

OIG Office of Inspector General
Federal Labor Relations Authority

SEMIANNUAL REPORT TO CONGRESS



October 1, 2025 – March 31, 2026



UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY
WASHINGTON, D.C. 20424

April 1, 2026

INSPECTOR GENERAL

Dear Chairman Colleen Duffy Kiko, Member Anne M. Wagner, and Member Charles Arrington:

I am pleased to submit the Office of Inspector General's (OIG) 75th Semiannual Report to Congress, prepared in accordance with the requirements of the Inspector General Act of 1978, as amended, 5 U.S.C. §§ 401-424. This report covers audits, investigations, and other reviews and activities conducted by the OIG from October 1, 2025 through March 31, 2026.

Please note that 5 U.S.C. § 405(c) provides that the semiannual report must be transmitted by the agency head to the appropriate Congressional committees and subcommittees within 30 days after receipt of the report from the Inspector General, together with a report by the agency head as set forth in 5 U.S.C. § 405(c)(1)-(4).

During this reporting period, the OIG completed four reviews. Further information regarding these matters can be found in the enclosed report. The OIG hotline maintained a high volume of inquiries, receiving a total of 358 hotline inquiries during this reporting period. Additionally, we timely responded to all three of the requests made under the Freedom of Information Act.

The OIG appreciates the support of the Federal Labor Relations Authority (FLRA) in our efforts to provide independent oversight of FLRA's programs and operations. I look forward to working with the FLRA and Congress to improve the FLRA's programs and operations in the future.

Respectfully,

A handwritten signature in blue ink that reads "Dana A. Rooney". The signature is written in a cursive style.

Dana A. Rooney
Inspector General

Enclosure

cc: Executive Director

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Table 1
Inspector General Act Reporting Requirements Index

IG Act Section	Description	Page
404(a)(2)	Review of Existing and Proposed Legislation and Regulations	p. 8
405(b)(1)	Description of Significant Problems, Abuses, and Deficiencies and Associated Reports and Recommendations for Corrective Action	None
405(b)(2)	Table 4: Recommendations from Prior Reports on Which Corrective Action Has Not Been Completed, Including Potential Cost Savings	p. 10
405(b)(3)	Summary of Significant Investigations Closed	None
405(b)(4)	Total Number of Convictions Resulting from Investigations	None
405(b)(5)	Table 2: Listing by Subject Matter of Each Report Issued During This Reporting Period, Including Questioned Costs, Funds Put to Better Use, and Status of Management Decisions	p. 9
405(b)(6)	Management Decisions Made During the Reporting Period for Reports Issued in a Prior Reporting Period	None
405(b)(7)	Information Described Under Section 804(b) of FFMI A	N/A*
405(b)(8)	Results of Peer Review Conducted During This Period or Date of Last Peer Review	p. 8
405(b)(9)	List of Outstanding Recommendations from Peer Review	None
405(b)(10)	List of Peer Reviews Conducted by the Office of Inspector General of Another Office of Inspector General During This Period	None
405(b)(11)	Table 3: Statistical Table of Investigative Reports and Referrals	p. 9
405(b)(12)	Description of the Metrics Used for Developing Investigative Statistics	p. 9
405(b)(13)	Investigations With Substantiated Allegations Involving Senior Government Employees	None
405(b)(14)	Description of Any Whistleblower Retaliation	None
405(b)(15)	Description of Attempts to Interfere with Inspector General Independence, Constraints on the Budget, or Restrictions or Delays in Access to Information	None
405(b)(16)	Summary of Reports Not Disclosed to the Public	None
Annex	Contract Audit Reports Issued to the Contracting Activity	None

*The referenced requirement from the Federal Financial Management Improvement Act of 1996 (FFMIA) applies only to “agencies” under the Chief Financial Officers Act of 1990; therefore, the requirement does not apply to FLRA.

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Federal Labor Relations Authority Overview

MISSION

Consistent with its statutory mandate, the Federal Labor Relations Authority's (FLRA) mission statement is: "To provide leadership in establishing policies and guidance relating to matters under the [Federal Service Labor-Management Relations Statute], and to be responsible for carrying out the Statute's purpose, which finds that labor organizations and collective bargaining in the civil service are in the public interest."

