Office of Inspector General's Audit Workplan

Fiscal Year 2025

Message from the Assistant Inspector General for Audit

I am pleased to provide the Office of Inspector General's (OIG) Audit Workplan for Fiscal Year (FY) 2025. We prepared this workplan to inform U.S. Department of Labor (DOL or Department) agencies and Congress of audits and reviews that will be completed or initiated in FY 2025. Our audits in the workplan are presented by DOL agency and then further broken down into mandatory and discretionary audits. This workplan does not include unanticipated work that will come from legislative mandates, congressional requests, DOL requests, or emerging programmatic issues.

Mandatory audits are those required by law or regulation. For example, the Chief Financial Officers Act of 1990 requires an annual audit of DOL's financial statements, which is our largest mandatory audit. Other mandatory audits relate to DOL's mission critical information systems and the Workers' Compensation Programs.

After we commit resources to all mandatory audits, we use our remaining funds for discretionary audits. We decide which discretionary audits to conduct based on risk and potential impact on DOL's mission and goals. Additionally, we use these funds to perform audits in response to allegations of fraud, waste, and abuse from various sources.

We prepared this Audit Workplan by considering risks to major DOL programs that may prevent DOL from achieving strategic goals and objectives under its FY 2022–2026 Strategic Plan.

Carolyn R. Hantz

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Assistant Inspector General for Audit
U.S. Department of Labor

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FY 2025 Audit Workplan

Benefits Review Board
(BRB)

Discretionary Audit

1. **BRB's Black Lung and Longshore and Harbor Worker Appeal Case Processing – New.** The BRB decides appeals from the Office of Administrative Law Judges under the Black Lung Benefits Act, the Longshore and Harbor Workers' Compensation Act, and the Longshore and Harbor Workers' Compensation Act extensions, including the Defense Base Act (DBA). From FY 2020 through FY 2023, there was a large influx of DBA appeal cases, which the Department predicted would continue throughout FY 2024. According to Department officials, this influx of DBA appeal cases is the most important new challenge for the Office of Administrative Law Judges and the BRB. Currently, the DOL Adjudication Boards, which include the BRB, use outdated, antiquated, and unstable systems to manage approximately 3,000 cases involving over 70 statutes each year. The continued increase of Longshore and DBA appeal cases, along with a continued influx of new Black Lung and Non-DBA Longshore appeal cases, could impact the BRB's appeal case processing times. As a result, claimants' receipt of vital benefits could be delayed. This audit will focus on the BRB's efforts to expeditiously adjudicate Black Lung and Longshore (DBA and Non-DBA) appeal cases.

Bureau of Labor Statistics
(BLS)

Discretionary Audit

2. **BLS's Protection of Embargoed Data – In Progress.** BLS issues a number of reports and statistics that include "leading economic indicators" such as the Employment Situation Report and the Consumer Price Index. BLS follows the Office of Management and Budget's statistical policy when establishing the exact release time to protect the integrity and credibility of BLS and to ensure no one can gain an economic or political advantage through advanced knowledge of the information. On multiple occasions in 2024, BLS allegedly released economic data early. Most recently, on August 21, 2024, BLS reportedly provided unreleased economic data to select analysts who called BLS before it was released to the public. Early or unauthorized releases could have given some traders a significant economic advantage in trading decisions compared to other traders and the public who did not receive confidential information. Our audit's focus will be on how BLS protects economic data from early or unauthorized disclosure.

Employee Benefits Security Administration
(EBSA)

Discretionary Audit

3. **EBSA's Oversight of Cryptocurrencies – New.** The total market capitalization of cryptocurrency assets fluctuated from about $132 billion in January 2019 to $3 trillion in November 2021. More concerning, the market capitalization fell by 60 percent to $1.2 trillion as of April 2023.[1] According to a September 2022 White House Fact Sheet,[2] millions of people globally including 16 percent of adult Americans have purchased cryptocurrency assets. The rules and regulations governing the cryptocurrency market are evolving. EBSA has cautioned investors about the volatility and instability of cryptocurrencies;

[1] Federal Deposit Insurance Corporation, EVAL-24-01: FDIC Strategies Related to Crypto-Asset Risks (October 2023), available at: https://www.fdicoig.gov/sites/default/files/reports/2024-02/EVAL-24-01-Redacted_0.pdf

[2] FACT SHEET: White House Releases First-Ever Comprehensive Framework for Responsible Development of Digital Assets (September 16, 2022), available at: https://www.whitehouse.gov/briefing-room/statements-releases/2022/09/16/fact-sheet-white-house-releases-first-ever-comprehensive-framework-for-responsible-development-of-digital-assets

expressed custodial, recordkeeping, and valuation concerns; and indicated that these investments are subject to significant risks of fraud, theft, and loss. In March 2022, EBSA issued a Compliance Assistance Release[3] cautioning plan fiduciaries to exercise extreme care before they consider adding a cryptocurrency option to a 401(k) plan's investment menu for plan participants. This audit will focus on determining whether EBSA provided adequate oversight of cryptocurrency options within retirement plans.

