

**FISCAL YEAR 2026  
BUDGET JUSTIFICATION**



**U.S. Railroad Retirement Board  
Office of Inspector General**



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

May 30, 2025

The Honorable J.D. Vance  
President of the Senate  
S-125 Capitol Building  
Washington, DC 20510

Dear Mr. President:

We respectfully submit the fiscal year 2026 Congressional Budget Justification for the Office of Inspector General (OIG) for the U.S. Railroad Retirement Board (RRB). This justification was prepared in accordance with Office of Management and Budget (OMB) Circular No. A-11. The President's proposed budget for fiscal year 2026 provides \$14,000,000 to the Limitation on the OIG for audit and investigative activities.

The OIG provides audit services to the RRB and operates a nationwide investigative program focused on protecting the integrity of the RRB's trust funds and improving the delivery of benefits to the railroad community. The OIG provides comprehensive oversight of RRB programs and operations.

We request your support for the fiscal year 2026 funding level of \$14,000,000 to continue our oversight of RRB programs. This represents the amount needed to fund our requested staff level of 55 full-time equivalents (FTEs); to adequately fund mandated audits; and to provide the necessary resources for the OIG to continue its efforts to perform fraud investigations, detect operational weaknesses, and identify internal control deficiencies in RRB benefit programs.

As of September 30, 2024, the RRB was 28<sup>th</sup> in Federal Government spending, with a total obligated amount of over \$17 billion.

Adequate resources are vital to maintain our ability to pursue investigations effectively. Fewer resources would impact our ability to pursue investigations of fraud schemes targeting RRB programs or beneficiaries, thereby creating a potential incentive for those who would otherwise be deterred.

This budget justification includes the OIG's Performance Budget for fiscal year 2026, which provides actual performance data for fiscal years 2021 through 2024 and projected performance for fiscal years 2025 through 2026.



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

The Honorable J.D. Vance  
Page 2  
May 30, 2025

This office will continue to use efficiently all available resources to improve agency program operations, reduce fraud against agency benefit programs, and help ensure the agency provides the highest level of service to its constituents.

Sincerely,

Original Signed by

Shanon E. Holman  
Principal Deputy Performing the Duties of the Inspector General

cc: The Honorable Russell Vought  
Director  
Office of Management and Budget

The Honorable Susan Collins  
Chair  
Senate Committee on Appropriations

The Honorable Patty Murray  
Vice Chair  
Senate Committee on Appropriations

The Honorable Shelley Moore Capito  
Chair  
Senate Appropriations Subcommittee on Labor, Health and Human Services,  
Education, and Related Agencies

The Honorable Tammy Baldwin  
Ranking Member  
Senate Appropriations Subcommittee on Labor, Health and Human Services,  
Education, and Related Agencies



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

May 30, 2025

The Honorable Mike Johnson  
Speaker of the House of Representatives  
H-232 The Capitol Building  
Washington, DC 20515

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UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

The Honorable Mike Johnson

Page 2

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Original Signed by

Shanon E. Holman

Principal Deputy Performing the Duties of the Inspector General

Enclosure

cc: The Honorable Russell Vought  
Director  
Office of Management and Budget

The Honorable Tom Cole  
Chairman  
House Committee on Appropriations

The Honorable Rosa DeLauro  
Ranking Member  
House Committee on Appropriations

The Honorable Robert Aderholt  
Chair  
House Appropriations Subcommittee on Labor, Health and Human Services,  
Education, and Related Agencies

The Honorable Rosa DeLauro  
Ranking Member  
House Appropriations Subcommittee on Labor, Health and Human Services  
Education, and Related Agencies

Office of Inspector General – Railroad Retirement Board

**Fiscal Year 2026 Budget Justification**

Table of Contents

Executive Summary.....	1
Proposed Appropriation Language .....	2
Explanation of Proposed Appropriation Language .....	3
Authorizing Legislation.....	4
Budget Authority and Staffing by Activity.....	5
Budget Authority by Object Classification .....	6
Contractual Services .....	7
Personnel Summary .....	8
Amounts Available for Obligation.....	9
Appropriations History Table .....	10
Staffing History.....	12
Explanation of the Fiscal Year 2026 Budget Request .....	14
Office of Audit .....	15
Office of Investigations .....	17
Fiscal Year 2026 Performance Budget .....	19
Performance Budget .....	20

### **Executive Summary**

The fiscal year 2026 President’s budget for the Office of Inspector General (OIG) for the Railroad Retirement Board (RRB) provides \$14,000,000 in budget authority for 55 full-time equivalents (FTEs) staff and miscellaneous expenses. With this funding, the RRB OIG will continue to meet the productivity goals set forth in its Performance Budget.