ORGANIZATION

The FLRA is a Federal independent administrative agency created by Title VII of the Civil Service Reform Act of 1978, also known as the Federal Service Labor-Management Relations Statute (the Statute), 5 U.S.C. §§ 7101-7135. The Statute allows certain non-postal Federal employees to organize, bargain collectively, and participate through labor organizations of their choice in decisions affecting their working lives.

The Statute defines and lists the rights of employees, labor organizations, and agencies to reflect the public interest's demand for the highest standards of employee performance and the efficient accomplishment of Government operations. Specifically, the Statute directs that its provisions "be interpreted in a manner consistent with the requirement of an effective and efficient Government."

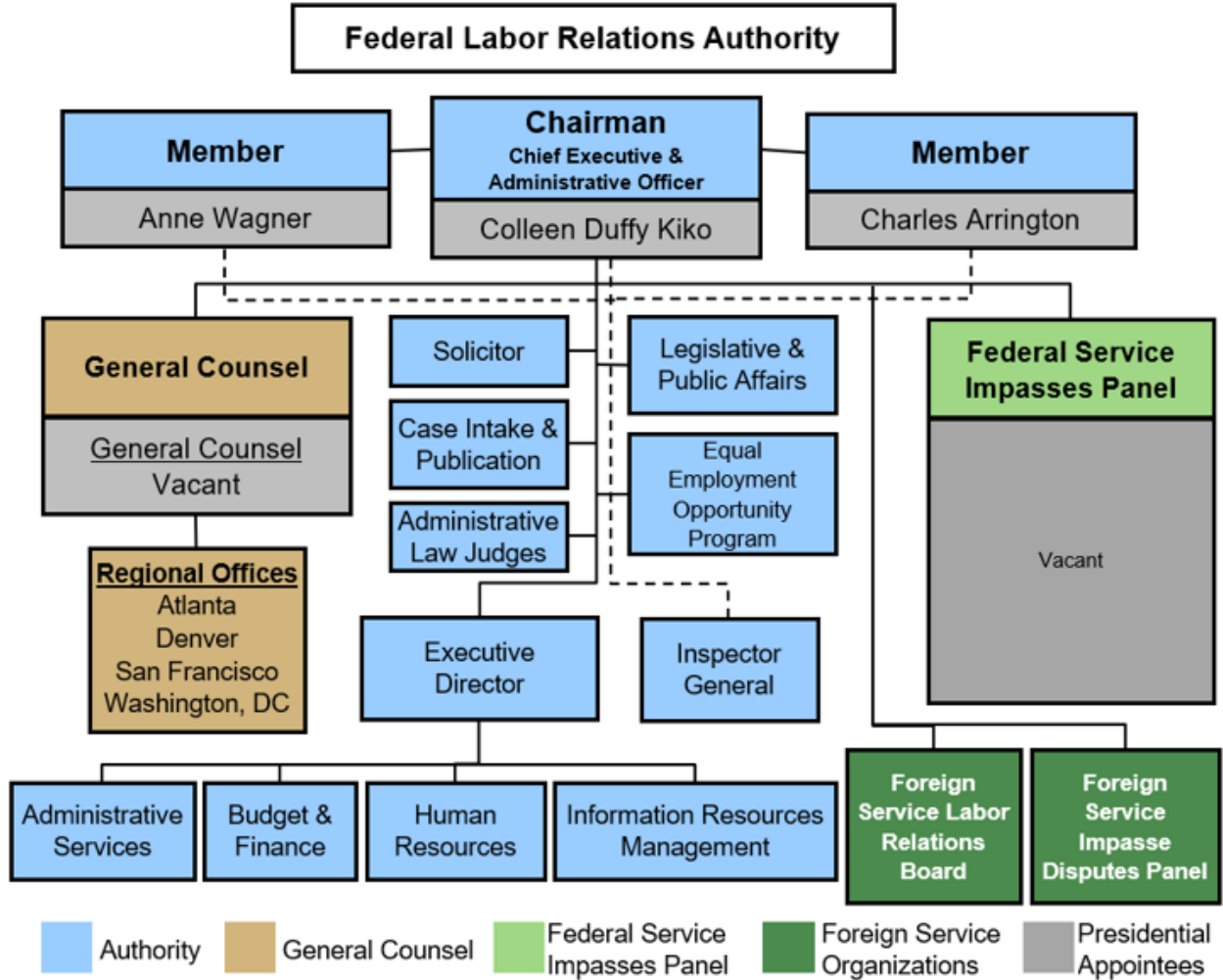
In order to perform the many and varied functions of administering and enforcing the Statute, the FLRA is organized into three distinct components: the Authority, the Office of the General Counsel, and the Federal Service Impasses Panel. All components support and engage in collaboration and alternative dispute resolution activities as an integral part of their programs. The agency also provides full program and staff support to two other organizations—the Foreign Service Labor Relations Board and the Foreign Service Impasse Disputes Panel.

