

UNITED STATES GOVERNMENT
National Labor Relations Board
Office of Inspector General



Review of Data Accuracy in the FY 2001 Annual Report

Report No. OIG-AMR-39-03-04

September 2003

INSPECTOR GENERAL



NATIONAL LABOR RELATIONS BOARD

WASHINGTON, DC 20570

September 30, 2003

I hereby submit a *Review of Data Accuracy in the FY 2001 Annual Report*, Report No. OIG-AMR-39-03-04. This review was conducted to determine whether the Fiscal Year (FY) 2001 Annual Report prepared by the National Labor Relations Board (NLRB or Agency) accurately presented the Agency's accomplishments and was produced timely.

The Agency used significant resources to develop Annual Reports that are no longer statutorily required. Section 3 of the National Labor Relations Act required the Agency to submit an Annual Report to Congress. The Federal Reports Elimination and Sunset Act of 1995 provides that Annual Reports cease to be required as of May 15, 2000, unless a particular report is exempted. No exemptions exist for the NLRB Annual Report. We estimated that the Agency expended over \$600,000 to produce Annual Reports for FY 2000 and FY 2001 that were no longer required.

The Annual Report for FY 2001, dated March 18, 2003, was not available to the public until nearly 20 months after the end of the fiscal year. The time to publish the Annual Reports varied over the past 20 years and, after a downward trend, started to increase with the FY 1999 report. The FY 2002 Annual Report has already been in production nearly 12 months.

The Agency made significant progress in data accuracy and the processes for producing the Annual Report since we reviewed the FY 1999 NLRB Annual Report. Note, however, that five Regional Offices were excluded from our scope because management identified these offices as having known data accuracy problems. Several data elements tested were incorrect or not supported by documentation, and analytical procedures identified some missing or illogical data. These items, however, did not significantly affect the overall accuracy of the Annual Report. The errors identified were:

- Each Region visited had some data elements with errors that exceeded our tolerable error rate of 10 percent. Some of the errors generally

occurred in a consistent manner within the Region, indicating they were the result of a Regional policy that disagreed with Agency-wide criteria.

- Four median days figures reported in a table were not in agreement with the reports on which they were based. Four charts in Chapter 1 did not agree with tables in the appendix.
- Illogical data could be entered into the Case Activity Tracking System (CATS), and data elements were missing in CATS, resulting in differences between Annual Report tables.
- Backpay of \$1,674,035 for four cases was incorrectly reported as reimbursement of fees, dues, and fines.

Even though many of the funds spent to prepare the Annual Report were non-recurring costs associated with CATS, the Agency could save substantial resources if the Annual Report was discontinued. The major savings would come from staff time. The savings are difficult to quantify because time spent on the Annual Report is not now captured, and some time would continue to be needed to maintain CATS. Primarily the Information Technology Branch could save significant blocks of time. By eliminating the Annual Report, we estimate the Agency could put approximately \$57,000 to better use each year.

The change would have minimal impact on the public. Relatively few copies, less than 200, are sold outside the Agency. Much of the Annual Report consists of information, such as Board decisions, that is already available to the public. Additional data thought to be of interest to the public that is not otherwise available could be posted on the Agency Web site.

An exit conference was held on August 21, 2003, with representatives of the Chairman's Office, Office of Executive Secretary, Division of Information, Division of Operations-Management, and the Information Technology Branch. A draft report was sent to the Director of Information on August 22, 2003, for review and comment. A joint management response stated that the decision whether to produce the Annual Report and what form the report will take are matters to be addressed by the political leadership of the Agency. In a separate memorandum to the Board, the General Counsel supported producing a slimmed-down Annual Report. Management's comments are presented in their entirety as an appendix to this report.

Jane E. Altenhofen
Inspector General

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BACKGROUND

The National Labor Relations Board (NLRB or Agency) administers the principal labor relations law of the United States, the National Labor Relations Act (NLRA) of 1935, as amended. The NLRA is generally applied to all enterprises engaged in interstate commerce, including the United States Postal Service, but excluding other governmental entities as well as the railroads and the airline industries. The Fiscal Year (FY) 2003 appropriation authorizes 1,952 full-time equivalents that are located at Headquarters, 51 field offices throughout the country, and three satellite offices for Administrative Law Judges. NLRB received an appropriation of \$238,982,000 for FY 2003, less an across-the-board reduction of .65 percent, leaving a net spending ceiling of \$237,428,617.

The Agency publishes an Annual Report that identifies and summarizes significant cases and presents many charts and tables quantifying and summarizing the Agency's accomplishments. Ten chapters present data on overall operations for the year, summarize Board decisions that were novel or precedent setting, and summarize significant cases processed by various NLRB Divisions and Branches in Federal courts.

The Annual Report also has an appendix that includes a glossary, subject index, and 40 statistical tables and subtables. The tables include information such as cases received, cases closed, and elections held both in aggregate and by items such as location, method of closing, and stage of disposition at closing. According to the FY 2001 Annual Report, the Agency closed 29,820 unfair labor practice cases (C cases) and 5,504 representation cases (R cases).

