Semiannual Report to Congress

April 1, 2024–September 30, 2024

Office of the Inspector General
U.S. Office of Personnel Management

Financial Impact and Accomplishments

Audit Recommendations for Recovery of Funds	Management Commitments to Recover Funds	Recoveries Through Investigative Actions
$4,810,838	$21,820,680	$1,892,057

Note: OPM Management Commitments for Recovery of Funds during this reporting period reflect amounts covering current and past reporting period audit recommendations.

Audit Reports Issued	Evaluation Reports Issued	Special Review Report Issued	Management Advisories Issued	Investigations and Preliminary Investigations Closed	Indictments and Criminal Informations
12	1	1	0	98	9

Arrests	Convictions	Hotline Contacts and Complaints Received	Hotline Contacts and Complaints Closed	Debarments and Suspen-sions of Federal Employees Health Benefits Program Providers	Debarment and Suspension Inquiries and Correspondence Related to Federal Employees Health Benefits Program Providers
7	3	1729	1803	475	2317

Message From the Inspector General

On behalf of the employees of the U.S. Office of Personnel Management (OPM) Office of the Inspector General (OIG), I am pleased to submit this Semiannual Report highlighting our work between April 1, 2024, and September 30, 2024.

The OPM OIG continues to prioritize oversight of OPM's implementation of the new Postal Service Health Benefits Program (PSHBP). The Postal Service Reform Act of 2022 requires OPM to establish the PSHBP within the Federal Employees Health Benefits Program (FEHBP) by January 2025. The OPM OIG has been vigilantly engaged in oversight to protect the integrity of the PSHBP.

During this reporting period, we issued the fourth interim audit report on OPM's PSHBP implementation efforts. Our auditors found that OPM plans to use the Postal Service Health Benefits System (PSHBS), OPM's central enrollment portal system for Postal employees, to collect supporting documentation for new enrollments representing approximately 2 percent of PSHBP dependent members. We recommended that OPM use the opportunity it has to strengthen the integrity of the program and prevent improper payments by creating a plan to use the PSHBS to collect eligibility documentation for all PSHBP members. OPM should also continue to consider the feasibility of leveraging the PSHBS for adoption into the FEHBP enrollment process.

A continuing challenge for the OPM OIG is the need for additional resources to fully carry out necessary oversight of the PSHBP. Funding for oversight is critical as the program moves into full implementation. To date, no funds have been appropriated specifically for oversight of the PSHBP.

The OPM OIG's ability to conduct robust oversight would be enhanced through inclusion in a legislative proposal recently made by OPM. OPM's proposed legislation is aimed at improving the integrity of the FEHBP. Under the proposal, OPM would be allowed to draw additional administrative funds from the existing Employee Health Benefits fund to improve eligibility determination and FEHBP enrollment systems. We are working together with OPM in engaging on this proposal as inclusion of the OIG would further strengthen program integrity by enhancing our ability to conduct oversight.

Enactment of OPM's legislative proposal would enable OPM to verify enrollment eligibility through the centralized enrollment portal for the PSHBP and ultimately implement it for the FEHBP. The OPM OIG has continuously identified ineligible members as a fraud risk to OPM's health benefits programs and highlighted the need for centralized enrollment as a means of preventing improper enrollment activity through better control mechanisms. An investment in a centralized enrollment portal would be a strong step toward addressing the longstanding program integrity concerns shared by the agency, the OIG, and Congress.

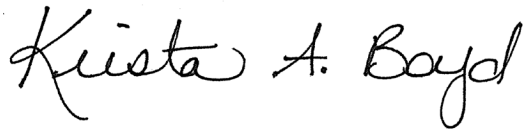
OPM OIG audit recommendations for recovery of funds was nearly $5 million during the reporting period. The recovery of funds from audit recommendations made during this and prior reporting periods was over $22 million.

The OIG issued an evaluation report of OPM's personal property management process which found that OPM needs to improve its internal controls. For example, the agency has not conducted an agencywide inventory since 2014.

During the reporting period, our investigative efforts resulted in the recovery of over $1.7 million, seven arrests, and three convictions. In one case, two medical providers were sentenced to 78 months in prison for health care fraud. The providers required patients to have monthly office visits to obtain prescriptions, including opioids. The providers would feign giving the patients injections then bill for up to 80 injections per patient per visit. This case highlights how OPM OIG investigations help to protect FEHBP enrollees.