4. **EBSA's Oversight of Limited-Scope Audits – New.** The Employee Retirement Income Security Act of 1974 (ERISA) generally requires every employee benefit plan with more than 100 participants to obtain an audit of the plan's financial statements each year. However, an exemption in the law allows auditors to perform "limited-scope audits." Such audits exclude pension plan assets already certified by certain banks or insurance carriers and provide little to no confirmation regarding the actual existence or value of the assets. In 2023, EBSA reported in an Audit Quality Study covering filings for the 2020 plan year that $927 billion and 11.7 million plan participants and beneficiaries were at risk due to audit quality. In 2019, the American Institute of Certified Public Accountants updated its accounting standards related to these types of audits. The new standards replaced limited-scope audits with audits from ERISA Section 103(a)(3)(C) and imposed new performance requirements on plan management and auditors. This audit will follow up on our prior work and review how the changes in accounting standards—and any actions taken by EBSA since then impacted EBSA's oversight of benefit plan assets covered by ERISA Section 103(a)(3)(C) audits.

5. **EBSA's Mental Health Parity Compliance Efforts – In Progress.** In 2008, Congress passed the Mental Health Parity and Addiction Equity Act. Congress's aim was to ensure financial requirements and treatment limitations applicable to mental health and substance use disorder benefits under group health plans and health insurance coverage are not more restrictive than those applicable to medical/surgical benefits. In the Consolidated Appropriations Act of 2021, Congress amended the Mental Health Parity and Addiction Equity Act to require group health plan and health insurance issuers to perform and document comparative analyses to ensure compliance with its requirements. Many group health plan and health insurance issuers are not complying with existing requirements, which are enforced by EBSA for approximately 134.2 million workers and their families for all employer-sponsored and other job-based health insurance. This audit will focus on assessing the extent of EBSA's enforcement of mental health parity laws and regulations.

[3] U.S. Department of Labor, Employee Benefits Security Administration, Compliance Assistance Release No. 2022-01: 401(k) Plan Investments in "Cryptocurrencies" (March 10, 2022), available at: https://www.dol.gov/agencies/ebsa/employers-and-advisers/plan-administration-and-compliance/compliance-assistance-releases/2022-01

Employment and Training Administration
(ETA)

Mandatory Audits

Job Corps

6. **Job Corps Minor Students – New.**[4] Job Corps' students are ages 16 to 24 upon entry into the program. The significant age range poses numerous challenges. Given the occurrence of sexual assaults and harassment on center campuses, there is an inherent risk of having adults up to 27 years of age co-enrolled with minors as young as 16 years old. Further, some Job Corps minors may: (1) have been encouraged to enroll by their parents or guardians, (2) not take the program seriously, and (3) disrupt program instruction, which impacts the learning of other students. Also, minor students may not meet minimum age requirements for certain trades. This affects their ability to obtain employment and possibly leads to lower Job Corps program outcomes. This audit will focus on whether Job Corps took appropriate measures to mitigate program disruptions and ensure the safety of and meet the program's intent for its minor students.

7. **Job Corps Student Enrollment – New.** Job Corps program funds are intended to help youth succeed in the labor market. Prior to the pandemic, enrollment in the program began to significantly decline from a high of 53,862 in Program Year (PY) 2013 to 46,969 in PY 2018 while funding remained relatively the same. During the pandemic, enrollment dropped to as low as 1,559 during PY 2020 due to suspending in-person instruction and new enrollments. In April 2021, Job Corps started enrolling students again but, as of PY 2022, student enrollment was still significantly below pre-pandemic levels at 27,737. During this time, Job Corps requested and received a constant level of funding of approximately $1.7 billion each year. This audit will focus on how the program is spending funds in light of the decline in student enrollment and the effectiveness of Job Corp's actions taken to address declining program enrollment.

Discretionary Audits

ETA Contract and Grant Programs

8. **COVID-19: Assessment of ETA Job Training Programs Results – New**. In March 2020, the COVID-19 pandemic caused many of ETA's job training programs to cease operation. This interrupted participants' job training,

[4] The OIG previously suspended this audit in FY 2024 to focus on a time-sensitive project but expects to resume the audit in FY 2025 when resources become available.

potentially preventing them from completing their training and getting a job in the areas in which they were trained. During our pandemic oversight work, we reported numerous issues with ETA's management of federal grant funds. This assessment of the OIG's series of COVID-19: ETA Grantee Sub-Recipient audits will summarize the overall effectiveness of ETA job training programs during the pandemic and evaluate ETA's implementation of lessons learned in preparation for future states of emergency.