The RRB OIG will focus its efforts relating to agency programs and operations on: (1) conducting independent audits and investigations; (2) promoting economy, efficiency, and effectiveness; (3) detecting fraud and abuse; and (4) keeping the RRB Board Members and the Congress informed about problems and recommending corrective actions concerning RRB operations.

The RRB OIG requests \$14,000,000 in fiscal year 2026 to continue audit and investigative coverage of the RRB benefit programs, identify program weaknesses, and reduce fraud in agency programs. Investigative resources will be devoted to maintaining the integrity of RRB programs by investigating waste, fraud, and abuse.

**Proposed Appropriation Language**

Limitation on the Office of Inspector General

*For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, not more than \$14,000,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account.*

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119-4).



**Explanation of Proposed Appropriation Language**

<b>Appropriation Language</b>	<b>Explanation</b>
For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, not more than \$14,000,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account.	This budget requests funding for audit, investigation, and review of the railroad retirement/survivor and unemployment/sickness insurance benefit programs. The Limitation on the Office of Inspector General draws on the following trust fund accounts for funding: Railroad Retirement Account, Social Security Equivalent Benefit Account, and the Railroad Unemployment Insurance Trust Fund.

Office of Inspector General – Railroad Retirement Board

**Authorizing Legislation**

<b>Authorizing Legislation</b>	<b>FY 2025</b>		<b>FY 2026</b>	
	<b>Authorized</b>	<b>Continuing Appropriation</b>	<b>Authorized</b>	<b>Appropriation Requested</b>
Inspector General Act of 1978, as amended	Indefinite	\$14,000,0000 <u>a/</u>	Indefinite	\$14,000,000

a/ Represents the level of funding provided by the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4).

Note: The 1988 amendments to the Inspector General Act of 1978 (Public Law 100-504) included the Railroad Retirement Board as an “establishment” covered by the Inspector General Act. Previously, the Railroad Solvency Act of 1983 (Public Law 98-76) amended the Railroad Retirement Act of 1974 (Public Law 93-445) to provide for an Office of Inspector General at the Railroad Retirement Board.

Office of Inspector General – Railroad Retirement Board

**Budget Authority and Staffing by Activity**

Program by Activity	FY 2024			FY 2025			FY 2026	
	Actual FTEs	Budget Amount		Projected FTEs	Budget Amount		Projected FTEs	Budget Amount
Office of Inspector General Audit and Investigations	45	\$14,000,000		44	\$14,000,000		55	\$14,000,000
Authorizing Legislation		\$14,000,000	<u>a/</u>		\$14,000,000	<u>b/</u>		\$14,000,000

a/ Represents the level of funding provided by the Further Consolidated Appropriations Act, 2024 (Public Law 118–47).

b/ Represents the level of funding provided by the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4).

Office of Inspector General – Railroad Retirement Board

**Budget Authority by Object Classification**

Limitation on the Office of Inspector General a/

Direct Obligations by Object Class	FY 2024 Actual Expenses	FY 2025 Estimate		FY 2026 Estimate		FY 2026 vs. FY 2025 Increase/ (Decrease) d/
<b>Personnel Compensation:</b>						
Full-time permanent	\$4,758,512	\$5,600,000		\$7,750,000	b/	\$2,150,000
Other than full-time permanent	24,882	0		0		0
Other personnel compensation	172,133	195,000		200,000		5,000
<b>Total Personnel Compensation</b>	<b>4,955,527</b>	<b>5,795,000</b>		<b>7,950,000</b>		<b>2,155,000</b>
<b>Personnel Benefits: Civilian</b>	<b>2,218,234</b>	<b>2,800,000</b>		<b>3,745,000</b>	b/	<b>945,000</b>
Travel and transportation of persons	365,238	560,000		400,000		(160,000)
Rental payments to GSA	300,000	300,000	c/	300,000	c/	0
Communications, utilities, and	59,383	45,000		60,000		15,000
Other Services	3,846,953	4,065,000		1,400,000		(2,665,000)
Supplies and materials	42,768	65,000		45,000		(20,000)
Equipment	256,646	370,000		100,000		(270,000)
<b>Total Direct Obligations</b>	<b>\$12,044,749</b>	<b>\$14,000,000</b>		<b>\$14,000,000</b>		<b>\$0</b>
<b>Unobligated Balance</b>	<b>1,955,251</b>	<b>0</b>		<b>0</b>		<b>0</b>
<b>Total Budget Authority</b>	<b>\$14,000,000</b>	<b>\$14,000,000</b>	d/	<b>\$14,000,000</b>		<b>\$0</b>
<b>Total Full-Time Equivalent Usage</b>	<b>45</b>	<b>44</b>		<b>55</b>		<b>11</b>