FLRA's organization chart is shown in Figure 1 on the following page.

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Figure 1
Federal Labor Relations Authority Organization Chart



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Office of Inspector General Overview

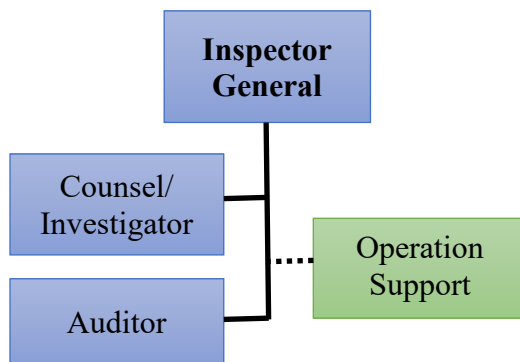
The Office of Inspector General (OIG or FLRA OIG) is an independent office established under the provisions of the Inspector General Act of 1978, as amended, 5 U.S.C. §§ 401-424 (IG Act). The FLRA OIG was established on September 25, 1989. Ms. Dana Rooney was appointed Inspector General in 2010.

The IG Act gives the Inspector General the authority and responsibility to:

1. conduct and supervise audits and investigations relating to the FLRA's programs and operations;
2. provide leadership, coordination, and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of the FLRA's programs and operations, and to prevent and detect fraud and abuse in the FLRA's programs and operations; and,
3. keep the Chairman, Authority Members, and Congress fully informed about problems and deficiencies, as well as the necessity for corrective action.

In addition to the Inspector General, the OIG has two additional staff: a senior auditor and the counsel who is also the OIG's investigator. The OIG uses an independent public accounting firm to perform statutorily-mandated audits under contract, such as the annual financial statement audit.

Figure 2
FLRA Office of Inspector General Organization Chart



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Office of Inspector General Activities

AUDITS AND REVIEWS

Completed Audits and Reviews

During this reporting period, the OIG issued a total of four audit and review reports.

1. Financial Statement Audit of the Federal Labor Relations Authority Fiscal Year 2025 (AR-26-01)

The FLRA is required to submit audited financial statements in accordance with the Accountability of Tax Dollars Act of 2002 and the Chief Financial Officers Act of 1990. Under a contract monitored by the OIG, an independent public accounting (IPA) firm issued an unmodified opinion on FLRA's Fiscal Year (FY) 2025 financial statements. The IPA identified a material weakness in internal control over financial reporting based on the limited procedures performed. The IPA also reported that the FLRA's financial statements for the FY ending September 30, 2025, were presented fairly in all material respects, in accordance with U.S. Generally Accepted Accounting Principles.

The IPA made two recommendations to the material weakness in internal control over financial reporting. In addition, the IPA issued the *AU-C 265 Management Letter for Fiscal Year 2025 (AR-26-03)* and reiterated these recommendations.

Statement on Auditing Standards AU-C¹ Section 260 Letter for Fiscal Year 2025 (AR-26-02)

The IPA firm issued the Statement on Auditing Standards AU-C Section 260 letter, "The Auditor's Communication with Those Charged with Governance." The letter provides a framework for effective communication between the auditor and client in relation to the audit of the financial statements.