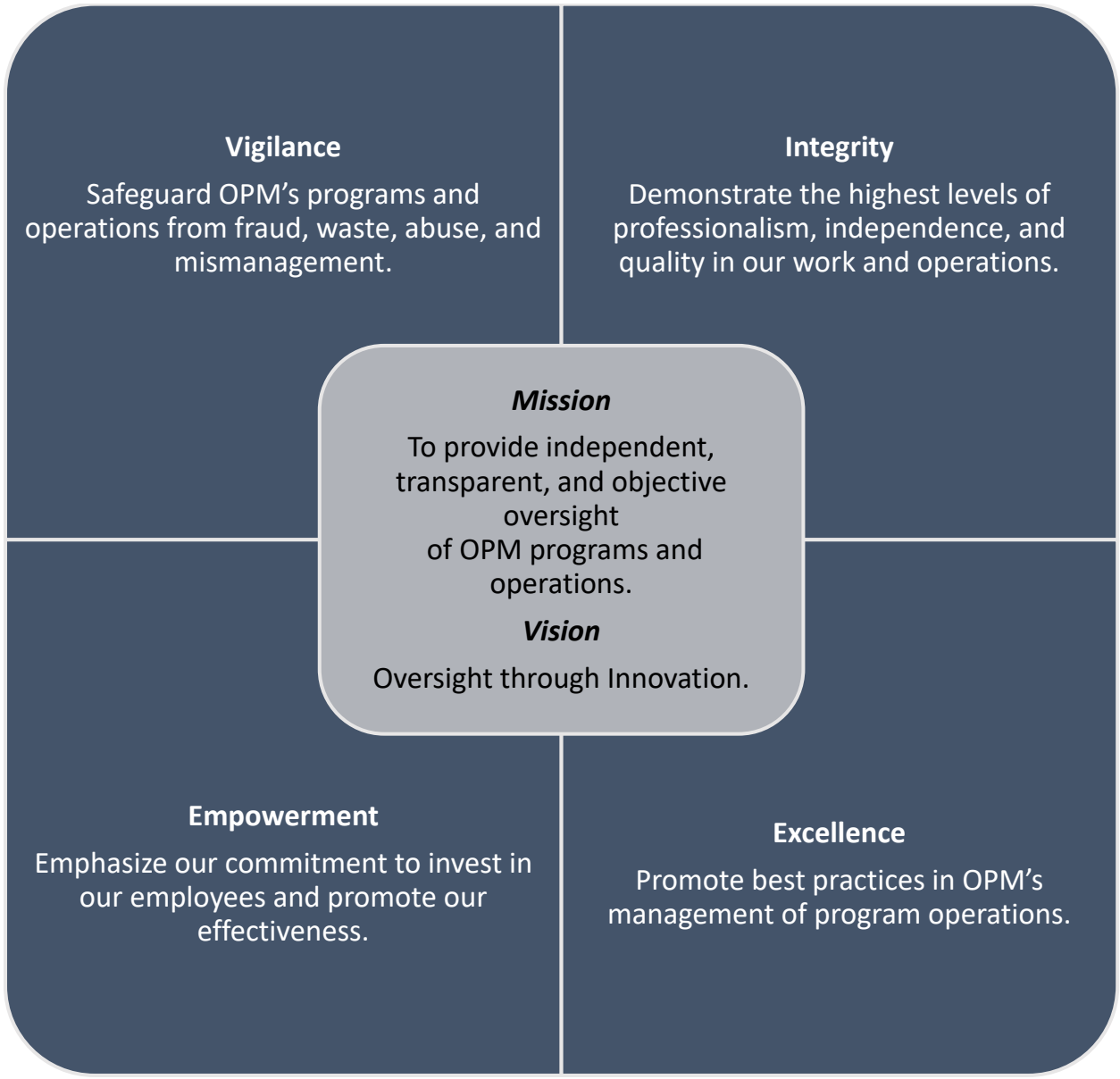
The OPM OIG issued 475 administrative sanctions of FEHBP health care providers during the reporting period. These suspensions and debarment actions are issued against providers who commit certain violations such as conviction of a crime.