a/ The Limitation on the OIG excludes expected reimbursable funds from the Centers for Medicare & Medicaid Services.

b/ Fiscal year 2026 salary and benefit estimates do not include a cost-of-living adjustment.

c/ At the time of this submission GSA indicated it plans to sell the RRB HQ building; relocation and rent costs are unknown at this time.

d/ Represents the level of funding provided by the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4).

Office of Inspector General – Railroad Retirement Board

**Contractual Services**

<b>Contracts</b>	<b>FY 2024 Actual</b>	<b>FY 2025 Estimate</b>	<b>FY 2026 Estimate</b>
OPM personnel consulting	\$45,500	\$60,000	\$0
Federal Occupational Health	25,000	5,000	5,000
Information technology support services	150,000	150,000	150,000
IT Licenses & Maintenance <sup>a</sup>	283,517	270,000	225,900
Data analytics	363,827	275,000	0
Other Services	1,375,361	1,875,000	334,100
Contract Audits	1,603,748	1,430,000	1,380,000
<b>Contract Program Total</b>	<b>\$3,846,953</b>	<b>\$4,065,000</b>	<b>\$2,095,000</b>

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<sup>a</sup> Total cybersecurity spending is estimated as \$43,412 for each fiscal year and composed of the following NIST categories: (a) Identify- \$13,800, (b) Protect - \$5,017, (c) Detect - \$13,800, (d) Respond - \$5,018 and (e) Recover - \$5,777.

Office of Inspector General – Railroad Retirement Board

**Personnel Summary by EX/ES/GS Level**

	<b>FY 2024 Actual</b>	<b>FY 2025 Estimate</b>	<b>FY 2026 Estimate</b>
EX-IG	0	0	1
<b>IG Subtotal</b>	<b>0</b>	<b>0</b>	<b>1</b>
ES-00	2	2	3
<b>ES Subtotal</b>	<b>2</b>	<b>2</b>	<b>3</b>
GS-15	1	1	5
GS-14	8	8	8
GS-13	11	11	15
GS-12	15	15	22
GS-11	1	6	0
GS-09	7	1	1
<b>GS Subtotal</b>	<b>43</b>	<b>42</b>	<b>51</b>
<b>End of Year: Total full-time permanent employment</b>	<b>45</b>	<b>44</b>	<b>55</b>

**Average ES/GS Salaries**

	<b>FY 2024 Actual</b>	<b>FY 2025 Estimate</b>	<b>FY 2026 Estimate</b>
Average ES salary	\$205,085	\$210,045	\$204,833
Average GS grade	12.2	12.5	12.9
Average GS salary with Law Enforcement Availability Pay (series 1811 law enforcement)	\$157,551	\$161,567	\$158,123
Average GS salary (non-law enforcement)	\$117,270	\$121,048	\$127,975

Office of Inspector General – Railroad Retirement Board

**Amounts Available for Obligation**

<b>Financing</b>	<b>FY 2024 Actual</b>		<b>FY 2025 Continuing</b>		<b>FY 2026 Estimate</b>
Obligations from new authority	\$12,044,750		\$14,000,000		\$14,000,000
Plus: Unobligated balance	\$1,955,250		0		0
<b>Limitation on the Office of Inspector General</b>	\$14,000,000	<u>a/</u>	\$14,000,000	<u>b/</u>	\$14,000,000
<b>Relation of direct obligations to outlays</b>					
Obligations incurred	\$12,044,750		\$14,000,000		\$14,000,000
Obligated balance, start of year	0		173,170		173,170
Obligated balance, end of year	(173,170)		(173,170)		(173,170)
<b>Direct Outlays</b>	\$11,871,580		\$14,000,000		\$14,000,000

a/ Represents the level of funding provided by the Further Consolidated Appropriations Act, 2024 (Public Law 118–47).

b/ Represents the level of funding provided by the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4).