AU-C Section 265 Management Letter for Fiscal Year 2025 (AR-26-03)

In connection with its audit of FLRA's financial statements, the IPA issued the AU-C Section 265 letter, "Communications of Significant Deficiencies and/or Material Weaknesses." While the FLRA achieved an unmodified (clean) opinion on all financial statements, the IPA identified a material weakness in internal control over financial reporting at the financial statement level. The IPA made two recommendations in AR-26-01 that are restated in the Management Letter. The IPA also made three additional recommendations related to internal control weaknesses: 1) improving FLRA's procedures related to reviewing open obligations; 2) improving FLRA's internal control procedures for review of its

¹ AU-C refers to the American Institute of Certified Public Accountants, Auditing Standards Board standards that are clarified and converged with the International Standards on Auditing.

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third-party service provider for accounting and related services; and 3) improving FLRA's internal control procedures to ensure its Standard Form 133, Report on Budget Execution and Budgetary Resources, is submitted in a timely manner.

2. Management Advisory Review of the Variable Week Work Schedule Program (MAR-26-01)

The OIG performed a review of FLRA's administration of its Variable Week Work Schedule Program. The Variable Week Work Schedule is an alternative work schedule offered to FLRA employees that provides significant flexibility with regards to an employee's work schedule. Our review found that: 1) FLRA did not fully implement certain requirements of its written policy; 2) supervisors are unable to independently verify hours worked of subordinates; and 3) revisions were needed to the Work Schedule Selection Form to be consistent with FLRA policy. We made five recommendations. After evaluating management comments on our draft report, we closed two recommendations. We plan to follow up on the remaining three recommendations.

3. Purchase Card Risk Assessment and Review of the Charge Card Program for Fiscal Year 2025 (MAR-26-02)

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) requires all executive branch agencies to establish and maintain safeguards and internal control over purchase and travel cards consistent with Office of Management and Budget guidance. The Charge Card Act also requires Inspectors General to conduct periodic risk assessments of agency charge card programs to identify and analyze the risks of illegal, improper, or erroneous purchases and payments, which determines the scope, frequency, and number of periodic audits of the programs.

In brief, we assessed the overall risk of FLRA's charge card program as low. Our risk assessment included limited testing of FLRA's purchase card and travel card transactions, as well as other policy and statutory requirements, including training. We found no exceptions. Therefore, we made no recommendations.

4. Performance Audit Report on the Federal Labor Relations Authority's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2025 (AR-26-04)

Under a contract, the OIG engaged an IPA firm to conduct a performance audit of the FLRA's compliance with the Payment Integrity Information Act of 2019 (PIIA) for FY 2025. The IPA found FLRA to be compliant with the Performance and Accountability Report (PAR) reporting requirements of PIIA and reported information on paymentaccuracy.gov. However, the IPA found that FLRA does not have an agency-wide process for assessing programmatic risks for improper payments and preparing and reviewing reported payment integrity information; especially for employee payroll and benefits, which is FLRA's largest annual

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program with outlays greater than \$10 million. The IPA made four recommendations to FLRA. Based on management comments on the draft report, FLRA has already taken action to close one of the recommendations.

On-Going Audits and Reviews

The OIG currently has the following four active engagements.

1. Privacy and Data Protection Audit

An IPA firm, on behalf of the OIG, has been engaged by the OIG to conduct an audit of FLRA's compliance with privacy and data protection requirements. We plan to issue the results of the audit in the second half of FY 2026.

2. Federal Information Security Modernization Act of 2014 (FISMA) Audit for Fiscal Year 2026

An IPA firm, on behalf of the OIG, has been engaged by the OIG to conduct an audit of FLRA's compliance with provisions of FISMA. We plan to issue the results of the audit in the second half of FY 2026

3. Financial Statement Audit of the Federal Labor Relations Authority for Fiscal Year 2026

The FLRA is required to submit audited financial statements in accordance with the Chief Financial Officers Act of 1990, as amended. Under an OIG contract, an IPA firm has been engaged by the OIG to conduct the audit of FLRA's 2026 financial statements. We plan to issue a report in the first half of FY 2027.

Statement on Auditing Standards AU-C Section 260 Letter for Fiscal Year 2026

As part of the financial statements audit, the IPA firm will issue the Statement on Auditing Standards AU-C Section 260 letter, "The Auditor's Communication with Those Charged with Governance," in the first half of FY 2027. The letter provides a framework for effective communication between the auditor and client in relation to the audit of the financial statements.

