

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

# **Agency Response to the Office of the Inspector General's Semiannual Report to Congress**

April 1, 2020 to September 30, 2020



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## Message from the Acting Director

It is my pleasure to present the U.S. Office of Personnel Management Office of the Inspector General's Semiannual Report (April 2020 to September 2020) to Congress. I want to thank the Office of the Inspector General (OIG) for its review of our programs and operations and its ongoing assistance as we work together to better serve the American people. The OIG plays an important role in the Office of Personnel Management's overall efforts to improve agency efficiency and effectiveness, to root out waste, fraud and abuse, and to protect whistleblowers.

In FY20 OPM continued building on the success of Administration priorities. After working to eliminate the backlog in background investigations and successfully and seamlessly transferring that mission to DoD, the agency has been able to focus on advancing the Administration's improvements to the Federal hiring process, assisting agencies to meet their human capital goals, and improving customer service to retirees and annuitants. OPM continues progress on these efforts while playing a vital role in the Federal Government's response to the COVID-19 pandemic.

OPM has taken action to assist in safeguarding the health and well-being of the Federal workforce and annuitants during the COVID-19 pandemic. Pursuant to the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Federal Employees Health Benefits (FEHB) carriers must waive cost-sharing and prior authorization requirements for COVID-19 diagnostic and antibody testing. OPM has also strongly encouraged all FEHB Carriers to waive cost-sharing and prior authorization requirements for telehealth or other remote care services associated with treatment of COVID-19.

In the face of complex challenges like the COVID-19 pandemic, OPM continues to serve the Federal workforce, agencies, job seekers, and retirees. As the agency progresses into FY 2021, we will continue to advance merit-systems principles, do our part to enable agencies and the Federal workforce to better serve the American people, and work with OPM OIG and Congress to provide useful support to OPM's constituents and the American people.

As part of our effort to support the OIG in our shared mission to root out waste, fraud and abuse and protect whistleblowers, I meet monthly with the Inspector General to ensure they have the full support of agency leadership in carrying out their work.

As noted in the attached report, the Deputy Inspector General performing the duties of the Inspector General made a notification to Congress in July concerning the OIG's perceived delay in receiving documents. We believed this notification was premature, as was evidenced by the fact the OIG in fact received the documents requested on the very day the notification letter was sent. Nevertheless, to ensure consistent and transparent communications between OPM and the OIG, and continued timely access to agency records, I communicated with the agency, reiterating my support for the work of the OIG, and ensuring that all agency staff are aware of the process by which the dedicated career civil servants at the agency facilitate the timely response to request for documents from OIG.

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I am proud of the spirit of continued cooperation, enhanced transparency and communication that has prevailed in the agency's relationship with the OIG during my time as Deputy Director and Acting Director. The OIG and its mission are incredibly important to me and when it comes to ensuring the integrity and efficiency of this agency, my commitment is unwavering.

By continuing to work in good faith with and in a spirit of transparency, I know the agency and the American people will continue to be well served.

Sincerely,



Michael Rigas  
Acting Director

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Office of Personnel Management (OPM) Agency Response to the Office  
of the Inspector General's Semiannual Report to Congress

**November 2020**

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**Table 1****Actions Taken on Reports with Disallowed Costs for Insurance Programs<sup>1</sup>  
April 1 to September 30, 2020**

<b>Subject</b>	<b>Number of Audit Reports</b>	<b>Disallowed Costs</b>	<b>Recoveries or Adjustments</b>
Reports for which final action not taken by beginning of reporting period	5	\$34,579,072	
Reports on which management decisions made during the period	3	\$7,469,192	
Reports for which final action taken during period:	6	\$40,779,029	
1. Recoveries and Adjustments			
a. Collections and offsets			\$11,240,726
b. Property			-
c. Other (adjustments)			\$29,538,303
2. Write-offs			
Reports pending final action at end of period	2	\$1,269,235	

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<sup>1</sup>This table reflects activity across audit reports with financial recommendations only.

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**Table 2****Actions Taken on Audits with Recommendations for Better Use of Funds  
April 1 to September 30, 2020**

<b>Subject</b>	<b>Number of Audit Reports</b>	<b>Better Use of Funds</b>
Reports for which final action not taken by beginning of reporting period	1	\$108,880,417
Reports on which management decisions made during period	1	\$176,490
Reports for which final action taken during period:	-	-
a) Recommendations completed	-	-
b) Recommendations on which management concluded should not or could not be implemented or completed	-	-
Reports pending final action at end of period	2	\$108,880,417

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**Table 3****Actions Taken on Reports without Monetary Findings  
April 1 to September 30, 2020**

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<b>Subject</b>	<b>Number of Reports</b>
Reports for which final action not taken by beginning of reporting period	77
Reports for which final action <sup>2</sup> taken during period:	
a. Health Insurance Carrier Audit Reports	2
b. Information Systems Audit Reports	4
c. Internal Audit Reports	4
d. Special Review Reports	-
Reports without monetary findings issued by OIG during period	12
Reports without monetary findings pending final action at end of period	79

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<sup>2</sup> In addition to reports for which final action was taken during the period, additional reports were resolved during the reporting period.