9. **ETA Registered Apprenticeship Program – New**. In February 2021, President Biden expanded the Registered Apprenticeship Program to support nearly 1 million apprenticeship opportunities and focus the program on increasing access for underrepresented groups. Congress invested a total of $520 million into the program in FY 2022 and FY 2023. However, a prior OIG audit of the American Apprenticeship Initiative Grant Program found systematic weaknesses in the execution of the grants, as well as the planning and awarding processes. This audit will assess the effectiveness of ETA's administration of the Registered Apprenticeship Program.

10. **ETA's Administration of the Indian and Native American Program Grants – New.** Section 166 of the Workforce Innovation and Opportunity Act authorizes Congress to provide funds for the Indian and Native American Program. This funding is designed to support employment and training activities to more fully develop academic, occupational, and literacy skills; make individuals more competitive in the workforce; and promote economic and social development in accordance with the goals and values of such communities. A previous OIG audit found a grantee mismanaged grant funds, failed to use excess carryover funds while participants waited for services, and did not meet performance goals. This audit will focus on how ETA ensured the Indian and Native American Program achieved grant objectives and assisted the intended populations.

11. **COVID-19: ETA Grantee Sub-Recipient – In Progress.** In March 2020, the COVID-19 pandemic caused many of ETA's job training programs to cease operation. This interrupted participants' job training, potentially preventing them from completing their training and getting a job in the areas in which they were trained. This series of audits will focus on how effectively ETA ensured workforce development grant funds were used as intended in selected states during the pandemic.

Foreign Labor Certification

12. **Backlog of H-2B Temporary Non-agricultural Program Visa Applications – New.** In 2018, the OIG issued a report that found ETA's lack of key controls over the processing of H-2B visa applications had negatively impacted businesses that depended on H-2B workers. ETA could not demonstrate its processing of applications provided enough time for the U.S. Department of Homeland Security and the U.S. Department of State to perform their functions and enable

employers to hire H-2B workers within the timeframe required. Any delays, particularly for seasonal industries, would have serious adverse effects on business owners and local economies. Further, in 2020, we reported that ETA's processing of H-2B applications continued to be an area of concern, causing backlogs and impacting dependent businesses. This audit will focus on ETA's processing of H-2B applications, specifically the timeliness of processing prevailing wage determinations and whether improvements to the review process have reduced the application backlog.

13. **Effectiveness of ETA's Approval of H-2A Temporary Agricultural Program Visa Applications – In Progress.** The H-2A temporary agricultural program allows agricultural employers who anticipate a shortage of domestic workers to bring nonimmigrant foreign workers to the United States to perform agricultural labor or services of a temporary or seasonal nature. To be able to hire H-2A workers, employers must self-attest: (1) there are no sufficient able, willing, and qualified U.S. workers available to perform the temporary and seasonal agricultural employment; and (2) the employment of H-2A workers will not adversely affect the wages and working conditions of similarly employed U.S. workers. Due to ETA's approval process relying on employers' self-attestations, ETA may face a higher likelihood of program noncompliance. This audit will focus on the effectiveness of ETA's approval process and comparing the self-attestations to supporting documentation.

14. **Effectiveness of ETA's Permanent Labor Certification Program (PERM) Application Processing Time – In Progress.**[5] The PERM program allows employers to hire foreign workers when: (1) there are not sufficient U.S. workers able, willing, qualified, and available to accept the job opportunity in the area of intended employment; and (2) the employment of foreign workers will not adversely affect the wages and working conditions of similarly employed U.S. workers. When submitting a PERM application, the employer is required to execute recruiting efforts for U.S. workers within 6 months of filing an application. Based on August 2022 data, once the employer submits the application to ETA, the average processing time to receive an approved application from DOL is between 8 and 11 months, depending on ETA's review process. Due to the lengthy average processing time for applications, there is little assurance by the time a foreign worker is approved for permanent resident status that a U.S. worker was still not available and able to perform the same job. This audit will focus on ETA's PERM application review process and effectiveness in ensuring U.S. workers were still not available and able to perform the job.

[5] The OIG previously suspended this audit in FY 2024 to focus on a time-sensitive project but expects to resume the audit when resources become available.

Older Worker Program

15. **Senior Community Service Employment Program's Effectiveness – New.** The Senior Community Service Employment Program is the only federally sponsored employment and training program targeted specifically to low-income, older individuals seeking to enter or reenter the workforce. In FY 2021, ETA proposed eliminating the program because it has struggled to achieve its goal of transitioning half of its participants who complete the program into unsubsidized employment. Further, ETA noted in its FY 2021 Congressional Budget Justification that nearly half of the program participants do not complete the program. If the program continues to underperform, $405 million in program funding requested for FY 2025 is at risk of not being used effectively to help older Americans achieve economic self-sufficiency. This audit will focus on identifying the Senior Community Service Employment Program's weaknesses to assist ETA in improving its effectiveness in transitioning older Americans into unsubsidized employment.

