

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

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

October 1, 2019 to March 31, 2020



Message from the Acting Director

I am pleased to present the U.S. Office of Personnel Management (OPM) Office of Inspector General's *Semiannual Report* (October 2019 to March 2020) to Congress. As Acting Director of OPM, I am committed to overseeing the essential effort to combat and root out waste, fraud, and abuse, and I want to extend my sincere thanks to OPM's Office of Inspector General (OIG) for its support for and dedication to this effort. Together, we endeavor to provide accountability and trustworthy stewardship in service to the American people and the Federal workforce.

The onset of COVID-19 provided new and unexpected challenges for the Federal workforce as we moved to a maximum telework posture. I am proud to say that these challenges have not affected our ability to carry out our mission, and OPM OIG has continued to conduct audits, investigations, and evaluations as well as provide recommendations for improving the efficiency and effectiveness of agency operations. We remain committed to protecting Federal employees and annuitants by combatting fraud and holding bad actors accountable.

A recent highlight of OIG efforts is the Representative Payee Fraud Prevention Act of 2019, which was signed into law by President Trump on March 18, 2020. For nearly five years, OIG worked with OPM and Congress to bring this legislation to fruition. The act allows OIG to better hold accountable individuals who take advantage of vulnerable federal annuitants and pursue justice for annuitants by allowing it to investigate and prosecute Representative Payee Fraud cases. Through these efforts, we can better act on the administration's priority of minimizing improper payments and protecting retirement funding.

I am grateful for the work of OPM OIG, and I am proud to highlight its accomplishments. We will continue to work to deliver our mission-critical services and ensure accountability and transparency throughout the government.

Acting Director



Michael Rigas

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

May 2020

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Table 1**Actions Taken on Reports with Disallowed Costs for Insurance Programs¹
October 1, 2019 to March 31, 2020**

Subject	Number of Audit Reports	Disallowed Costs	Recoveries or Adjustments
Reports for which final action not taken by beginning of reporting period	5	\$38,360,577	-
Reports on which management decisions made during the period	7	\$2,234,527	-
Reports for which final action taken during period:	7	\$6,016,032	-
1. Recoveries and Adjustments	-	-	-
a. Collections and offsets	-	-	\$3,898,205
b. Property	-	-	-
c. Other (adjustments)	-	-	\$2,117,827
2. Write-offs	-	-	-
Reports pending final action at end of period	5	\$34,579,072	-

¹This table reflects activity across audit reports with financial recommendations only.

Table 2**Actions Taken on Audits with Recommendations for Better Use of Funds
October 1, 2019 to March 31, 2020**

Subject	Number of Audit Reports	Better Use of Funds
Reports for which final action not taken by beginning of reporting period	1	\$108,880,417
Reports on which management decisions made during period	-	-
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	1	\$108,880,417

Table 3**Actions Taken on Reports without Monetary Findings
October 1, 2019 to March 31, 2020**

Subject	Number of Reports
Reports for which final action not taken by beginning of reporting period	63
Reports for which final action ² taken during period:	4
a. Health Insurance Carrier Audit Reports	3
b. Information Systems Audit Reports	-
c. Internal Audit Reports	-
d. Special Audit Reports	1
Reports without monetary findings issued by OIG during period	18
Reports without monetary findings pending final action at end of period	77

² 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 March 31, 2020**

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	-	-	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. Task scheduling to fully implement the remaining two recommendations is awaiting the completion of higher priority items.

