

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

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

April 1, 2022 to September 30, 2022



Message from the Director

As Director of the U.S. Office of Personnel Management (OPM), it is my pleasure to present the OPM Office of Inspector General's (OIG) Semiannual Report (SAR) (April 1, 2022 – September 30, 2022) to Congress.

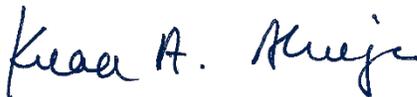
OIG plays an essential role assessing risk and promoting accountability, integrity, and transparency within OPM. They provide critical guidance on where OPM can improve effectiveness, allowing us to better serve the Federal workforce and the American people. Since becoming the second person ever sworn in as Inspector General on May 16, 2022, IG Krista Boyd has continued OIG's work with diligence and professionalism. I appreciate her efforts and share her commitment to a productive partnership.

OIG identifies two issues in this SAR: open audit recommendations and OPM's work establishing a new Postal Service Health Benefits Program (PSHBP) within the Federal Employee Health Benefits Program (FEHBP).

OPM recognizes the importance of OIG's audit recommendations. OPM believes deeply in the importance of taking time to understand audit recommendations thoroughly, and we work to implement them whenever appropriate. I appreciate the IG's attention towards our open recommendations, and the recognition of the focused effort by our Chief Information Officer, which includes dedicating resources and staff to implement corrective action and incorporating recommendation closure into the performance standards for Office of Chief Information Officer (OCIO) senior staff. I have asked all OPM program offices to make audit resolution a priority and will continue to focus on implementing appropriate recommendations to improve our effectiveness and efficiency as an agency.

OPM is also committed to ensuring OIG can fulfill its oversight role of the Postal Services Reform Act (PSRA), and OPM's work in accordance thereof to establish a PSHBP. To that end, we began monthly meetings with the IG's office shortly after enactment of the law in April of 2022, and promptly named a point of contact for the IG's audit of the implementation of the PSRA. OPM views the development of the PSHBP as an enterprise-wide effort that implicates almost all aspects of the OPM portfolio, including the IG. As we develop this new program within the ambitious timeframe set by Congress, we appreciate the IG's commitment to conduct its oversight in "an efficient and effective manner and with minimal disruptions to [OPM's] operations." We also appreciate the IG's commitment to collaborate with their colleagues in other agencies with whom we are coordinating to implement the PSRA (e.g., U.S. Postal Service, U.S. Department of Health and Human Services, and the U.S. Department of Veterans Affairs) to avoid duplication of effort and promote efficiency.

As IG Boyd notes in her opening message, I am committed to open and cooperative engagement with OIG. 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 staffing needs across the federal government. OPM is proud to serve the federal workforce and the American people, and OIG fulfills a vital role in holding OPM program officer accountable to 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 2022

Table of Contents

Contents

Message from the Director 1

Office of Personnel Management (OPM) Agency Response to the Office of the Inspector
General’s Semiannual Report to Congress 2

*Table 1: Actions Taken on Reports with Disallowed Costs for Insurance Programs (April 1, 2022 to
September 30, 2022) 3*

*Table 2: Actions Taken on Audits with Recommendations for Better Use of Funds (April 1, 2022 to
September 30, 2022) 4*

*Table 3: Actions Taken on Reports without Monetary Findings (April 1, 2022 to September 30, 2022)
..... 5*

*Table 4: Summary of Reports More than 12 Months Old Pending Final Action as of September 30,
2022..... 6*

Table 1: Actions Taken on Reports with Disallowed Costs for Insurance Programs¹ (April 1, 2022 to September 30, 2022)

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	3	\$2,693,184	
Reports for which final action taken during period:	4	\$2,693,184	
1. Recoveries and Adjustments			
a. Collections and offsets			\$2,139,125
b. Property			
c. Other (adjustments)			\$554,059
2. Write-offs			
Reports pending final action at end of period	4		

¹ This table was updated to include resolved audits. A recommendation or audit is resolved when the Office of Inspector (OIG) and agency management agree on action to be taken on reported findings and recommendations.

Table 2: Actions Taken on Audits with Recommendations for Better Use of Funds (April 1, 2022 to September 30, 2022)

Subject	Number of Audit Reports	Better Use of Funds
Reports for which final action not taken by beginning of reporting period	3	\$114,775,729
Reports on which management decisions made during period	1	\$421,040
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, 2022 to September 30, 2022)

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	
d. Special Review Reports	1
Reports without monetary findings issued by OIG during period	10
Reports without monetary findings pending final action at end of period	84

Table 4: Summary of Reports More than 12 Months Old Pending Final Action as of September 30, 2022

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. OCIO is coordinating across multiple program offices and expects to continue to make significant progress.
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 is under discussion with the current financial statement auditor to identify the path to closure.
4A-CI-00-09-031	Federal Information Security Management Act for Fiscal Year 2009	11/5/2009			29 of 30 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the next fiscal year.
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. OCIO is coordinating across multiple program offices to execute 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			4 of 7 recommendations are closed. Corrective actions are not yet fully implemented.