The information in this report provides a snapshot of the work being done by the outstanding professionals in the OPM OIG. We will continue to challenge ourselves to most effectively provide independent, objective, and transparent oversight of OPM.



Krista A. Boyd
Inspector General

OIG Strategic Framework



Contents

OIG Office Locations

Washington, District of Columbia

Cranberry Township, Pennsylvania

Jacksonville, Florida

Audit Activities

Health Insurance Audits

The U.S. Office of Personnel Management (OPM) contracts with Federal Employees Health Benefits Program (FEHBP) health insurance carriers for health benefit plans for federal employees, annuitants, and their eligible family members. The Office of Audits is responsible for auditing the activities of these health plans to ensure that they meet their contractual obligations with OPM. The selection of specific audits to conduct each year is based on a risk assessment model that considers various factors, including the size of the health insurance carrier, the time elapsed since the last audit, and our previous audit results.

The Office of the Inspector General (OIG) insurance audit universe encompasses over 200 audit sites consisting of health insurance carriers, sponsors, and underwriting organizations participating in the FEHBP. The number of audit sites fluctuates due to the addition, nonrenewal, and merger of participating health insurance carriers. Combined premium payments for the FEHBP total over $55 billion annually. The health insurance carriers audited by the OIG are classified as either community-rated or experience-rated.

Community-rated carriers offer comprehensive medical plans, commonly referred to as health maintenance organizations (HMOs). They are responsible for paying claims and administrative costs incurred, and they are paid an amount commensurate with the number of subscribing FEHBP enrollees and the premiums paid by those enrollees. Consequently, community-rated carriers suffer the loss if the costs incurred by the plan exceed the amount of premiums received.

Experience-rated carriers offer mostly fee-for-service plans (the largest being the Blue Cross and Blue Shield Service Benefit Plan), but they also offer experience-rated HMOs. These carriers are reimbursed for actual claims paid and administrative expenses incurred, and they are paid a service charge determined in negotiation with OPM. Experience-rated carriers may suffer a loss in certain situations if claims exceed amounts available in the Employee Health Benefits Fund, which is a fund in the U.S. Department of the Treasury that holds premiums paid by enrollees and from which carriers are reimbursed for claims paid and expenses incurred.

Community-Rated Health Plans

The community-rated carrier audit universe covers approximately 140 health plans located throughout the country. Community-rated audits are designed to ensure that the premium rates health plans charge the FEHBP and the medical loss ratios (MLRs) filed with OPM are in accordance with their respective contracts and applicable federal laws and regulations.

Premium Rate Review Audits

Our premium rate review audits focus on the rates that are set by the health plan and ultimately charged to the FEHBP subscriber, OPM, and taxpayers. When an audit identifies that rates are incorrect, unsupported, or inflated, the FEHBP is entitled to a downward rate

adjustment to compensate for any overcharges. Any questioned costs related to the premium rates are subject to lost investment income.

Premium rate review audits of community-rated carriers focus on ensuring that:

- The medical and prescription drug claims totals are accurate, and the individual claims are processed and paid correctly;
- The FEHBP rates are developed in a model that is filed and approved with the appropriate state regulatory body or used in a consistent manner for all eligible community groups that meet the same criteria as the FEHBP; and
- The rate adjustments applied to the FEHBP rates for additional benefits not included in the basic benefit package are appropriate, reasonable, and consistent.

Medical Loss Ratio Audits

We also perform audits to evaluate carrier compliance with OPM's FEHBP-specific MLR requirements, which are based on the MLR standards established by the Affordable Care Act and apply to most community-rated carriers. State-mandated traditional community-rated carriers are not subject to the MLR regulations and continue to be subject to the similarly sized subscriber group comparison rating methodology.

MLR is the portion of health insurance premiums collected by a health insurer that is spent on clinical services and quality improvement. The MLR for each insurer is calculated by dividing the amount of health insurance premiums spent on clinical services and quality improvement by the total amount of health insurance premiums collected. The MLR is important because it requires health insurers to demonstrate to consumers the value of their premium payments.