Note: Funding for the audit and investigative activities of the Railroad Retirement Board Office of Inspector General is transferred from the Railroad Retirement Account (RRA), the Social Security Equivalent Benefit (SSEB) Account, and the Railroad Unemployment Insurance Account (RUIA). The President’s budget reflects budget authority for administrative expenses in the RRA, SSEB Account, and the RUIA. The Limitation on the Office of Inspector General receives its spending authority from offsetting collections equal to the appropriation amount.

**Appropriations History Table**

<b>Fiscal Year</b>	<b>President's Budget</b>	<b>Appropriation</b>	
2009	\$7,806,000	\$7,806,000	<u>a/</u>
2010	\$8,186,000	\$8,186,000	<u>b/</u>
2011	\$8,936,000	\$8,169,628	<u>c/</u>
2012	\$9,259,000	\$8,154,559	<u>d/</u>
2013	\$8,820,000	\$7,973,686	<u>e/</u>
2014	\$8,877,000	\$8,272,000	<u>f/</u>
2015	\$8,750,000	\$8,437,000	<u>g/</u>
2016	\$9,450,000	\$8,437,000	<u>h/</u>
2017	\$10,499,000	\$10,000,000	<u>i/</u>
2018	\$8,437,000	\$11,000,000	<u>j/</u>
2019	\$8,437,000	\$11,000,000	<u>k/</u>
2020	\$11,000,000	\$11,000,000	<u>l/</u>
2021	\$11,500,000	\$11,500,000	<u>m/</u>
2022	\$12,650,000	\$12,650,000	<u>n/</u>
2023	\$13,269,000	\$14,000,000	<u>o/</u>
2024	\$14,000,000	\$14,000,000	<u>p/</u>
2025	\$14,000,000	\$14,000,000	<u>q/</u>

- a/ Consolidated Appropriations Act, 2009 (Public Law 111-8).
- b/ Consolidated Appropriations Act, 2010 (Public Law 111-117).
- c/ Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10), less \$16,372 rescinded in accordance with Public Law 112-10.
- d/ Consolidated Appropriations Act, 2012 (Public Law 112-74) amount of \$8,170,000, less \$15,441 rescinded in accordance with Public Law 112-74.
- e/ Consolidated and Further Continuing Appropriations Act, 2013 (Public Law 113-6).
- f/ Consolidated Appropriations Act, 2014 (Public Law 113-76).
- g/ Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235).



**Appropriations History Table**

(Footnotes, Continued)

- h/ Consolidated Appropriations Act, 2016 (Public Law 114-113).
- i/ Consolidated Appropriations Act, 2017 (Public Law 115-31).
- j/ Consolidated Appropriations Act, 2018 (Public Law 115-141).
- k/ Consolidated Appropriations Act, 2019 (Public Law 116-6).
- l/ Consolidated Appropriations Act, 2020 (Public Law 116-94).
  
- m/ Consolidated Appropriations Act, 2021 (Public Law 116-260).
- n/ Consolidated Appropriations Act, 2022 (Public Law 117-103).
- o/ Consolidated Appropriations Act, 2023 (Public Law 117-328).
- p/ Further Consolidated Appropriations Act, 2024 (Public Law 118-47).
- q/ Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4).

