

**FISCAL YEAR 2027
BUDGET JUSTIFICATION**



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



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

April 3, 2026

The Honorable J.D. Vance
President of the Senate
S-212 Capitol Building
Washington, DC 20510

Dear Mr. President:

We respectfully submit the fiscal year 2027 Congressional Budget Justification for the Office of Inspector General (OIG) of 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 2027 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 2027 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; 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, 2025, the RRB was 23rd 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 2027, which provides actual performance data for fiscal years 2022 through 2025 and projected performance for fiscal years 2026 through 2027.



UNITED STATES RAILROAD RETIREMENT BOARD

OFFICE OF INSPECTOR GENERAL

The Honorable J.D. Vance
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April 3, 2026

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,

/s/

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

Enclosure

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

April 3, 2026

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

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/s/

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

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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

Fiscal Year 2027 Budget Justification

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Executive Summary

The fiscal year 2027 President’s budget for the Office of Inspector General (OIG) for the U.S. 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 2027 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.

Explanation of Proposed Appropriation Language

Appropriation Language	Explanation
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.

Authorizing Legislation

Authorizing Legislation	FY 2026		FY 2027	
	Authorized	Current Appropriation	Authorized	Appropriation Requested
Inspector General Act of 1978, as amended	Indefinite	\$14,000,000 a/	Indefinite	\$14,000,000

a/ Represents the level of funding provided by the Consolidated Appropriations Act, 2026 (Public Law 119-75).

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.

Budget Authority and Staffing by Activity

Program by Activity	FY 2025			FY 2026			FY 2027	
	Actual FTEs	Budget Amount		Projected FTEs	Budget Amount		Projected FTEs	Budget Amount
Office of Inspector General, Audit and Investigations	44	\$14,000,000		49	\$14,000,000		55	\$14,000,000
Authorizing Legislation		\$14,000,000	a/		\$14,000,000	b/		\$14,000,000

- a/ Represents the level of funding provided by the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119-4).
- b/ Represents the level of funding provided by the Consolidated Appropriations Act, 2026 (Public Law 119-75).

Budget Authority by Object Classification

Limitation on the Office of Inspector General a/

Direct Obligations by Object Class	FY 2025 Actual Expenses	FY 2026 Estimate		FY 2027 Estimate		FY 2027 vs. FY 2026 Increase/(Decrease) d/
Personnel Compensation:						
Full-time permanent	\$5,834,486	\$6,820,000		\$7,375,000	d/	\$555,000
Other than full-time permanent	0	0		0		0
Other personnel compensation	173,753	150,000		150,000		0
Total Personnel Compensation	6,008,239	6,970,000		7,525,000		555,000
Personnel Benefits: Civilian	2,725,697	2,980,000		3,100,000	d/	120,000
Travel and transportation of persons	439,037	400,000		400,000		0
Rental payments to GSA	300,000	300,000	b/	300,000	b/	0
Communications and postage	24,644	25,000		25,000		0
					e/ f/	
Other services	3,353,530	3,250,000		2,575,000		(675,000)
Supplies and materials	51,346	50,000		50,000		0
Equipment	24,593	25,000		25,000		0
Total Direct Obligations	12,927,086	14,000,000		14,000,000		0
Unobligated Balance	1,072,914	0		0		0
Total Budget Authority	\$14,000,000	\$14,000,000	c/	\$14,000,000	g/	\$0
Total Full-Time Equivalent Usage	44	49		55		6

