

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

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

April 1, 2018 to September 30, 2018



Message from the Acting Director

I am honored to serve Federal agencies and the American people as Acting Director for the U.S. Office of Personnel Management (OPM). In this position, I am privileged to work with so many dedicated and talented civil servants, including those who serve within OPM's Office of Inspector General (OIG).

Now in its 30th year as a statutory entity, OPM OIG plays a central role in advancing the mission of our agency. OIG spends hours monitoring, evaluating, auditing, reporting, and making recommendations to OPM.

OIG's review of OPM programs and operations helps us identify areas of improvement and helps ensure that OPM delivers on the merit system principles. OIG reports provide OPM with important insights to identify problem areas and establish a roadmap for solutions. Through this work, OIG helps ensure that the Federal Service remains accountable to the American people.

While not always glamorous, OIG's mission of transparency and accountability is essential, prioritizing the three core objectives outlined in the President's Management Agenda (PMA): Mission, Service, and Stewardship.

Through the PMA, OPM re-evaluates Government services to ensure our modern Federal workforce meets the needs of all Americans in the changing landscape of the 21st Century. OPM must have the capabilities to deliver first-rate, customer-focused services and exhibit careful stewardship of taxpayer dollars while serving other Federal agencies and the American people. The structural barriers preventing OPM from accomplishing this success must be removed.

During this time of change and transition, a commitment to a "government of the people, by the people, and for the people" is critical. OIG's work allows us to keep that commitment. The management team at OPM is dedicated to collaborating with the OIG to prioritize resources to close out open issues. Of the 78 audits with recommendations referenced in the OIG's report, OPM is in the process of implementing, or has already implemented, corrective actions for 79% of them. In addition, we are actively engaged in corrective action planning and identifying resources to address the issues raised by the OIG for the remaining 21%.

I am pleased to present the OPM Office of Inspector General's Semiannual Report (April 2018 – September 2018) to Congress.

I am proud to highlight OPM OIG's accomplishments, and I thank those individuals whose work has contributed to OIG's important mission to ensure transparency and accountability across OPM and Government-wide.

Acting Director



Margaret M. Weichert

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

November 2018

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Introduction

Addressing audit issues is an agency priority. At OPM, the Merit System Accountability and Compliance (MSAC) and the Healthcare and Insurance (HI) programs manage the agency's audit resolution processes to help ensure timely and appropriate action. We have found that strong partnerships and effective communication between our audit resolution offices, program offices, the Office of the Inspector General (OIG), insurance carriers, and other stakeholders are key to strengthening operational weaknesses and improving the performance of OPM programs.

With respect to the audits highlighted in the OIG's Semiannual Report for this period, we have implemented substantive corrective actions to address the noted concerns. The following sections describe our status to date and some of the challenges we face.

AUDIT ACTIVITIES

Health Insurance Carrier Audits

On an ongoing basis, the OIG audits Federal Employees Health Benefit (FEHB) Program carriers and the Multi-State Plan (MSP) issuer, with a focus on assessing their compliance with contractual obligations to OPM. These audits may result in monetary and non-monetary findings, which are resolved by the HI contracting officers and audit resolution and compliance officials. HI's contracting officers exercise broad oversight and administration of the FEHB and MSP programs to help ensure carriers provide comprehensive benefits that offer choice and value while demonstrating strong internal controls.

Our HI audit resolution results for the reporting period are as follows:

- Closed or resolved 15 audits;
- Closed or resolved 102 monetary and non-monetary recommendations;
- Recovered \$20.41 million; and
- Recognized \$29.6 million in questioned costs as allowable.

We remain strongly committed to our stewardship and administration of the FEHB, MSP, and other benefit programs. We work hard to resolve audit findings, recover funds, identify and strengthen internal control weaknesses, establish corrective actions, and help ensure health carriers have appropriate systems in place to safely and securely handle data.

Accomplishments

In addition to health carrier audit resolution activity, we improved the effectiveness of the FEHB Program and the audit resolution process by doing the following:

- Transitioned eligible TRICARE beneficiaries from the TRICARE Retiree Dental Program (TRDP) to FEDVIP during the Federal Benefits Open Season, in partnership

with the Department of Defense, BENEFEDS, and Federal Employees Dental and Vision Insurance Program (FEDVIP) carriers.

