

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

April 1, 2023 to September 30, 2023



This is the six-month annual Agency Response to the
Office of the Inspector General's Semiannual Report to Congress.

Message from the Director

As Director of the U.S. Office of Personnel Management (OPM), it is my pleasure to present the OPM Office of Inspector General's (OIG) Semiannual Report (SAR) to Congress for April 1, 2023 to September 30, 2023.

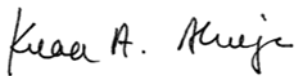
The OIG plays an essential role assessing risk and promoting accountability and transparency within OPM. They provide critical guidance to improve effectiveness, allowing us to better serve the Federal workforce and the American people. Over the past year, under Inspector General Krista Boyd's leadership, the OIG has continued this work with independence, diligence, and professionalism. I appreciate her efforts and share her commitment to a productive partnership.

OPM recognizes the importance of the OIG's audit and priority recommendations. We are committed to understanding each one thoroughly and working to implement changes whenever appropriate. In FY 2023, OPM closed over 300 recommendations, including two thirds of priority recommendations designated by the OIG. We will continue working with the OIG to act on appropriate recommendations that improve our effectiveness and efficiency as an agency.

In addition, OPM remains committed to facilitating the OIG's oversight role of OPM's work establishing a Postal Service Health Benefits Program (PSHBP) as required by the Postal Service Reform Act (PSRA), and we continue to work collaboratively to address questions and formal Information Requests in a timely manner. OPM appreciates the OIG's feedback that will allow us to identify areas for improvement in our implementation early and address them.

Finally, OPM agrees with the OIG about the need for proactive safeguards against fraud and improper payments in the new PSHBP system and the Federal Employees Health Benefit system (FEHB). OPM is committed to enacting such safeguards to the extent feasible, given the timeframe established by the PSRA and other constraints. We are working closely with our health carrier partners to address OIG recommendations and return any OIG identified FEHB overpayments. We are committed to rigorous enrollment monitoring and verification in PSHBP and FEHB and are developing better analytical routines based on the OIG and GAO audit reports to further these efforts. OPM will require appropriate, sustained resources to successfully launch the PSHBP and to implement optimal controls, including the ability to make adjustments to technologies and processes to accommodate statutorily-required determination and enrollment changes.

OPM remains committed to an open and cooperative engagement with the OIG. Their work allows OPM to better deliver for our customers and help agencies meet staffing needs across the federal government. OPM is proud to serve the Federal workforce and the American people, and the OIG fulfills a vital role in ensuring our work meets the highest of standards.



Kiran A. Ahuja
Director
U.S. Office of Personnel Management

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

November 2023

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**Table 1: Actions Taken on Reports with Disallowed Costs for Insurance Programs¹
April 1, 2023 to September 30, 2023**

Subject	Number of Audit Reports	Disallowed Costs	Recoveries or Adjustments
Reports for which final action not taken by beginning of reporting period	8		
Reports on which management decisions made during the period	5	16,235,670	
Reports for which final action taken during period:	2		
1. Recoveries and Adjustments		16,235,670	
a. Collections and offsets			15,943,098
b. Property			
c. Other (adjustments)			292,572
2. Write-offs			
Reports pending final action at end of period	11		

¹ Recommendations are implemented and completed means that the necessary action to address the recommendation has been conducted and the recommendation is now closed.

Table 2: Actions Taken on Audits with Recommendations for Better Use of Funds April 1, 2023 to September 30, 2023

Subject	Number of Audit Reports	Better Use of Funds
Reports for which final action not taken by beginning of reporting period	1	\$6,140,755
Reports on which management decisions made during period		
Reports for which final action taken during period:		
Recommendations completed ²		
Recommendations on which management concluded should not or could not be implemented or completed		
Reports pending final action at end of period	1	\$6,140,755

² Recommendations are implemented and completed means that the necessary action to address the recommendation has been conducted and the recommendation is now closed.

Table 3: Actions Taken on Reports without Monetary Findings April 1, 2023 to September 30, 2023

Subject	Number of Reports
Reports for which final action not taken by beginning of reporting period	82
Reports for which final action taken during period:	13
Health Insurance Carrier Audit Reports	1
Information Systems Audit Reports	10
Internal Audit Reports	1
Special Review Reports	1
Reports without monetary findings issued by OIG during period	9
Reports without monetary findings pending final action at end of period	78

Table 4: Summary of Reports More than 12 Months Old Pending Final Action as of September 30, 2023