Unemployment Insurance (UI) Program

16. **Benefit Accuracy Measurement (BAM) Program and Estimated Improper Payment Rates – New.** ETA's BAM system was designed to determine the accuracy of the UI program's paid and denied benefit claims, as well as to identify the root causes of improper payments. To do so, each state randomly selects weekly samples of UI claims, which BAM investigators audit based on federal and state laws, administrative codes, rules, and policies to determine if claimants were properly paid or denied benefits. However, the BAM program may not accurately estimate the UI improper payment rate because it relies on sampling and complex assessment criteria. The Department used BAM to report estimated improper payment rates of 18.71 percent for FY 2021, 21.52 percent for FY 2022, and 14.83 percent for FY 2023. With the exception of the Pandemic Unemployment Assistance program, ETA applied these rates determined for the regular UI programs to the temporary pandemic unemployment compensation programs. Based on our audit and investigative work, the actual improper payment rates for these periods were likely higher. This audit will assess ETA's use of the BAM program as a tool to estimate the accuracy of states' UI benefit payments and the resulting improper payment rates of UI programs at both the state and federal levels.

17. **COVID-19: Coronavirus Aid, Relief, and Economic Security Act (CARES) UI Programs Results – New.** At the start of the pandemic, we had significant concerns regarding the UI programs authorized by the CARES Act. These concerns were based on both previous OIG work regarding ETA and states' ability to implement emergency responses, and on the high-risk nature of the programs. The early pandemic period saw the largest increase in UI claims since the Department began tracking data in 1967—a level far higher than state

systems were designed to handle.[6] During the first three phases of our pandemic response oversight work, we focused on identifying areas for improvement related to the implementation and administration of emergency UI programs and impacts on operations. Over the past 3 years, our reporting has identified continuing program weaknesses in internal controls, reporting, and program monitoring. We estimated states made at least $191 billion in pandemic UI benefit payments that could have been paid improperly, with a significant portion attributable to fraud. As we wrap up our pandemic response oversight work, we remain significantly concerned about the expeditious and effective deployment of UI benefits, especially in response to natural disasters and emergencies. Developing lessons learned is key to adequate preparation and proactive strengthening of the UI program for both ordinary circumstances and in advance of the next emergency. Implementing these pandemic-era lessons will require DOL to focus on prevention. This assessment will present overall program results from our oversight of: (1) DOL's UI pandemic response, (2) impacts on agency operations, and (3) lessons learned to assist DOL in improving its unemployment programs and operations in advance of future emergencies.

18. **ETA's Oversight of States' UI Trust Funds – New.** States' UI trust fund reserves may not be sufficiently solvent to withstand the next economic downturn. The Department calculates solvency rates of states' UI trust fund accounts annually for the purpose of determining states that are eligible for interest-free borrowings in the upcoming calendar year. As of January 1, 2024, only 19 of the 53 states and territories met the minimum solvency standard recommended by the Advisory Council on Unemployment Insurance, compared to 31 states prior to the COVID-19 pandemic. In addition, as of January 1, 2024, 4 states owed the federal government $27 billion while one additional state has outstanding private market bonds in support of its UI trust fund. The solvency levels of states' UI trust funds can indicate ongoing issues that could negatively impact states' abilities to continue to pay UI benefits. UI trust fund solvency is primarily driven by interaction between the payment of UI benefits and how states determine their state unemployment tax rates under state law (with certain key elements being in conformity with the Federal Unemployment Tax Act), and employers' paying state unemployment taxes. Further, OIG audits and media reports have revealed that, during the COVID-19 pandemic, some states mismanaged or misallocated amounts from their UI trust funds. ETA provides oversight of state UI trust funds through required state reporting, compliance reviews, and guidance to states. However, the sufficiency of this oversight is questionable. This audit will focus on whether ETA has provided sufficient oversight over states' UI trust fund accounts to help mitigate the risk of insolvency.

[6] COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs, Report No. 19-21-004-03-315 (May 28, 2021), available at: https://www.oig.dol.gov/public/reports/oa/2021/19-21-004-03-315.pdf

19. **UI Information Technology (IT) Modernization – New.** After the pandemic's emergence in early 2020, we reported on states' struggles to implement pandemic-related UI programs and prevent improper payments, including fraud, while processing the drastically increased number of claims. We found that this occurred in part because states' information technology systems were not modernized. Responding to the COVID-19 pandemic, Congress funded $2 billion but later reduced this to $1 billion to modernize the nation's UI systems. The initiative focuses on three main goals: (1) fraud detection and prevention, (2) timely benefit delivery, and (3) promoting equitable access. To achieve these goals, the Department has provided targeted grants to states and territories, offered improved guidance, directed assistance, and piloted tech-driven solutions. This audit will assess how well the Department's efforts have assisted states in upgrading state information technology systems and prepared states' UI programs to operate more effectively and efficiently, and to handle similar emergency situations in the future.