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			40 of 41 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the next fiscal year.
1K-RS-00-11-068	Stopping Improper Payments to Deceased Annuitant	9/14/2011			12 of 14 recommendations are closed. Corrective actions are planned and in progress but are not yet fully complete.
4A-CI-00-11-009	Federal Information Security Management Act for Fiscal Year 2011	11/9/2011			28 of 29 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the next fiscal year.
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 for the remaining recommendation are in progress.
4A-CI-00-12-016	Federal Information Security Management Act for Fiscal Year 2012	11/5/2012			17 of 18 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the next fiscal year.
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 in progress.
4A-CI-00-13-021	Federal Information Security Management Act for Fiscal Year 2013	11/21/2013			15 of 16 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the next fiscal year.

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. In FY22, OCIO provided closure artifacts to remediate the recommendation. The auditor's response is pending.
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. In FY22, OCIO provided closure artifacts to support remediation of recommendations and the auditor's response is pending.
4A-CI-00-14-016	Federal Information Security Management Act for Fiscal Year 2014	11/12/2014			26 of 29 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the next fiscal year.
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 are closed. Corrective actions are planned and in progress but are not yet fully complete.
4A-RI-00-15-019	Information Technology Security Controls of the U.S. Office of Personnel Management's Annuitant Health Benefits Open Season System	7/29/2015			5 of 7 recommendations are closed. Corrective actions are planned and in progress but are not yet fully complete.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-15-011	Federal Information Security Modernization Act for Fiscal Year 2015	11/10/2015			24 of 27 recommendations are closed. Corrective actions are in progress for the remaining recommendations. Some corrective actions involve planning and coordination across multiple program offices.
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.
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. During this reporting period, evidence to address the remaining recommendations was submitted to OIG. OPM is addressing feedback from the OIG and gathering additional evidence.
4A-CI-00-16-061	Web Application Security Review	10/13/2016			1 of 4 recommendations are closed. During the period one recommendation closed. OPM continues to implement corrective actions across multiple program offices to address the recommendations.
4A-CI-00-16-039	Federal Information Security Modernization Act for Fiscal Year 2016	11/9/2016			22 of 26 recommendations are closed. During the period one recommendation closed. Corrective actions to address the remaining recommendations are in progress.

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			7 of 19 recommendations are closed. Corrective actions are in progress. Significant work is required to address the remaining recommendations.
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. The system referenced in the recommendations has been decommissioned recently. The decommission documentation and other supporting documents will serve as closure evidence.
1C-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 continue but are not yet fully complete.
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 are in process for the remaining recommendations, some of which may now be considered overtaken by events due to updated system environment.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-17-020	Federal Information Security Modernization Act Audit Fiscal Year 2017	10/27/2017			29 of 39 recommendations are closed. During the period, four recommendations closed. Corrective actions are in progress for 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			4 of 18 recommendations are closed. Corrective actions are in progress. In FY22, OCIO provided closure artifacts to support remediation of the recommendations and is awaiting response from auditor.
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. 18 recommendations are resolved. OIG will review the corrective actions as part of the new audit.
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			3 of 4 recommendations are closed. During the period, one recommendation closed. Corrective actions are in progress to address the remaining recommendations.
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 planned and in progress but are not yet fully implemented.
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.