- a/ The Limitation on the OIG excludes expected reimbursable funds from the Centers for Medicare & Medicaid Services.
- b/ At the time of this justification the U.S. General Services Administration (GSA) indicated it plans to sell the RRB Headquarters building. The relocation, rental, and related costs are currently unknown.
- c/ Represents the level of funding provided by the Consolidated Appropriations Act, 2026 (Public Law 119-75).
- d/ Fiscal year 2027 salary and benefit estimates assumes no civilian federal employee across-the-board pay increase.
- e/ The OMB Level amount includes funding support for the Council of the Inspectors General on Integrity and Efficiency (CIGIE), or 0.40% of the Total OIG Direct Authority, which totals \$56,000. This information is provided pursuant to the Inspector General Act at 5 United States Code (U.S.C.) § 406(g).
- f/ The OMB Level amount includes a projected \$240,000 request for OIG training needs. This information is provided pursuant to the Inspector General Act at 5 U.S.C. § 406(g).
- g/ Includes OIG annual \$425,000 transfer to the RRB, pursuant to a Memorandum of Understanding, for office space, services, and supplies provided by the RRB to the OIG.

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

Other Services

	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Training Mission Related	\$242,810	\$240,000	\$240,000
OPM Personnel Consulting	371,232	300,000	0
Federal Occupational Health	15,000	15,000	15,000
Information Technology Support Services	142,500	145,000	145,000
IT Licenses & Maintenance	457,183	460,000	460,000
Data Analytics	289,290	250,000	0
Other Services ^a	186,538	200,000	200,000
Contract Audits	1,648,977	1,640,000	1,515,000
Total	\$3,353,530	\$3,250,000	\$2,575,000

^a Includes \$125,000 of the Office of Inspector General (OIG) annual \$425,000 transfer to the Railroad Retirement Board (RRB), pursuant to a Memorandum of Understanding, for office space, services, and supplies provided by the RRB to the OIG.

Personnel Summary

Grade Level

		FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Executive (EX)	EX - Inspector General (IG)	0	1	1
	IG Subtotal	0	1	1
Senior Executive Service (SES)	SES	2	3	3
	SES Subtotal	2	3	3
General Schedule (GS)	GS-15	1	3	3
	GS-14	8	9	9
	GS-13	11	14	17
	GS-12	15	17	20
	GS-11	5	1	1
	GS-09	1	1	1
	GS Subtotal	41	45	51
End of Year: Total full-time permanent employment		43	49	55

Average SES/GS Salaries

	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Average SES salary	\$210,045	\$206,184	\$206,184
Average GS grade	12.6	12.9	12.8
Average GS salary with Law Enforcement Availability Pay (series 1811 law enforcement)	\$164,091	\$166,000	\$166,000
Average GS salary (non-law enforcement)	\$126,254	\$130,665	\$126,590

Amounts Available for Obligation

Financing	FY 2025 Actual		FY 2026 Continuing		FY 2027 Estimate
Obligations from new authority	\$12,927,086		\$14,000,000		\$14,000,000
Plus: Unobligated balance	\$1,072,914		0		0
Limitation on the Office of Inspector General	\$14,000,000	a/	\$14,000,000	b/	\$14,000,000
Relation of direct obligations to outlays					
Obligations incurred	\$12,927,086		\$14,000,000		\$14,000,000
Obligated balance, start of year	0		1,951,143		1,951,143
Obligated balance, end of year	(1,951,143)		(1,951,143)		(1,951,143)
Direct Outlays	\$10,975,943		\$14,000,000		\$14,000,000

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

b/ Represents the level of funding provided by the Consolidated Appropriations Act, 2026 (Public Law 119-75).

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

Fiscal Year	President's Budget	Appropriation	
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>
2026	\$14,000,000	\$14,000,000	<u>r/</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).

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).

r/ Consolidated Appropriations Act, 2026 (Public Law 119-75).