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-08-022	Federal Information Security Management Act for Fiscal Year 2008	9/23/2008			18 of 19 recommendations are closed. Corrective actions to address the remaining recommendation are in progress.
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. Corrective actions to address the remaining recommendation are in progress.
4A-CI-00-09-031	Federal Information Security Management Act for Fiscal Year 2009	11/5/2009			29 of 30 recommendations are closed. Corrective actions to address the remaining recommendations are in progress.
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. Corrective actions to address the remaining recommendation are in progress.
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.
4A-CI-00-10-019	Federal Information Security Management Act for Fiscal Year 2010	11/10/2010			40 of 41 recommendations are closed. Corrective actions to address the remaining recommendation are in progress.
1K-RS-00-11-068	Stopping Improper Payments to Deceased Annuitant	9/14/2011			13 of 14 recommendations are closed.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-11-009	Federal Information Security Management Act for Fiscal Year 2011	11/9/2011			28 of 29 recommendations are closed. Corrective actions to address the remaining recommendation are in progress.
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. Corrective actions to address the remaining recommendation are in progress.
4A-CI-00-12-016	Federal Information Security Management Act for Fiscal Year 2012	11/5/2012			17 of 18 recommendations are closed. Corrective actions to address the remaining recommendation are in progress.
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. Corrective actions to address the remaining recommendation are in progress.
4A-CI-00-13-021	Federal Information Security Management Act for Fiscal Year 2013	11/21/2013			15 of 16 recommendations are closed. Corrective actions to address the remaining recommendation are in progress.
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. Corrective actions to address the recommendation are in progress.
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 to address the remaining recommendations are in progress.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-14-016	Federal Information Security Management Act for Fiscal Year 2014	11/12/2014			27 of 29 recommendations are closed. One recommendation closed during this reporting period. Corrective actions to address the remaining recommendations are in progress.
4A-CI-00-15-011	Federal Information Security Modernization Act for Fiscal Year 2015	11/10/2015			25 of 27 recommendations are closed. One recommendation closed during this reporting period. Corrective actions to address the remaining recommendations are in progress.
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. Corrective actions to address the remaining recommendations are in progress.
4A-CA-00-15-041	The U.S. Office of Personnel Management's Office of Procurement Operations' Contract Management Process	7/8/2016	\$35,761,169	\$1,269,235	3 of 6 recommendations are closed. During the period one recommendation closed. OPM is gathering additional evidence to close the remaining recommendations.
4A-CI-00-16-061	Web Application Security Review	10/13/2016			3 of 4 recommendations are closed. One recommendation closed during this reporting period. Corrective actions to address the remaining recommendation is in progress.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-16-039	Federal Information Security Modernization Act for Fiscal Year 2016	11/9/2016			23 of 26 recommendations are closed. One recommendation closed during the period. Corrective actions to address the remaining recommendations are in progress.
4A-CF-00-16-030	The U.S. Office of Personnel Management's Fiscal Year 2016 Consolidated Financial Statements	11/14/2016			7 of 19 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.
4A-CI-00-17-014	The U.S. Office of Personnel Management's Security Assessment and Authorization Methodology	6/20/2017			2 of 4 recommendations are closed. One recommendation closed during the period. Corrective actions are in progress to address the remaining recommendations.
4A-CI-00-17-030	Information Technology Security Controls of the U.S. Office of Personnel Management's SharePoint Implementation	9/29/2017			3 of 8 recommendations are closed. Two recommendations closed during the period. Corrective actions are in progress to address the remaining recommendations.
4A-CI-00-17-020	Federal Information Security Modernization Act Audit Fiscal Year 2017	10/27/2017			35 of 39 recommendations are closed. During the period, four recommendations closed. Corrective actions are in progress for the remaining recommendations.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CF-00-17-028	The U.S. Office of Personnel Management's Fiscal Year 2017 Consolidated Financial Statements	11/13/2017			4 of 18 recommendations are closed. During the period, one recommendation closed. Corrective actions are in progress for the remaining recommendations.
4A-CF-00-15-049	The U.S. Office of Personnel Management's Travel Card Program	01/16/2018			10 of 21 recommendations are closed. During the period, four recommendations closed. Corrective actions are in progress to address the remaining recommendations.
L-2018-1	Management Advisory Report-Review of the U.S. Office of Personnel Management's Non-Public Decision to Prospectively and Retroactively Re-Apportion Annuity Supplements	02/05/2018			0 of 3 recommendations are closed. These recommendations are related to active litigation. OPM is following the advice and guidance of OGC on these cases.
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			3 of 4 recommendations are closed. Closure documentation has been submitted for the remaining recommendation.
4A-CF-00-16-055	The U.S. Office of Personnel Management's Common Services	03/29/2018			2 of 5 recommendations are closed. During this period, two recommendations closed. Corrective actions are in progress to address the remaining recommendations.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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 are closed. Corrective actions are in progress for the remaining recommendation.
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 to address the remaining recommendations.
4A-CI-00-18-038	Federal Information Security Modernization Act Audit Fiscal Year 2018	10/30/2018			45 of 52 recommendations are closed. During the period, six recommendations closed. Corrective actions are in progress to address the remaining recommendations.
4A-CF-00-18-024	The U.S. Office of Personnel Management's Fiscal Year 2018 Consolidated Financial Statements	11/15/2018			8 of 23 recommendations are closed. Corrective actions are in progress for the remaining 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 are in progress.
1C-LE-00-18-034	Information Systems General and Application Controls at Priority Health Plan	3/5/2019			9 of 10 recommendations are closed. The remaining recommendation is resolved ³ and corrective actions are planned and in progress.