- Improved the BENEFEDS user experience by making all FEDVIP enrollment functions, including a plan comparison tool, available on mobile devices.¹
- Published a second letter in July 2018 on best practices for disposing of prescription drugs, focusing specifically on opioids.
- Presented and held panel discussions on the opioid epidemic and combatting drug addiction at the Federal Benefits Training and Executive Board meetings and the FEHB Program Carrier Conference.
- Reduced opioid and other controlled substance utilization in the largest FEHB carrier's population by 10.9% compared to 2016.
- Continued implementation of the Plan Performance Assessment, which uses a discrete set of quantifiable measures to examine key aspects of contract performance. The Plan Performance Assessment is linked to health plan profit and adjustment factors, and was developed to establish a consistent assessment system, create a more objective performance standard, improve quality and promote efficiency. Current year scoring is underway, and we anticipate continued improvement across key metrics.
- Continued efforts regarding the Central Enrollment Portal and Database (CEPD)² project to reduce or eliminate claim payment errors related to late notification of enrollment changes.

The OIG highlights 11 health insurance carrier audits and reviews in its report. An overview and status of those reports follows.

Community-Rated Plans

On April 24, 2018, the OIG issued an audit report of the FEHB Program operations at Health Plus of Michigan. The OIG questioned the 2013 through 2015 Medical Loss Ratio credit carryover totaling \$527,027 and made 3 recommendations. We adjusted the carryover credit and closed the three recommendations during the period. The audit closed on June 25, 2018.

On May 10, 2018, the OIG issued an audit report of the FEHB Program operations at Health Alliance Plan for contract years 2013 and 2014. The OIG identified overstated OPM Medical Loss Ratio (MLR) credits totaling \$1,215,409 and made 5 recommendations. We adjusted the carryover credit and closed all five recommendations during the period. The audit closed on August 13, 2018.

¹ The transition website for the TRDP population, <https://www.TRICARE.benefeds.com>, and <https://www.BENEFEDS.com>, can now be accessed by all via smart phones.

² OPM envisions the Central Enrollment Portal and Database (CEPD) would be the authoritative source for program-wide FEHB enrollment and enrollment changes, housing all enrollees and family members. Enrollment changes would be communicated to carriers in real-time or near real-time. During this period, we continued research, planning, and stakeholder engagement for the CEPD.

Experienced-Rated Plans

On August 28, 2018, the OIG issued an audit report of the FEHB Program operations at BlueCross BlueShield of North Carolina for contract years 2012 through March 31, 2017. The OIG questioned \$4,231,513 in health benefit charges, administrative expenses, cash management activities, and lost investment income. The OIG issued 10 recommendations. During the period, we recovered \$4,134,031. In the next period, we will work with the plan to recover the remaining \$97,482 and to implement corrective actions to close the remaining open recommendations.

On August 28, 2018, the OIG issued an audit report of the FEHB Program operations at all BCBS plans. The audit covered claims for periods when no enrollment record existed, during gaps in coverage or after termination of enrollee coverage from October 1, 2014, through May 31, 2017. The OIG made 7 recommendations and questioned \$7,347,355 in health benefit charges. During the period, we resolved one of the recommendations. Going forward, we will carefully review this audit and will work with stakeholders to return the appropriately questioned costs to the FEHB Program and close the remaining open recommendations.

Employee Organization Plans

On May 10, 2018, the OIG issued an audit report of the FEHB Program operations at Government Employees Health Association, Inc. for contract years 2012 through June 2017. The OIG questioned \$3,660,811 in excess working capital held by the plan and issued 7 recommendations. Since issuance of the report, we recovered all questioned costs and closed three recommendations. During the next period, we will work with the plan to implement corrective actions to close the remaining open recommendations.

Experience-Rated Comprehensive Medical Plans

On June 11, 2018, the OIG issued an audit report of the FEHB Program operations at Hawaii Medical Service Association (HMSA) for contract years 2012 through February 2017. The OIG questioned \$1,208,306 in cash management activities and lost investment income, and made 11 recommendations regarding the plan's working capital and Fraud and Abuse Program. During the period, we recovered all questioned costs, and closed seven of the recommendations. During the next period, we will work with the plan to finalize corrective actions to close the remaining recommendations.

Information Systems Audits

The OIG exercises independent oversight of OPM's Information Technology (IT) and security program. This includes annual audits of major IT systems to review whether sufficient controls are in place to help protect the integrity of systems, services, and data and to protect the privacy of individuals. The OIG also verifies that systems operate as intended. There are two types of

information systems that are audited by the OIG – systems which support internal OPM operations, and systems that support external insurance carriers.

