

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

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

October 1, 2020 to March 31, 2021



Message from the Acting Director

It is my honor to serve as the Acting Director of the U.S. Office of Personnel Management and present the OPM Office of Inspector General's (OIG) Semiannual Report (SAR) (October 1, 2020 – March 31, 2021) to Congress.

The OIG plays an essential role assessing risk and promoting accountability, integrity, and transparency within OPM. Our partnership with OIG enables our important work serving the federal workforce and our responsible stewardship of the taxpayer resources with which Congress has entrusted us. OIG provides critical guidance about where OPM can improve its effectiveness, sustainability, and capacity to deliver critical services to our fellow agencies, the federal workforce, and the American people.

From health insurance carrier audits to information system audits and more, this report reflects diligent oversight and analysis across OPM programs, including the impact of COVID-19 on the Federal Employees Health Benefits Program. This work has a financial impact of more than \$40 million to OPM through audit recommendations, management commitments, and recoveries through investigative actions.

This report encompasses a uniquely challenging period for the agency as we've continued to grapple with the operational challenges created by the pandemic while rebuilding agency infrastructure and facilitate an orderly transition from one presidential administration to another. The OPM workforce has exhibited exemplary resilience and professionalism which has enabled us to continue to meet our mission despite these challenges.

Currently, OPM is developing our agency strategic plan and response to the recommendations put forth in the National Academy of Public Administration (NAPA) report for Congress. As we plan for the future, one thing is clear to me: We can best serve our federal partners if we operate as a strong, independent agency that upholds the merit system principles and honors and supports our dedicated workforce across government.

I have served in the federal government for more than 30 years, and in that time, I have known no greater satisfaction than working side by side with colleagues at OPM in support of the federal workforce. This past year especially, the federal government has risen to the challenge as our nation has tackled some of its biggest challenges, and we must honor the federal workforce for the unique role they play.

I thank OIG for its diligence and professionalism. Their work – and our work together – enables OPM to live up to its obligations to the federal workforce and the American people.

Kathleen McGettigan, Acting 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

May 2021

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Table 1**Actions Taken on Reports with Disallowed Costs for Insurance Programs¹
October 1, 2020 to March 31, 2021**

Subject	Number of Audit Reports	Disallowed Costs	Recoveries or Adjustments
Reports for which final action not taken by beginning of reporting period	3	\$1,269,235	
Reports on which management decisions made during the period	10	\$18,123,053	
Reports for which final action taken during period:	8	\$19,392,288	
1. Recoveries and Adjustments			
a. Collections and offsets			\$18,128,625
b. Property			
c. Other (adjustments)			\$1,263,663
2. Write-offs			
Reports pending final action at end of period	5	\$0	

¹This table was updated to reflect corrections made after the end of the last reporting period .

Table 2**Actions Taken on Audits with Recommendations for Better Use of Funds
October 1, 2020 to March 31, 2021**

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	1	\$176,490
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, 2020 to March 31, 2021**

Subject	Number of Reports
Reports for which final action not taken by beginning of reporting period	88
Reports for which final action taken during period:	
a. Health Insurance Carrier Audit Reports	1
b. Information Systems Audit Reports	13
c. Internal Audit Reports	4
d. Special Review Reports	
Reports without monetary findings issued by OIG during period	15
Reports without monetary findings pending final action at end of period	85

Table 4**Summary of Reports More than 12 Months Old Pending Final Action as of March 31, 2021**

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. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
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 statement auditor to better define expectations 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. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
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. Further work needs to be done with the financial statement auditor to define expectations for closure.
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 remaining recommendations carried over from the FY08 financial statement audit. Further work needs to be done with the financial statement auditor to define expectations for closure.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-10-019	Federal Information Security Management Act for Fiscal Year 2010	11/10/2010			39 of 41 recommendations are closed. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
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 one recommendation 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. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
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. Further work needs to be done with the financial statement auditor to define expectations for closure.
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. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
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. Further work needs to be done with the financial statement auditor to define expectations for closure.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-13-021	Federal Information Security Management Act for Fiscal Year 2013	11/21/2013			12 of 16 recommendations are closed. Three (3) of the open recommendations are carried over from the prior year FISMA audit. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
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. Further work needs to be done with the financial statement auditor to define expectations for closure.
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 (4) of the open recommendations are carried over from the prior year FISMA audit. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
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 remaining recommendations were impacted by resource constraints.
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. Corrective actions are in progress. OPM plans to submit closure evidence for the remaining recommendations during the next period.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-15-011	Federal Information Security Modernization Act for Fiscal Year 2015	11/10/2015			12 of 27 recommendations are closed. Fourteen (14) of the open recommendations are carried over from the prior year FISMA audit. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
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 are in progress; significant work is required to address the remaining recommendations.
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 for the remaining recommendation 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	2 of 6 recommendations are closed. Corrective actions are in progress. OPM plans to submit closure evidence for one recommendation during the next reporting period.
4A-CI-00-16-061	Web Application Security Review	10/13/2016			0 of 4 recommendations are closed. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement corrective actions based on resource availability and priority.
4A-CI-00-16-039	Federal Information Security Modernization Act for Fiscal Year 2016	11/9/2016			6 of 26 recommendations are closed. Fifteen (15) of the open recommendations are carried over from the prior year FISMA audit. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.