In FY 1995, the Agency began development of the Case Activity Tracking System (CATS) to replace the Case Handling Information Processing System. Deployment of CATS to Regional, Sub-Regional and Resident Offices was completed in FY 2000. Headquarters components use stand-alone systems that include the Pending Case List (PCL) used by the Office of Executive Secretary (OES) to manage and report on the Board's cases. The Annual Report, therefore, is compiled using data from CATS and the stand-alone Headquarters systems. The Director of Information is responsible for coordinating the production of the Annual Report.

For FY 2001, the Division of Operations-Management (Operations-Management) tested data by using queries and cross-footing reports to evaluate data accuracy. In Memorandum OM 02-57, CATS Information and Data Integrity Program, dated April 16, 2002, Operations-Management asked each Region to develop a Data Integrity Plan to monitor data entry into CATS.

OBJECTIVES, SCOPE, AND METHODOLOGY

The audit objectives were to determine whether the FY 2001 NLRB Annual Report accurately presented the Agency's accomplishments and was produced timely. Our scope was C case and R case data in the FY 2001 Annual Report.

We interviewed employees in the Information Technology Branch (ITB), Division of Information, OES, Division of Judges, Operations-Management, and other Headquarters program offices to identify sources of data, procedures used to compute data and gain an understanding of management controls used to ensure that the Annual Report accurately reflects the underlying data. We reviewed laws and regulations affecting the production of the Annual Report, including the NLRA and the Federal Reports Elimination and Sunset Act of 1995. We reviewed the timeliness of the production of the Annual Report for the past 20 years.

We interviewed employees in the Division of Information, OES, and the Library and Administrative Services Branch and requested documentation showing how the Annual Reports were distributed. We also contacted staff for the President of the Senate to determine whether they received the Annual Report.

We recalculated 17 selected tables and sub tables included in the Annual Report using the databases obtained from ITB. We reconciled 11 charts in Chapter 1 of the Annual Report with the tables that present the same information in the appendix of the Annual Report.

We selected and tested statistical samples of closed and pending C cases and R cases in four Regions and closed C cases and R cases in OES. Closed cases were tested to determine whether selected data elements were supported by documentary evidence. We tested 11 C case and 12 R case data elements for each closed case tested in the Regions and three data elements for each closed case tested in OES. Pending cases in CATS were reviewed to determine if they were accurately reported as pending as of September 30, 2001.

We performed analytical tests to identify missing cases, duplicate cases, illogical data elements, missing data elements, cases reported in the wrong period, and the correctness of monetary amounts in the CATS database.

This audit was performed in accordance with generally accepted Government auditing standards during the period March 2003 through August 2003. We conducted the audit at NLRB Headquarters and the following Regional Offices: Region 31 - Los Angeles; Region 14 - St. Louis; Region 30 - Milwaukee; and Region 34 - Hartford. We excluded five Regional Offices from our scope because Operations-Management identified these offices as having known data accuracy problems.

FINDINGS

The Agency used significant resources to develop Annual Reports that are no longer statutorily required and are not produced in a timely manner. Even though the FY 2001 Annual Report was generally accurate, the Agency has presented no justification to spend significant resources on this effort.

The Agency made significant progress in data accuracy and the processes for producing the Annual Report since we reviewed the FY 1999 NLRB Annual Report. Despite this progress, several data elements tested were incorrect or not supported by documentation and analytical procedures identified some missing or illogical data. These items, however, did not significantly affect the overall accuracy of the Annual Report.

AUTHORITY FOR ANNUAL REPORT

The Agency used significant resources to develop Annual Reports that are no longer statutorily required. Agency officials responsible for the Annual Report were unaware of the changed reporting requirement and only had anecdotal undocumented support for use of the report.

Section 3 of the National Labor Relations Act required the Agency to submit an Annual Report to Congress. The Federal Reports Elimination and Sunset Act of 1995 provides that Annual Reports cease to be required as of May 15, 2000, unless a particular report is exempted. No exemptions exist for the NLRB Annual Report. The FY 1999 Annual Report, dated April 20, 2001, was the last required report. The Annual Reports for FY 2000 and later were not required.

We estimated that the Agency expended over \$600,000 for programming changes needed to produce Annual Reports, staff time, and printing related to Annual Reports for FY 2000 and FY 2001. These expenses were primarily for computer programming services, exclusively related to the Annual Report tables, performed between September 11, 2000 and September 30, 2002. The requirements definition, analysis, and design; coding; testing; and production cycles of the tables took 7,022 hours costing \$483,220.85.

For this 2-year period, ITB Information Systems Section employees spent an estimated 1,700 hours to develop cross-footing reports, write chapter 1, prepare chapter 1 charts, write queries to support the data verification process, create a reconciliation database, document change requests, attend Annual Report tables meetings, crosscheck the monthly election reports and the Annual Report election data tables, review specifications, and conduct user acceptance testing. This staff time was estimated to cost more than \$66,000.

