

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

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

April 1, 2021 to September 30, 2021



Message from the Director

As Director of the U.S. Office of Personnel Management, it is my pleasure to present the OPM Office of Inspector General's (OIG) Semiannual Report (SAR) (April 1, 2021 – September 30, 2021) to Congress.

The OIG plays an essential role assessing risk and promoting accountability, integrity, and transparency within OPM. They provide critical guidance on where OPM can improve effectiveness in our missions as the strategic human capital partner for the federal government. These insights allow us to better serve the federal workforce and the American people, which is why I have prioritized a productive partnership with OIG since becoming OPM Director on June 22, 2021.

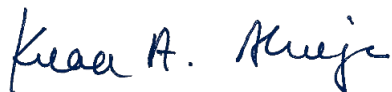
OIG identifies two issues in particular in this SAR: improper payments reporting and open audit recommendations.

OPM takes OIG's assertions about improper payments very seriously. A thorough review and analysis of the OIG data on IP reporting is underway with all responsible parties to include the program, finance, and oversight subject matter experts. This team will determine how to address the best methodology for improper payment reporting based on the OIG's recommendation and follow the appropriate measures for implementation. It will take resources and time to properly analyze and incorporate any revisions for the next improper payment reporting cycle in the AFR.

We also recognize the importance of audit recommendations, and believe deeply in the importance of taking time to understand them thoroughly, and work to implement them when appropriate. OPM responds to audit activities from numerous initiators, including OIG, the Government Accountability Office (GAO), the Internal Revenue Service (IRS) and the National Archives and Records Administration (NARA). We addressed more than 150 percent of our 2021 projection, closing 96 unique recommendations – 73 from OIG and 23 from GAO – instead of the anticipated approximation of 60 total. Of those closed, 40 were priority recommendations due to their age or inclusion on GAO's priority list. In addition to these 96 unique recommendations, we also closed more than 100 repeat recommendations.

As Deputy Inspector General Vint notes in his opening message, OPM is devoting due resources and attention to appropriately addressing and ultimately closing recommendations. We will continue to do so, along with all other recommendations we receive from OIG.

I thank OIG for its diligence and professionalism. Their work – and our work together – allows OPM to better deliver for our customers, the federal workforce, and serve as the indispensable strategic partner for human capital for the federal government. OPM is proud to serve the federal workforce and the American people, and OIG fulfills a vital role in ensuring our work meets the highest of standards.



Kiran 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 2021

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Table 1**Actions Taken on Reports with Disallowed Costs for Insurance Programs¹
April 1, 2021 to September 30, 2021**

Subject	Number of Audit Reports	Disallowed Costs	Recoveries or Adjustments
Reports for which final action not taken by beginning of reporting period	5		
Reports on which management decisions made during the period	4	9,972,112	
Reports for which final action taken during period:	6	9,972,112	
1. Recoveries and Adjustments			
a. Collections and offsets			9,250,678
b. Property			
c. Other (adjustments)			721,434
2. Write-offs			
Reports pending final action at end of period	3		

¹ This 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
April 1, 2021 to September 30, 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		
b) Recommendations on which management concluded should not or could not be implemented or completed		
Reports pending final action at end of period	2	\$114,354,689

Table 3**Actions Taken on Reports without Monetary Findings
April 1, 2021 to September 30, 2021**

Subject	Number of Reports
Reports for which final action not taken by beginning of reporting period	83
Reports for which final action taken during period:	
a. Health Insurance Carrier Audit Reports	2
b. Information Systems Audit Reports	6
c. Internal Audit Reports	1
d. Special Review Reports	2
Reports without monetary findings issued by OIG during period	11
Reports without monetary findings pending final action at end of period	83