The FEHBP-specific MLR requires carriers to report information related to earned premiums and expenditures in various categories, including reimbursement for clinical services provided to enrollees, activities that improve health care quality, and all other non-claims costs. If a carrier fails to meet the FEHBP-specific MLR threshold, it must pay a subsidization penalty to OPM.

OPM issued the final rule establishing an FEHBP-specific MLR requirement for most community-rated FEHBP carriers in April 2012. The FEHBP-specific MLR rules are based on the MLR standards established by the Affordable Care Act and defined by the U.S. Department of Health and Human Services. The MLR is a financial metric that measures the percentage of premium dollars that a health plan spends on medical claims and quality improvements. The remaining percentage should be used to cover the health plan's administrative costs. The MLR is important because it requires health insurers to demonstrate to consumers the value of their premium payments.

In 2021, OPM issued guidance that community-rated carriers subject to OPM's FEHBP-specific MLR must utilize OPM's reported premium as the denominator of the MLR calculation. Per OPM's contract with community-rated carriers, OPM's reported premium was no longer subject

to audit by OPM's OIG. The premium amounts provided by OPM were sourced from its subscription income process/report.

Due to the required use of OPM's premium as the denominator of the FEHBP MLR, we scheduled audit research to gather detailed information on OPM's processes and accounting for the health benefits premiums received from agency payroll providers and paid to FEHBP carriers subscription income. We additionally obtained an understanding of, and background information on, OPM's administrative procedures and oversight activities for its subscription income process.

OPM's Office of the Chief Financial Officer (OCFO) is responsible for the financial leadership of OPM, to include responsibility for all OPM disbursements and accountability processes, as well as management and coordination of OPM planning, budgeting, and analysis. The OCFO is also responsible for the Federal Employees Health Benefits (FEHB) Trust Fund, which is a revolving Trust Fund created by the Federal Employees Health Benefits Act of 1959 and administered by OPM. This fund exists to collect and disburse health insurance premiums to private insurers who participate in the FEHBP and to maintain program reserves, consisting of one percent of premiums collected for administrative expenses and three percent for a contingency reserve.

We issued one report during this reporting period.

Final Audit Research Results – OPM's Subscription Income Process
Washington, DC
Report Number 2024-CRAG-006, June 17, 2024

OPM's subscription income process impacts the management of the FEHB Trust Fund, including the use of multiple financial systems and unique and institutionalized knowledge. As such, a documented internal controls system is crucial for the OCFO to meet its objectives and mitigate current and future risks. We initiated our audit research process to gather information on OPM's subscription income process; however, during our research we identified that although OPM's OCFO personnel could explain internal controls in place surrounding the systems and procedures related to managing the subscription income process, many of those controls are not documented in written policies and procedures. Due to the importance of OPM's subscription income process and applicable internal controls, we expeditiously issued our audit research results to OPM's Director in a memorandum. The following summary represents the notable findings we communicated to OPM regarding its subscription income process.

We determined that written policies and procedures in accordance with the U.S. Government Accountability Office (GAO) Standards for Internal Control in the Federal Government, known

as the Green Book, are needed for effective trust fund management and related systems, as follows:

- Processes for acceptance and usage of payroll office data;
- Processes for importing data between systems, accounting and other functions conducted within one of the systems, and the uploading of data into the official accounting system; and
- Extraction and use of financial systems reports within one of the systems.

Further, written policies and procedures in accordance with the GAO Green Book are needed over trust fund management and premium payment processes, as follows:

- Approval and payment of funds to the carriers via the Automated Clearing House (ACH) process;
- Approval and transfer of funds from the contingency reserve to the Letter of Credit system;
- Approval and transfer of funds from the contingency reserve to the FEHBP carriers via the ACH;
- Explanations for the securities, maturity, and investment due dates for the FEHBP trust fund;
- Supervisory activities over trust fund management and premium payment process activities; and
- The Trust Funds Management Office's succession/contingency plans.

We also found that OPM lacks an enterprise-wide fraud policy or antifraud strategy. Specifically, OPM did not ensure compliance with U.S. Office of Management and Budget (OMB) Circular A-123 as it relates to implementation of GAO's Fraud Risk Management Framework and addressing fraud risks within its internal control system.