**Table 4****Summary of Reports More than 12 Months Old Pending Final Action as of September 30, 2020**

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
4A-CI-00-08-022	Federal Information Security Management Act for Fiscal Year 2008	9/23/2008			17 of 19 recommendations are closed. Task scheduling to fully implement the two remaining recommendations is delayed awaiting the completion of higher-priority cybersecurity tasks.
4A-CF-00-08-025	The U.S. Office of Personnel Management's Fiscal Year 2008 Consolidated Financial Statements	11/14/2008			5 of 6 recommendations are closed. The remaining recommendation requires further work with the financial auditor to better define expectations needed for closure.
4A-CI-00-09-031	Federal Information Security Management Act for Fiscal Year 2009	11/5/2009			28 of 30 recommendations are closed. The two open recommendations carried over from the FY08 FISMA audit.
4A-CF-00-09-037	The U.S. Office of Personnel Management's Fiscal Year 2009 Consolidated Financial Statements	11/13/2009			4 of 5 recommendations are closed. The remaining recommendation carried over from the FY09 financial statement audit.
4A-CF-00-10-015	The U.S. Office of Personnel Management's Fiscal Year 2010 Consolidated Financial Statements	11/10/2010			4 of 7 recommendations are closed. The one remaining recommendation from the FY08 financial statement audit was broken out into three recommendations in this report, but the scope remains the same. Further work needs to be done to define expectations for closure.
4A-CI-00-10-019	Federal Information Security Management Act for Fiscal Year 2010	11/10/2010			39 of 41 recommendations are closed. The two open recommendations carried over from the FY08 FISMA audit.
1K-RS-00-11-068	Stopping Improper Payments to Deceased Annuitant	9/14/2011			12 of 14 recommendations are closed. OPM and OIG are working together to close remaining recommendations during the next period.
4A-CI-00-11-009	Federal Information Security Management Act for Fiscal Year 2011	11/9/2011			27 of 29 recommendations are closed. The two remaining open recommendations carried over from the FY08 FISMA audit.



<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
4A-CF-00-11-050	The U.S. Office of Personnel Management's Fiscal Year 2011 Consolidated Financial Statements	11/14/2011			6 of 7 recommendations are closed. The remaining recommendation carried over from the FY08 financial statement audit.
4A-CI-00-12-016	Federal Information Security Management Act for Fiscal Year 2012	11/5/2012			15 of 18 recommendations are closed. Two of the three remaining recommendations carried over from prior FISMA audits. To close the last recommendation, OPM needs to revisit its plans to fully meet the intent of OMB Memorandum M-19-17 that superseded M-11-11.
4A-CF-00-12-039	The U.S. Office of Personnel Management's Fiscal Year 2012 Consolidated Financial Statements	11/15/2012			2 of 3 recommendations are closed. The remaining recommendation carried over from the FY08 financial statement audit.
4A-CI-00-13-021	Federal Information Security Management Act for Fiscal Year 2013	11/21/2013			12 of 16 recommendations are closed. Three of the open recommendations carried over from the prior year FISMA audit. With respect to the last recommendation, OPM continues to assess potential solutions to enforce its systems development lifecycle policy.
4A-CF-00-13-034	The U.S. Office of Personnel Management's Fiscal Year 2013 Consolidated Financial Statements	12/13/2013			0 of 1 recommendation is closed. The recommendation was carried over from the FY08 financial statement audit.
4A-CF-00-14-039	The U.S. Office of Personnel Management's Fiscal Year 2014 Consolidated Financial Statements	11/10/2014			1 of 4 recommendations is closed. Corrective actions are in progress; however, significant work is required to address all the findings that led to the recommendations.
4A-CI-00-14-016	Federal Information Security Management Act for Fiscal Year 2014	11/12/2014			15 of 29 recommendations are closed. Four of the recommendations carried over from the prior year FISMA audit. Task scheduling to fully implement the remaining recommendations is awaiting the completion of higher priority cybersecurity items.

