

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

October 1, 2023 - March 31, 2024



Message from the Director

As Acting Director of the U.S. Office of Personnel Management (OPM), I'm pleased to present the OPM Office of Inspector General's (OIG) Semiannual Report (SAR) to Congress for October 1, 2023, to March 31, 2024.

Throughout the Biden-Harris Administration, I joined with former OPM Director Kiran Ahuja in working with Inspector General Krista Boyd, and Acting Inspector General Norbert Vint before her, to cultivate a productive relationship based on mutual respect. As OPM Acting Director, I am committed to continuing and strengthening this relationship. The OIG plays an essential role assessing risk and promoting accountability. The information gained from their oversight helps OPM improve our efficiency and effectiveness, allowing us to better serve the federal workforce and the American people.

As the OIG notes, a key part of their work focuses on the new Postal Service Health Benefits Program (PSHBP) that OPM is launching this calendar year. OPM recognizes the importance of the OIG's oversight of the PSHBP and their role in helping OPM identify areas for improvement.

OPM also agrees with the OIG about the need for proactive safeguards against fraud and improper payments in both the PSHBP and the Federal Employees Health Benefit (FEHB) programs. We work closely with health carriers and employing agencies to address OIG recommendations. To ensure rigorous enrollment monitoring and eligibility verification for both programs, we are leveraging OIG and GAO audit reports as we improve our process for identifying discrepancies.

Finally, OPM is committed to addressing the OIG's open audit recommendations. We seek to understand each case thoroughly and work to implement changes wherever appropriate. OPM closed a total of 126 recommendations during the reporting period. We will continue working with the OIG to act on appropriate recommendations that improve our effectiveness and efficiency as an agency.

OPM appreciates the open and cooperative engagement we share with the OIG. We will continue to foster a productive relationship that benefits the federal workforce and the American people.



Robert H. Shriver, III
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 2024

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**Table 1: Actions Taken on Reports with Disallowed Costs for Insurance Programs¹
October 1, 2023 to March 31, 2024**

Subject	Number of Audit Reports	Disallowed Costs	Recoveries or Adjustments
Reports for which final action not taken by beginning of reporting period	11		
Reports on which management decisions made during the period	5	33,603,926	
Reports for which final action taken during period:	2		
1. Recoveries and Adjustments		33,603,926	
a. Collections and offsets			33,349,534
b. Property			
c. Other (adjustments)			254,392
2. Write-offs			
Reports pending final action at end of period	14		

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
October 1, 2023 to March 31, 2024**

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	1	\$6,140,755
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	0	\$0

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 October 1, 2023 to March 31, 2024

Subject	Number of Reports
Reports for which final action not taken by beginning of reporting period	78
Reports for which final action taken during period:	27
Health Insurance Carrier Audit Reports	1
Information Systems Audit Reports	18
Internal Audit Reports	4
Special Review Reports	0
Reports without monetary findings issued by OIG during period	13
Reports without monetary findings pending final action at end of period	64

Table 4: Summary of Reports More than 12 Months Old Pending Final Action as of March 31, 2024

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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 are ongoing to remediate the remaining recommendation.
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 are ongoing to remediate the remaining recommendation.
4A-CF-00-10-015	The U.S. Office of Personnel Management's Fiscal Year 2010 Consolidated Financial Statements	11/10/2010			5 of 7 recommendations are closed. One recommendation closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendations.
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 are ongoing to remediate the remaining recommendation.
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 are ongoing to remediate the remaining recommendation.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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 are ongoing to remediate the remaining recommendation.
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 ongoing to remediate the remaining recommendations.
4A-CF-00-15-027	The U.S. Office of Personnel Management's Fiscal Year 2015 Consolidated Financial Statements	11/13/2015			2 of 5 recommendations are closed. One recommendation closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendations.
4A-CF-00-16-030	The U.S. Office of Personnel Management's Fiscal Year 2016 Consolidated Financial Statements	11/14/2016			10 of 19 recommendations are closed. Three recommendations closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendations.
4A-CI-00-17-014	The U.S. Office of Personnel Management's Security Assessment and Authorization Methodology	6/20/2017			3 of 4 recommendations are closed. One recommendation closed during this reporting period. Corrective actions are ongoing to remediate

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
					the remaining recommendation.
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. Corrective actions are ongoing to remediate the remaining recommendations.
4A-CF-00-17-028	The U.S. Office of Personnel Management's Fiscal Year 2017 Consolidated Financial Statements	11/13/2017			7 of 18 recommendations are closed. Three recommendations closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendations.
4A-CF-00-15-049	The U.S. Office of Personnel Management's Travel Card Program	01/16/2018			11 of 21 recommendations are closed. Two recommendations closed during this reporting period. OPM expects the remaining recommendations will close during the next reporting period.
L-2018-1	Management Advisory Report- Review of the U.S. Office of Personnel Management's Non-Public Decision to Prospectively and	02/05/2018			0 of 3 recommendations are closed. Litigation is still in process.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Retroactively Re-Apportion Annuity Supplements				
4A-CF-00-16-055	The U.S. Office of Personnel Management's Common Services	03/29/2018			3 of 5 recommendations are closed. One recommendation closed during this reporting period. OPM expects one recommendation will close 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 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. OPM expects to close one recommendation during the next reporting period. Corrective actions are in progress to address the remaining recommendation.
4A-CF-00-18-024	The U.S. Office of Personnel Management's Fiscal Year 2018 Consolidated Financial Statements	11/15/2018			12 of 23 recommendations are closed. Four recommendations closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendations.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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. Corrective actions are ongoing to remediate the remaining recommendation.
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. Corrective actions are ongoing to remediate the remaining recommendation.
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 open recommendation.
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			20 of 23 recommendations are closed. Three recommendations closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendations.
4A-CF-00-19-022	Office of Personnel Management's Fiscal Year 2019 Consolidated Financial Statements	11/18/2019			9 of 20 recommendations are closed. Five recommendations closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendations.