Internal Information Systems Audits

On June 20, 2018, the OIG issued a report on OPM’s Fiscal Year (FY) 2018 IT Modernization Plan. The OIG asserted that OPM is generally continuing in the right direction and is encouraged by developments, but offered its concerns regarding the plan. In its response to the draft report, OPM concurred with one recommendation and partially concurred with the second recommendation made by the OIG. OPM is assessing its final management decisions and planning corrective actions to address the recommendations.

Also during this period, the OIG conducted audits of information security and general controls of OPM’s Health Claims Data Warehouse and USA Staffing system. The OIG issued its final report on OPM’s Health Claims Data Warehouse on June 25, 2018. The OIG determined many of the security and control requirements were in place, but identified some weaknesses, including but not limited to plans that had not been updated to reflect major system changes, as well as concerns regarding the completeness and timeliness of plans of action and milestones (POA&Ms). In our final response to the OIG, we concurred with 10 and partially concurred with two of the recommendations. We are actively engaged in closing the recommendations. During the next period, we anticipate sending evidence to the OIG to close four of the recommendations and continuing to make progress on the remaining corrective actions.

The OIG issued its final report on OPM’s USA Staffing System on May 10, 2018. The OIG determined that many of the security control requirements were in place, but found that the system security plan included instances of unsupported software and POA&Ms did not include all identified weaknesses. The OIG also identified two other areas for improvement. We concurred with the four recommendations made by the OIG. We are actively engaging in closing the recommendations. During the next period we anticipate sending evidence to OIG to close at least two of the recommendations and continuing to make progress on the remaining corrective actions

Insurance Carrier Information Systems Audits

During the reporting period, the OIG issued three insurance carrier information systems audits. Through these audits the OIG evaluated controls over the privacy and integrity of FEHB data processed and maintained in the carrier IT environment including access controls, network security, claims adjudication, configuration management, and contingency planning. The OIG included recommendations to implement or enhance systems and process controls for these audits.

On August 23, 2018, the OIG issued an audit report of the information systems general and application controls at BlueCross BlueShield of Massachusetts as of November 2017. The OIG made seven recommendations applicable to weaknesses in access controls, network security,

and configuration management. We are working with the plan to implement corrective actions to close the recommendations.

On April 17, 2018, the OIG issued an audit report of the information systems general and application controls at Blue Cross Blue Shield of Nebraska (BCBSNE) Plan. The OIG made eight recommendations applicable to weaknesses in network security, configuration management, and contingency planning. During the period, we closed all recommendations. This audit closed on August 2, 2018.

Internal Audits

The OIG conducts internal audits to improve the efficiency and effectiveness of OPM operations, and to identify weaknesses, risks, and vulnerabilities associated with our internal controls. On August 20, 2018, the OIG issued a final report on OPM's Personnel Security Adjudication Process. The OIG determined that OPM's Personnel Security office properly adjudicated background investigations and that the financial processes are effective. However, the OIG identified an area for improvement and areas where OPM should strengthen its controls over its personnel security adjudication process. In our response to the OIG draft report, we concurred with seven and did not concur with one of the recommendations. During the next period, we will develop a corrective action plan to address the recommendations with which OPM concurred. We also expect at least three of the recommendations will close prior to FY19 Q2.

On May 10, 2018, the OIG issued its Fiscal Year (FY) 2017 Improper Payments Reporting final report. The OIG found that OPM was in compliance with IPERA requirements as well as additional reporting requirements for FY17. However, OIG identified two areas for improvement with regard to OPM's improper payment reporting. To address these findings, OPM developed a corrective action plan and submitted closure evidence to OIG for one of the two recommendations made by the OIG.

Special Audits

The OIG also conducts special audits on insurance carrier and pharmacy operations, OPM's administrative oversight of the Federal Employees' Group Life Insurance (FEGLI), the Federal Employees Dental and Vision Insurance Program (FEDVIP), the Federal Long Term Care Insurance Program (FLTCIP), Flexible Spending Accounts for Federal Employees (FSAFEDS), and tribal enrollments into the FEHB Program. The OIG also conducts audits of the Combined Federal Campaign (CFC).

On September 21, 2018, the OIG issued an audit report of the FEDVIP operations administered by EmblemHealth Dental for contract years 2014 through 2016. The OIG questioned \$10,281 and made 11 recommendations. We are working with the plan to recover the questioned costs and to finalize corrective actions to close the open recommendations.

On August 16, 2018, the OIG issued an audit report of the Compass Rose Health Plan's Pharmacy Operations as Administered by Express Scripts, Inc. for Contract Years 2012 through 2015. The OIG questioned \$20,476 and made 16 recommendations. During the period, we recovered the questioned costs and closed four recommendations. During the next period, we will work with the plan to close the remaining open recommendations.