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
4K-RS-00-14-076	The Review of the U.S. Office of Personnel Management's Compliance with the Freedom of Information Act	3/23/2015			1 of 3 recommendations is closed. Actions to address the recommendations were impacted by resource constraints.
4A-CI-00-15-055	Flash Audit Alert – the U.S. Office of Personnel Management's Infrastructure Improvement	6/17/2015			1 of 2 recommendations is closed. OPM expects the remaining recommendation will close during the next period.
4A-RI-00-15-019	Information Technology Security Controls of the U.S. Office of Personnel Management's Annuitant Health Benefits Open Season System	7/29/2015			5 of 7 recommendations are closed. Actions to address the two remaining recommendations are delayed due to resource limitations.
4A-CI-00-15-011	Federal Information Security Modernization Act for Fiscal Year 2015	11/10/2015			12 of 27 recommendations are closed. The open recommendations carried over from the prior year FISMA audit.
4A-CF-00-15-027	The U.S. Office of Personnel Management's Fiscal Year 2015 Consolidated Financial Statements	11/13/2015			1 of 5 recommendations are closed. One recommendation closed during the period. Corrective actions are in progress; however, significant work is required to address all the findings that led to the recommendations.
1A-10-17-14-037	Health Care Service Corporation	11/19/2015	\$35,761,169	\$1,269,235	15 of 16 recommendations are closed. The remaining recommendation is expected to close during the next period.
4A-CF-00-16-026	The U.S. Office of Personnel Management's Fiscal Year 2015 Improper Payments Reporting	5/11/2016			5 of 6 recommendations are closed. Corrective actions were delayed but are in progress.
4A-CI-00-16-037	Second Interim Status Report on the U.S. Office of Personnel Management's Infrastructure Improvement Project - Major IT Business Case	5/18/2016			0 of 2 recommendations are closed. The recommendations are expected to close during the next period.

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
4A-CA-00-15-041	The U.S. Office of Personnel Management's Office of Procurement Operations' Contract Management Process	7/8/2016			2 of 6 recommendations are closed. One recommendation closed during the period. Corrective actions are in progress. OPM plans to submit closure evidence for two open recommendations during the next reporting period.
4A-CI-00-16-061	Web Application Security Review	10/13/2016			0 of 4 recommendations are closed. OPM continues to focus efforts on corrective actions which had been delayed due to other priorities.
4A-CI-00-16-039	Federal Information Security Modernization Act for Fiscal Year 2016	11/9/2016			6 of 26 recommendations are closed. Open recommendations carried over from the prior year FISMA audit. Task scheduling to fully implement the remaining recommendations is awaiting the completion of higher priority cybersecurity items.
4A-CF-00-16-030	The U.S. Office of Personnel Management's Fiscal Year 2016 Consolidated Financial Statements	11/14/2016			6 of 19 recommendations are closed. One recommendation closed during the period. Corrective actions are in progress; however, significant work is required to address all the findings that led to the recommendations.
4A-RS-00-16-035	Information Security Controls of the U.S. Office of Personnel Managements Federal Annuity Claims Expert System	11/21/2016			11 of 13 recommendations are closed. Corrective actions had been delayed but are in progress for completion during the next period.
4A-CF-00-17-012	The U.S. Office of Personnel Management's Fiscal Year 2016 Improper Payments Reporting	5/11/2017			9 of 10 recommendations are closed. The open recommendation rolled forward from the previous fiscal year improper payment report.
4A-CI-00-17-014	The U.S. Office of Personnel Management's Security Assessment and Authorization Methodology	6/20/2017			0 of 4 recommendations are closed. Since the recommendations were issued, OPM re-defined the boundaries of its LAN/WAN. As a result, additional actions are now required to address the recommendations. However, OPM expects work to be completed in the next period that addresses at least one of the recommendations.

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
4A-OO-00-16-046	The U.S. Office of Personnel Management's Purchase Card Program	7/7/2017			11 of 12 recommendations are closed. One recommendation closed during the period. Corrective actions are in progress. OPM expects the last remaining recommendation will be close during the next period.
4A-CF-00-17-044	Information Technology Security Controls of the U.S. Office of Personnel Management's Federal Financial System	9/29/2017			8 of 9 recommendations are closed. One recommendation closed during the period. Regarding the remaining recommendation, corrective actions are in progress. OPM expects the recommendation will be close during the next period.
4A-CI-00-17-030	Information Technology Security Controls of the U.S. Office of Personnel Management's SharePoint Implementation	9/29/2017			0 of 8 recommendations are closed. OPM is completing corrective actions, but actions have been delayed to focus on other priorities.
4A-CI-00-17-020	Federal Information Security Modernization Act Audit Fiscal Year 2017	10/27/2017			3 of 39 recommendations are closed. Open recommendations rolled forward from the prior year FISMA audit. It is expected two of the recommendations will close upon issuance of the OIG's FY20 FISMA report expected during the next period. Regarding the other recommendations, corrective actions are in progress, but scheduling of all tasks to fully implement those recommendations awaits completion of higher-priority cybersecurity items.
4A-CF-00-17-028	The U.S. Office of Personnel Management's Fiscal Year 2017 Consolidated Financial Statements	11/13/2017			1 of 18 recommendations is closed. Open recommendations were carried over from the prior financial statement audit. Regarding the new recommendations issued via this report, corrective actions are in progress; however, significant work is required to address all the findings that led to the recommendations.