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

Staffing History

Fiscal Year	Total FTEs		Change from previous year	Percent change from previous year	Cumulative FTE changes	Cumulative percent change since fiscal year 1993
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%
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		-1	-2.2%	-55	-55.6%
2026	49	a/	5	11.4%	-50	-50.5%

a/ Reflects projected FTEs

Explanation of the Fiscal Year 2027 Budget Request

The Office of Inspector General (OIG) at the U.S. 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, 2025, the RRB was 23rd in Federal Government spending with a total obligated amount of \$17,522,536,725.^b

During fiscal year 2025, the RRB paid \$14.7 billion in benefit payments, net of recoveries and offsetting collections. Of this amount, benefit payments for the railroad retirement and survivor benefits program totaled \$14.6 billion (including \$864,239,000 in disability annuities); for the railroad unemployment and sickness insurance benefits program totaled \$82 million; for the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) programs totaled (\$2.9) million; and for the vested dual benefits program totaled \$5 million, net of recoveries and offsetting collections. During fiscal year 2025, the RRB also paid benefits on behalf of the Social Security Administration (SSA), for which the RRB is reimbursed, amounting to \$2.7 billion to about 129,000 beneficiaries. During this period, the RRB made payments to approximately:

- 475,000 beneficiaries for retirement and survivor benefits,
- 8,600 beneficiaries for unemployment insurance benefits,
- 18,900 beneficiaries for sickness insurance benefits, and
- 2,400 beneficiaries for vested dual benefits.^c

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, 2025, approximately 425,852 beneficiaries were enrolled in the Medicare Part B program through the RRB. During fiscal year 2025, the RRB's separate Part B carrier paid approximately \$996,493,357 in benefits and processed 7,610,549 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 for prosecution and monetary recovery actions.

^b Data obtained on December 23, 2025 from the USASPENDING.gov website.

^c Data reported in the RRB Fiscal Year 2025 Performance and Accountability Report, except for the disability annuities, which the OIG obtained from the Bureau of the Actuary and Research, Division of Benefit & Employment Analysis.

The fiscal year 2027 Performance Budget, including the President’s proposed administrative budget and projected statistics for fiscal years 2026 through 2027, is presented in this budget justification.

The OIG requests \$14,000,000 in fiscal year 2027 to conduct its independent oversight of agency operations and the agency’s potential obligations of approximately \$17 billion. At this level of funding, the OIG will have the resources needed to support a requested staff level of 55 full-time equivalents (FTEs) and to continue its efforts to conduct 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 implementation of corrective actions.

The fiscal year 2027 Performance Budget is included in this budget document and projects performance statistics for fiscal years 2026 through 2027 and provides actual results for fiscal years 2022 through 2025.

The OIG conducts its operations through two major components: the Office of Audit (OA) and the Office of Investigations (OI). During fiscal year 2022 through fiscal year 2025, OA’s audits had a substantial impact and identified over \$387 million in questioned costs and over \$1.7 million in funds put to better use.^d A discussion of the priority areas in fiscal year 2027 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 2027, 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,

^d Most of the monetary impact was identified during two RRB OIG audits. The RRB OIG’s Report No. 22-10 identified over \$28 million in questioned costs, and the RRB OIG’s Report No. 23-05 identified \$358.8 million in questioned costs.

employees, retirees, survivors, spouses, and their families. OA has identified seven broad areas of potential audit coverage:

1. Financial Accountability
2. Railroad Retirement Act and Railroad Unemployment Insurance Act Benefit Program Operations
3. Information Technology
4. Railroad Medicare Program Operations
5. Disability Program Integrity
6. Compliance Audits
7. Effectiveness and Efficiency of Agency Operations

The portion of OA resources dedicated to conducting mandated work continues to be significant. In fiscal year 2025, approximately 59 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 2027, 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 (PIIA).
- Review of IG requirements for the Government Charge Card Abuse Prevention Act of 2012.
- Identification of performance and management challenges for fiscal year 2026 pursuant to the Reports Consolidation Act of 2000.
- 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.
- Prepare for and respond to an external peer review conducted by another Federal OIG, as required by Government Auditing Standards and scheduled by CIGIE.

