



**FEDERAL LABOR RELATIONS AUTHORITY**  
**OFFICE OF INSPECTOR GENERAL**

**SEMIANNUAL REPORT**  
**TO THE CONGRESS**

**October 1, 1997**  
**to**  
**March 31, 1998**



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

WASHINGTON, D.C. 20424

April 13, 1998

TO: Phyllis N. Segal  
Chair

FROM: Francine C. Eichler  
Inspector General

A handwritten signature in black ink, appearing to be "F. C. Eichler", is written over the printed name of the Inspector General.

SUBJECT: Semiannual Report to Congress

As required by Section 5 of the Inspector General Act, as amended, 5 U.S.C., App. 3, I am submitting the seventeenth semi-annual report summarizing the oversight activities of the Federal Labor Relations Authority's Office of the Inspector General (OIG).

This report covers activities and accomplishments of the OIG during the period October 1, 1997, through March 31, 1998.

Enclosure a/s

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## **EXECUTIVE SUMMARY**

This is the seventeenth semiannual report issued by the Office of Inspector General (OIG) at the Federal Labor Relations Authority (FLRA). This report, submitted pursuant to section 5 of the Inspector General Act, summarizes the major activities and accomplishments of the Office during the period October 1, 1997 through March 31, 1998.

During this reporting period, the FLRA selected and appointed a permanent Inspector General (IG). The FLRA IG officially came on board February 22, 1998.

### **Audit Activity**

Audit activity was limited to providing comments on computer network security and following up the recommendations outstanding from the last semiannual report.

### **Investigative Activity**

The Office of Inspector General received 23 complaints or allegations during this period, four of which resulted in opening preliminary investigations. An open Federal Protective Service (FPS) and OIG investigation, pertaining to a theft of two computers was closed during reporting period. In addition, a theft of a laptop computer from the Atlanta Regional Office was reported to FPS in Atlanta, who placed the case in an inactive status after performing an investigation. The credit card theft case is pending before the U.S. Attorney's Office from the prior reporting period was dismissed with no prosecution.

## THE FEDERAL LABOR RELATIONS AUTHORITY

The Federal Labor Relations Authority (FLRA) was created in 1978 as an independent agency to administer the Labor-Management Relations Program for 1.9 million non-postal Federal employees worldwide. More than 1.1 million of these employees are now exclusively represented in approximately 2,200 bargaining units. Before the FLRA's creation, labor-management relations in the Federal sector was governed by Executive Order and its administration was fragmented among various parts of the government. Today's FLRA represents the Federal government's consolidated and unified approach to its labor-management relations.

The FLRA is, in effect, three agencies consolidated in one, with a unified mission to promote stable and constructive labor-management relations that contribute to an efficient and effective government. The three independent operating components through which this mission is fulfilled are the Authority, the Office of General Counsel, and the Federal Service Impasses Panel.

The Authority is a quasi-judicial body with three full-time Members who are appointed by the President with the advice and consent of the Senate. The designated Chair of the Authority also serves as Chief Executive and Administrative Officer of the consolidated components that comprise the FLRA. The Authority component resolves cases in four primary areas. (1) *Negotiability*: The Authority decides cases filed by unions (but not agencies or individuals) concerning the negotiability of proposed collective bargaining agreement terms. (2) *Unfair Labor Practices (ULP)*: The Authority decides ULP cases based on complaints prosecuted by the FLRA's General Counsel on charges filed by agencies and unions (and sometimes, but less frequently, individuals). (3) *Arbitration Exceptions*: The Authority decides "exceptions" (the equivalent of appeals) filed by agencies and unions (but not individuals) to certain grievance arbitration awards. (4) *Representation Matters*: The Authority decides cases filed by agencies and unions (and sometimes, but rarely, individuals) involving a variety of representation matters, including cases concerning the appropriateness of units for union representation. Wherever possible, the Authority, in collaboration with the other FLRA components, looks for ways to assist the disputing

parties to discuss and bilaterally resolve the problems presented in these cases. The FLRA's goal is to avoid, where possible, unnecessary and contentious litigation.