³ A recommendation is considered resolved at the point which the audit organization and the agency management agree on action to be taken to close a recommendation.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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			3 of 5 recommendations are closed. During the period, two recommendations closed. Corrective actions are in progress for the remaining recommendations.
4A-CF-00-19-012	The U.S. Office of Personnel Management's Fiscal Year 2018 Improper Payments	06/03/2019			3 of 4 recommendations are closed. Corrective actions are in progress for the remaining recommendation.
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			2 of 6 recommendations are closed. Supporting documentation has been submitted for closure consideration for the remaining recommendations.
4A-CI-00-19-008	Audit of OPM's Compliance with the Federal Information Technology Acquisition Reform Act – DCOI, GSS – FY 2019	10/23/2019			17 of 23 recommendations are closed. During the period, two recommendations closed. Corrective actions are in progress to address the remaining recommendations.
4A-CI-00-19-029	Federal Information Security Modernization Act Audit Fiscal Year 2019 (FISMA)	10/29/2019			40 of 47 recommendations are closed. During the period, seven recommendations closed. Corrective actions are in progress to address the remaining recommendations.
4A-CF-00-19-022	Office of Personnel Management's Fiscal Year 2019 Consolidated Financial Statements	11/18/2019			4 of 20 recommendations are closed. Corrective actions are planned and in progress.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4K-ES-00-19-032	Evaluation of the Presidential Rank Awards Program	1/17/2020			0 of 4 recommendations are closed. Supporting documentation has been submitted for closure consideration for all recommendations.
1H-01-00-18-039	Management Advisory Report related to Prescription Drug Costs in the Federal Employees Health Benefits Program	2/27/2020			0 of 2 recommendations are closed. Corrective actions to address the recommendations are being considered.
4A-RS-00-18-035	U.S Office of Personnel Management's Federal Employees Health Benefits Program and Retirement Services Improper Payments Rate Methodologies	4/2/2020			1 of 12 recommendations are closed. Eight of the open recommendations are resolved. Corrective actions are in progress to address the remaining recommendations.
4A-CF-00-20-014	U.S Office of Personnel Management's Fiscal Year 2019 Improper Payments Reporting	5/14/2020			2 of 3 recommendations are closed. Actions to address the remaining recommendation are in progress.
1H-07-00-19-017	CareFirst Blue Choice's Federal Employees Health Benefits Program Pharmacy Operations as Administered by CVS Caremark for Contract Years 2014 through 2017	7/20/2020			5 of 8 recommendations are closed. Corrective actions to address the remaining three recommendations are being considered.
4A-DO-00-20-041	Management Advisory Report – Delegation of Authority to Operate and Maintain the Theodore Roosevelt Federal Building and the Federal Executive Institute	8/5/2020			2 of 4 recommendations are closed. During the period, one recommendation closed. Corrective actions to address the remaining recommendations are in progress.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-20-009	U.S Office of Personnel Management's Security Assessment and Authorization Methodology	9/18/2020			8 of 11 recommendations have closed. During the period, five recommendations closed. Corrective actions are in progress for the remaining recommendations.
4A-HI-00-19-007	Audit of the Federal Employee Insurance Operations (FEIO) as Administered by OPM's Healthcare and Insurance Program Office	10/30/2020			18 of 24 recommendations are closed and one of the open recommendations is resolved. During the period, one recommendation closed. Corrective actions to address the remaining recommendations are being considered.
4A-RS-00-19-038	U.S Office of Personnel Management's Retirement Services' Disability Reconsideration Appeals Process	10/30/2020			3 of 8 recommendations are closed. The remaining five recommendations are resolved. Corrective actions to address the remaining recommendations are in progress.
4A-CI-00-20-008	U.S Office of Personnel Management's Common Security Controls FY2020	10/30/2020			1 of 4 recommendations are closed. Corrective actions for the remaining two recommendations are in progress but not fully complete.
4A-CI-00-20-010	Federal Information Security Modernization Act (FISMA) Audit Fiscal Year 2020	10/30/2020			37 of 45 recommendations are closed. During the period, seven recommendations closed. Corrective actions are in progress.
