

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

April 1, 2024 to September 30, 2024



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## 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 April 1, 2024, to September 30, 2024.

Inspector General Krista Boyd and I share a productive relationship based on mutual respect. The OIG plays an essential role in helping OPM assess risk and promote accountability. Their oversight helps OPM improve its efficiency and efficacy, allowing us to better serve the federal workforce and the American people. OPM is committed to continuing and strengthening this relationship.

As OIG notes, the Postal Service Reform Act of 2022 requires OPM to establish the new Postal Service Health Benefits (PSHB) Program within the Federal Employees Health Benefits (FEHB) Program by January 2025. OIG's oversight is a welcome component of the program's success, and program integrity is a high priority as OPM launches the PSHB Program. OPM is collecting family member eligibility documentation for enrollees who add family members during the 2024 Open Season. Effective January 1, 2025, every new Postal employee and every Postal enrollee with a qualifying life event is required to submit family member eligibility documentation for verification.

OPM continues to work with the OIG on ways to strengthen our relationship, including working together on a legislative proposal to improve the FEHB and PSHB Programs through better eligibility determination, enrollment systems and oversight. As OIG notes, there is significant benefit to their oversight. In this reporting period alone, OIG investigative efforts around fraud in the FEHB Program resulted in over \$1.7 million recovered, seven arrests, and three convictions.

Finally, OPM remains committed to addressing the OIG's open audit recommendations. OPM closed a total of 46 recommendations during the reporting period. We will continue working with the OIG on properly implemented recommendations that improve our effectiveness and efficiency as an agency.

OPM appreciates our cooperative relationship with OIG, and looks forward to our continued partnership in service of 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

November 2024

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Table 1: Actions Taken on Reports with Disallowed Costs for Insurance Programs<sup>1</sup>  
 April 1, 2024 to September 30, 2024

<b>Subject</b>	<b>Number of Audit Reports</b>	<b>Disallowed Costs</b>	<b>Recoveries or Adjustments</b>
Reports for which final action not taken by beginning of reporting period	14		
Reports on which management decisions made during the period	3	22,833,360	
Reports for which final action taken during period:	4		
1. Recoveries and Adjustments		22,833,360	
a. Collections and offsets			22,256,642
b. Property			
c. Other (adjustments)			576,718
2. Write-offs			
Reports pending final action at end of period	13		

<sup>1</sup> Recommendations that are implemented and completed means that the necessary action to address the recommendation has been conducted and the recommendation is now closed.

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Table 2: Actions Taken on Audits with Recommendations for Better Use of Funds April 1, 2024 to September 30, 2024

<b>Subject</b>	<b>Number of Audit Reports</b>	<b>Better Use of Funds</b>
Reports for which final action not taken by beginning of reporting period	0	\$0
Reports on which management decisions made during period	0	\$0
Reports for which final action taken during period:	0	\$0
Recommendations completed <sup>2</sup>	0	\$0
Recommendations on which management concluded should not or could not be implemented or completed	0	\$0
Reports pending final action at end of period	0	\$0

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<sup>2</sup> Recommendations that are implemented and completed means that the necessary action to address the recommendation has been conducted and the recommendation is now closed.

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Table 3: Actions Taken on Reports without Monetary Findings April 1, 2024 to September 30, 2024

<b>Subject</b>	<b>Number of Reports</b>
Reports for which final action not taken by beginning of reporting period	65
Reports for which final action taken during period:	11
Health Insurance Carrier Audit Reports	2
Information Systems Audit Reports	5
Internal Audit Reports	4
Special Review Reports	0
Reports without monetary findings issued by OIG during period	8
Reports without monetary findings pending final action at end of period	62

Table 4: Summary of Reports More than 12 Months Old Pending Final Action as of September 30, 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. 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.
4A-CF-00-13-034	The U.S. Office of Personnel Management's Fiscal Year 2013	12/13/2013			0 of 1 recommendation is closed. Corrective actions are ongoing to remediate the

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
	Consolidated Financial Statements				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. 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. 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. Corrective actions are ongoing to remediate 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			7 of 8 recommendations are closed. Four recommendations closed during this reporting period. Corrective actions are ongoing to remediate the remaining recommendations.



<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
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. Corrective actions are ongoing to remediate the remaining recommendations.
L-2018-1	Management Advisory Report- Review of the U.S. Office of Personnel Management's Non-Public Decision to Prospectively and Retroactively Re-Apportion Annuity Supplements	02/05/2018			0 of 3 recommendations are closed. Still in the litigation process so no action can be taken until this process is complete.
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			3 of 4 recommendations are closed. During this reporting period, one recommendation was closed. Corrective actions are in progress for the remaining recommendation.
4A-CF-00-18-024	The U.S. Office of Personnel Management's Fiscal Year 2018 Consolidated	11/15/2018			12 of 23 recommendations are closed. Corrective actions are ongoing to remediate the

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Financial Statements				remaining recommendations.
4K-CI-00-18-009	The U.S. Office of Personnel Management's Preservation of Electronic Records	12/21/2018			2 of 3 recommendations are closed. 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			4 of 5 recommendations are closed. One recommendation closed during this reporting period. 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. 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. Corrective actions are ongoing to remediate the remaining recommendations.