Our mandated work results in important audit findings, agency oversight, high quality work, and maintaining a competent professional workforce. Any remaining resources are used for other discretionary RRB program specific audits. Placed in context, OA reports on these six major challenges facing the RRB:

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

1. Improve Agency Disability Program Integrity
2. Improve Information Technology Security
3. Complete Information Technology Systems Modernization
4. Strengthen Controls Over Representative Payees
5. Ensure Reliable Financial Statements and Internal Controls over Financial Reporting
6. Improve Human Capital Management

Consequently, OA will work to meet all congressional mandates and provide additional audit oversight requested by the RRB, the railroad community, and by internally OIG generated audits through risk-based audit planning.

During fiscal year 2025, the primary findings that OA reported were the following:

- The RRB received two disclaimers for its financial statements because auditors could not obtain sufficient appropriate evidential matter to support the amounts in the financial statements due to inadequate processes, controls, and records;
- The RRB continued to have systemic weaknesses in its information technology security program that included noncompliance with FISMA and guidance issued by OMB, the Department of Homeland Security, and CIGIE;
- The RRB's Interagency Agreements (IAA) program contained weaknesses with the IAA process, noncompliance with applicable criteria, and documentation issues;
- The RRB met all the PIIA compliance requirements, but the auditors identified findings related to improvements of process and internal controls for preventing, detecting, and reporting improper payments;
- The RRB's Bureau of Field Service transferred the representative payee (rep payee) monitoring responsibilities to the Office of Programs' Program Evaluation and Management Services in fiscal year 2022 as planned, but the transition was not fully effective and the subsequent monitoring was not timely;
- The RRB's rep payee program from fiscal year 2023 through fiscal year 2024 contained weaknesses in the RRB's policies, procedures, and internal controls over rep payee appointment and monitoring; and
- The RRB generally complied with annuity eligibility requirements, but the auditors found that the RRB needs to improve its eligibility determination process to prevent ineligible or fraudulent applicants from receiving an annuity.

During fiscal year 2027, OA will complete the audit of the RRB's fiscal year 2026 financial statements and begin its audit of the agency's fiscal year 2027 financial statements. OA contracts with a consulting actuary 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 statements audit in fiscal year 2027. For the FISMA audit, OA continued to contract with an independent public accounting firm for fiscal year 2026 with options for continued use through fiscal year 2027. With remaining 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 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 OIG is the primary federal law enforcement agency responsible for investigating fraud in the RRB’s programs and operations. OI conducts investigations throughout the United States (U.S.) relating to fraudulent receipt of RRB sickness, unemployment, disability, or retirement benefits. OI also investigates fraud in the RRB’s Medicare program. These investigative efforts may result in criminal convictions, civil penalties, administrative sanctions, and the recovery of RRB program benefit funds. At the end of fiscal year 2025, OI had 326 investigations in progress. These investigations consisted of 193 unemployment-sickness investigations, 49 disability investigations, 30 Medicare investigations, 26 retirement investigations, and 28 other types of investigations.

During fiscal year 2025, OI issued a total of 54 investigative reports, issued 109 grand jury and/or IG subpoenas, referred 45 subjects to U.S. Attorneys for criminal prosecution, and referred 6 subjects to state and local authorities for criminal prosecution. OI’s investigative activities resulted in the following accomplishments.

Investigative Results for Fiscal Year 2025			
Civil Judgments	Indictments/Informations	Convictions	Financial Accomplishments
8	14	20	>\$9.2 million ^e

Below are summaries of representative investigations for cases that OI closed during fiscal year 2025.

^e The total amount of financial accomplishments reflects amounts related to programs administered exclusively by the RRB and fraud amounts from other federal programs such as Medicare, which were included in the disposition resulting from joint investigations. Dispositions associated with joint casework are not necessarily delineated by agency. In those scenarios, the entire accomplishment is reflected in OI’s statistics.