On April 5, 2018, the OIG issued an audit report of OPM's oversight of the procurement process for the 2016 Federal Long Term Care Insurance Program (FLTCIP) contract and the rate monitoring process for 2009 through 2016, and made one recommendation. We developed an action plan and the recommendation is resolved as of September 18, 2018.³

ENFORCEMENT ACTIVITIES

The OIG conducts criminal investigations to examine potential fraud against OPM's benefit programs. The OIG also investigates OPM employee and contractor misconduct, including fraud within the personnel security and suitability program administered by OPM.

³ As per OMB Circular No. A-50 Revised, September 29, 1982, resolution is "the point at which the audit organization and agency management or contracting officials agree on action to be taken on reported findings and recommendations."

Table 1A**Reports Issued with Disallowed Costs for Insurance Programs⁴
April 1 to September 30, 2018**

Subject	Number of Audit Reports	Disallowed Costs	Recoveries or Adjustments
Reports for which final action not taken by beginning of reporting period	14	\$57,717,511	
Reports on which management decisions made during the period	9	\$25,140,891	
Reports for which final action taken during period:	6	\$44,558,575	
1. Recoveries and Adjustments			\$20,406,567
a. Collections and offsets			
b. Property			
c. Other (adjustments)			\$24,152,008
2. Write-offs			
Reports pending final action at end of period	17	\$38,299,827	

⁴This table reflects activity across audit reports with financial recommendations only.

Table 1B**Reports Issued with Questioned Costs for All Other Audit Entities
April 1 to September 30, 2018**

Subject	Number of Audit Reports	Disallowed Costs
Reports for which final action not taken by beginning of reporting period	0	N/A
Reports on which management decisions made during the period		
Reports for which final action taken during period:		
1. Recoveries and adjustments		
2. Write-offs (allowed questioned costs)		
Reports pending final action at end of period	0	N/A

Table 2**Resolution of Questioned Costs in Final Reports for Insurance Programs
April 1 to September 30, 2018**

Subject	Questioned Cost
A. Beginning balance of open reports	\$144,742,023
1. Value of reports for which final action not taken by beginning of reporting period	\$87,024,512
2. Value of reports outstanding at the beginning of the reporting period	\$57,717,511
B. Value of reports issued during the reporting period	\$16,506,487
C. Value of reports on which management decisions were made during period	\$25,140,891
D. Value of reports for which final action taken during period:	\$49,923,309
1. Allow – No Determination Made	\$5,451,288
2. Recoveries	\$20,406,567
3. Allowance after Determination Made	\$24,065,454
4. Other Adjustments	
Value of reports pending final action at end of period (A+B-D(1,2,3))	\$111,325,201

Table 3**Actions Taken on Audits with Recommendations for Better Use of Funds
April 1 to September 30, 2018**

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 4**Reports without Monetary Findings
April 1 to September 30, 2018**

Subject	Number of Reports
Reports for which final action not taken by beginning of reporting period	51
Reports for which final action taken during period:	4
a. Health Insurance Carrier Audit Reports	3
b. Information Systems Audit Reports	1
c. Internal Audit Reports	0
d. Special Audit Reports	0
Reports without monetary findings issued by OIG during period	12
Reports without monetary findings pending final action at end of period	59

Table 5**Summary of Reports More than 6 Months Old Pending Final Action as of September 30, 2018**

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. Completion of actions to close the last two recommendations continued to be delayed, due to resource limitations and actions needed on higher priority cybersecurity tasks. OPM's OCIO is taking steps to obtain resources to complete the remaining actions.
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 evidence needed for closure. OPM's OCIO is reviewing its current projects addressing the open recommendation plans to leverage its new Enterprise Project Management Office (EPMO) to assist with implementing the relevant projects.
4A-CI-00-09-031	Federal Information Security Management Act for Fiscal Year 2009	11/05/2009			28 of 30 recommendations are closed. The two open recommendations were 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 was 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 into three recommendations in this report, but the scope remains the same. Further work needs to be done to define actions needed 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. The two open recommendations were carried over from the FY08 FISMA audit.
1K-RS-00-11-068	Stopping Improper Payments to Deceased Annuitants	9/14/2011			11 of 14 recommendations are closed. OPM plans to submit closure evidence to the OIG in the first quarter of FY19 for the three remaining recommendations
4A-CI-00-11-009	Federal Information Security Management Act for Fiscal Year 2011	11/09/2011			26 of 29 recommendations are closed. Two of the three open recommendations were carried over from the FY08 FISMA audit. OPM is addressing the remaining open recommendation as part of its enterprise risk management program and expects to finalize actions during the next period.
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 was carried over from the FY08 financial statement audit.
4A-CI-00-12-016	Federal Information Security Management Act for Fiscal Year 2012	11/05/2012			14 of 18 recommendations are closed. Three recommendations were carried over from prior FISMA audits. To address the fourth open recommendation, OPM's OCIO plans to deploy an identity and access tool to assist with meeting OMB 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 was carried over from the FY08 financial statement audit.
1K-RS-00-12-031	The U.S. Office of Personnel Management's Voice over the Internet Protocol Phone System Interagency Agreement with the District of Columbia	12/12/2012			1 of 2 recommendations is closed. OPM is gathering appropriate documentation to close the remaining recommendation.