20. **American Rescue Plan Act Equity Grants – In Progress.** The American Rescue Plan Act, as amended by the Fiscal Responsibility Act of 2023, provided $1 billion in funding to DOL to prevent and detect fraud, promote equitable access, ensure timely payment of benefits, and reduce backlogs. Of these funds, DOL provided approximately $219 million in grants to improve UI claimant outreach and customer service processes, implement strategies to reduce backlog, and improve access for workers in communities that may historically experience barriers. These first-of-their-kind grants are referred to as "Equity Grants." They will provide funding for states to improve public awareness and service delivery as DOL seeks to address potential racial and ethnic disparities in the administration and delivery of UI benefits in select states. This audit will focus on DOL's and states' effectiveness in addressing the potential racial and ethnic disparities in the UI program.

21. **COVID-19: Audit of DOL and States' Efforts to Detect and Recover Improper Payments – In Progress.** Under the CARES Act, ETA was required to implement large-scale changes to its existing UI system, including establishing six new programs. The new programs were intended to provide expanded UI benefits to workers who were suddenly jobless as a direct result of the COVID-19 pandemic. Given the challenge of rapidly implementing new programs during a crisis, ETA and states faced an additional hurdle of using controls the OIG had previously identified as weak and deficient in published reports and alert memorandums. States used these controls to process more than 77 million seasonally adjusted initial jobless claims and 571 million seasonally adjusted continued claims over the course of the pandemic's first year. According to the OIG's conservative estimate as of January 2, 2021, such circumstances increased the risk of UI improper payments (including fraud, waste, and abuse) to exceed a total of $40 billion. This audit focuses on determining if ETA ensured states had adequate controls to prevent, detect, and recover improper payments

stemming from UI benefits under the CARES Act and the Continued Assistance Act.

22. **COVID-19: ETA and States' Efforts to Address Multistate UI Claimants – In Progress.** In September 2022, we alerted DOL to over $45 billion we had identified in potential fraud paid in four high-risk areas. Multistate claimants were the largest high-risk area. Through ETA, the OIG provided states with our underlying methodology, as well as specific claimant information for follow-up action. This audit will examine the extent to which ETA and states have taken action to address potentially fraudulent CARES Act UI claims filed by an individual in multiple states using the same Social Security number.

23. **COVID-19: ETA and States' Efforts to Address UI Claimants Filing with Social Security Numbers of Deceased Persons – In Progress.** In September 2022, we alerted DOL to over $45 billion we had identified in potential fraud paid in four high-risk areas. One high-risk area was UI claimants filing with Social Security numbers of deceased persons. Through ETA, the OIG provided states with our underlying methodology, as well as specific claimant information for follow-up action. This audit will examine the extent to which ETA and states have taken action to address potentially fraudulent CARES Act UI claims filed with Social Security numbers of deceased persons.

24. **COVID-19: ETA and States' Efforts to Address UI Claimants Filing with Social Security Numbers of Federal Prisoners – In Progress.** In September 2022, we alerted DOL to over $45 billion we had identified in potential fraud paid in four high-risk areas. One high-risk area was UI claimants filing with Social Security numbers of federal prisoners. Through ETA, the OIG provided states with our underlying methodology, as well as specific claimant information for follow-up action. This audit will examine the extent to which ETA and states have taken action to address potentially fraudulent CARES Act UI claims filed with Social Security numbers of federal prisoners.

25. **COVID-19: ETA and States' Efforts to Address UI Claimants Filing with Suspicious Email Accounts – In Progress.** In September 2022, we alerted DOL to over $45 billion we had identified in potential fraud paid in four high-risk areas. One high-risk area was UI claimants filing with suspicious email accounts. Through ETA, the OIG provided states with our underlying methodology as well as specific claimant information for follow-up action. This audit will examine the extent to which ETA and states have taken action to address potentially fraudulent CARES Act UI claims filed with suspicious email accounts.

26. **COVID-19: Impact of Waivers on UI Overpayments, Fraud Investigations, and Recoveries – In Progress.** On February 7, 2022, DOL issued Unemployment Insurance Program Letter 20-21, Change 1, regarding states' ability to waive the recovery of certain UI overpayments under the CARES Act program. There are concerns these waivers could adversely impact the pursuit of

fraud in the UI program. Also, the waivers could potentially allow for fraudulent CARES Act UI payments to go unrecovered. This audit will determine the impact of waivers on UI overpayments, fraud investigations, and recoveries.