Most of the \$600,000 was for nonrecurring costs, but savings would occur each year the Annual Report is not produced, primarily in staff time. The savings are difficult to quantify because time spent on the Annual Report is not now captured, and some time would continue to be needed to maintain CATS. We believe the Regional Offices would save some staff time, and Headquarters offices, primarily ITB, could save significant blocks of time. By eliminating the Annual Report, we believe the Agency could put approximately \$57,000 to better use every year. This amount includes staff time estimates provided by ITB and program offices and the cost to have the document published.

The Agency paid the Government Printing Office (GPO) \$3,416 to publish the FY 2001 Annual Report. The cost included publishing the document and providing the Agency with 125 hardback and 300 paperback copies of the report. Ninety-five hardback and 108 paperback copies were distributed to NLRB offices. The remaining 222 copies were given to the Division of Information, OES, or the Library and Administrative Services Branch for distribution or to be held in stock. The Agency would save these printing costs if the Annual Report is not published.

A faceplate in the front of each Annual Report indicates the Annual Report is sent to the President of the United States, President of the Senate, and Speaker of the House of Representatives. At one time, the Division of Information sent the Annual Reports to those individuals and about 25 Committee members and staff. The last transmittal letter found was dated December 6, 1995 for the FY 1994 Annual Report. This function was transferred to OES and, in November 1997, the Division of Information gave a sample letter and mailing list to OES. The prior Executive Secretary had no recollection of sending the Annual Reports to Congress and the current Executive Secretary had no recollection of sending the most recent report available to the public in May 2003.

We attempted to confirm whether the President of the Senate received a copy of the Annual Report. The staff contacted said that, if received, the NLRB Annual Reports would be sent to the library and this process was strictly followed in 2001, 2002, and 2003, which would have been the FY 1999, 2000, and 2001 Annual Reports. No copies of the NLRB Annual Reports were in the library.

In addition to the free copies distributed by the Agency, GPO stocks copies of the Annual Reports for sale to the public. GPO retained 175 copies of the FY 2001 Annual Report. GPO kept one copy in a depository, sent 15 to the Library of Congress, and offered 159 for sale to the public at \$17 per copy. As of August 11, 2003, GPO sold 119 copies of the FY 2001 Annual Report.

Agency officials provided very general anecdotal justification for the Annual Report. Officials generally stated that the Agency received inquiries about the reports. No surveys or similar efforts to identify public use were identified nor were any statistics provided.

Most information in the Annual Reports is available to the public in other documents. A significant portion of the Annual Reports consists of information, such as Board decisions, that is public (at least 85 of 192 pages in FY 2001). This information is also provided in public documents such as the Weekly Reports prepared by the Division of Information and the Daily Labor Report. Some data was included in the Results Act report produced every year. Any data thought to be of general interest that is not currently available could be posted on the Agency's Web site.

The Agency no longer has the authority to publish an Annual Report. The Federal Reports Elimination and Sunset Act of 1995 eliminated the NLRA requirement to submit an Annual Report to Congress. The NLRB appropriation provides funds only to carry out the Act. In order to continue producing an Annual Report, the Agency should seek an exemption.

Management's Comments and OIG Response

Management took exception to our estimate of \$600,000 to produce the FYs 2000 and 2001 Annual Reports. They stated that the costs incurred to check the accuracy of data in the Annual Reports also greatly improve the accuracy of the data in CATS used to manage casehandling in the Regional Offices. Further, the computer code developed to produce the Annual Report has been used for other purposes. Management did not agree that the Agency requires an express statutory mandate to produce the Annual Report and that the decision whether to produce the Annual Report and what form the report will take are matters to be addressed by the political leadership of the Agency.