The Office of the General Counsel (OGC) is the independent investigative and prosecutorial component of the FLRA. It is directed by a General Counsel, who is appointed by the President with the advice and consent of the Senate. In addition to investigating, making decisions about prosecuting, and litigating ULP claims, the General Counsel has statutory authority to settle ULP charges. The General Counsel also supervises the FLRA's seven Regional Directors in carrying out the responsibilities delegated to them by the Authority to process representation petitions and supervise elections. The OGC has developed a highly effective approach of Alternative Dispute Resolution to help parties resolve more of their disputes on their own, without litigation.

The Federal Service Impasses Panel consists of seven Presidential appointees (one of whom is Chair) who serve on a part-time basis, and are supported by a small full-time staff. The Panel resolves impasses between Federal agencies and unions arising from negotiations over conditions of employment. Consistent with the FLRA's overall emphasis on the voluntary resolution of disputes, the Panel has a long history of successfully promoting alternatives to litigation, using a variety of formal and informal means to resolve bargaining impasses. Thus, in addition to written decisions and orders, the Panel also uses telephone mediation, mediation-arbitration, and fact finding hearings to resolve negotiation impasses.

The FLRA was budgeted 216 full-time equivalents (FTE's) for fiscal year 1998, the same as FY 1997. The FLRA appropriation for FY 1998 was \$22,081,000, as compared to \$21,553,000 for FY 1997. The FLRA has requested an appropriation of \$22,586,000 and 216 FTE's for FY 1999.

The FLRA's headquarters is located in Washington, D.C. The FLRA maintains regional offices in Boston, Washington, D.C., Atlanta, Dallas, Denver, Chicago, and San Francisco.

## FLRA MISSION STATEMENT

The Federal Labor Relations Authority exercises leadership under the Federal Service Labor-Management Relations Statute to promote stable, constructive labor-management relations that contribute to a more effective Government.

The Federal Labor Relations Authority fulfills its mission by:

- Enforcing and clarifying the law through sound, timely decisions and policies;
- Using fast, simple processes to conduct its business;
- Providing high quality training and education programs, and furnishing effective intervention services; and
- Administering its resources to ensure that services are responsive to the unique needs of its customers.

In order to accomplish this mission, the FLRA has established the following four goals:

1. To consistently provide high quality services that timely resolve disputes in the Federal labor-management relations community.
2. To effectively use and promote alternative methods of dispute resolution and avoidance to reduce the costs of conflict in the Federal labor-management relations community.
3. To maintain FLRA's internal systems and processes that support a continually improving, highly effective and efficient organization with the flexibility to meet program needs.
4. To develop FLRA's human resources to ensure a continually improving, highly effective and efficient organization with the flexibility to meet program needs.

## **OFFICE OF INSPECTOR GENERAL**

The FLRA'S Office of 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:

- Conducts and supervises internal reviews, audits and evaluations of the programs and operations of the FLRA;
- Provides leadership and coordination, and recommends actions to management which (1) promote economy, efficiency and effectiveness in agency programs and operations; and (2) prevent and detect fraud, waste, abuse, and mismanagement of government resources, and
- Keeps the Congress, the Chair, and FLRA management fully informed regarding problems and deficiencies, as well as the necessity for and the progress of corrective action.

The OIG is currently staffed at two full time positions and currently shares administrative support. The current Inspector General was appointed February 22, 1998, previously serving as the Deputy Inspector General of the National Imagery and Mapping Agency and the Inspector General of the former Central Imagery Office. A Director of Audit occupies the second FLRA OIG position. Together, these individuals provide Inspector General oversight and services for all FLRA employees located in the Washington D.C. area and at the 7 Regional Offices.

### **OFFICE OF INSPECTOR GENERAL MISSION STATEMENT**

The mission of the FLRA OIG is to provide FLRA leadership with an independent, objective assessment of the Authority's efficiency and effectiveness. This is accomplished through proactive audits and evaluations of FLRA operational processes. The OIG provides necessary oversight and serves as a catalyst for improving and maximizing the efficiency and integrity of FLRA programs and operations. The goal of the OIG's work is to maximize the effectiveness of FLRA programs by evaluating performance and identifying ways to make these programs and associated processes more efficient and cost effective. In addition, the FLRA OIG



strives to prevent and minimize fraud, waste, abuse and mismanagement which could adversely impact the Authority's integrity and ability to perform its mission in a timely, customer responsive manner.