Office of Inspector General – Railroad Retirement Board

**Staffing History**

Actual Full-Time Equivalent Employment

<b>Fiscal Year</b>	<b>Total FTEs</b>		<b>Change from previous year</b>	<b>Percent change from previous year</b>	<b>Cumulative FTE changes</b>	<b>Cumulative percent change since fiscal year 1993</b>
1993	99		---	---	---	---
1994	93		-6	-6.1%	-6	-6.1%
1995	88		-5	-5.4%	-11	-11.1%
1996	74		-14	-15.9%	-25	-25.3%
1997	62		-12	-16.2%	-37	-37.4%
1998	59		-3	-4.8%	-40	-40.4%
1999	59		0	0.0%	-40	-40.4%
2000	54		-5	-8.5%	-45	-45.5%
2001	51		-3	-5.6%	-48	-48.5%
2002	51		0	0.0%	-48	-48.5%
2003	53		2	3.9%	-46	-46.5%
2004	51		-2	-3.8%	-48	-48.5%
2005	50		-1	-2.0%	-49	-49.5%
2006	51		1	2.0%	-48	-48.5%
2007	48		-3	-5.9%	-51	-51.5%
2008	47		-1	-2.1%	-52	-52.5%
2009	48		1	2.1%	-51	-51.5%
2010	53		5	10.4%	-46	-46.5%
2011	53		0	0.0%	-46	-46.5%
2012	52		-1	-1.9%	-47	-47.5%
2013	48		-4	-7.7%	-51	-51.5%
2014	49		1	2.1%	-50	-50.5%

Office of Inspector General – Railroad Retirement Board

<b>Fiscal Year</b>	<b>Total FTEs</b>		<b>Change from previous year</b>	<b>Percent change from previous year</b>	<b>Cumulative FTE changes</b>	<b>Cumulative percent change since fiscal year 1993</b>
2015	48		-1	-2.0%	-51	-51.5%
2016	47		-1	-2.1%	-52	-52.5%
2017	48		1	2.1%	-51	-51.5%
2018	48		0	0.0%	-51	-51.5%
2019	48		0	0.0%	-51	-51.5%
2020	48		0	0.0%	-51	-51.5%
2021	47		-1	-2.1%	-52	-52.5%
2022	45		-2	-4.3%	-54	-54.5%
2023	41.5		-3.5	-7.8%	-57.5	-58.1%
2024	45		3.5	8.4%	-54	-54.5%
2025	44	<u>a/</u>	-1	-2.2%	-55	-55.6%

a/ Reflects projected FTEs

### **Explanation of the Fiscal Year 2026 Budget Request**

The Office of Inspector General (OIG) at the Railroad Retirement Board (RRB) is responsible for promoting economy, efficiency, and effectiveness; and for identifying and preventing fraud, waste, and abuse in agency programs.

The RRB administers comprehensive retirement survivor and unemployment sickness insurance benefit programs for the nation's railroad workers and their families. It is the RRB's mission to pay accurate and timely benefits. As of September 30, 2024, the RRB was 28th in Federal Government spending with a total obligated amount of \$17,067,364,077.

During fiscal year 2024, the RRB paid approximately \$14.6 billion in benefit payments, net of recoveries and offsetting collections. Of this amount, benefit payments for the railroad retirement and survivor benefits program totaled \$14.5 billion (including \$850,994,000 in disability annuities); for the railroad unemployment and sickness insurance benefits program totaled \$62.4 million; for the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) programs totaled \$0.1 million; and for the vested dual benefits program totaled \$6.2 million, net of recoveries and offsetting collections. During fiscal year 2024, the RRB also paid benefits on behalf of the Social Security Administration (SSA), for which the RRB is reimbursed, amounting to \$2.6 billion for about 128,000 beneficiaries. During this period, the RRB made payments to approximately:

- 483,000 beneficiaries for retirement and survivor benefits,
- 4,800 beneficiaries for unemployment insurance benefits,
- 11,200 beneficiaries for sickness insurance benefits, and
- 3,000 beneficiaries for vested dual benefits.<sup>b</sup>

The RRB contracts with a separate Medicare Part B carrier to process the Medicare Part B claims of qualified railroad retirement beneficiaries. As of September 30, 2024, approximately 431,990 beneficiaries were enrolled in the Medicare Part B program through the RRB. During fiscal year 2024, the RRB's separate Part B carrier paid approximately \$923,854,072 in benefits and processed 7,481,013 Medicare Part B claims.

The OIG conducts audits and management reviews of RRB program operations, and provides recommendations for improvement to agency management. The OIG also identifies and investigates cases of waste, fraud, and abuse in RRB programs, and makes referrals

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<sup>b</sup> Data reported in the RRB FY 2024 Performance and Accountability Report.

for prosecution and monetary recovery actions.