Unemployment-Sickness Investigations

Unemployment and sickness insurance benefit fraud typically involves individuals claiming and receiving benefits while working or collecting state-administered unemployment benefits. These benefits may include benefits paid under the CARES Act and subsequent pandemic response legislation. OI received an influx of cases related to extended RRB unemployment benefits provided under the CARES Act. OI receives most of this type of fraud referral from the RRB. As of the end of fiscal year 2025, unemployment-sickness investigations comprised about 60 percent of OI's cases.

An unemployment-sickness investigation closed during fiscal year 2025 involved an annuitant who collected unemployment and CARES Act benefits from the RRB while working, from January 2020 to June 2021. This annuitant was charged with theft of government funds in the U.S. District Court for the Central District of California. The annuitant pled guilty and was ordered to pay over \$44,000 in restitution along with two days incarceration, six months of house arrest, and one year of probation.

Another unemployment-sickness investigation closed during fiscal year 2025 involved an annuitant who received unemployment benefits from the RRB while working from November 2019 to June 2021. The case was prosecuted in the Western District of Louisiana and the annuitant agreed, through consent judgment, to repay \$53,000.

Disability Investigations

Disability insurance benefit fraud may include individuals claiming and receiving benefits while working in positions that have not been reported to the RRB. Fraud may also involve overstating impairments to receive benefits. These complex cases require sizeable resources including travel by special agents to conduct surveillance, numerous witness interviews, sophisticated investigative techniques, and financial analysis. As of the end of fiscal year 2025, disability investigations comprised 15 percent of OI's cases.

A disability investigation closed during fiscal year 2025 involved an annuitant who received disability benefits from January 2016 to June 2025 while working in a business outside of the railroad community. This annuitant was prosecuted in the U.S. District Court for the District of Wyoming. The annuitant pled guilty and was ordered to pay over \$409,000 of which over \$299,000 for theft of government property and over \$110,000 for false income tax return. This annuitant received two years of imprisonment served concurrently with two years of probation.

Another disability investigation closed during fiscal year 2025 involved an annuitant who received disability benefits from December 2004 to December 2022, while working in a business outside of the railroad community. This annuitant was prosecuted in the U.S. District Court in the Middle District of Florida for theft of government funds. The annuitant pled guilty and was ordered to pay over \$271,000 in restitution along with 60 months of probation.

Medicare Investigations

Railroad Medicare investigations are investigated jointly with the Federal Bureau of Investigation and/or other Offices of Inspector General. Interagency cooperation enhances law enforcement, especially among agencies responsible for investigating complex health care fraud against multiple federal agencies. Medicare investigations often involve complicated schemes and may result in substantial recoveries for the government. OI's collaborative joint investigative efforts ensure that RRB beneficiaries are protected from sham medical practitioners, and that the RRB Medicare program's interests are safeguarded from fraudulent schemes. These complex cases require sizeable resources including travel by criminal investigators to conduct surveillance, witness interviews, sophisticated investigative techniques, and financial analysis. As of the end of fiscal year 2025, Medicare investigations comprised 9 percent of OI's cases.

A Medicare case closed during fiscal year 2025 involved a physician who signed illegitimate prescriptions and other Medicare-related documents for medical tests and unneeded devices from January 2022 to July 2023. The physician was prosecuted for conspiracy to commit wire fraud by the U.S. Attorney's Office for the District of Montana. The physician pled guilty, resulting in restitution of over \$780,000, a \$100,000 fine, and 6 months incarceration.

Fiscal Year 2027 Plans

OI plans to continue to coordinate its efforts with RRB program managers to address vulnerabilities in benefit programs. OI plans to continue proactive projects to identify fraud matters that are not detected through RRB's program integrity efforts. OI expects its approach to achieve recoveries will include referrals to the U.S. Department of Justice's Affirmative Civil Enforcement program to recover trust fund monies from cases that do not meet U.S. Attorneys' guidelines for criminal prosecution.