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			11 of 16 recommendations are closed. Four of the open recommendations carried over from the prior year FISMA audit. OPM is assessing potential solutions to enforce its SDLC policy and engaging its EP MO to help execute these actions.
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 remaining 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 Fiscal Year 2014	6/06/2014			4 of 6 recommendations are closed. OPM is assessing potential solutions to address the recommendations and engaging its EP MO to help execute these actions.
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			14 of 29 recommendations are closed. The open recommendations were carried over from the prior year FISMA audit.
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. OPM is considering how to allocate resources to implement actions to close the remaining open recommendations.
4A-RS-00-13-033	Assessing the Internal Controls over the U.S. Office of Personnel Management's Retirement Services' Retirement Eligibility and Services Office	04/13/2015			6 of 7 recommendations are closed. OPM is gathering closure evidence to submit to the OIG for the remaining recommendation.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-HR-00-13-055	The Human Resources Solutions' Pricing Methodologies	06/02/2015			4 of 5 recommendations are closed. OPM implemented alternative methods to strengthen its internal controls to address the remaining recommendation and expects to submit closure evidence during the next period.
4A-CI-00-15-055	Flash Audit Alert – the U.S. Office of Personnel Management's Infrastructure Improvement	06/17/2015			1 of 2 recommendations is closed. OPM expects the OIG to support closure of the remaining open recommendation after the mainframe analysis of alternatives and application modernization plans are completed. The latter of which is expected to be a multiyear effort.
1A-99-00-14-046	Global Coordination of Benefits for Blue Cross and Blue Shield Plans	06/29/2015	\$ 7,434,591	\$49,086	3 of 5 recommendations are closed. 1 of 5 recommendations is resolved. OPM is evaluating supporting documentation provided by the carrier and recovering costs, as appropriate.
4A-RI-00-15-019	Information Technology Security Controls of the U.S. Office of Personnel Management's Annuitant Health Benefits Open Season System	06/29/2015			3 of 7 recommendations are closed. OPM is gathering closure evidence for the remaining recommendations.
4A-RI-00-16-014	Management Alert of Serious Concerns Related to the U.S. Office of Personnel Management's Procurement Process for Benefit Programs	10/14/2015			3 of 4 recommendations are closed. OPM continues to coordinate across programmatic lines and take corrective actions to strengthen its overall contract management planning processes.
4A-CI-00-15-011	Federal Information Security Modernization Act for Fiscal Year 2015	11/10/2015			11 of 27 recommendations are closed. The open recommendations were 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