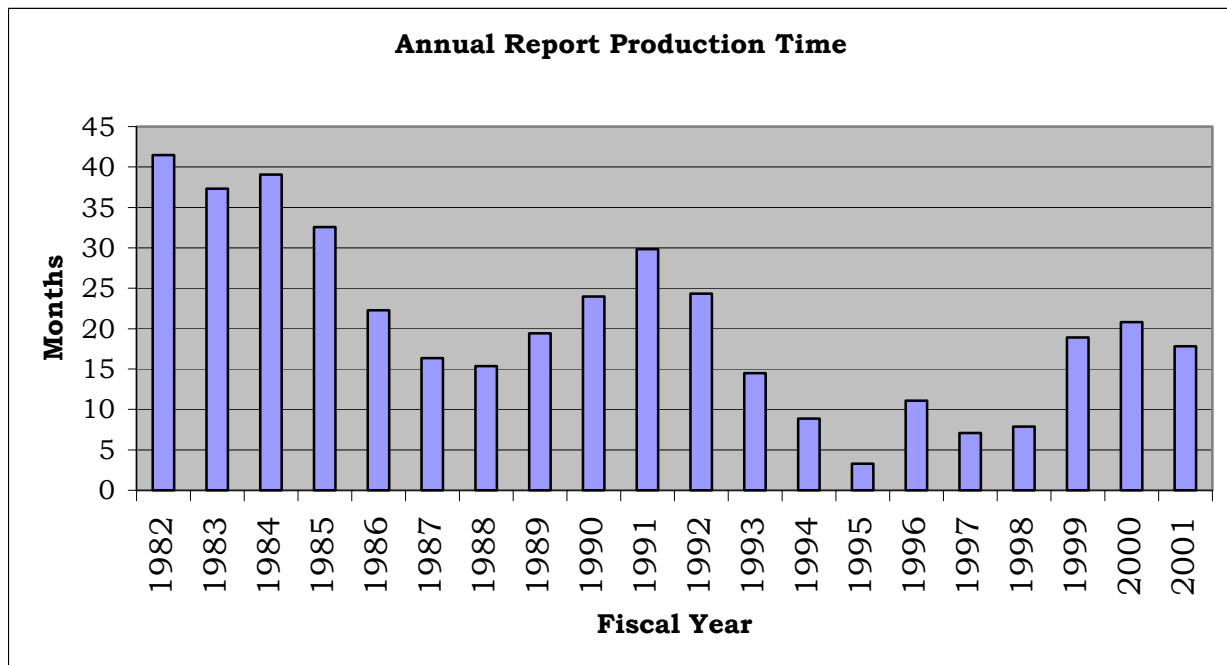
Costs for developing the Annual Report and ensuring data accuracy are directly related to the number of and amount of detailed information collected and reported in tables. Some tables contain information that does not appear to be useful to management such as the industrial distribution of cases received, geographic distribution of cases received, and cases received by federal administrative region. Further, we believe all data has limited use as a management tool because the last three Annual Reports took 18 to 21 months for the Agency to prepare.

The purpose of the Federal Reports Elimination Sunset Act was to reduce unnecessary paperwork generated, and staff time spent, in producing reports to Congress that are no longer relevant or useful. In the absence of a waiver to the Federal Reports Elimination Sunset Act, the Agency needs to determine whether the Annual Report is necessary to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended, and other laws. We believe that any justification developed to continue producing the Annual Report should be used to obtain an exemption to clearly indicate that Congress has authorized an Annual Report.

TIMELINESS OF ANNUAL REPORT

The FY 2001 Annual Report was dated March 18, 2003, approximately 18 months after the end of the fiscal year. The time to publish the Annual Reports varied over the past 20 years, and started to increase with the FY 1999 report after a downward trend in the 1990s. The last three Annual Reports took 18 to 21 months for the Agency to prepare and the last two took another 2 months before they were available to the public.

The production times are the difference between the end of the fiscal year and the date of the Letter of Transmittal in the Annual Report. Until the FY 1999 Annual Report, the transmittal date was 6 weeks after the report was submitted to the Government Printing Office (GPO) for publication. Beginning in FY 2000 the transmittal date was the date the report was submitted to GPO for publication. The FY 1998 and FY 1999 Annual Reports were available to the public approximately 1 week after the transmittal letter date. The FY 2000 and FY 2001 Annual Reports were not available to the public until approximately 2 months after the transmittal letter date. If the reports were dated consistently, the FY 2000 and FY 2001 reports would have an additional 6 weeks of processing time.



The Director of Information stated that it took approximately 18 months to publish the FY 2001 Annual Report due to efforts they made to ensure data accuracy. Efforts to identify and correct data inaccuracies involved personnel from ITB, Operations-Management, and contractor personnel.

Contractor prepared reports were provided to Operations-Management identifying data inaccuracies needing correction. Operations-Management provided these reports to Regional Offices for review and correction. This process was repeated until identified errors were within management's tolerable error rate. Management used this process to identify the Regions with questionable data accuracy that we excluded from our testing.

REGIONAL OFFICES

The pending C cases and R cases in the four Regions were generally reported accurately and the individual data elements for closed cases were generally correct, but significant errors were present in some data elements in each Region. We found that some of the errors were generally done in a consistent manner within the Region, thus representing that the errors were indicative of a Regional policy that was inconsistent with Agency-wide criteria. Operations-Management provided additional instructions for recording closing dates in a memorandum dated August 4, 2003.

C cases Closed

Of the 11 C case data elements tested, no errors were found for 4 data elements and an insignificant number of errors were found in 5 other data elements. Two data elements either contained a significant number of errors or were generally not supported by documentary evidence.

	Region 14		Region 30		Region 31		Region 34	
	No.	%	No.	%	No.	%	No.	%
Cases in universe	721		520		789		536	
Cases in sample	75		74		76		75	
Date case closed incorrect	1	1	13	17	1	1	11	14
Number of employees unsupported	10	13	7	9	21	27	9	12

Date Closed – Section 12210 and Section 12212 of the NLRB Regional Office Clerical Procedures set the criteria for the date when a case should be reported as closed. Of the 26 items with an incorrect closing date, only 2 of the errors resulted in the case being reported in the wrong fiscal year.

Ten of the 13 errors in Region 30 and 5 of the 11 errors in Region 34 were because the Region entered a closing date that differed from the date the Regional Director approved a withdrawal. Six of the 11 errors in Region 34 were because the Region used as a standard practice a closing date 35 days after an RD dismissal instead of the date when the appeal period ends. This could result in cases that should have been closed in FY 2001 being reported as closed in FY 2002.