While OPM partially concurred with our recommendations, they provided updated work instructions to address components of the recommendations. Further, OPM communicated that it intends to collaborate on additional documentation and revise its fraud risk and Enterprise Risk Management documents to fully address all recommendations. OPM's responses are being reviewed to determine whether recommendations can be closed.

Experience-Rated Plans

The FEHBP offers a variety of experience-rated plans, including a service benefit plan, an indemnity benefit plan, and health plans operated or sponsored by federal employee organizations, associations, or unions. Experience-rated HMOs also fall into this category. The universe of experience-rated plans currently consists of approximately 60 audit sites, some of which include multiple plans. When auditing these plans, our auditors generally focus on three key areas:

- Appropriateness of FEHBP contract charges and the recovery of applicable credits, including health benefit refunds and drug rebates;
- Effectiveness of carriers' claims processing, financial management, cost accounting, and cash management systems; and
- Adequacy of carriers' internal controls to ensure proper contract charges and benefit payments.

During the current reporting period, we issued one final audit report on experience-rated health plans (not including information security reports) participating in the FEHBP. This final report was an audit of claims processing and payment operations at select Anthem Blue Cross and Blue Shield Plan sites covering contract years 2020 through 2022 (Report No. 2024-CAAG-001, issued August 23, 2024). This audit did not identify any areas of program noncompliance and, therefore, included no recommendations.

Oversight of OPM's Implementation of the Postal Service Health Benefits Program

The Postal Service Health Benefits Program (PSHBP) was established within the FEHBP by the Postal Service Reform Act of 2022 (PSRA) (Public Law 117–108), enacted on April 6, 2022, and will be administered by OPM's Healthcare and Insurance program office. The PSHBP was created to provide health insurance benefits for U.S. Postal Service employees, annuitants, and eligible dependents beginning on January 1, 2025. For these individuals, eligibility for enrollment or coverage in FEHB health plans will end on December 31, 2024, and enrollment and coverage will only be offered by the Postal Service Health Benefits (PSHB) health plans after that time. Subject to limited exceptions, Postal Service annuitants who retire and become Medicare-eligible after December 31, 2024, and their Medicare-eligible[1] family members will be required to enroll in Medicare Part B[2] as a condition of eligibility to enroll in the PSHBP. The first Open Season for the PSHBP will begin on November 11, 2024, and run through December 9, 2024. The first contract year will begin January 1, 2025.

Section 101 of the PSRA added a new section, 8903c, to Title 5 United States Code (U.S.C.) Chapter 89, directing OPM to establish the PSHBP. The PSHBP was authorized under the Title I Postal Service Financial Reforms provisions in the PSRA in furtherance of Congress's objective to "improve the financial position of the Postal Service while increasing transparency and accountability of the Postal Service's operations, finances, and performance." OPM issued a final rule on May 6, 2024, to set forth standards to implement Section 101 of the PSRA to establish the PSHBP.

Our oversight of OPM's implementation of the PSHBP is ongoing, with the issuance of periodic audit reports throughout the program implementation. During this time, one area of our review

[1] Medicare is generally for people 65 or older, but may also include people with disabilities, end-stage renal disease, or amyotrophic lateral sclerosis, commonly known as ALS: https://www.medicare.gov/basics.
[2] Medicare Part B helps cover medical services like doctors' services, outpatient care: https://www.hhs.gov/answers/medicare-and-medicaid/what-is-medicare-part-b/index.html.

was OPM's development of the Postal Service Health Benefits System (PSHBS), which is the centralized enrollment portal that Postal Service employees, annuitants, and eligible dependents (estimated at 1.7 million) will use to enroll into the PSHBP beginning with the Postal Service 2024 Open Season. It will process all enrollments and changes in enrollments for the PSHB, including Open Season transactions, qualifying life events, and enrollments for those newly eligible. It will provide an account-based, one-stop shop for enrollees to compare and learn about health insurance plan options, select the plan that fits their needs, and complete the enrollment process. The PSHBS will be the authoritative source for PSHBP enrollment data, including ongoing reconciliation of enrollment and premiums. Notably, OPM will develop this central enrollment portal using scalable, flexible technology to potentially service the remaining non-Postal Service FEHB members (estimated at 6.5 million) in the future.