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
					addition, OPM needs to work further with the financial auditor to better define evidence needed for closure.
1A-10-17-14-037	Health Care Service Corporation	11/19/2015	\$35,761,169	\$25,855,620	13 of 16 recommendations are closed. OPM is working closely with the carrier and other stakeholders to address the unique issues raised in this audit, which are under legal review.
4K-RS-00-16-024	The Office of the Inspector General's Special Review of the U.S. Office of Personnel Management's Award of a Credit Monitoring and Identify Theft Services Contract to Winvale Group LLC, and its subcontractor, CSIdentity	12/02/2015			0 of 2 recommendations are closed. OPM submitted evidence to OIG for closure review of the two recommendations.
1A-99-00-15-008	Global Claims-to-Enrollment Match for BlueCross and BlueShield Plans	01/21/2016	\$13,258,298	\$421,648	2 of 8 recommendations are closed. 5 of 8 recommendations are resolved OPM is evaluating supporting documentation provided by the carrier, recovering costs, and implementing corrective actions to address enrollment discrepancies, ineligible member issues, recovery protocols, and system edits.
4A-CF-00-16-026	The U.S. Office of Personnel Management's Fiscal Year 2015 Improper Payments Reporting	05/11/2016			5 of 6 recommendations are closed. OPM revised its policies to strengthen oversight controls over improper payments. OPM expects the OIG to evaluate evidence to close the remaining recommendation during its FY19 IPERA review.
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	05/18/2016			0 of 2 recommendations are closed. Closure of recommendation 1 is dependent upon completion of a mainframe alternatives analysis and closure of the second recommendation requires an assessment of OPM applications and is a multi-year effort.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CA-00-15-041	The U.S. Office of Personnel Management's Office of Procurement Operations' Contract Management Process	07/08/2016			0 of 6 recommendations are closed. During the period, OPM continued to finalize policies and procedures. OPM expects to submit closure evidence to OIG during the next reporting period.
1C-L4-00-16-013	HMO Health Ohio	09/23/2016	\$3,591,570	\$ 3,591,570	0 of 2 recommendations are closed. OPM is working closely with stakeholders to resolve questioned costs and make recoveries to close the open recommendation.
4K-RS-00-16-023	The U.S. Office of Personnel Management's Retirement Services' Customer Service Function	09/28/2016			1 of 3 recommendations is closed. Corrective actions have been taken. OPM is gathering evidence to support closure of the remaining recommendations.
1A-99-00-15-060	Global Coordination of Benefits for Blue Cross and Blue Shield Plans	10/13/2016	\$3,159,019	\$66,782	2 of 3 recommendations are closed. OPM is evaluating supporting documentation provided by the carrier and recovering costs, as appropriate.
4A-CI-00-16-061	Web Application Security Review	10/13/2016			0 of 4 recommendations are closed. OPM issued a revised policy for configuring web applications. With the help of OCIO's EMPO, OPM plans to complete the remaining corrective actions, during the next period.
4A-CI-00-16-039	Federal Information Security Modernization Act for Fiscal Year 2016	11/09/2016			5 of 26 recommendations are closed. Open recommendations were carried over from the prior year FISMA audit. To address the remaining recommendations, OPM's OCIO is working with the Department of Homeland Security (DHS) Continuous Diagnostics and Mitigation (CDM) program to continue to improve its system inventory, leveraging its EPMO, and increasing ISSO resources to complete corrective actions.
1A-10-33-15-009	Blue Cross and Blue Shield of North Carolina	11/10/2016	\$753,165	\$0	2 of 6 recommendations are closed. OPM is working closely with the carrier and stakeholders to address the unique issues raised in this