AU-C Section 265 Management Letter for Fiscal Year 2026

In connection with its audit of FLRA's financial statements, the IPA firm will issue a management letter in the first half of FY 2027.

4. Annual Quality Assurance Review for the 12-Month Period Ending March 31, 2026

The contracted IPA firm has subcontracted with another IPA firm to conduct the annual quality assurance review of the OIG's audit operations for the 12-month period ending March 31, 2026. This is a critical component of the OIG's System of Quality Management to ensure compliance with Government Auditing

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Standards. The IPA firm will issue the review results in the second half of FY 2026.

Planned Audits and Reviews

The FLRA OIG sets forth its planned audits and reviews in its Annual Audit Plan, which is available on the FLRA OIG's website.

INVESTIGATIONS

During this semiannual period, the OIG closed no investigations.

HOTLINE

In order to facilitate reporting of allegations, the FLRA OIG maintains a hotline (see "Contacting the Office of Inspector General" below). Those who have general questions or concerns that do not fall within the FLRA OIG's jurisdiction may be referred to other entities, such as other FLRA offices, other Federal agencies, and state or local governments.

During the reporting period, we received 358 hotline inquiries. These hotline inquiries were received via the following methods: 9 telephone calls or in-person, 223 OIG website submissions, and 126 letters, emails, or fax.

FREEDOM OF INFORMATION ACT REQUESTS

The Freedom of Information Act (FOIA) allows individuals to request Federal agency records, subject to specific exemptions protecting records from disclosure. During this semiannual period, the OIG received three requests. Table 5 provides a detailed breakdown of the disposition of the requests.

LIAISON ACTIVITIES

The Inspector General is a member of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), which develops plans for coordinated, Government-wide activities that address weaknesses and vulnerabilities and promote economy and efficiency in Federal programs and operations. The OIG also periodically meets with Congressional officials when requested or when circumstances or issues require such contacts.

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REGULATORY REVIEW

Under the IG Act, 5 U.S.C. § 404(a)(2), it is a duty and responsibility of each Inspector General to review existing and proposed legislation and regulations relating to the programs and operations of the agency and to make recommendations concerning the impact of the legislation and regulations on (1) the economy and efficiency in the administration of programs and operations administered or financed by the agency, or (2) the prevention and detection of fraud and abuse in the programs and operations.

During this semiannual reporting period, the OIG made recommendations to the FLRA regarding the promulgation of final regulations under the Administrative False Claims Act, 31 U.S.C. §§ 3801-3812. A proposed rule was published in the Federal Register and the comment period closed September 8, 2025 (90 Fed. Reg. 30019). The FLRA is reviewing the comments it received.

PEER REVIEW

The IG Act requires OIGs to report the results of peer reviews of their operations conducted by other OIGs, the date of the last peer review, and outstanding recommendations from peer reviews, as well as peer reviews conducted by the OIG of other OIGs in the semiannual period. Peer reviews are conducted by member organizations of CIGIE.

The Appalachian Regional Commission OIG performed the last peer review of FLRA OIG's audit program and issued the report on June 15, 2023. The FLRA OIG received a rating of **pass**. The reviewers did not make any recommendations. The 2023 peer review report is posted on our website. The next peer review of the FLRA OIG for the period ending on March 31, 2026, is scheduled to be completed before September 30, 2027. The FLRA OIG did not conduct a peer review of another OIG in this semiannual period.

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Table 2
Listing of Reports Issued During This Reporting Period

Report Number	Report Date	Report Title	Total Recs	Mgt Decision
AR-26-01	12/22/2025	Financial Statement Audit of the Federal Labor Relations Authority Fiscal Year 2025	2	Yes
AR-26-02	12/22/2025	Statement on Auditing Standards AU-C Section 260 Letter for Fiscal Year 2025	0	N/A
AR-26-03	12/22/2025	AU-C Section 265 Management Letter for Fiscal Year 2025	3	Yes
MAR-26-01	01/13/2026	Management Advisory Review of the Variable Week Work Schedule Program	5	Yes
MAR-26-02	01/28/2026	Purchase Card Risk Assessment and Review of the Charge Card Program for Fiscal Year 2025	0	N/A
AR-26-04	02/25/2026	Performance Audit Report on the Federal Labor Relations Authority's Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2025	4	Yes

Note: These reports did not identify any questioned costs, unsupported costs, or funds that could be put to better use.