The primary objectives of the Office of Inspector General are:

- To evaluate the efficiency and effectiveness of FLRA program and resource management, and identify best practices as well as causative factors impeding the accomplishment of the FLRA mission.
- To assist the Chair and FLRA management in carrying out their responsibilities by providing them with objective and timely information on the conduct of FLRA operations, together with the Inspector General's independent analysis, conclusions, and recommendations.
- To use evaluations, internal reviews and the more traditional assessment tools of audits, inspections and investigations, when necessary, to maximize oversight and strengthen system and process controls to maximize program integrity and minimize occurrences of fraud, waste, abuse and mismanagement.

## **AUDIT ACTIVITY**

Audit resources were expended primarily on investigative matters during this reporting period. The limited audit activity centered on assisting the agency with computer security and following up on a previous significant audit recommendation.

### **Computer Security**

The FLRA OIG provided corrective suggestions to the Information Resources Management (IRM) staff regarding a potential "denial of service" threat relating to the network servers. IRM management was also provided with guidance, Federal Information Processing Standards (FIPS) Publication Number 112, for computer passwords requirements.

### **Follow-up on Previous Audit Recommendations**

The significant recommendation from the "Personal Property Management" audit report, outstanding from the last semiannual

period, has been implemented. This recommendation pertained to printing a database file which lists all property database deletions to date. The Director of the Administrative Services Division reviewed the validity of these deletions and signed the listing documenting her review and approval. The Office of Inspector General provided training to Division staff on how to use a common spreadsheet program to sort the listing by deletion date and type for easy review.

## **INVESTIGATIVE ACTIVITY**

### **Incoming Complaints/Allegations**

During this period, the OIG received complaints or allegations from 23 parties. The OIG received these communications from hotline calls and other sources, such as mailed letters and documents and notifications, primarily from employees from various federal agencies or from the FLRA.

Of the total complaints, 11 were not within the FLRA Inspector General's jurisdiction. The parties were referred to the appropriate federal agencies. Seven of the parties with alleged unfair labor practice charges were referred to the appropriate FLRA regional offices. The FLRA OIG opened preliminary investigations for four allegations during this reporting period. A fifth issue (involving a stolen laptop computer belonging to the Atlanta Regional Office) was investigated by the Federal Protective Service in Atlanta.

### **Investigative Status of Incoming Cases**

**Closed preliminary investigations.** Three of the four preliminary investigations undertaken during this reporting period have been closed. One of these cases pertained to a General Counsel decision not to issue a complaint on an unfair labor practice charge. The case files on the charge were reviewed. There was no evidence of any improper administrative actions by FLRA employees found and the case was closed. Another case involved an alleged lost application for the Inspector General position. The procedures for application handling were reviewed. The Human Resources Division maintained a log, as well as a file of applications received for each vacancy announcement. Evidence of receipt of the complainant's application was not found in either the receipt log or application file. The matter was closed. The

third case involved inflammatory language and a possible threat against the FLRA by a non-FLRA employee. The OIG conducted a preliminary investigation to verify the information received and referred the matter to the Federal Protective Service. The Federal Protective Service is currently investigating the issue.

**Disappearance of Atlanta Laptop Computer.** A laptop computer assigned to an FLRA employee returning from an official trip disappeared from a shared taxi. The Federal Protective Service in Atlanta was notified and conducted an investigation. No suspects were identified and their investigation was placed in an inactive status.

**Open preliminary investigations.** The fourth preliminary investigation involves a question concerning the value of a Year 2000 computer assessment contract. This matter is still under review.

#### Investigative Status of Prior Cases

**Missing Computers from Loading Dock.** This case involved the disappearance of two CPUs from the Headquarters building loading dock during the receipt processing of seven CPUs and seven monitors. The incident was investigated by the Federal Protective Service with assistance from the Office of Inspector General. The investigation did not produce sufficient incriminating evidence. The case has been placed in an inactive status.

**Disappearance of Credit Cards.** This case involved the disappearance of a government and a personal credit card at the Headquarters Office. A suspect was identified and arrested; however, the U.S. Attorney has determined not to prosecute.