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
					audit, which are under legal review.
4A-CF-00-16-030	The U.S. Office of Personnel Management's Fiscal Year 2016 Consolidated Financial Statements	11/14/2016			4 of 19 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 further 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			6 of 13 recommendations are closed. During the period, OPM completed corrective actions. OPM expects to complete corrective actions to address the remaining open recommendations in FY19.
4A-CF-00-17-012	The U.S. Office of Personnel Management's Fiscal Year 2016 Improper Payments Reporting	05/11/2017			9 of 10 recommendations are closed. OPM revised its policies to strengthen oversight controls over improper payments. OPM expects the OIG to evaluate evidence to close the remaining recommendation during its FY19 IPERA review.
4A-CI-00-17-014	The U.S. Office of Personnel Management's Security Assessment and Authorization Methodology	06/20/2017			0 of 4 recommendations are closed. During the next period, OPM expects OIG to close one of the open recommendations. OPM is completing corrective actions for the remaining recommendations.
4A-OO-00-16-046	The U.S. Office of Personnel Management's Purchase Card Program	07/07/2017			0 of 12 recommendations are closed. OPM has submitted closure evidence to OIG for all 12 recommendations.
4A-CF-00-17-043	Information Technology Security Controls of the U.S. Office of Personnel Management's Consolidated Business Information System	09/29/2017			2 of 7 recommendations are closed. Corrective actions are in progress for the remaining recommendations. OPM expects to submit closure evidence to OIG during the next reporting period.
4A-CF-00-17-044	Information Technology Security Controls of the U.S. Office of Personnel Management's Federal Financial System	09/29/2017			0 of 9 recommendations are closed. Corrective actions are in progress. OPM expects to submit closure evidence to OIG during the next reporting 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	09/29/2017			0 of 8 recommendations are closed. OPM's OCIO is leveraging its EMPO for help with completing corrective actions.
1H-01-00-16-044	Mail Handlers Benefit Plan's Pharmacy Operations as Administered by CaremarkPCS Health, L.L.C. for Contract Years 2012 through 2014	10/02/2017	\$1,562,397	\$812,810	2 of 3 recommendations are closed. OPM is working closely with stakeholders to evaluate support provided in response to questioned costs, make recoveries, and implement corrective actions to close the remaining open recommendation.
4A-CI-00-17-020	Federal Information Security Modernization Act Audit Fiscal Year 2017	10/27/2017			0 of 39 recommendations are closed. 21 recommendations carried over from 2016. During the period, OPM completed actions to close one recommendation and made progress on additional actions. OPM expects that several recommendations will close during the next period.
4A-CF-00-17-033	The U.S. Office of Personnel Management's Data Submission and Compliance with the Digital Accountability and Transparency Act	11/09/2017			0 of 3 recommendations are closed. Corrective actions are in progress. OPM expects to submit closure evidence to OIG during the next reporting period.
4A-CF-00-17-028	The U.S. Office of Personnel Management's Fiscal Year 2017 Consolidated Financial Statements	11/13/2017			0 of 18 recommendations are closed. 4 recommendations were carried over from the prior financial statement audit. Corrective actions are in progress and OPM expects at least two recommendations will close during the next period; however, significant work is required to address all the findings that led to the recommendations. OPM expects several recommendations will close during the next period.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
1C-ML-00-17-027	Information Systems General and Application Controls at AvMed Health Plan	12/18/2017			9 of 16 recommendations are closed. 4 of 16 recommendations are resolved. OPM is working with the carrier to address information system control weaknesses related to access controls, network security, and configuration management through the use of work plans and appropriate corrective actions.
4A-CF-00-15-049	The U.S. Office of Personnel Management's Travel Card Program	01/16/2018			0 of 21 recommendations are closed. Corrective actions are in progress. OPM expects to submit closure evidence 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			0 of 4 recommendations are closed. OPM is implementing corrective actions to help ensure appropriate level of control over the IT acquisition process across all of OPM and defining other corrective actions.
1A-99-00-16-021	Global Veterans Affairs Claims for Blue Cross and Blue Shield Plans	02/28/2018	3,286,927	\$0	0 of 5 recommendations are closed. OPM is evaluating the legal basis of the questioned costs and working closely with stakeholders to evaluate support provided in response to questioned costs, make recoveries, and implement corrective actions to close the open recommendations.
1D-SI-00-17-022	BlueShield of California Access+ HMO	02/28/2018			15 of 16 recommendations are closed. OPM is evaluating support provided to close the remaining recommendation.
4A-OO-00-17-035	The U.S. Office of Personnel Management's Award of a Credit Monitoring and Identity Theft Services Contract to Identity Theft Guard Solutions, LLC	02/28/2018			0 of 2 recommendations are closed. Corrective actions have been taken. During the period, OPM submitted closure evidence to OIG for the open recommendations.
1A-99-00-16-062	Global Coordination of Benefits for Blue Cross and Blue Shield Plans	03/15/2018	\$3,795,922	\$47,193	0 of 5 recommendations are closed. 3 of 5 recommendations are resolved. OPM is working closely with stakeholders to evaluate support provided in response to questioned costs, make

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
					recoveries, and implement corrective actions to close the recommendations.
4A-MO-00-18-004	Information Technology Security Controls of the U.S. Office of Personnel Management's Combined Federal Campaign System	03/29/2018			1 of 5 recommendations is closed. Corrective actions are in progress. OPM plans to submit closure evidence in FY19 Q1 to address at least two of the open recommendations and expects those recommendations to close by the next reporting period.
4A-CF-00-16-055	The U.S. Office of Personnel Management's Common Services	03/29/2018			0 of 5 recommendations are closed. OPM developed a corrective action plan to address the recommendations. Corrective actions are in progress.