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
1H-01-00-18-039	Management Advisory Report related to Prescription Drug Costs in the Federal Employees Health Benefits Program	2/27/2020			2 of 2 are resolved. Corrective actions are in progress but not fully complete.
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			5 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			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 and five of the open recommendations are resolved.
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

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
	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 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			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 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 remaining recommendations are being considered.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
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			3 of 4 recommendations are closed. 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 in Washington, D.C.	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.
1A-10-17-21-018	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. The four remaining recommendations are resolved. Corrective actions are in progress to address the remaining recommendations.
No report number	Review of the 2017 Presidential Management Fellows Program Application Process Redesign in Washington, D.C.	05/18/2022			0 of 8 recommendations are closed.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
2022-IAG-002	The U.S. Office of Personnel Management's Compliance with the Payment Integrity Information Act of 2019	06/23/2022			5 of 6 recommendations are closed. One recommendation closed the 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			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 is being considered.
2022-IAG-003	The U.S. Office of Personnel Management's Fiscal Year 2022 Consolidated Financial Statements in Washington, D.C.	11/14/2022			4 of 15 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.
2022-ISAG-0020	Information Systems General and Application Controls at Blue	12/14/2022			4 of 6 recommendations are closed and the remaining two

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
	Cross Blue Shield of Kansas in Topeka, Kansas				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	2/8/2023	\$1,914,227		5 of 6 recommendations are closed. Corrective actions to address the remaining recommendation is being considered.
2022-CRAG-0010	The Federal Employees Health Benefits Program Termination Process at Health Plan of Nevada, Inc.	2/15/2023			15 of 20 recommendations are closed and two recommendations are 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	2/16/2023			2 of 12 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.



<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
	St. Louis, Missouri				
2022-CAAG-0023	Claims Processing and Payment Operations at Blue Cross and Blue Shield of North Carolina for Contract Years 2018 through 2020	3/3/2023	\$202,841		3 of 5 recommendations are closed. Corrective actions to address the recommendations are being considered.
2022-CAAG-0014	Evaluation of COVID-19's Impact on FEHBP Telehealth Services and Utilization in Washington, D.C.	3/6/2023	\$41,533		0 of 5 recommendations are closed. Corrective actions to address the recommendations are being considered.
2023-IAG-002	The U.S. Office of Personnel Management's Compliance with the Payment Integrity Information Act of 2019 in Washington, D.C.	5/22/2023			1 of 2 recommendations are closed.
2022-IAG-0019	The U.S. Office of Personnel Management's Retirement Services' Settlement Process in Washington, D.C.	6/15/2023			1 of 5 recommendations are closed and four of the recommendations are resolved.
2022-CAAG-035	Claims Processed in Accordance with the Omnibus Budget Reconciliation	6/27/2023			0 of 11 recommendations are closed. Corrective actions are planned and in progress but not yet fully complete.

<b>Report Number</b>	<b>Subject</b>	<b>Date Issued</b>	<b>Disallowed Costs</b>	<b>Current Receivable</b>	<b>Status</b>
	Acts of 1990 and 1993 at All Blue Cross and Blue Shield Plans for Contract Years 2019 through 2021 in Washington, D.C.				
2022-ISAG-036	Information Systems General and Application Controls at Health Alliance Medical Plans, Inc. in Champaign, Illinois	7/13/2023			7 of 17 Recommendations are closed and 10 of the recommendations are resolved. Corrective actions are planned and in progress but are not yet fully complete.
2023-ISAG-007	Information Technology Security Controls of the U.S. Office of Personnel Management's Benefits Plus System in Washington, D.C.	8/9/2023			12 of 16 recommendations are closed. Corrective actions to address the remaining recommendations are in progress.
2023-ISAG-003	Information Systems General and Application Controls at Blue Cross of Idaho in Meridian, Idaho	8/10/2023			6 of 7 recommendations are closed and one recommendation is resolved. Corrective actions are in progress but are not yet fully complete.
2022-CRAG-032	Medical Mutual of Ohio	8/21/2023	\$71,929		19 of 20 recommendations are closed and one recommendation is resolved. Corrective actions are in progress but are not yet fully complete.



## **U.S. Office of Personnel Management**

Merit System Accountability and Compliance (MSAC)  
1900 E Street NW, Washington DC 20415

[OPM.gov](https://www.opm.gov)