Number of Employees – In most cases, the number of employees on the charge was blank and the file had no other documentation supporting the number recorded in CATS. The Regions stated that the number was not supported in the file because they obtained the number from other sources, such as prior charges, R case certifications, or verbally from the company. Regions did not document the obtaining of this data in the case file. The General Accounting Office's Standards for Internal Control in the Federal Government state that all transactions and other significant events need to be clearly documented and the documentation should be readily available for examination.

Operations-Management stated that the number of employees was not considered a critical factor because the Agency could not verify the accuracy of the number even if it is in the case file. Table 18 is a *Distribution of Unfair Labor Practice Situations Received, by Number of Employees in Establishments*. The size of the establishment is broken down by increments of 10 employees through 199 and thereafter in increasingly large increments, indicating that an accurate number should be important.

R cases Closed

No errors existed in four data elements tested and an insignificant number of errors existed in six data elements. Two Regions had a significant number of errors for the date closed and stage of case at disposition.

	Region 14		Region 30		Region 31		Region 34	
	No.	%	No.	%	No.	%	No.	%
Cases in universe	142		101		163		96	
Cases in sample	55		51		57		52	
Date case closed incorrect	0	0	6	11	0	0	9	17
Stage of case at disposition incorrect	0	0	12	21	5	9	8	15

Date closed – The NLRB Regional Office Clerical Procedures set the criteria for the date when a case should be reported as closed. The six errors in Region 30 and three of the nine errors in Region 34 were because the Region did not enter the date the RD approved a withdrawal as the closing date in CATS. Six of the nine errors in Region 34 were because the Region's standard practice is to use a closing date 35 days after an RD dismissal instead of the date when the appeal period ends. This could result in cases that should have been closed in FY 2001 being reported as closed in FY 2002.

Stage of Case at Disposition – Operations-Management has issued guidance on the correct closing stage for R cases, stating in what situations a case should close before notice of hearing, after notice of hearing, after hearing closed, after Regional Director's Decision or after Board Decision. An incorrect stage of case

at disposition for an R case would impact the accuracy of Table 9, Table 10, and Table 10A.

Data Integrity

We excluded Region 2, Region 7, Region 21, Region 22, and Region 29 from our testing because Operations-Management identified them as having known data accuracy problems. These Regions accounted for 21 percent of C cases and 19 percent of R cases closed during FY 2001.

In Memorandum OM 02-57, CATS Information and Data Integrity Program, dated April 16, 2002, Operations-Management asked each Region to develop a Data Integrity Plan to monitor data entry into CATS. At a minimum, each Region is required to periodically review at least 50 percent of the R cases and 30 percent of the C cases closed each month and must certify to Operations-Management that the plan has been carried out. The first certifications under the Data Integrity Plans were received in October 2002.

Operations-Management stated that Region 2, Region 21, and Region 29 have made significant improvements, but Region 22 was still having some data accuracy issues. Additional support will be provided including more frequent contact, developing new queries for the Region to identify erroneous data, and instituting additional data checks.

Operations-Management also determined that Region 7 needed additional assistance. Operations-Management plans to visit the Region to provide remedial CATS training and to review business processes. The review will be helpful because both the Regional Director and Office Manager are new.

In the four Regions we visited, management had implemented a Data Integrity Plan that either meets or exceeds the minimum requirements specified by Operations-Management. Although the plans were not in effect during FY 2001, each Region's plan will have a prospective impact on data quality.

OFFICE OF EXECUTIVE SECRETARY

With the exception of the date assigned for R cases, information in PCL was generally accurate and supported by documentary evidence. One C case and three R case median days figures reported in Table 23 of the Annual Report were not in agreement with the reports on which they were based. The median days errors ranged from 3 days to 33 days. A 3-day difference may not be significant, but it is important because a similar methodology was used to produce the 33-day error.

C cases Closed

PCL showed 536 C cases as closed in FY 2001. We selected a statistical sample of 75 closed C cases and tested three data elements: date of originating document, date assigned, and date of Board decision. Generally, items tested were accurate.

C cases Median Days

The median days reported for various Board C case activities in Table 23 were generally accurate. The age of cases pending Board decision from assignment, however, was reported inaccurately.

OES provided an annotated report, *Age of Cases Pending Board Decision from Assignment*, to support the median days shown in the Annual Report. The report contained many adjustments and markups and could not be reconciled to the 235 days stated in the Annual Report. A legible copy of the report showed a median of 238 days.

R cases Closed

PCL identified 199 R cases that closed in FY 2001. We selected a statistical sample of 60 closed R cases and tested three data elements: date of originating document, date assigned, and date of Board decision. With the exception of the date assigned, items tested were generally accurate. For the date assigned, 9 of the 60 (15 percent) items tested were not supported by documentary evidence. One item was incorrect and documentation was missing for the other eight items.

R cases Median Days

We reviewed supporting documentation for median days figures reported in the Annual Report and identified three line items that were reported incorrectly in Table 23 of the Annual Report.