The fiscal year 2026 Performance Budget, including the President’s proposed administrative budget and projected performance statistics for fiscal years 2025 through 2026, is presented in this budget justification.

The OIG requests \$14,000,000 in fiscal year 2026 to conduct its independent oversight of agency operations and the agency’s potential obligations of approximately \$17 billion. The OIG will continue to perform fraud investigations, identify operational weaknesses, review RRB’s financials, and detect internal control deficiencies in RRB benefit programs. The OIG will also continue its work with agency managers to ensure the implementation of corrective actions.

The OIG conducts its operations through two major components: the Office of Audit (OA) and the Office of Investigations (OI). A discussion of the priority areas in fiscal year 2026 for audit and investigative activities follows.

### **Office of Audit**

The mission of OA is to (1) promote economy, efficiency, and effectiveness in the administration of RRB programs and (2) detect and prevent fraud and abuse in such programs. OA provides auditing services by conducting audits with its own audit resources or overseeing audit work done by independent public accounting firms. Through the Inspector General, OA keeps the Board Members and the Congress informed of current and potential problems and deficiencies in RRB operations, financial management, and the status of progress towards corrective action.

During fiscal year 2026, OA will prioritize and complete its substantial amount of congressionally mandated work. If remaining resources allow, OA will audit areas affecting program performance, financial accountability, information security, mismanagement, the efficiency and effectiveness of agency operations, and areas of potential fraud, waste, and abuse. OA will continue its emphasis on long-term systemic problems and solutions, and will address major issues that affect the RRB’s service to the railroad community. OA is focused on providing meaningful and timely audit reports to all report users, including but not limited to government officials, legislative bodies, the RRB, and the community of railroad employers, employees, retirees, survivors, spouses, and their families. OA has identified seven broad areas of potential audit coverage:

- Financial Accountability
- Railroad Retirement Act and Railroad Unemployment Insurance Act Benefit Program Operations

## Office of Inspector General – Railroad Retirement Board

- Information Technology
- Railroad Medicare Program Operations
- Disability Program Integrity
- Compliance Audits
- Effectiveness and Efficiency of Agency Operations

The portion of OA resources dedicated to conducting mandated work continues to be significant. In fiscal year 2024, approximately 62 percent of direct auditor time was spent completing mandated audits, overseeing mandated contracted audits, mandated reviews, Railroad Medicare work, and other required work to ensure compliance with professional auditing standards. During fiscal year 2026, OA must accomplish the following mandated activities:

- Audit of the RRB's financial statements pursuant to the requirements of the Accountability of Tax Dollars Act of 2002
- Evaluation of information security pursuant to the Federal Information Security Modernization Act of 2014 (FISMA)
- Audit of the RRB's compliance with the Payment Integrity Information Act of 2019
- Review of IG requirements for the Government Charge Card Abuse Prevention Act of 2012
- Identification of performance and management challenges for fiscal year 2025
- Semiannual reporting and audit follow-up in accordance with the Inspector General's Act of 1978, as amended
- Completion of continuing professional education hours as required by Government Auditing Standards
- Summarization of OA's quality monitoring process, including internal quality assurance reviews, as required by Government Auditing Standards
- Preparation of OA's annual audit work plan, including assessment of relative risks in RRB programs and operations, to identify those areas most in need of attention, and to set priorities for resources allocated.

Although our mandated work results in important audit findings, agency oversight, high quality work, and maintaining a competent professional workforce, it increasingly limits consideration of any other discretionary RRB program specific audits that can be undertaken without an increase in resources. Placed in context, the OA reports on these six major challenges facing the RRB:

1. Improve Agency Disability Program Integrity
2. Improve Information Technology Security
3. Complete Information Technology Systems Modernization
4. Improve Transparency and Management of Railroad Medicare

## Office of Inspector General – Railroad Retirement Board

5. Ensure Reliable Financial Statements and Internal Controls over Financial Reporting
6. Improve Human Capital Management

During fiscal year 2026, OA must ensure the completion of the audit of the RRB's fiscal year 2025 financial statements and begin its audit of the agency's fiscal year 2026 financial statements. OA must seek a new contract with a consulting actuary firm for technical assistance in auditing the RRB's Statement of Social Insurance, and the Statement of Changes in Social Insurance Amounts and will continue to use an independent public accounting firm to conduct the financial statement audit in fiscal year 2026. For the FISMA audit, OA continued to contract with an independent public accounting firm for fiscal year 2025 with options for continued use through fiscal year 2027. With increased resources, OA plans to conduct audits of individual information systems that are required to support an annual evaluation of federal information system controls. Our work in this area is targeted toward the identification and elimination of security deficiencies and control weaknesses in the RRB's information security systems, including controls over sensitive personally identifiable information.