Mine Safety and Health Administration
(MSHA)

Discretionary Audits

27. **MSHA Grant Programs – New.** MSHA is responsible for administering two types of annual grant programs. The State Grant Program distributes formula grants to state agency programs in 49 states and the Navajo Nation to support health and safety training and reduce mining accidents, injuries, and illness. The Brookwood-Sago Mine Safety Grants Program distributes competitive grants to develop education and training programs to better identify, avoid, and prevent unsafe working conditions in and around mines. The 2023 funding announcements for these two programs were $10.5 million (estimated 56 grant recipients) and $1 million (up to 20 grant recipients), respectively. MSHA designs the goals of each grant program based on changing training priorities. Grant recipients report funding and performance data quarterly to MSHA, which factor into MSHA's grant recipient monitoring and evaluation of program success. Without sufficient internal controls, reliability of the data reported by grant recipients may be compromised and could result in deteriorated program oversight or performance. This audit will assess whether MSHA properly designed and executed the grant programs and included sufficient internal controls within its grant recipient reporting system(s) to help ensure programmatic success.

28. **Mine Rescue Response Plan – In Progress.** When disaster strikes, a well-prepared mine rescue effort can mean the difference between life and death for trapped miners. Insufficient personnel, equipment, or training could hamper MSHA's ability to respond quickly and effectively in mine rescue situations. Prior OIG work found MSHA had not provided adequate oversight of mine emergency response plans, which included planning by both mine operators and MSHA. This audit will assess MSHA's preparedness in responding to emergencies requiring mine rescue operations.

Office of Federal Contract Compliance Programs (OFCCP)

Discretionary Audits

29. **OFCCP's Construction Compliance Oversight – In Progress.** OFCCP is charged with protecting America's workers by enforcing equal employment opportunity and affirmative action obligations of employers that conduct business with the federal government as contractors. OFCCP focuses on identifying patterns of systemic discrimination in employer personnel practices, including hiring, promotion, and compensation, when it conducts compliance evaluations of contractors. OFCCP also monitors contractors' and sub-contractors' compliance with affirmative action obligations. With more than $1 trillion allocated in the Infrastructure Investment and Jobs Act, OFCCP plays a vital role in ensuring these federal investments create good jobs that provide equal opportunity to all. This audit will focus on the effectiveness of OFCCP's enforcement of anti-discrimination and affirmative action obligations through compliance evaluations.

Occupational Safety and Health Administration (OSHA)

Discretionary Audits

30. **COVID-19: Assessment of OSHA Pandemic Program Results – New.** As of June 9, 2023, the OIG's pandemic response oversight work has resulted in nine audits directed at improving the efficiency, economy, and effectiveness of OSHA operations during the pandemic. For example, we found that, despite receiving 15 percent more complaints in 2020 than in 2019, OSHA conducted 50 percent fewer inspections and did not identify federal partners in a position to assist during a large-scale health crisis such as the pandemic. Similarly, we found OSHA lacked complete information on employer-reported injuries and illnesses, including COVID-19 infection rates at worksites. We also found OSHA closed inspections without ensuring it received and reviewed all items requested from employers to demonstrate alleged COVID-19 health hazards had been mitigated. Due to the lack of citations, incomplete information on infection rates at worksites, and insufficient evidence of hazard mitigation, there was a heightened risk of workers being exposed to the virus. This assessment will determine the actions OSHA has taken to address these issues and the efforts underway to ensure improved processes during future states of emergency.

31. **Assessment of OSHA's Actions to Address and Prevent Workplace Violence – New.** Workplace violence is a major concern for employers and employees nationwide. According to OSHA, workplace violence is any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the worksite. It ranges from threats and verbal abuse to physical assaults and even homicide. Acts of violence and other injuries are currently the third leading cause of fatal occupational injuries in the United States. According to the BLS Census of Fatal Occupational Injuries, of the 5,486 fatal workplace injuries that occurred in the United States in 2022, 849 were cases of intentional injury by another person. In September 2001, the OIG issued a report to evaluate how OSHA handles issues pertaining to workplace violence. The report found OSHA: (1) can take additional steps to address workplace violence issues, (2) needs to assess its training and outreach efforts on workplace violence, and (3) needs to develop a recordkeeping system on information related to workplace violence. This audit will determine the actions OSHA has taken to address and prevent workplace violence.

Office of the Assistant Secretary for Administration and Management
(OASAM)

Mandatory Audit

32. **Federal Information Security Management Act (FISMA) Audit – Annual.** In performing its various missions, DOL collects and processes sensitive information through approximately 77 major information systems. FISMA recognizes the significant risks involved with IT and its important role in fulfilling agency missions. As such, FISMA sets a framework for securing all federal government systems by developing security standards and methods for measuring the effectiveness of those security standards. This audit will focus on the status of the DOL Information Security Program in implementing an effective framework to secure DOL information systems.