Table 6
Status of Audits Issued during Reporting Period as of September 30, 2018

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-HI-00-17-025	U.S. Office of Personnel Management's Oversight of the Rate Monitoring and Procurement Process of the Federal Long Term Care Insurance Program.	04/05/2018			0 of 1 recommendation is closed, OPM has implemented a path toward closing this recommendation and the recommendation is resolved.
1A-10-53-17-042	Information Systems General and Application Controls at Blue Cross Blue Shield of Nebraska	04/17/2018			8 of 8 recommendations are closed. This audit is closed.
1A-10-32-17-009	Blue Cross Blue Shield of Michigan	04/24/2018	\$27,745	\$0	3 of 5 recommendations are closed. During the period, all funds were returned to the FEHB Program. OPM is finalizing corrective actions to close the remaining recommendations.
1C-X5-00-17-032	HealthPlus of Michigan	04/24/2018			3 of 3 recommendations are closed. This audit is closed.
1C-52-00-17-031	Health Alliance Plan	05/10/2018			5 of 5 recommendations are closed. This audit is closed.
1B-31-00-17-041	Government Employees Health Association, Inc.	05/10/2018	\$3,660,881	\$0	3 of 7 recommendations are closed. During the period, all funds were returned to the FEHB Program. OPM is working with the carrier to close the remaining recommendations.
4A-CF-00-18-012	U.S. Office of Personnel Management's Fiscal Year 2017 Improper Payments Reporting	05/10/2018			0 of 2 recommendations are closed. OPM developed a corrective action plan to address the recommendations. During the period, OPM submitted closure evidence to OIG for one of the recommendations

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			0 of 4 recommendations are closed. Corrective actions are in progress for the recommendations. OPM plans to submit closure evidence in FY19 Q1 to address one of the open recommendations and expects the recommendation to close during the next reporting period.
1C-PG-00-17-045	Information Systems General and Application Controls at Optima Health Plan	05/10/2018			4 of 20 recommendations are closed. 5 of 20 recommendations are resolved. OPM is working with the carrier to address information system control weaknesses related to security management, access controls, network security, contingency planning, configuration management, and applications controls through the use of work plans and appropriate corrective actions.
1D-87-00-17-038	Hawaii Medical Service Association	06/11/2018	\$1,294,910	\$0	7 of 11 recommendations are closed. During the period, all funds were returned to the FEHB Program. OPM is working with the carrier to close the remaining recommendations.
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 is determining its final management decisions and planned corrective actions.
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			0 of 12 recommendations are closed. OPM developed a corrective action plan and plans to submit closure evidence in the first quarter of FY19 for four of the recommendations and will continue to make progress on actions to address the remaining

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
1J-0C-00-18-030	Federal Employees Dental and Vision Insurance Program Premium Rate Proposal of FEP BlueDental for 2019	07/30/2018			recommendations No recommendations were issued as a result of this audit. The audit is closed.
1J-0F-00-18-027	Federal Employees Dental and Vision Insurance Program Premium Rate Proposal of MetLife for 2019	08/02/2018			No recommendations were issued as a result of this audit. The audit is closed.
1H-06-00-17-026	Compass Rose Health Plan's Pharmacy Operations as Administered by Express Scripts, Inc. for Contract Years 2012 through 2015	08/16/2018	\$20,476	\$0	4 of 16 recommendations are closed. During the period, all funds were returned to the FEHB Program. OPM is working with the carrier to implement corrective actions and close the remaining recommendations.
4A-CF-00-17-050	OPM's Personnel Security Adjudications Process	08/20/2018			0 of 8 recommendations are closed. During the next period, OPM will develop a corrective action plan to address the open recommendations and expects at least three of the recommendations to close.
1A-10-11-17-052	Information Systems General and Application Controls at Blue Cross Blue Shield of Massachusetts	08/23/2018			0 of 7 recommendations are closed. OPM is working with the carrier to address information system control weaknesses related to access controls, network security, and configuration management through the use of work plans and appropriate corrective actions.
1J-0M-00-18-002	Federal Employees Dental and Vision Insurance Program Operations as Administered by Delta Dental of California for Contract Years 2014 through 2016	08/28/2018			0 of 2 recommendations are closed. OPM is working with the carrier to close the two recommendations.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
1A-10-33-18-001	BlueCross BlueShield of North Carolina	08/28/2018	\$4,231,513	\$97,482	8 of 10 recommendations are closed. OPM is working closely with stakeholders to evaluate support provided in response to questioned cost, make recoveries, and implement corrective actions to close the open recommendations.
1A-99-00-17-048	Global Audit of Claims-to-Enrollment Match for Blue Cross and Blue Shield Plans	08/28/2018	\$7,347,355	\$7,347,355	0 of 7 recommendations are closed. 1 recommendation is resolved. OPM is working closely with stakeholders to evaluate support provided in response to questioned costs, make recoveries, and implement corrective actions to close the open recommendations.
1J-0L-00-17-051	Federal Employees Dental and Vision Insurance Program Operations as Administered by EmblemHealth Dental for Contract Years 2014 through 2016	09/21/2018	\$10,281	\$10,281	0 of 11 recommendations are closed. OPM is working closely with stakeholders to evaluate support provided in response to questioned costs, make recoveries, and implement corrective actions to close the open recommendations.



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