

BRIEFLY...

Highlights of Report Number 17-12-005-11-001, issued to the Acting Commissioner of the Bureau of Labor Statistics.

WHY READ THE REPORT

Since 1917, the Bureau of Labor Statistics (BLS) has used cooperative agreements with States and territories to provide funding for the collection and analysis of Labor Market Information (LMI) data. Economic data and statistics that have not yet been released to the public — such as official BLS estimates and other official BLS statistical products — are called “pre-release information,” which BLS considers to be confidential.

In January 2012, Senator Richard Burr wrote a letter to the OIG raising concerns about the cooperative agreement between BLS and the State of North Carolina. Furthermore, in May 2012, news media reported that the Governor of Wisconsin released employment statistics derived from State Unemployment Insurance information prior to the data being approved by BLS and officially becoming Quarterly Census of Employment and Wages.

WHY OIG CONDUCTED THE AUDIT

Our audit objectives were to answer the following questions:

1. Were any Federal statutes or BLS requirements related to the protection of confidential pre-release information violated in the LMI cooperative programs?
2. To what extent did BLS ensure that States were protecting confidential pre-release information from unauthorized use or disclosure?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2012/17-12-005-11-001.pdf>.

September 2012

BLS NEEDS TO STRENGTHEN SECURITY OF PRE-RELEASE ECONOMIC DATA IN THE BLS/STATE LABOR MARKET INFORMATION COOPERATIVE PROGRAMS

WHAT OIG FOUND

We determined that no Federal statutes related to pre-release information existed; as such, none were violated in the LMI cooperative programs. However, we did find that all four States violated at least some BLS requirements contained in the cooperative agreement. Specifically, we determined that the early release of data by the Governor of North Carolina was a violation of the cooperative agreement; however, we found that the early release of data by the Governor of Wisconsin was not. Further, we found that BLS could do more to ensure States protect pre-release information by clarifying definitions in the cooperative agreement and implementing appropriate controls from the Office of Management and Budget (OMB) Statistical Policy Directive (SPD) No. 4 to protect pre-release information and reduce the risk of future security breaches.

WHAT OIG RECOMMENDED

We recommend that the Acting Commissioner for BLS not only amend the cooperative agreement to fully incorporate the requirements of OMB SPD No. 4, but also require that individuals with access to confidential pre-release information be informed annually of their responsibilities to protect that information and acknowledge their acceptance of those responsibilities in writing. We also recommend that the Acting Commissioner provide clear guidance to the States and BLS Regional Offices for granting agent agreements and access to pre-release information, increase monitoring of States to include adherence to the confidentiality requirements established by the cooperative agreement, clarify which estimates and statistical products are BLS-owned, and provide clear definitions of pre-release information and related terms to the States and BLS Regional Offices.

BLS agreed with three recommendations and acknowledged that the audit uncovered pieces of the cooperative agreement process that could be improved. However, BLS disagreed with two recommendations and some elements of our findings.