OA undertakes additional projects with the objective of allocating available audit resources to areas in which they will have the greatest value. In making that determination, OA uses a strategic planning process and data analytics to focus on areas affecting program performance, the efficiency and effectiveness of agency operations, and areas of potential fraud, waste, and abuse. OA also considers staff availability, current trends in management, and Congressional and Presidential concerns. The OA annual work plan is the primary tool for directing and controlling OA activities.

### **Office of Investigations**

The Office of Investigations (OI) focuses its efforts on identifying, investigating, and presenting RRB benefit fraud cases for prosecution. Accordingly, OI conducts investigations throughout the United States relating to the fraudulent receipt of RRB sickness, unemployment, disability, or retirement benefits. OI investigates railroad employers and unions when there is an indication that they have submitted false reports to the RRB. OI also conducts investigations involving fraudulent claims submitted to the Railroad Medicare program. These investigative efforts may result in criminal convictions, civil penalties, administrative sanctions, and the recovery of RRB program benefit funds.

OI initiates cases based on information from a variety of sources such as RRB computer matching programs; the OIG Hotline; contacts with state, local, and federal agencies; and information developed through OIG audits.

## Office of Inspector General – Railroad Retirement Board

OI Investigative Results for Fiscal Year 2024			
Civil Judgments	Indictments/Informations	Convictions	Financial Accomplishments
3	12	16	Approximately \$29 million

During fiscal year 2024, OI opened 104 new cases and closed 72 cases. As of September 30, 2024, OI had 350 open cases. The Financial Accomplishments amount reflects programs administered exclusively by the RRB and fraud amounts from other federal programs, such as Medicare, which are part of the resolution of the case and may not necessarily be delineated by agency. OI anticipates an ongoing caseload of at least 300 investigations in both fiscal years 2025 and 2026.

The OI will concentrate its resources on cases with the highest fraud losses. Typically, these cases are related to the RRB's disability and Medicare programs. Disability fraud cases in fiscal year 2024 constitute approximately 17 percent of OI's total caseload.

### Conclusion

In fiscal year 2026, the OIG will continue to focus its resources on reviewing and improving RRB operations and conducting activities to ensure the integrity of agency trust funds. This office will continue to work with agency officials to ensure that the agency is providing quality service to railroad workers and their families. The OIG will also aggressively pursue all individuals who engage in activities to fraudulently receive RRB funds, including Railroad Medicare funds.



### **Fiscal Year 2026 Performance Budget**

The audit and investigative programs of the OIG are dedicated to protecting the integrity of the RRB's trust funds and improving the delivery of benefits to the railroad community. The OIG has developed the fiscal year 2026 Performance Budget to support our mission by establishing performance measures for our strategic goals.

The OIG is aware that external factors may significantly affect planned activities and the allocation of resources during any given fiscal year. New legislative mandates may necessitate the delay of scheduled projects to ensure that we meet new statutory requirements.

### **Mission Statement**

The OIG promotes economy, efficiency, and effectiveness in the programs and operations of the RRB. The OIG completes its mission through audits and investigations that identify instances of fraud, waste, and abuse within RRB programs and operations.

### **Vision Statement**

The OIG employs a dynamic workforce dedicated to optimizing RRB programs, while detecting and preventing fraud, waste, and abuse in RRB's programs.

### **Strategic Goals**

Strategic Goal #1 - Protect the integrity of the RRB's programs, operations and trust fund through evidence-based audits and investigations designed to thwart RRB fraud, waste, and abuse.

Strategic Goal #2 - Streamline audits and investigations by proactively and responsibly using technology, and adhering to professional standards to improve OIG oversight processes.

Strategic Goal #3 - Evaluate agency programs and operations efficiently, and advise management and Congress of recommendations to improve agency performance.