Table 4**Summary of Reports More than 12 Months Old Pending Final Action as of September 30, 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			18 of 19 recommendations are closed. During the period, one recommendation closed. Implementation of the remaining open recommendation has been delayed due to challenges coordinating corrective actions across multiple program offices.
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 follow-up 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			29 of 30 recommendations are closed. During the period, one recommendation closed. The remaining open recommendation carried over from the prior year FISMA report.
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 FY08 financial statement audit.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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
4A-CI-00-10-019	Federal Information Security Management Act for Fiscal Year 2010	11/10/2010			40 of 41 recommendations are closed. During the period, one recommendation closed. The remaining open recommendation carried over from the prior year FISMA report.
1K-RS-00-11-068	Stopping Improper Payments to Deceased Annuitant	9/14/2011			12 of 14 recommendations are closed. Corrective actions are in progress but not yet fully completed.
4A-CI-00-11-009	Federal Information Security Management Act for Fiscal Year 2011	11/9/2011			28 of 29 recommendations are closed. During the period, one recommendation closed. The remaining open recommendation carried over from the prior year FISMA report.
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.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-12-016	Federal Information Security Management Act for Fiscal Year 2012	11/5/2012			17 of 18 recommendations are closed. During the period, one recommendation closed. The remaining open recommendation carried over from the prior year FISMA report.
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			15 of 16 recommendations are closed. During the period, three recommendations closed. The remaining open recommendation carried over from the prior year FISMA report.
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.

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			26 of 29 recommendations are closed. During the period, 11 recommendations were closed. One of the open recommendations carried over from the prior year FISMA report. Regarding the other two, OCIO 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. Corrective actions to address the remaining recommendations have commenced and are expected to be completed in FY 22.
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 remaining recommendations are considered complex and require further review and discussion to execute.
4A-CI-00-15-011	Federal Information Security Modernization Act for Fiscal Year 2015	11/10/2015			24 of 27 recommendations are closed. During the period, 12 recommendations were closed. The remaining open recommendations carried over from the prior year FISMA report.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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. During the next period, OCIO anticipates sharing evidence to close two of the recommendations. For the remaining two, corrective actions are in progress but are impacted by resource availability and higher-priority tasks.

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			21 of 26 recommendations are closed. During the period, 15 recommendations closed. Three of the remaining open recommendations carried over from the prior year FISMA report. Regarding the other two, OCIO has completed the requisite plan of action and milestones (POA&M), but completion of actions has been impacted by resource availability and higher-priority tasks. However, remaining corrective actions should be completed in FY22.

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. 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	1/24/2017			1 of 2 recommendations is closed. The remaining open recommendation is resolved, and closure is expected 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. 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 redefined the boundaries of its LAN/WAN. As a result, additional actions are now required to address the remaining recommendations. Those additional actions are in progress.
IC-GA-00-17-010	Information Systems General and Application Controls at MVP Health Care	6/30/2017			14 of 15 recommendations are closed. The remaining open recommendation is resolved, and corrective actions are expected to be completed during the next period.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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. Corrective actions have been established and OCIO will continue to implement them based on the availability of resources and in consideration of higher-priority tasks.
4A-CI-00-17-020	Federal Information Security Modernization Act Audit Fiscal Year 2017	10/27/2017			25 of 39 recommendations are closed. During the period, 20 recommendations closed. Five of the remaining recommendations carried over from the prior year FISMA report. Regarding the other nine, 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 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.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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. OPM plans to submit closure evidence for five or more 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. Regarding the remaining two recommendations, OCIO is gathering and expects to submit additional closure evidence in FY22.
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 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 in progress. OPM plans to submit closure evidence for two recommendations during the next reporting period.
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. remaining

