issued prior to the reporting period for which no management decision has been made by the end of the reporting period.	0	0	

Table II

AUDIT REPORTS  
WITH RECOMMENDATIONS THAT  
FUNDS BE PUT TO BETTER USE

	<u>NUMBER OF REPORTS</u>	<u>DOLLAR VALUE</u>
A. For which no management decision has been made by the commencement of the reporting period.	0	0
B. Which were issued during the reporting period.	0	0
Subtotal (A plus B)	0	0
C. For which a management decision was made during the reporting period.		
(i) dollar value of recommendations that were agreed to by management.	0	0
(ii) dollar value of recommendations that were not agreed to by management.	0	0
D. For which no management decision has been made by the end of the reporting period.	0	0
<hr/>		
E. Reports issued prior to the reporting period for which no management decision has been made by the end of the reporting period.	0	0

## **GLOSSARY**

### **Management Decision**

A final decision made by management in response to audit report recommendations that may include actions concluded to be necessary or a determination that no action is necessary.

### **Questioned Costs**

Expenditures questioned by the OIG due to:

- UNSUPPORTED COSTS** which involve inadequate documentation.
- DISALLOWED COSTS** which involve an alleged violation (concurring with by Management Decision) of a law, regulation, grant, contract, or other agreement.
- UNNECESSARY OR UNREASONABLE COSTS.**

### **Funds Be Put To Better Use**

The amount of savings estimated by the OIG that could be obtained by implementing report recommendations relating to more efficient management operations.

### **Final Action**

Completion by management of either all actions necessary to implement report recommendations or a management decision that determines no action is necessary.

## GLOSSARY

### **Significant Recommendations**

According to Section 5(a)3 of the Inspector General Act, the OIG is required to follow up and report on the implementation status of all open "significant recommendations" from prior Semiannual reports. The OIG has defined "significant recommendations" as those that pertain to deficiencies that could result in FLRA failure to accomplish mission functions or could result in additional costs or lost funds exceeding \$5,000.

### **Management Letter**

This document brings to the attention of management any of a broad range of issues and subjects which should be addressed by management but do not require formal audit or investigation. Management letters are generally unplanned and are issued to report on situations found in conjunction with an on-going or completed audit or investigation. They may also be used to expand on previously issued audit report recommendations.

**REPORT: FRAUD, WASTE, ABUSE, AND MISMANAGEMENT**

**TO:**

**FLRA's  
Office of the Inspector General**

**HOTLINE  
800-331-FLRA  
(800-331-3572)**

**Toll Free 24 Hour Answering Service**

**or write**

**FLRA  
Office of the Inspector General  
P.O. Box 27488  
Washington, D.C. 20038-7488**

**INFORMATION IS CONFIDENTIAL  
CALLER CAN BE ANONYMOUS**

**However, each caller is encouraged to assist the Inspector General by supplying information as to how they may be contacted for additional information.**