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. One recommendation was reopened during the period. Corrective actions are in progress; significant work is required to address the remaining recommendations.
IC-JP-00-16-032	Information Systems General and Application Controls at UnitedHealthcare in Plymouth, Minnesota	1/24/2017			1 of 2 recommendations is closed. Corrective actions continue on the remaining recommendation that is resolved.
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. Corrective actions for the remaining recommendation are in progress.
4A-CI-00-17-014	The U.S. Office of Personnel Management's Security Assessment and Authorization Methodology	6/20/2017			1 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 remaining recommendations.
IC-GA-00-17-010	Information Systems General and Application Controls at MVP Health Care in Schenectady, New York	6/30/2017			13 of 15 recommendations are closed. Corrective actions continue on the remaining 2 recommendations that are resolved.
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. Corrective actions are in progress. OPM plans to submit closure evidence to the remaining recommendation 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			1 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			5 of 39 recommendations are closed. Nineteen (19) of the open recommendations are carried over from the prior year FISMA audit. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
4A-CF-00-17-028	The U.S. Office of Personnel Management's Fiscal Year 2017 Consolidated Financial Statements	11/13/2017			3 of 18 recommendations is closed. Open recommendations were carried over from the prior financial statement audit. Corrective actions are in progress; significant work is required to address the remaining recommendations.
1C-ML-00-17-027	Information Systems General and Application Controls at AvMed Health Plan in Miami, Florida	12/18/2017			15 of 16 recommendations are closed. Corrective actions continue on the remaining recommendation that is resolved.
4A-CF-00-15-049	The U.S. Office of Personnel Management's Travel Card Program	01/16/2018			3 of 18 recommendations are closed. Open recommendations were carried over from the prior financial statement audit. Corrective actions are in progress; significant work is required to address the remaining recommendations.
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 have now been overtaken 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. Corrective actions to address the remaining recommendation is 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 in progress. OPM plans to submit closure for one recommendation during the next reporting period.

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 is 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. OPM plans to submit closure evidence for the remaining recommendations during the next reporting period.
1C-PG-00-17-045	Information Systems General and Application Controls at Optima Health Plan in Virginia Beach, Virginia	5/10/2018			18 of 20 recommendations are closed. Corrective actions continue on the 2 recommendations that are resolved.
4A-CI-00-18-044	Management Advisory Report - U.S. Office of Personnel Management's Fiscal Year 2018 IT Modernization Expenditure Plan	06/20/2018			0 of 2 recommendations are closed. Closure evidence is being prepared for submission to OIG.
4A-CI-00-18-038	Federal Information Security Modernization Act Audit Fiscal Year 2018	10/30/2018			10 of 52 recommendations are closed. Thirty-four (34) of the open recommendations are carried over from the prior year FISMA report. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
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; significant work is required to address the remaining recommendations.
1C-LB-00-18-007	Information Systems General and Application Controls at Health Net of California in Rancho Cordova, California	12/10/2018			6 of 7 recommendations are closed. Corrective actions continue on the remaining recommendation that is resolved.
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 have been impacted by resource constraints.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
1C-UX-00-18-019	Information Systems General and Application Controls at Medical Mutual of Ohio in Cleveland, Ohio	1/24/2019			9 of 12 recommendations are closed. Corrective actions continue on the 3 recommendations that are resolved.
1C-8W-00-18-036	Information Systems General Controls at University of Pittsburgh Medical Center Health Plan in Pittsburgh, Pennsylvania	3/1/2019			4 of 5 recommendations are closed. Corrective actions continue on the remaining recommendation that is resolved.
1C-LE-00-18-034	Information Systems General and Application Controls at Priority Health Plan in Grand Rapids, Michigan	3/5/2019			8 of 10 recommendations are closed. Corrective actions continue on the 2 recommendations that are resolved.
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 recommendations 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 in progress for the remaining open recommendations.
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			0 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.
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. Corrective actions to address the remaining recommendations are in progress.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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. Corrective actions for the remaining open recommendations are in progress but not yet fully complete.
1C-59-00-19-005	Information Systems General and Application Controls at Kaiser Foundation Health Plan, Inc., Northern and Southern California Regions in Downey and Corona, California	7/23/2019			0 of 2 recommendations are closed. Corrective Actions continue on the two recommendations that are resolved.
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 resolved recommendations. OPM expects the remaining resolved recommendations will be closed during the next period.
4A-CF-00-19-026	Data Act IT Security Controls of Consolidated Business Information Systems – FY 2019	10/3/2019			0 of 7 are closed. Corrective actions are in progress. OPM plans to submit closure evidence for two recommendations during the next reporting period.
1A-10-40-19-010	Information Systems General and Application Controls at Blue Cross Blue Shield of Mississippi in Flowood, Mississippi	10/21/2019			10 of 11 recommendations are closed. OPM expects the remaining recommendation will close during the next period.
1A-10-85-17-049	Audit of Claims Processing and Payment Operations at CareFirst Blue Cross Blue Shield	10/23/2019	\$3,058,657	\$0	8 of 10 recommendations are closed. Corrective actions continue on the 2 recommendations that are resolved.
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			10 of 23 are closed. Corrective actions are in progress but not yet fully complete for the remaining open recommendations.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-19-029	Federal Information Security Modernization Act Audit Fiscal Year 2019 (FISMA)	10/29/19			3 of 47 are closed. Thirty-eight (38) of the open recommendations are carried over from the prior year FISMA report. OCIO has completed the requisite plan of action and milestones (POA&M) and will implement remaining corrective actions based on resource availability and priority.
4A-CF-00-19-025	OPM's FY 2019 Data Submission with the Data Act	11/6/2019			0 of 2 are closed. Corrective actions are in progress.
4A-CF-00-19-022	Office of Personnel Management's Fiscal Year 2019 Consolidated Financial Statements	11/18/2019			0 of 20 recommendations are closed. Corrective actions are in progress but not yet fully complete for the remaining open recommendations.
4K-ES-00-19-032	Evaluation of the Presidential Rank Awards Program	1/17/2020			0 of 4 are closed. Corrective actions are in progress but not yet fully complete.
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 are closed. Actions to address the recommendations were impacted by resource constraints.



U.S. Office of Personnel Management

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