Discretionary Audits

33. **IT Third Party Oversight – New.** Per the federal government's strategy from FY 2017 to current fiscal year, DOL has been required to comply with Executive Order 13800, Executive Order on Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure. The intention of this Executive Order was to place critical and sensitive infrastructure in redundant cloud first environments. On a regular basis, the OIG's FISMA testing identified inadequate testing and

oversight on third party and cloud environments. These environments require periodic testing for contingency controls and operational or service readiness. If the Office of the Chief Information Officer does not have a comprehensive contingency plan addressing third party and cloud oversight, then DOL's IT environments and core services are at risk. Risks include losing the ability to restore vital DOL operations and data after a disaster or significant service downtime. This audit will review the contingency planning for third party and cloud related services and will examine if plans account for traditional controls and oversight, as would be expected from internal continuity planning.

34. **IT Governance Framework – New.** In 2020, the OIG examined if the Department's implementation of an IT governance framework, including the authority and independence of the Chief Information Officer, complied with applicable regulations. At the time, the Department was undergoing an IT reorganization due to IT Shared Services moving the majority of the IT personnel and system responsibility under the Office of the Chief Information Office. Five years after these changes were made and with recommendations relevant to the prior IT Governance Audit, the OIG is examining the Department's success at managing IT governance across a wide variety of systems and agencies. Notably, this audit will focus on the areas remaining outside the Chief Information Officer's direct control, including third party systems and non-IT Shared Services agencies to ensure agency data is secure against inappropriate access and Personal Identifiable Information exposure.

Office of the Chief Financial Officer
(OCFO)

Mandatory Audits

35. **DOL Consolidated Financial Statements Audit – Annual.** We will determine if DOL's consolidated financial statements present fairly, in all material respects, the financial position of DOL as of September 30, 2025. We will consider DOL's internal controls over financial reporting and test DOL's compliance with applicable laws, regulations, contracts, and grant agreements that have a direct and material effect on the consolidated financial statements.

36. **Review of DOL's Improper Payment Reporting in the Annual Financial Report – Annual.** In FY 2023, the UI program, Pandemic Unemployment Assistance (PUA) program, and Federal Employees' Compensation Act (FECA) reported outlays of $28.1 billion, $121.2 billion, and $3.3 billion, respectively, with an estimated improper payment rate of 14.83 percent, 18.53 percent, and 2.44 percent, respectively. Based on DOL's risk assessments, the UI, PUA, and FECA programs continue to be considered the most susceptible to improper

payments of all DOL programs. This audit will determine if DOL complied with the Payment Integrity Information Act of 2019, which required DOL to: (1) conduct a program-specific risk assessment for each required program or activity, (2) publish and meet annual reduction targets for each program assessed to be at risk for improper payments, and (3) report information on the efforts of each program to reduce improper payments.

Office of Workers' Compensation Programs (OWCP)

Mandatory Audits

37. **Report Relating to the Federal Employees' Compensation Act Special Benefit Fund – Annual.** We will determine if: (1) the Schedule of Actuarial Liability, Net Intra-Governmental Accounts Receivable, and Benefit Expense was fairly presented for the year ending September 30, 2025; and (2) internal controls over financial reporting related to the Schedule were in compliance with laws and regulations that could have a direct and material effect on the Schedule.

38. **Longshore and Harbor Workers' Compensation Act (LHWCA) Special Fund – Annual.** We will determine if DOL's LHWCA Special Fund financial statements presented fairly, in all material respects, the financial position of the LHWCA Special Fund as of September 30, 2024.

39. **District of Columbia Workmen's Compensation Act (DCCA) Special Fund Financial Statement Audits – Annual.** We will determine if DOL's DCCA Special Fund financial statements presented fairly, in all material respects, the financial position of the DCCA Special Fund as of September 30, 2024.

40. **FECA Statement on Standards for Attestation Engagements No. 18 – Annual.** We will determine if DOL's Integrated Federal Employees' Compensation System transaction processing for application and general controls, as described in the report, were fairly presented, suitably designed, and effectively operating for the period October 1, 2024, through June 30, 2025.

Discretionary Audits

41. **OWCP Longshore War Hazards Compensation Act Claims – In Progress.** OWCP provides compensation for the injury, disability, death, or enemy detention of employees of contractors with the United States, and for other purposes as part of its responsibilities from the War Hazards Compensation Act, which is an important aspect of the Defense Base Act. Over the past 2 years, Congress has raised concerns about OWCP's: (1) timeliness and thoroughness

in processing War Hazards Compensation Act claims, (2) possible backlog of unprocessed and/or unpaid claims totaling hundreds of millions of dollars, and (3) processes for securely collecting and safeguarding associated claims data. This audit will review the effectiveness of OWCP's claims processing efforts in this area, as the number of claims has significantly increased.