Line Item	Annual Report	Supporting Documentation	Days Difference
Filing of Petition to Board Decision	232	235	3
Originating Document to Board Decision	65	75	10
Age of Case from Filing of Petition to Assignment	125	92	33

ANNUAL REPORT TABLES

Recalculation

Annual Report tables that we recalculated were supported by the databases identified by management. Thirteen of the 17 tables were within one percent of the amounts recorded in the Annual Report. Only four Annual Report tables contained a line item that differed from our calculation by more than 2 percent, Operations-Management's acceptable deviation rate. In each instance, the percentage differences were due to a small number of items being reported, and we consider the differences insignificant.

Because the scripts used to calculate the Annual Report tables created only a count of cases and did not create a list of the cases underlying the tables for FY 2001, we were unable to reconcile our calculations with the Annual Report. ITB stated that they created a case list for FY 2002 and are using this to verify differences between tables, but did not verify differences in FY 2001.

Table/Chart Agreement

The Annual Report presents the Agency's performance both in charts in Chapter 1 of the report and tables as an appendix to the report. The charts and tables often display the same information and should present consistent information.

Four of 11 charts did not match the underlying tables:

- In Chart 3, a pie chart, the percentages totaled 101.4 percent;
- Chart 3A disagreed with Table 7 by a total difference of 3.2 percent. The numbers apparently were transposed when entered into the spreadsheet used to calculate the charts;
- In Chart 3B, a pie chart, the percentages totaled 89.7 percent and thus disagreed with Table 7, which totaled 100 percent;
- Chart 12 showed 785 more elections than Table 11A, a difference of 24.6 percent. ITB did not know why this discrepancy occurred.

Different employees in ITB prepare the Annual Report charts, with one preparing the tables, and another developing the charts. These errors were not corrected prior to publication because the ITB employee who prepared the data for the charts did not review the draft Annual Report.

Analytical Procedures

Cutoff testing did not identify any evidence that the Regions were manipulating dates to improve their appearance and no duplicate case numbers were found in CATS. Gaps in the case sequence were present that could represent missing cases and illogical data could be entered into CATS. Data elements were missing in CATS, resulting in differences between Annual Report tables. For four cases, \$1,674,035 reported as reimbursement of fees, dues and fines should have been reported as backpay.

Gap Detection

Gaps in the sequence of case numbers could represent unrecorded activity. We found 28 case numbers for C cases and 2 case numbers for R cases filed in FY 2001 that could represent missing cases because of a gap in the sequence. Of the 28 case numbers for C cases, we found that two cases were reported in other data tables as closing in FY 2001. These two cases were, therefore, included in the cases that closed in FY 2001, but were not included in the cases that were filed in FY 2001.

Operations-Management stated that the gaps were not necessarily missing cases, but could have been caused by either the Regions skipping a number in error or because Regions "backfilled" missing numbers when they saw that a case number had not been assigned to a case. Operations-Management also stated that each case having a distinct case number is more important than the case number reflecting the order in which cases are received.

Illogical Data

CATS accepts data entries that are illogical. Even though the level of errors found were within the acceptable tolerance levels, the following data shows that the system does not have controls in place to prevent or detect illogical data from being accepted.

- 155 C cases and 23 R cases had a case status of being closed, but had no closing date in CATS. We selected a judgmental sample of 16 C cases and 4 R cases and found that 17 of the cases were closed. Fourteen of the closed cases would have affected the numbers reported in the FY 2001 Annual Report because the case should be included in Table 1 based on the correct closing date.
- 38 C cases and 10 R cases had a closing date prior to the filing date. Twenty cases that were open at the end of the year were listed in CATS as being closed in FY 2001 and 6 cases that closed during FY 2001 were not listed as being closed in CATS during FY 2001. Because Annual

Report tables are based on the closing dates in CATS, these errors would affect the Annual Report.

- 67 C cases were excluded from Table 7 because the case was listed as closing either before or after a 10(k) notice was issued, but the case type was not "CD." A 10(k) proceeding would only be held in a case with a case type of "CD."
- 11 C cases were excluded from Table 7 because they were listed as closing after a hearing and the hearing was never held.
- 26 cases were excluded from Table 7 because the method of disposition and the stage of case at disposition were inconsistent (*e.g.*, a case that closed by an ALJ decision, but the case did not close after an ALJ decision). The computer program used to produce Table 7 counts cases based on these fields being consistent and ignores inconsistent fields.
- In 33 elections in Table 13 and 17 elections in Table 12, the vote tally does not match the "Majority For" column. Because the "Majority For" data element is used to determine election winners, the Annual Report did not report the elections correctly.
- 20 elections were excluded from Table 13 because the Union names from the election tally and participant tables did not match. The Data Integrity Checklist for R cases states that these fields must match "character for character."
- In 30 R cases in Table 23, the date of filing was after the date the notice of hearing was issued.

These errors occur because no edit checks were present in CATS to detect and prevent acceptance of illogical data during FY 2001. We were told by ITB that edit checks will be included in the update of CATS for release in FY 2004, which is in early development.