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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	5/10/2018			19 of 20 recommendations are closed. The remaining open recommendation is resolved, and corrective actions are expected to be completed during the next period.
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. To address the recommendations, OCIO is gathering and expects to submit additional closure evidence in FY22.
4A-CI-00-18-038	Federal Information Security Modernization Act Audit Fiscal Year 2018	10/30/2018			31 of 52 recommendations are closed. During the period, 21 recommendations closed. 14 of the remaining recommendations rolled forward from the prior year. Regarding the other seven, OCIO will continue to implement remaining corrective actions based on resource availability and priority.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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.
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.
1C-UX-00-18-019	Information Systems General and Application Controls at Medical Mutual of Ohio	1/24/2019			11 of 12 recommendations are closed. During the period, 2 recommendations closed. The remaining open recommendation is resolved, and corrective actions are expected to be completed during the next period.
1C-8W-00-18-036	Information Systems General Controls at University of Pittsburgh Medical Center Health Plan	3/1/2019			4 of 5 recommendations are closed. The remaining recommendation is resolved, and corrective actions continue but are not yet fully complete.
1C-LE-00-18-034	Information Systems General and Application Controls at Priority Health Plan	3/5/2019			9 of 10 recommendations are closed. During the period, 1 recommendation closed. The remaining open recommendation is resolved, and corrective actions continue but are not yet fully complete.

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			0 of 5 recommendations are closed. Actions to address the recommendations will be implemented based on resource availability and priority.
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 are 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			10 of 13 recommendations are closed. During the period, one recommendation closed. Corrective actions to address the remaining recommendations are in progress but not yet fully complete.

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	7/23/2019			0 of 2 recommendations are closed. The open recommendations are resolved, and corrective actions continue but are not yet fully complete.
4A-CF-00-19-026	Data Act IT Security Controls of Consolidated Business Information Systems – FY 2019	10/3/2019			4 of 7 are closed. During the period, 3 recommendations closed. Corrective actions are in progress. OPM plans to submit closure evidence for the remaining recommendations during the next reporting period.
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)	10/29/2019			24 of 47 are closed. During the period, 21 recommendations closed. Regarding the open recommendations, 21 were carried forward from the prior year FISMA report. Concerning the other two, OCIO 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 recommendations are closed. Corrective actions are in progress but not yet fully complete
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.
4K-ES-00-19-032	Evaluation of the Presidential Rank Awards Program	1/17/2020			0 of 4 recommendations are closed. Corrective actions are in progress but not yet fully complete.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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. Actions to address the recommendations have been impacted by resource constraints.
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			0 of 12 are recommendations closed. 8 of the open recommendations are resolved. Corrective actions are planned and in progress but not yet fully complete.
1A-10-85-17-049	Claims Processing and Payment Operations at CareFirst Blue Cross Blue Shield	4/15/2020			9 of 10 recommendations are closed. The remaining open recommendation is resolved, and corrective actions continue but not yet fully complete.
4A-CF-00-20-014	U.S Office of Personnel Management's Fiscal Year 2019 Improper Payments Reporting	5/14/2020			0 of 3 recommendations are closed. Corrective actions are planned and in progress but not yet fully complete.
4A-CI-00-20-007	Information Technology Security Controls of the U.S Office of Personnel Management's Electronic Official Personnel Folder System Report	6/30/2020			1 of 3 recommendations is closed. OCIO will implement remaining corrective actions based on resource availability and priority.
1H-07-00-19-017	CareFirst BlueChoice's Federal Employees Health Benefits Program Pharmacy Operations as Administered by CVS Caremark for Contract Years 2014 through 2017	7/20/2020			3 of 8 recommendations are closed. To address the remaining recommendations, OPM is gathering additional evidence from the health carrier.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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			1 of 4 recommendations have closed. Corrective actions are in progress but not yet fully complete.
1B-32-00-20-004	Information Systems General and Application Controls at the National Association of Letter Carriers Health Benefit Plan	9/9/2020			13 of 19 recommendations have been closed. The six remaining recommendations are resolved, and corrective actions are expected to be completed during the next period.
4A-CI-00-20-009	U.S Office of Personnel Management’s Security Assessment and Authorization Methodology	9/18/2020			0 of 11 recommendations have closed. OCIO will continue corrective actions based on priority and resource availability.



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