During fiscal year 2025, OI opened 81 new cases and closed 102 cases. At the end of fiscal year 2025, OI staff included 10 criminal investigators to investigate 326 cases, which is an average of 33 cases per agent. It's OI's position that the ideal caseload per criminal investigator is 20, which ensures that each case can proceed efficiently through the investigative and prosecutorial processes. Based on the fiscal year 2025 caseload, OI anticipates a similar caseload of 33 cases per agent.

Conclusion

In fiscal year 2027, 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 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 2027 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 developed the fiscal year 2027 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

The OIG promotes economy, efficiency and effectiveness in the program 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

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 risk, resource, and 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 the OIG oversight processes.

Strategic Goal #3 – Evaluate and report on agency programs and operations efficiently and advise management and Congress of action steps to improve agency performance.

Performance Budget Tables

The Performance Budget for fiscal year 2027 provides performance indicators consistent with our strategic goals. Actual performance is provided in the following tables for fiscal years 2022 through 2025. Estimated performance for fiscal year 2026 reflects the level of resources provided by the Consolidated Appropriations Act, 2026 (Public Law 119-75), and fiscal year 2027 performance reflects the President's proposed budget level of \$14,000,000. Performance data for fiscal year 2027 reflects funding at the fiscal year 2027 OMB guidance level of \$14,000,000.

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

U.S. Railroad Retirement Board Office of Inspector General FY 2027 Performance Budget	FY 2022 Actual \$12.65M	FY 2023 Actual \$14.00M	FY 2024 Actual \$14.00M	FY 2025 Actual \$14.00M	FY 2026 Estimate \$14.00M	FY 2027 Request \$14.00M
Strategic Goal I: Add value to the RRB's programs and operations.^f						
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%	Updated (See PI 1.3)	Updated (See PI 1.3)
For discretionary audits, seventy-five percent of draft reports will be issued to agency management within 240 days of entrance.	No Measure in Effect	0%	0%	0%	Updated (See PI 3.2)	Updated (See PI 3.2)
For all mandated work products, ninety percent will be issued by the reporting deadline.	100%	100%	100%	100%	Updated (See PI 3.1)	Updated (See PI 3.1)
For audit follow-up, eighty percent of requests to close an audit recommendation will be evaluated and responses sent within thirty business days of receipt.	71%	81%	78%	87%	Discontinued	Discontinued
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	Updated (See PI 3.3)	Updated (See PI 3.3)

U.S. Railroad Retirement Board Office of Inspector General FY 2027 Performance Budget	FY 2026 Estimate \$14.00M	FY 2027 Request \$14.00M
Strategic Goal 1: Protect the integrity of the RRB's programs, operations and trust fund through risk, resource, and evidence-based audits and investigations designed to thwart RRB fraud, waste and abuse.^g		
Performance Indicator (PI) 1.1: Allegations of fraud evaluated within thirty days.	95%	95%
PI 1.2: The OIG will identify potential fraud based on proactive internal work.	3 projects	3 projects
PI 1.3: Percentage of RRB components solicited for input for oversight.	100%	100%
PI 1.4: Percentage of audits that are mandated by law.	43%	33%
PI 1.5: Require Individual Investigative Plans consistent with the Quality Standards of Investigations.	95%	95%

^f RRB OIG, *Strategic Plan Fiscal Years 2016-2020*, (Chicago, IL: September 2015).

^g RRB OIG, *Strategic Plan 2025-2026*, (Chicago, IL: June 2025).

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

U.S. Railroad Retirement Board Office of Inspector General FY 2027 Performance Budget	FY 2022 Actual \$12.65M	FY 2023 Actual \$14.00M	FY 2024 Actual \$14.00M	FY 2025 Actual \$14.00M	FY 2026 Estimate \$14.00M	FY 2027 Request \$14.00M
Strategic Goal II: Protect the integrity of the RRB's programs, operations, and trust funds.^h						
Percentage of allegations evaluated and reviewed for investigative action within 30 days of receipt.	93%	93%	83% ⁱ	74%	Discontinued	Discontinued
Percentage of investigative cases closed during the fiscal year to total cases open during the fiscal year.	20%	25%	17% ^j	24%	Discontinued	Discontinued
The OIG will complete four projects to identify fraud cases that are not detected through agency policing procedures.	7	6	4	4	Updated (See PI 1.2)	Updated (See PI 1.2)