Missing Data

Several Annual Report tables report cases closed and cases received from Table 1 based on other characteristics of the case. The scripts used to calculate the Annual Report tables look for an entry in these fields to be reported. If no entry is present in a field, the case will not be included in the table. For example, in the script for Table 5, a case will be counted only if the case has a North American Industrial Classification System (NAICS) code. The result of a missing data element is that the cases with the missing data element will not appear in that table, and the table will not be in agreement with other tables.

We found that the following data elements were missing from the tables:

C cases Data Element	Table	Missing Cases	Total Cases
Allegations	2	2	28,126
Compliance Type	4	25	11,366
NAICS Code	5	75	28,053
Dispute State	6A-6B	29	28,099
Closing Method/Timing	7	15	29,670

R cases Data Element	Table	Missing Cases	Total Cases
NAICS Code	5	8	5,404
Unit State	6A-6B	7	5,406
Closing Timing	9-10	3	5,151
Closing Method	10	12	5,108
Certified Election/No Election Type	10	54	5,108
No Election Type	11	65	3,081

ITB stated that they did not perform any analysis to identify and determine why specific cases were missing data elements for the FY 2001 Annual Report, but that they are doing this analysis for FY 2002. ITB does an analysis reconciling the differences between the tables. Staff in Operations-Management stated that the acceptable deviation rate was +/- 2 percent for FY 2001. For FY 2002, the acceptable deviation rate was lowered to +/- 1 percent. In Memorandum OM 03-82, Operations-Management issued a Data Integrity Checklist for Annual Report and Election Report Issues, which summarizes common errors that affect the Annual Report, including missing data elements, and requests that the Regions take special care to check for these errors.

Individually Significant Items

We identified five cases with entries in data element "Reimbursement of Fees, Dues, and Fines" that were over \$100,000, an amount we considered to be individually significant. The amount for these five cases was \$1,874,035. Four of the five cases tested, totaling \$1,674,035, were for employee benefits that would be properly defined as backpay according to Section 10532 of the NLRB Casehandling Manual.

AUDIT FOLLOW-UP

Report OIG-INS-16-01-03, *Review of the Data Accuracy of the Fiscal Year 1999 NLRB Annual Report*, was issued on September 25, 2001. Significant findings in that report were that our recalculations of Annual Report tables from the Agency's database were in significant disagreement with the Annual Report and that a large number of cases reported as pending as of the end of the year were closed. Our recalculations of the FY 2001 Annual Report were generally in agreement with the Agency's published Annual Report and we did not identify a significant amount of closed cases that were being reported as pending.

We suggested that the Agency include narrative regarding the impact that erroneous pending cases in the FY 1999 Annual Report would have on the FY 2000 Annual Report. Multiple tables in the FY 2000 Annual Report were footnoted that the totals differed from the prior year as a result of post-report adjustments.

RECOMMENDATION

We recommend that the Director of Information seek concurrence from the Board and General Counsel to cease producing the Annual Report; or obtain an exemption from the Federal Reports Elimination and Sunset Act of 1995 to continue producing the Annual Report.

APPENDIX

UNITED STATES GOVERNMENT
National Labor Relations Board



Memorandum

Date: September 24, 2003

To : Jane E. Altenhofen, Inspector General

From : Richard A. Siegel, Associate General Counsel
David B. Parker, Deputy Executive Secretary
William B. Cowen, Executive Assistant to the Chairman

Subject: Draft Report OIG-AMR-39, Review of Data Accuracy in the
FY 2001 Annual Report

This is to provide our comments to the subject draft report. We appreciate the opportunity to review the draft and respond. Initially, we are pleased that your review of the FY 2001 Annual Report revealed significant progress in improving data accuracy in the Casehandling Activity Tracking System (CATS) contributing to the overall accuracy of the Annual Report. We are pleased that data integrity improvement efforts we have undertaken since bringing CATS to the Regions, and certainly since issuance of Inspection Report OIG-INS-16-01-03, "Review of the Data Accuracy of the Fiscal Year 1999 NLRB Annual Report," on September 25, 2001, have resulted in significant improvements.

We also acknowledge that further improvement in data integrity must be pursued. Management actions noted in the draft report as having been taken and as being under development, as well as others not mentioned, will result in (1) more accurate data in CATS for case management purposes at the local and National levels; (2) more efficient and effective use of Agency resources; and (3) greater accuracy in the information concerning Agency activities we share with stakeholders. We also appreciate your inclusion in the draft report of our comments concerning the utility of an annual report, even in the absence of a statutory requirement.¹

We continue to take exception, however, to the inclusion in your submission memorandum accompanying the draft report of the comment that, "[t]he Agency expended over \$600,000 in FYs 2000 and 2001 to produce Annual Reports that were no longer required." This figure is, at best, an estimate² and, as the Report observes,

¹ In this regard, your comment on p. 3, Findings, that the "Agency has presented no justification to spend significant resources on [the production of an annual report]. . ." appears inconsistent and inaccurate.