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. 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			2 of 12 recommendations are closed. 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. Corrective actions are in progress for the remaining open recommendation.
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	\$4,796,877		5 of 8 recommendations are closed. Corrective actions to address the remaining three recommendations are being considered.

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			10 of 11 recommendations are closed. Two recommendations closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendation.
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. 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. Corrective actions are ongoing to remediate the remaining recommendation.
4A-CF-00-20-024	U.S Office of Personnel Management's Fiscal Year 2020 Consolidated Financial Statements	11/13/2020			10 of 21 recommendations are closed. Five recommendations closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendations.
1C-GG-00-20-026	Information Systems General Controls at	03/09/2021			1 of 2 recommendations are closed. The remaining

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Geisinger Health Plan in Danville, Pennsylvania				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	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	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 are closed. Corrective actions to address the remaining four recommendations are being considered.
1H-99-00-20-016	Reasonableness of Selected FEHBP Carriers' Pharmacy Benefit Contracts	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	09/09/21 Reissued 11/22/2021			3 of 4 recommendations are closed. Corrective actions are ongoing to remediate the remaining recommendation.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-21-012	Federal Information Security Modernization Act Audit Fiscal Year 2021	10/27/2021			35 of 36 recommendations are closed. Nine recommendations closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendation.
4A-CF-00-21-027	The U.S. Office of Personnel Management's Fiscal Year 2021 Consolidated Financial Statements	11/12/2021			9 of 20 recommendations are closed. Four recommendations closed during this reporting period. Corrective actions are ongoing to remediate 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	02/14/2022			6 of 7 recommendations are closed. OPM expects to close the remaining recommendation in the next reporting period.
1A-10-17-21-018	Claims Processing and Payment Operations at 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. One recommendation is resolved. Corrective actions to address the remaining recommendations are being considered.
No report number	Review of the 2017 Presidential Management Fellows Program	05/18/2022			0 of 8 recommendations are closed.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Application Process Redesign				
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. OPM expects one recommendation will close during the next reporting period. Corrective actions are in progress to address the remaining recommendation.
1C-59-00-20-043	Kaiser Foundation Health Plan, Inc	08/16/2022			15 of 16 recommendations are closed. Corrective actions to address the remaining recommendation are being considered.
1A-10-15-21-023	BlueCross BlueShield of Tennessee	08/23/2022	\$309,703		10 of 11 recommendations are closed. Corrective actions to address the remaining recommendation are being considered.
1G-LT-00-21-013	Federal Long Term Care Insurance Program for Contract Years 2017 through 2019	09/12/2022			2 of 3 recommendations are closed. Corrective actions to address the remaining recommendation are being considered.
2022-IAG-003	The U.S. Office of Personnel Management's Fiscal Year 2022 Consolidated Financial Statements.	11/14/2022			4 of 15 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
2022-ISAG-0017	Federal Information Security Modernization Act Audit - Fiscal Year 2022	11/15/2022			28 of 29 recommendations are closed. Corrective actions are in progress to address the remaining recommendation.
2022-ERAG-0011	Premera BlueCross in Mountlake Terrace, Washington	12/12/2022	\$3,207,527		9 of 10 recommendations are closed. Corrective actions to address the remaining recommendation are being considered.
2022-ISAG-0020	Information Systems General and Application Controls at Blue Cross Blue Shield of Kansas in Topeka, Kansas	12/14/2022			4 of 6 recommendations are closed and the remaining two recommendations are resolved. Corrective actions are planned and in progress but are not yet fully complete.
2022-CRAG-004	MercyCare Health Plans in Janesville, Wisconsin	2/2/2023			2 of 4 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.
2022-CAAG-009	Claims Processing and Payment Operations at Premera Blue Cross for Contract Years 2018 through 2020 in Mountlake Terrace, Washington	2/8/2023	\$1,914,227		3 of 6 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
2022-CRAG-0010	The Federal Employees Health Benefits Program Termination Process at Health Plan of Nevada, Inc. in Las Vegas, Nevada	2/15/2023			15 of 20 recommendations are closed. One recommendation is resolved. Corrective actions to address the remaining recommendations are being considered.
1H-08-00-21-015	Group Health Incorporated's Federal Employees Health Benefits Program Pharmacy Operations as Administered by Express Scripts, Inc. for Contract Years 2015 through 2019 in St. Louis, Missouri	2/16/2023			2 of 12 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.
2022-ISAG-0024	Information Systems General and Application Controls at American Postal Workers Union Health Plan in Glen Burnie, Maryland	2/27/2023			22 of 23 recommendations are closed. The remaining open recommendation is resolved. Corrective actions are planned and in progress but are not yet fully complete.
2022-CAAG-0023	Claims Processing and Payment Operations at Blue Cross and Blue Shield of North Carolina for Contract Years 2018	3/3/2023	\$196,857		3 of 5 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	through 2020 in North Carolina				
2022-CAAG-0014	Evaluation of COVID-19's Impact on FEHBP Telehealth Services and Utilization	3/6/2023			0 of 5 recommendations are closed. Corrective actions to address the recommendations are being considered.
2022-ISAG-0027	Information Systems General and Application Controls at HealthPartners in Bloomington, Minnesota	3/20/2023			2 of 5 recommendations are closed. Corrective actions are in progress for the remaining recommendations.



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