Table 3
Investigative Reports and Referrals

Description	Count
Number of Investigative Reports Issued	0
Number of Persons Referred to the Department of Justice for Criminal Prosecution	0
Number of Persons Referred to State and Local Prosecuting Authorities for Criminal Prosecution	0
Number of Indictments and Criminal Informations Resulting from any Prior Referral to Prosecuting Authorities	0

Note: Data is derived from the FLRA OIG's records of investigation.

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Table 4
Recommendations from Prior Reports on Which Corrective Action Has Not Been Completed

Report Title	# Of Recs	Mgt. Decisions	Final Action Complete	Action Not Complete
Evaluation of the FLRA's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024 (MAR-24-07)	25	25	24	1

Note: This report did not identify any questioned costs, unsupported costs, or funds that could be put to better use.

Table 5
Freedom of Information Act Requests

Activity Description	Total
Number of FOIA Requests Received	3
Number of FOIA Requests Processed	3
Requests Fully Granted	0
Requests Partially Granted	0
No Records	3
Referred to Other Agencies	0
Request Withdrawn	0
Not a Proper FOIA Request	0
Duplicate Request	0
Not an Agency Record	0

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Appendix A

Statements Regarding Plain Writing and Acronyms

We adhere to the requirements set forth in the Plain Writing Act of 2010. The Act requires that Government documents be clear, concise, well-organized, and follow other best practices appropriate to the subject or field and intended audience.

The abbreviations we use in this report are listed below.

Acronym/ Symbol	Definition
§	Section
AR	Audit Report
AU-C	Auditing Standards–Clarified
CIGIE	Council of the Inspectors General on Integrity and Efficiency
FFMIA	Federal Financial Management Improvement Act of 1996
FISMA	Federal Information Security Modernization Act of 2014
FLRA	Federal Labor Relations Authority
FOIA	Freedom of Information Act
FY	Fiscal Year
IG Act	Inspector General Act of 1978
IPA	Independent Public Accounting
MAR	Management Advisory Review
N/A	Not Applicable
OIG	Office of Inspector General
PAR	Performance and Accountability Report
PIIA	Payment Integrity Information Act of 2019
U.S.C.	United States Code

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Appendix B

Definition of Terms

The definitions below are paraphrased from the IG Act (5 U.S.C. § 405(a)).

Term	Definition
Disallowed Cost	A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.
Final Action	The completion of all actions that management has concluded, in its management decision, are necessary with respect to the findings and recommendations. If management concluded that no action was necessary, final action occurs when a management decision is issued.
Management Decision	An evaluation by management of the findings and recommendations included in an audit report and the issuance of a final decision by management concerning its response to such findings and recommendations, including actions concluded to be necessary.
Questioned Cost	A cost questioned because of (a) an alleged violation of a law, regulation, contract, or other agreement or document governing the expenditure of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.
Better Use of Funds	Funds that could be used more efficiently if management took appropriate action, including: (a) reductions in outlays; (b) deobligation of funds; (c) costs not incurred by implementing recommended improvements related to the operations of the establishment, or a contractor; (d) avoidance of unnecessary expenditures noted in preaward reviews of a contract; or (e) any other savings which are specifically identified.
Unsupported Costs	A cost questioned because, at the time of the audit, such cost is not supported by adequate documentation.

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CONTACTING THE OFFICE OF INSPECTOR GENERAL



If you know of fraud, waste, abuse, or misconduct relating to an FLRA program, contract, or employee, you may report it to the FLRA OIG **Hotline**:

www.flra.gov/OIG-Hotline

When reporting information, you may choose to be confidential, which means the FLRA OIG will not disclose your identity without your consent, unless the Inspector General determines that such a disclosure is unavoidable during the course of an investigation. You may instead choose to be anonymous. Anonymous reports may limit our ability to process the information you provide as we would not be able to contact you for additional information or clarification. To learn more about the FLRA OIG, visit our website at: www.flra.gov/components-offices/offices/office-inspector-general

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