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	-	-	27 of 29 recommendations are closed. The two remaining open recommendations carried over from the FY08 FISMA audit.
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-CI-00-14-015	Information Technology Security Controls of the U.S. Office of Personnel Management's Development Test Production General Support System	6/6/2014	-	-	4 of 6 recommendations are closed. Additional work is needed to assess additional approaches to close the open recommendations in the current operating environment.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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 two recommendations is awaiting the completion of higher priority cybersecurity items.
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. The program has been realigned and staffed. During the next period, the remaining recommendations will be reviewed to determine appropriate corrective actions leading toward closure.
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 OIG to close the remaining open recommendation after the application modernization plans are completed.
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. OPM expects the remaining recommendations to close during the next period.
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	-	-	0 of 5 recommendations are closed. Corrective actions are in progress; however, significant work is required to address all the findings that led to the recommendations. In addition, OPM needs to work with the financial auditor to better define evidence needed for closure.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
1A-10-17-14-037	Health Care Service Corporation	11/19/2015	\$35,761,169	\$24,721,545	13 of 16 recommendations are closed. To close the remaining recommendations, OPM is evaluating the questioned costs, addressing the unique issues raised in this audit, making recoveries, and implementing corrective actions
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 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. Closure of the recommendations requires an assessment of OPM applications and is a multi-year effort.
4A-CA-00-15-041	The U.S. Office of Personnel Management's Office of Procurement Operations' Contract Management Process	7/8/2016	-	-	1 of 6 recommendations is closed. Corrective actions are in progress. OPM plans to submit closure evidence for two of the 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. During the next period, OPM plans 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.
1A-10-33-15-009	Blue Cross and Blue Shield of North Carolina	11/10/2016	\$995,996	\$0	3 of 6 recommendations are closed. To close the remaining recommendations, OPM is evaluating the questioned costs, addressing the unique issues raised in this audit, making recoveries, and implementing corrective actions.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CF-00-16-030	The U.S. Office of Personnel Management's Fiscal Year 2016 Consolidated Financial Statements	11/14/2016	-	-	5 of 19 recommendations are closed. During this period, one recommendation closed. Corrective actions are in progress; however, significant work is required to address all the findings that led to the recommendations. In addition, OPM needs to work with the financial auditor to better define evidence needed for closure.
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. OPM expects the remaining recommendations to close 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.
4A-OO-00-16-046	The U.S. Office of Personnel Management's Purchase Card Program	7/7/2017	-	-	10 of 12 recommendations are closed. OPM expects one of the two remaining recommendations will 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	-	-	7 of 9 recommendations are closed. OPM plans to submit closure evidence for the remaining two recommendations during the next reporting 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.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-17-020	Federal Information Security Modernization Act Audit Fiscal Year 2017	10/27/2017	-	-	3 of 39 recommendations are closed. Corrective actions are in progress, but scheduling of all tasks to fully implement the recommendations is awaiting the 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. Four recommendations were carried over from the prior financial statement audit. 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-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. Two recommendations closed during the period. The timeline to implement corrective actions to ensure the appropriate level of control over the IT acquisition process across all of OPM is dependent on a reassessment of priorities.
1A-99-00-16-021	Global Veterans Affairs Claims for Blue Cross and Blue Shield Plans	02/28/2018	\$13,631,198	\$9,857,527	0 of 5 recommendations are closed. To close the remaining recommendations, OPM is evaluating the questioned costs, addressing the unique issues raised in this audit, making recoveries, and implementing corrective actions.
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. Based on OIG feedback, OPM has taken corrective actions and is resubmitting evidence to support closure of the remaining recommendation.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CF-00-16-055	The U.S. Office of Personnel Management's Common Services	03/29/2018	-	-	0 of 5 recommendations are closed. Task scheduling to fully implement the recommendations is awaiting completion of higher-priority items.
4A-CF-00-18-012	The U.S. Office of Personnel Management's Fiscal Year 2017 Improper Payments Reporting Information	05/10/2018	-	-	1 of 2 recommendations is closed. Corrective actions are in progress.
4A-HR-00-18-013	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 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 plans to assess options to close the recommendations given their specificity to FY18 funding that has since expired.
4A-PP-00-18-011	Information Technology Security Controls of the U.S. Office of Personnel Management's Health Claims Data Warehouse	06/25/2018	-	-	10 of 12 recommendations are closed. OPM is addressing feedback from the OIG and gathering additional evidence to close the recommendations.
4A-CI-00-18-038	Federal Information Security Modernization Act Audit Fiscal Year 2018	10/30/2018	-	-	8 of 52 recommendations are closed. 39 recommendation carried over from the prior year FISMA report. With respect to the 13 new recommendation issued with this report, OPM is taking corrective actions, but has not yet fully implemented those recommendations.
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 close the remaining recommendation had been delayed, but are in progress.



U.S. Office of Personnel Management

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