4A-CF-00-20-024	U.S Office of Personnel Management's Fiscal Year 2020 Consolidated Financial Statements	11/13/2020			5 of 21 recommendations have closed. Corrective actions for the remaining recommendations are in progress.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
1C-GG-00-20-026	Information Systems General Controls at Geisinger Health Plan in Danville, Pennsylvania	03/09/2021			1 of 2 recommendations have closed. The remaining recommendation is resolved, and corrective actions are in progress.
4A-HI-00-18-026	Management Advisory Report - FEHB Program Integrity Risks Due to Contractual Vulnerabilities in Washington, D.C.	04/1/2021			0 of 11 recommendations are closed. Corrective actions to address the recommendations are being considered.
4A-CF-00-21-008	The U.S. Office of Personnel Management's Fiscal Year 2020 Improper Payments Reporting in Washington, D.C.	05/17/2021			3 of 4 recommendations are closed. Corrective actions are in progress to address the remaining recommendation.
1C-8W-00-20-017	UPMC Health Plan, Inc. in Pittsburgh, Pennsylvania	06/28/2021			13 of 17 recommendations have closed. Corrective actions to address the remaining recommendations are being considered.
1H-99-00-20-016	Reasonableness of Selected FEHBP Carriers' Pharmacy Benefit Contracts in Washington, D.C.	07/29/2021			0 of 3 recommendations are closed. Corrective actions to address the recommendations are being considered.
4A-CI-00-20-034	The U.S. Office of Personnel Management's Office of the Chief Information Officer's Revolving Fund Programs in Washington, D.C.	09/09/21 Reissued 11/22/2021			3 of 4 recommendations have closed. Corrective actions to address the remaining recommendation are in progress.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-21-012	Federal Information Security Modernization Act Audit Fiscal Year 2021 in Washington, D.C	10/27/2021			26 of 36 recommendations are closed. During the period, nine recommendations closed. Corrective actions are in progress for the remaining recommendations.
4A-CF-00-21-027	The U.S. Office of Personnel Management's Fiscal Year 2021 Consolidated Financial Statements in Washington, D.C.	11/12/2021			5 of 20 recommendations are closed. Corrective actions are in progress for the remaining recommendations.
4A-CF-00-20-029	The U.S. Office of Personnel Management's Utilization of the Improper Payments Do Not Pay Initiative in Washington, D.C.	02/14/2022			6 of 7 recommendations are closed. Corrective actions are in progress for the remaining recommendation.
1A-10-17-21-018	Health Care Service Corporation for Contract Years 2018 through 2020 in Chicago, Illinois	02/23/2022 Reissued 03/16/2022	\$1,129,747		14 of 18 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.
1D-80-00-21-025	Information Systems General and Application Controls at Emblem Health in New York, New York	03/21/2022			4 of 5 recommendations are closed. During this period, one recommendation closed. The remaining recommendations are resolved, and corrective actions continue but are not yet fully complete.
No report number	Review of the 2017 Presidential Management Fellows Program Application Process Redesign in Washington, D.C.	05/18/2022			0 of 8 recommendations are closed. Corrective actions to address the recommendations are being considered.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
2022-IAG-002	The U.S. Office of Personnel Management's Compliance with the Payment Integrity Information Act of 2019	06/23/2022			4 of 6 recommendations are closed. During the period, four recommendations closed. Corrective actions are in progress to address the remaining recommendation.
1B-45-00-21-034	Claims Processing and Payment Operations at the Mail Handlers Benefit Plan for Contract Years 2019 and 2020	08/16/2022			3 of 4 recommendations are closed. The remaining recommendation is resolved, and corrective actions are in progress.
1C-59-00-20-043	Kaiser Foundation Health Plan, Inc	08/16/2022			15 of 16 recommendations are closed. Actions to address the remaining open recommendation is being considered.
2022-ISAG-006	Information Systems General and Application Controls at Blue Cross Blue Shield of Alabama	08/22/2022			1 of 2 recommendations are closed. The remaining recommendation is resolved and corrective actions are in progress.
1A-10-15-21-023	BlueCross BlueShield of Tennessee	08/23/2022			9 of 11 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.
2022-SAG-007	2018 and 2019 Combined Federal Campaigns	09/7/2022			1 of 2 recommendations are closed. Corrective actions are in progress for the remaining recommendation.
1G-LT-00-21-013	Federal Long Term Care Insurance Program for Contract Years 2017 through 2019	09/12/2022			1 of 3 recommendations are closed. Actions to address the remaining recommendations are being considered.



U.S. Office of Personnel Management

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