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 to address the remaining recommendations.
4A-CI-00-18-038	Federal Information Security Modernization Act Audit Fiscal Year 2018	10/30/2018			37 of 52 recommendations are closed. During this reporting period, six recommendations were closed. OCIO is implementing the remaining corrective actions.
4A-CF-00-18-024	The U.S. Office of Personnel Management's Fiscal Year 2018 Consolidated Financial Statements	11/15/2018			16 of 23 recommendations are closed. During this reporting period, seven recommendations closed. Corrective actions are in progress.
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 are in progress.
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. The remaining recommendation is resolved, and corrective actions continue but are not yet fully complete.
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. Corrective actions are in progress.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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-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-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			11 of 13 recommendations are closed. Corrective actions to address the remaining recommendations are in progress.
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 to address the remaining recommendations are in progress but are not yet fully completed.
4A-CF-00-19-026	Information Technology Security Controls of the U.S. Office of Personnel Management's Consolidated Business Information System in Washington, D.C.	10/03/2019			6 of 7 recommendations are closed. During this reporting period two recommendations were closed. Corrective actions are in progress to address the remaining recommendation.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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			12 of 23 recommendations are closed. During this reporting period, two recommendations were closed. Corrective actions are in progress.
4A-CI-00-19-029	Federal Information Security Modernization Act Audit Fiscal Year 2019 (FISMA)	10/29/2019			30 of 47 recommendations are closed. During this reporting period, six recommendations were closed. Corrective actions are in progress.
4A-CF-00-19-022	Office of Personnel Management's Fiscal Year 2019 Consolidated Financial Statements	11/18/2019			2 of 20 recommendations are closed. Corrective actions are in place to address the remaining recommendations.
4K-ES-00-19-032	Evaluation of the Presidential Rank Awards Program	1/17/2020			0 of 4 recommendations are closed. Corrective actions are being planned and will begin in FY23.
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			0 of 12 are recommendations closed. Eight of the open recommendations are resolved. Corrective actions are planned.
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. OPM expects the final recommendation will close during the next reporting period.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CF-00-20-014	U.S Office of Personnel Management's Fiscal Year 2019 Improper Payments Reporting	5/14/2020			1 of 3 recommendations are closed. One of the open recommendations is resolved. Corrective actions are in progress for the remaining open recommendations.
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			2 of 3 recommendations are closed. During the period, one recommendation closed. OPM is preparing the closure package for the remaining recommendation.
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			5 of 8 recommendations are closed. Corrective actions to address the remaining three recommendations are being considered.
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 are closed. Corrective actions are in progress.
4A-CI-00-20-009	U.S Office of Personnel Management's Security Assessment and Authorization Methodology	9/18/2020			2 of 11 recommendations have closed. During the period, two recommendations were closed. OCIO will continue implementing corrective actions.
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			17 of 24 recommendations are closed and one of the open recommendations is resolved. Corrective actions to address the remaining six recommendations are being considered.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-RS-00-19-038	U.S Office of Personnel Management's Retirement Services' Disability Reconsideration Appeals Process	10/30/2020			2 of 8 recommendations are closed. During the period two recommendations were closed. The remaining six recommendations are resolved and OPM expects that they will close during the next period.
4A-CI-00-20-008	U.S Office of Personnel Management's Common Security Controls FY2020	10/30/2020			1 of 4 recommendation are closed. During the period, one recommendation was closed. Corrective actions are in progress.
4A-CI-00-20-010	Federal Information Security Modernization Act (FISMA) Audit Fiscal Year 2020	10/30/2020			27 of 45 recommendations are closed. During the period, six recommendations were closed. Corrective actions for the remaining recommendations are in progress.
4A-CF-00-20-024	U.S Office of Personnel Management's Fiscal Year 2020 Consolidated Financial Statements	11/13/2020			2 of 21 recommendations have closed. Corrective actions for the remaining recommendations are in progress.
1C-52-00-20-011	Information Systems General and Application Controls at Health Alliance Plan of Michigan in Troy, Michigan	11/30/2020			12 of 14 recommendations have closed. The remaining two recommendations are resolved, and corrective actions are planned but not fully complete
1C-A8-00-20-019	Information Systems General Controls at Baylor Scott and White Health Plan in Dallas, Texas	12/14/2020			7 of 12 recommendations have closed. The remaining recommendations are resolved, and corrective actions are planned and in progress but are not yet fully complete.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
1C-GG-00-20-026	Information Systems General Controls at Geisinger Health Plan in Danville, Pennsylvania	03/09/2021			1 of 2 recommendations have closed. The remaining recommendation is resolved, and corrective actions continue but are not yet fully complete.
4A-HI-00-18-026	Management Advisory Report - FEHB Program Integrity Risks Due to Contractual Vulnerabilities in Washington, D.C.	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 in Washington, D.C.	05/17/2021			2 of 4 recommendations have closed. The shared recommendation between OPM Programs is resolved. 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			11 of 17 recommendations have closed. Corrective actions to address the remaining recommendations are being considered.
1H-99-00-20-016	Reasonableness of Selected FEHBP Carriers' Pharmacy Benefit Contracts in Washington, D.C.	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 in Washington, D.C.	09/09/21 Reissued 11/22/2021			1 of 4 recommendations are closed. Corrective actions are in progress but are not yet fully implemented.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
1C-SF-00-21-005	Information Systems General and Application Controls at SelectHealth in Murray, Utah	09/13/2021			10 of 12 recommendations are closed. Two recommendations are resolved. Corrective actions are planned and in progress but are not yet fully complete.
4A-ES-00-21-020	Information Technology Security Controls of the U.S. Office of Personnel Management's Executive Schedule C System in Washington, D.C.	09/30/2021			13 of 14 recommendations have closed. During the period, 10 recommendations were closed. Corrective actions are in progress for the remaining recommendation.
4A-CF-00-20-035	The U.S. Office of Personnel Management's Check Receipt Process in Trust Funds in Washington, D.C.	09/30/2021			0 of 9 recommendations are closed. Six recommendations are resolved. Corrective actions are in progress but are not yet fully implemented.



U.S. Office of Personnel Management

Merit System Accountability & Compliance

1900 E Street, NW, Washington, DC 20415

OPM.GOV