U.S. Railroad Retirement Board Office of Inspector General FY 2027 Performance Budget	FY 2026 Estimate \$14.00M	FY 2027 Request \$14.00M
Strategic Goal 2: Streamline audits and investigations by proactively and responsibly using technology, and adhering to professional standards to improve the OIG oversight processes.^k		
PI 2.1: Percentage of OIG employees with data analytics knowledge, skills and abilities (KSA).	20%	25%
PI 2.2: The percentage of audit and investigations subject to internal quality assurance review.	80% (OA) 95% (OI)	80% (OA) 95% (OI)
PI 2.3: The OIG will fulfill one-hundred percent of the required yearly and recurring trainings necessary to perform investigative and audit duties.	100%	100%
PI 2.4: The OIG will require periodic reviews of the budget to ensure it is aligned with the strategic priorities.	Quarterly	Quarterly
PI 2.5(a): Percentage of quality assurance reports analyzed by OIG leadership.	100%	100%
PI 2.5(b) Analyze actions identified in quality assurance reviews in accordance with Office of Audit and Investigations policy.	100%	100%

^h RRB OIG, *Strategic Plan Fiscal Years 2016-2020*, (Chicago, IL: September 2015).

ⁱ The Office of Investigations (OI) 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.

^j The number of allegations increased to 227 from 134 in fiscal years 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.

^k RRB OIG, *Strategic Plan 2025-2026*, (Chicago, IL: June 2025).

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

U.S. Railroad Retirement Board Office of Inspector General FY 2027 Performance Budget	FY 2022 Actual \$12.65M	FY 2023 Actual \$14.00M	FY 2024 Actual \$14.00M	FY 2025 Actual \$14.00M	FY 2026 Estimate \$14.00M	FY 2027 Request \$14.00M
Strategic Goal III: Ensure quality and excellence in the OIG's work and products.^l						
Percentage of employees meeting the training requirements of their profession.	100%	100%	100%	100%	Updated (See PI 2.3)	Updated (See PI 2.3)
All auditors hold the appropriate credentials to satisfy government, CIGIE, and applicable standards.	100%	100%	100%	100%	Updated (See PI 2.3)	Updated (See PI 2.3)
All auditors will receive 80 hours of continuing professional education over 2 years.	100%	100%	100%	100%	Updated (See PI 2.3)	Updated (See PI 2.3)
Eighty percent of audits are subject to an internal quality assurance review.	100%	100%	100%	100%	Updated (See PI 2.2)	Updated (See PI 2.2)

U.S. Railroad Retirement Board Office of Inspector General FY 2027 Performance Budget	FY 2026 Estimate \$14.00M	FY 2027 Request \$14.00M
Strategic Goal 3: Evaluate and report on agency programs and operations efficiently and advise management and Congress of action steps to improve agency performance.^m		
PI 3.1: OIG work products will be completed within deadlines.	90%	90%
PI 3.2: For audit reports, drafts will be issued to agency management within 240 days of entrance conference.	75%	75%
PI 3.3: Report to the RRB Chairman the frequency of corrective actions for audit recommendation as required by the IG Act.	35 days of the six-month reporting period	35 days of the six-month reporting period
PI 3.4, 3.5, 3.6: Percentage of discretionary audits designed to address significant risks associated with RRB's top management challenges or OIG's significant concerns.	75%	75%
PI 3.7: Percentage of investigations completed within five years.	90%	90%

^l RRB OIG, *Strategic Plan Fiscal Years 2016-2020*, (Chicago, IL: September 2015).

^m RRB OIG, *Strategic Plan 2025-2026*, (Chicago, IL: June 2025).