### **Performance Budget**

The Performance Budget for fiscal year 2026 provides performance indicators consistent with our strategic goals. Actual performance is provided in the following exhibit for fiscal years 2021 through 2024. Estimated performance for fiscal year 2025 reflects the level of resources provided by the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4), and fiscal year 2026 performance reflects the President’s proposed budget level of \$14,000,000.

Performance data for fiscal year 2026 reflects funding at the fiscal year 2026 OMB guidance level of \$14,000,000.

Office of Inspector General – Railroad Retirement Board

<b><i>U.S. Railroad Retirement Board Office of Inspector General FY 2026 Performance Budget</i></b>	<b>FY 2021 Actual \$11.50M</b>	<b>FY 2022 Actual \$12.65M</b>	<b>FY 2023 Actual \$14.00M</b>	<b>FY 2024 Actual \$14.00M</b>	<b>FY 2025 Estimate \$14.00M</b>	<b>FY 2026 Request \$14.00M</b>
<b>Strategic Goal I: Add value to the RRB's programs and operations.</b>						
The OIG will solicit suggestions for audits and reviews for the annual audit work plan from 100 percent of the agency's organizational components.	100%	100%	100%	100%	100%	100%
For discretionary audits, seventy-five percent of draft reports will be issued to agency management within 240 days of entrance.	No Measure in Effect	No Measure in Effect	0%	0%	75%	75%
For all mandated work products, ninety percent will be issued by the reporting deadline.	No Measure in Effect	100%	100%	100%	90%	90%
For audit follow-up, eighty percent of requests to close an audit recommendation will be evaluated and responses sent within thirty days business days of receipt.	No Measure in Effect	71%	81%	78%	80%	80%
Reports on the progress of corrective actions for audit recommendations will be issued to the RRB Chairman within 35 days of the six-month reporting period.	35 days	35 days	35 days	35 days	35 days	35 days

Office of Inspector General – Railroad Retirement Board

<b><i>U.S. Railroad Retirement Board Office of Inspector General FY 2026 Performance Budget</i></b>	<b>FY 2021 Actual \$11.50M</b>	<b>FY 2022 Actual \$12.65M</b>	<b>FY 2023 Actual \$14.00M</b>	<b>FY 2024 Actual \$14.00M</b>	<b>FY 2025 Estimate \$14.00M</b>	<b>FY 2026 Request \$14.00M</b>
<b>Strategic Goal II: Protect the integrity of the RRB's programs, operations, and trust funds.</b>						
Percentage of allegations evaluated and reviewed for investigative action within 30 days of receipt.	95%	93%	93%	83%*	95%	98%
Percentage of investigative cases closed during the fiscal year to total cases open during the fiscal year.	24%	20%	25%	17%**	25%	20%
The OIG will complete four projects to identify fraud cases that are not detected through agency policing procedures.	7	7	6	4	4	5

\*Office of Investigations typically evaluates and reviews almost all allegations within 30 days of receipt, through discussions between the investigators and a Supervisory Special Agent (SSA). Due to reasons that include high allegation volume and low staffing, the SSA often decided not to open referrals or investigations within 30 days of receipt of the allegation.

\*\*The number of allegations increased to 227 from 134 in FY 2024 and 2023 respectively. This was due largely to the increase in CARES Act unemployment cases. Historically, OI maintained a closed case percentage between 20-25%. Due to the increased caseload and low staffing, this figure decreased below the typical amount.

Office of Inspector General – Railroad Retirement Board

<b><i>U.S. Railroad Retirement Board Office of Inspector General FY 2026 Performance Budget</i></b>	FY 2021 Actual \$11.50M	FY 2022 Actual \$12.65M	FY 2023 Actual \$14.00M	FY 2024 Actual \$14.00M	FY 2025 Estimate \$14.00M	FY 2026 Request \$14.00M
<b>Strategic Goal III: Ensure quality and excellence in the OIG's work and products.</b>						
Percentage of employees meeting the training requirements of their profession.	100%	100%	100%	100%	100%	100%
All auditors hold the appropriate credentials to satisfy government, CIGIE, and applicable standards.	100%	100%	100%	100%	100%	100%
All auditors will receive 80 hours of continuing professional education over 2 years.	100%	100%	100%	100%	100%	100%
Eighty percent of audits are subject to an internal quality assurance review.	100%	100%	100%	100%	80%	80%