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
4A-CF-00-15-049	The U.S. Office of Personnel Management's Travel Card Program	01/16/2018			2 of 21 recommendations are closed. Corrective actions are in progress. More work is required to complete the corrective actions. OPM hopes to close at least four of the open recommendations during the next reporting period.
4A-CI-00-18-022	Management Advisory Report - the U.S. Office of Personnel Management's Fiscal Year 2017 IT Modernization Expenditure Plan	02/15/2018			2 of 4 recommendations are closed. The remaining recommendations are now overcome by events and are expected to close during the next period.
4K-RS-00-17-039	The U.S. Office of Personnel Management's Retirement Services' Imaging Operations	03/14/2018			2 of 3 recommendations are closed. Actions to address the recommendations are delayed due to resource limitations.
4A-CF-00-16-055	The U.S. Office of Personnel Management's Common Services	03/29/2018			0 of 5 recommendations are closed. Corrective actions are delayed due to other priorities.
4A-CF-00-18-012	The U.S. Office of Personnel Management's Fiscal Year 2017 Improper Payments Reporting	05/10/2018			1 of 2 recommendations is closed. Corrective actions are in progress. OPM expects the last remaining recommendation to close during the next period.
4A-HR-00-18-013	Information Technology Security Controls of the U.S. Office of Personnel Management's USA Staffing System	05/10/2018			2 of 4 recommendations are closed. Corrective actions are in progress. OPM plans to submit closure evidence for one recommendation during the next reporting period.
4A-CI-00-18-044	U.S. Office of Personnel Management's Fiscal Year 2018 IT Modernization Expenditure Plan	06/20/2018			0 of 2 recommendations are closed. OPM expects the recommendations which are now overcome by events to close during the next period.
4A-CI-00-18-038	Federal Information Security Modernization Act Audit Fiscal Year 2018	10/30/2018			8 of 52 recommendations are closed. Open recommendation carried over from the prior year FISMA report. With respect to the new recommendation issued with this report, OPM is taking corrective actions, but has not yet fully implemented those recommendations.

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
4A-CF-00-18-024	The U.S. Office of Personnel Management's Fiscal Year 2018 Consolidated Financial Statements	11/15/2018			3 of 23 recommendations are closed. Corrective actions are in progress; however, significant work is required to address all the findings that led to the recommendations.
4K-CI-00-18-009	The U.S. Office of Personnel Management's Preservation of Electronic Records	12/21/2018			2 of 3 recommendations are closed. Actions to address the remaining recommendation were impacted by resource constraints
4A-CI-00-18-037	The U.S. Office of Personnel Management's Compliance with the Federal Information Technology Acquisition Reform Act	04/25/2019			0 of 5 recommendations are closed. Actions to close the remaining recommendation had been delayed but are in progress.
4A-CF-00-19-012	The U.S. Office of Personnel Management's Fiscal Year 2018 Improper Payments	06/03/2019			1 of 4 recommendations is closed. Corrective actions are planned and in progress.
4A-HR-00-19-034	Independent Certified Public Accountants on the U.S. Office of Personnel Management Human Resources Solutions' Schedule of Assets and Liabilities	06/06/2019			1 of 4 recommendations is closed. Additional discussions with the OIG are required concerning follow-up, tracking, and closure of these recommendations.
4A-IS-00-19-035	Independent Certified Public Accountants on the U.S. Office of Personnel Management National Background Investigations Bureau's Details of Analysis and Assumptions Schedule	06/06/2019			0 of 5 recommendations are closed. Additional discussions with the OIG are required concerning follow-up, tracking, and closure of these recommendations.

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
4A-CI-00-19-006	Information Technology Security Controls of the U.S. Office of Personnel Management's Enterprise Human Resource Integration Data Warehouse	06/17/2019			9 of 13 recommendations are closed. About the remaining recommendations, corrective actions are in progress.
4K-ES-00-18-041	Evaluation of the U.S. Office of Personnel Management's Employee Services' Senior Executive Service and Performance Management Office	07/01/2019			1 of 6 recommendations is closed. Corrective actions were planned and in progress but not yet fully complete.
1G-LT-00-18-040	BENEFEDS as Administered by Long Term Care Partners, LLC, for Contract Years 2014 through 2016	09/11/2019			2 of 5 recommendations are closed. Corrective actions are planned and in progress but not yet fully complete for the remaining open recommendation. OPM expects the three remaining open recommendations will be resolved during the next period



**U.S. Office of Personnel Management**

**Merit System Accountability & Compliance**

**1900 E Street, NW, Washington, DC 20415**

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