Veterans' Employment and Training Service
(VETS)

Discretionary Audits

42. **COVID-19: Effectiveness of Homeless Veterans' Reintegration Program (HVRP) Grants – New.** HVRP is the only federal grant to focus exclusively on competitive employment for homeless veterans. Of all VETS programs, veterans experiencing homelessness were the most difficult population to serve during the COVID-19 pandemic. Many facilities and partner agencies shut down due to the public health emergency. VETS also experienced challenges pivoting to and providing virtual services to this population during the pandemic. This audit will focus on the effectiveness of HVRP meeting the needs of homeless veterans, as well as VETS's oversight of the program.

43. **COVID-19: Jobs for Veterans State Grants (JVSG) Program – In Progress.** The COVID-19 pandemic presented new challenges for VETS in its mission to: (1) prepare America's veterans and transitioning service members for meaningful careers, (2) provide them with employment resources and expertise, (3) protect their employment rights, and (4) promote their employment opportunities. VETS's JVSG program provides individualized career services to veterans with significant barriers to employment, especially veterans who are economically or educationally disadvantaged. The program also aims to increase employment opportunities for veterans and encourage the hiring of disabled veterans. To this end, it conducts outreach to employers and business associations and engages in advocacy efforts with hiring executives. The audit will focus on how the pandemic impacted the JVSG program as well as the effectiveness of the program during a health crisis.

Wage and Hour Division
(WHD)

Discretionary Audit

44. **WHD's Enforcement of Child Labor Laws for Vulnerable Populations – New.** WHD enforces laws that prevent the improper use of child labor. Violations of child labor laws are increasing nationwide. In response to allegations of illegal work performed by children, WHD launched a National Strategic Enforcement Initiative on Child Labor in 2023 to put additional emphasis on addressing this critical issue. WHD found 5,792 children were working in violation of child labor laws in FY 2023 compared to 3,876 children in FY 2022.[7] Children who are employed in violation of federal labor laws may be injured or even killed in the workplace. The National Institute for Occupational Safety and Health estimates that 160,000 American children suffer occupational injuries every year, and 54,800 of these injuries are serious enough to warrant emergency room treatment. Both federal and state laws govern the employment of young workers, and, when both are applicable, the law with the stricter standard must be obeyed.[8] This audit is a follow-on to our ongoing work looking at WHD's efforts to curtail child labor violations and will focus on the extent of WHD's efforts to protect vulnerable populations (e.g., undocumented immigrants) and address egregious and systemic violations of federal child labor laws.

45. **Child Labor Law Violations – In Progress.** The Fair Labor Standards Act of 1938 (FLSA) is the federal law that sets minimum wage, overtime, recordkeeping, and youth employment standards. The FLSA includes child labor provisions (i.e., laws) to protect the safety, health, and wellbeing, as well as educational opportunities, of working young people. WHD enforces these laws. Violations of child labor laws and proposals to roll back protections are increasing nationwide. For example, DOL has seen: (1) an 88 percent increase in minors employed in violations of the FLSA between FY 2019 and FY 2023 and (2) a 152 percent increase in child labor civil money penalties assessed during this same time. Concurrently, 10 states have introduced, considered, or passed legislation rolling back protections for young workers within the past 2 years. This audit will focus on WHD's efforts to curtail child labor law violations and determine the cause for rising child labor law violations.

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[7] U.S. Department of Labor, Wage and Hour Division's website, "Child Labor Enforcement: Keeping Young Workers Safe," last accessed August 21, 2024, available at: https://www.dol.gov/agencies/whd/data/child-labor

[8] U.S. Department of Labor, Wage and Hour Division's website, "Fact Sheet #43: Child Labor Provisions of the Fair Labor Standards Act (FLSA) for Nonagricultural Occupations," (Revised December 2016), last accessed August 21, 2024, available at: https://www.dol.gov/agencies/whd/fact-sheets/43-child-labor-non-agriculture#:~:text=Children%20of%20any%20age%20are,has%20declared%20to%20be%20hazardous

Multi-Agency

Mandatory Audits

46. **Charge Card Risk Assessment – Annual.** The Government Charge Card Abuse Prevention Act of 2012 was designed to prevent recurring waste, fraud, and abuse of government charge cards, and requires agencies to implement safeguards and internal controls to reduce these risks. This audit will determine if DOL established controls over its purchase and travel card programs to detect and prevent illegal, improper, or erroneous purchases and payments.

47. **Single Audit Compliance, Quality Control Reviews of Single Audit Reports – Annual.** We will determine: (1) if selected independent auditors complied with the requirements of the Office of Management and Budget's Uniform Guidance, Government Auditing Standards, and Generally Accepted Auditing Standards and (2) if there is a need for any follow-up work.