² The programming undertaken for producing and verifying the Annual Report tables was part of a major enhancement to the CATS system that addressed a wide variety of items. We have been advised that the accounting system for this contract did not separately track costs associated with Annual Report tables, and that precise cost information is not available at this time. The \$600,000 figure cited in the Report is a rough approximation that includes any programming that arguably was related to the Annual Report tables, but not necessary uniquely

many of those expenses are nonrecurring.³ The figure represents contractor costs and Agency employee time spent programming, testing and running code to check the accuracy of data reported in the Annual Report tables and correcting errors in the CATS database disclosed by that data verification process. These exercises, including the development of a “cross-footing” report,⁴ greatly improved the accuracy of the Annual Report tables and the data in CATS used to manage casehandling in the Field. Agency management would have required cross-footing or some other mechanism to check data accuracy in the absence of the Annual Report data testing actually performed. Our mission-related programs and, as noted, our obligation to provide accurate information on Agency activities to our stakeholders, require that casehandling data be as complete and error free as possible. The September 25, 2001 IG report on the accuracy of FY 1999 Annual Report data and our pledge to publish accurate data (see Information Quality Guidelines published on the Agency Website pursuant to Section 515 of the Treasury and General Government Appropriations Act for FY 2001) required Agency management to test and correct our data to the extent feasible. These management needs would have required the dedication of substantial resources even in the absence of a statutory reporting obligation.⁵ Indeed, as a result of the accurate data exercises undertaken in order to produce the annual reports, the information in the CATS system now available to Agency managers and the public has never been more accurate. Accordingly, to report that “[t]he Agency expended over \$600,000 in FYs 2000 and 2001 to produce Annual Reports that were no longer required. . . .” is, we believe, misleading.

Furthermore, it is common industry practice for programming code designed for one purpose to be “cut and pasted” into computer programs to serve other purposes. Consistent with this practice, some of the coding and production work undertaken by our contractor and by Agency employees for the purpose of producing the annual report has been “reused” for other purposes not associated with producing the annual report. In this regard, it is our understanding, based on information provided by the principal CATS contractor, that “annual report” code was “reused” to help produce the Pipeline Report utilized by senior managers to help manage casehandling in the various offices of the Agency. Accordingly, resources spent on annual report coding and data verification protocols, in addition to contributing to data accuracy, served other purposes as well.

specific to the Annual Report itself. As noted below, many of these costs would have been necessary even in absence of an Annual Report.

³ It would be appropriate to amortize many of the costs associated with Annual Report table and cross-footing coding over the years the code will be utilized. This, we suggest below, may be a long time.

⁴ A cross-footing report compares like data appearing in different tables utilizing different case selection criteria. Data accuracy can be assumed when the data are identical or differ only within narrowly defined limits.

⁵ The Federal Reports Elimination and Sunset Act of 1995 provided that 4 years after its enactment all provisions of law, except those expressly exempted, requiring the submission to Congress of any annual, semiannual or other regular periodic report ceased to be effective. The National Labor Relations Act was not specifically exempted and therefore, as of May 2000, the Agency was relieved of the obligation contained in Section 3(c) of the Act to report yearly to Congress and to the President significant case activities and operations for the preceding fiscal year. The Federal Reports Elimination and Sunset Act of 1995 unfortunately escaped the attention of Agency managers and, apparently, also the Office of Inspector General until recently.

Finally, the submission memorandum accompanying the draft report includes the comment that, “[b]y eliminating the Annual Report, we estimate the Agency could put approximately \$58,000 to better use each year.”⁶ We do not know the basis for this prediction. However, in the absence of a statutory mandate, whether the National Labor Relations Board will produce an annual report and, if so, the form that report will take are matters to be addressed by the political leadership of the Agency.⁷ The production of any such report will necessarily require the expenditure of appropriated funds. In this regard, we do not agree that the Agency requires an express statutory mandate to produce an annual report, as you state at p. 5 of the Report. We note that you do not cite any authority for the curious proposition that an express statutory mandate is required before a federal agency can provide information to the public regarding its operations. Indeed, such a rule would appear to be contrary to the spirit of open government that is the cornerstone of our democracy.⁸

We look forward to working with you on this and other matters important to the management of the Agency and the pursuit of our mission.

R.A.S.

D.B.P.

W.B.C.

⁶ On p.4 of the Report you place the savings at approximately \$54,000.

⁷ There is no question that there is anecdotal evidence in the form of references to the Annual Report in official reports, court decisions, briefing documents and scholarly journals, that Annual Reports are a valued source of information about Agency activities to the Congress, the courts, practitioners and academics. However, in determining whether to continue the practice of issuing annual reports it may be appropriate to consult in a formal manner with Agency stakeholders. In the absence of such consultation, we cannot agree with your statement that elimination of the Annual Report “would have minimal impact on the public.”

⁸ In this connection, the U.S. Merit Systems Protection Board recently issued its Annual Report for Fiscal Year 2002, noting at p. 9 that, while the statutory requirement for it to issue an annual report was “sunset” by the Federal Reports Elimination and Sunset Act of 1995, it was publishing its Report as a service to its customers.