### **OTHER OIG ACTIVITY**

#### Review of Federal and Agency Proposed Guidance

The Office of Inspector General reviewed and provided comments pertaining to two drafts from the Joint Financial Management Improvement Program (JFMIP) on "Core Competencies for Financial System Analysts" and "Core Competencies for Financial Management for Information Technology Personnel."

The Office of Inspector General also reviewed and provided specific comments on the Agency's proposed revision of instructions on procurement and administrative discipline.

### PCIE/ECIE Activity

The FLRA Inspector General attended the President's Council on Integrity and Efficiency/Executive Council on Integrity and Efficiency (PCIE/ECIE) Retreat on February 18 and 19, 1998, which afforded a productive, interactive forum for Inspector Generals from the Executive Agencies to share and discuss issues of common concern affecting the responsibilities and authorities of statutory inspectors general.

The FLRA Inspector General also attended scheduled ECIE meetings, including the March 12, 1998 meeting which focused on Y2K Compliance and the National Performance Partnership for Reinvention.

The FLRA Inspector General and Director of Audit attended the PCIE Information Technology Roundtable Symposium on Y2K: Lessons Learned on March 19, 1998. Other training seminars attended by Inspector General staff included "Hacker Penetration Testing" and "Establishing a Computers Crime Unit."

### Other OIG Initiatives

The FLRA Office of Inspector General began reviewing and updating its office management practices and filing system during this reporting period.

The new Inspector General developed a short term work plan for the office for the duration of the performance year which includes OIG briefings for FLRA management and personnel, FLRA IG participation in an upcoming Regional Director Conference, and the commencement of the revision/update of FLRA OIG policy and Strategic Plan. The OIG also began survey phase work for an internal review of the Federal Service Impasses Panel and preliminary planning for an assessment of the FLRA's internal management controls. Additionally, during this reporting period, the Inspector General began a factfinding review on two issues related to a recent FLRA Customer Survey.

**SPECIFIC REPORTING REQUIREMENTS  
OF THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED**

The following provides the report page references containing the Inspector General responses, if any, to specific reporting requirements set forth in certain sections of the Inspector General Act of 1978, as amended.

<b>Section 4(a)(2)</b>	Review of legislation and regulations	Page 8
<b>Section 5(a)(1)</b>	Significant problems, abuses, and deficiencies	None
<b>Section 5(a)(2)</b>	Recommendations with respect to significant problems, abuses, or deficiencies	None
<b>Section 5(a)(3)</b>	Prior significant recommendations on which corrective action has not been completed	None
<b>Section 5(a)(4)</b>	Matters referred to prosecutive authorities	None
<b>Section 5(a)(5)</b>	Summary of instances where information was refused	None
<b>Section 5(a)(6)</b>	List of audit reports	None
<b>Section 5(a)(7)</b>	Summary of significant reports	None
<b>Section 5(a)(8)</b>	Statistical table of reports with questioned costs	Page 11
<b>Section 5(a)(9)</b>	Statistical table of reports with recommendations that funds be put to better use	Page 12
<b>Section 5(a)(10)</b>	Summary of previous audit reports without management decisions	None
<b>Section 5(a)(11)</b>	Significant management decision revised during this period	None
<b>Section 5(a)(12)</b>	Significant management decision with which the Inspector General disagrees	None

TABLE I: OIG AUDIT REPORTS WITH QUESTIONED COSTS

INSPECTOR GENERAL REPORTS WITH QUESTIONED COSTS	NUMBER OF REPORTS	DOLLAR VALUE	
		Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period.	0	0	0
B. Which were issued during the reporting period.	0	0	0
C. For which a management decision was made during the reporting period.	0	0	0
(i) dollar value of disallowed costs.	0	0	0
(ii) dollar value of costs not disallowed.	0	0	0
D. For which no management decision has been made by the end of the reporting period.	0	0	0

**TABLE II: OIG AUDIT REPORTS WITH RECOMMENDATIONS  
THAT FUNDS BE PUT TO BETTER USE**

INSPECTOR GENERAL REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE	NUMBER OF REPORTS	DOLLAR VALUE
A. For which no management decision has been made by the commencement of the reporting period.	0	0
B. Which were issued during the period.	0	0
C. For which a management decision was made during the reporting period.	0	0
(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 was made by the end of the reporting period.	0	0

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

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