The following summary represents the notable findings we communicated to OPM regarding its development of the PSHBS.

Postal Service Health Benefits Program: Collection of Members' Eligibility Documentation Washington, D.C.
Report Number PSHB-088, September 13, 2024

We found that the new central enrollment portal system, the PSHBS, provides opportunities for OPM to strengthen its control environment around the enrollment process for PSHBP members and the eligibility determination of their dependents to improve program integrity.

- The PSHBS minimally viable product, as contracted, should provide OPM with the ability to accept uploaded documentation supporting the eligibility of dependents, to require members to provide documentation supporting eligibility of dependents at any time through the PSHBS, and to verify the supporting documentation; however, OPM does not currently have a written plan and process to perform a verification and validation of the dependent eligibility documentation maintained within the PSHBS.
- We determined that while OPM plans to collect eligibility documentation for certain types of new enrollments beginning on January 1, 2025, OPM does not currently have a plan of action regarding the collection of eligibility documentation for all PSHBP dependent members who were previously enrolled in the FEHBP. The types of new enrollments for which OPM is planning to collect supporting documentation represents approximately 2 percent of PSHBP dependent members. Eligibility for a large majority of the PSHBP's dependent members may go unverified and unvalidated, allowing the potential for ineligible dependent members to remain enrolled in the PSHBP for an unknown amount of time and leading to wasted taxpayer funds.

The development of the PSHBS represents a unique opportunity for OPM to validate enrollment eligibility for all Postal Service members and establish a baseline for future validation of the remaining FEHBP population. OPM officials discussed with us at length the challenges involved with balancing program implementation, continuity of coverage, and program integrity. OPM has concerns that collecting the supporting documentation for all dependents during Open Season 2024 would cause additional disarray for Postal Service members. There could also be confusion for Postal Service members based on the messaging that OPM and the Postal Service

have already provided on the PSHBP. We recognize the need for OPM to strike a balance between these potentially competing concerns. However, we have observed that OPM does not have a plan for introducing enrollment verification of dependent members.

OPM agreed with our recommendations.

Information Systems Audits

OPM manages a wide portfolio of information systems to help fulfill its mission. OPM systems and applications support retirement claims and multiple governmentwide human resources services. Private health insurance carriers participating in the FEHBP rely on information systems and applications to administer health benefits to millions of current and former federal employees and their dependents. Although the Defense Counterintelligence and Security Agency owns the background investigations program, OPM continues to provide support to the legacy background investigations systems.

The ever-increasing frequency and sophistication of cyberattacks on both the private and public sector make the continual maturation and enhancement of the cybersecurity programs a critical need for OPM and its contractors. Information technology (IT) audits identify the challenges in responding to the ever-evolving threats to cybersecurity and provide tangible strategies and action plans to rectify and/or mitigate the challenges. The specific audits conducted each year is based on a risk assessment model that considers various factors, including the size of the health insurance carrier, the sensitivity of the information in the system, the time elapsed since the last audit, and our previous audit results.

Our audit universe encompasses all 51 OPM-owned information systems as well as the 68 information systems used by private sector entities that contract with OPM to process federal data. We issued two IT audit reports during the reporting period. Those reports are summarized below.

Audit of the Information Systems General and Application Controls at Group Health Cooperative of South Central Wisconsin
Madison, Wisconsin
Report Number 2023-ISAG-024, July 15, 2024

Our IT audit focused on the claims processing applications used to adjudicate FEHBP claims for Group Health Cooperative of South Central Wisconsin (GHC) members, as well as the various processes and IT systems used to support these applications. Our audit of the IT security controls of GHC identified several significant weaknesses, including the following:

- GHC does not have a baseline, organization-wide information security program plan;
- GHC has weaknesses related to security policy and training, multifactor authentication, and logical and physical access to systems; and
- GHC does not have an adequate vulnerability scanning program or processes to ensure that systems are properly maintained with security patches and updates.

Audit of the Information Technology Security Controls of the U.S. Office of Personnel Management's White House Fellows System
Washington, D.C.
Report Number 2024-ISAG-009, August 8, 2024

The White House Fellows system (WHF) is one of OPM's major IT systems. We completed a performance audit of the WHF to ensure that the system's security controls meet the standards established by the Federal Information Security Modernization Act (FISMA), the National Institute of Standards and Technology (NIST), the Federal Information System Controls Audit Manual, and the OPM OCIO. Our audit of IT security controls of the WHF determined that the system was generally in compliance with FISMA requirements. Baseline security requirements including its security rating and privacy documentation were completed consistent with applicable standards. The system's risk assessment, security controls evaluation, and continuous monitoring process were also completed as required by NIST guidance and OPM policy, and its Authority to Operate is current and appropriate. Finally, we evaluated a subset of the system controls and determined that 39 out of the 40 controls comply with NIST recommended security controls.

Internal Audits

Our internal auditing staff focuses on improving the efficiency and effectiveness of OPM's operations and their corresponding internal controls. Our auditors are responsible for conducting comprehensive performance audits and special reviews of OPM programs, operations, and contractors as well as conducting and overseeing certain statutorily required projects for improper payments and charge card reporting. Our staff also produces our annual Top Management Challenges report, oversees OPM's annual financial statement audit, and performs risk assessments of OPM programs and operations. In addition, our auditors work with program offices to resolve and close internal audit recommendations.

The following is a summary of a recent audit report representative of our work.

OPM's Compliance with the Payment Integrity Information Act of 2019
Washington, D.C.
Report Number 2024-IAG-010, May 29, 2024

The Payment Integrity Information Act of 2019 (PIIA) (Public Law 116–117) aims to improve efforts to identify and reduce governmentwide improper payments. Agencies are required to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by OMB. Payment integrity requirements are published in OPM's Agency Financial Report in accordance with payment integrity guidance in OMB Circular A-136. The agency must also publish any applicable payment integrity information required in the accompanying materials to the annual report in accordance with applicable guidance. The most common accompanying materials to the Agency Financial Report are the payment integrity information published on paymentaccuracy.gov. Agencies' Inspectors General are to review payment integrity reporting for compliance and issue an annual report.

The objective of our audit was to determine whether OPM complied with PIIA for fiscal year (FY) 2023. We determined that OPM was not in compliance with PIIA for FY 2023. As shown below, OPM did not meet 4 of the 10 PIIA requirements:

Criteria for Compliance	Criteria Met?
1a.) Published payment integrity information with the annual financial statement and in the accompanying materials to the annual financial statement of the agency for most recent FY in accordance with OMB guidance.	Compliant
1b.) Posted the annual financial statement and accompany materials required under guidance of OMB on the agency website.	Compliant
2a.) Conducted improper payment risk assessments for each program with annual outlays greater than $10,000,000 at least once in the last 3 years.	Compliant
2b.) Adequately concluded whether the program is likely to make improper payments and unknown payments above or below the statutory threshold.	Compliant
3) Published improper and unknown payment estimates for programs susceptible to significant improper payments and unknown payments in the accompanying materials to the annual financial statement.	Noncompliant
4) Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	Noncompliant
5a.) Published an improper payment and unknown payment reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	Compliant
5b.) Demonstrated improvements to payment integrity or reached a tolerable improper payment and unknown payment rate.	Noncompliant
5c.) Developed a plan to meet the improper payment and unknown payment reduction target.	Compliant
6) Reported an improper payment and unknown payment estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the annual financial statement.	Noncompliant

In addition, we determined that:

- OPM did not review the Federal Employees' Group Life Insurance and Federal Employees Health Benefits risk assessments;
- OPM's Retirement Services reported incorrect data on the FY 2023 third and fourth quarter Payment Integrity Scorecard Data; and

- There is one outstanding audit finding, first identified in FY 2017, that remains open. In FY 2017, our office reported that while Retirement Services met its improper payments reduction targets, the overall intent of improper payments statutes, which is to reduce improper payments, had not been met. Retirement Services' improper payment rates from FYs 2013 through 2023 have remained virtually stagnant at between 0.35 percent and 0.38 percent.

OPM concurred with all five of our recommendations.

Special Audits

In addition to health insurance and retirement programs, OPM administers various other benefit programs for federal employees, annuitants, and their eligible dependents, including the:

- Federal Employees' Group Life Insurance (FEGLI) Program,
- Federal Flexible Spending Account (FSAFEDS) Program,
- Federal Long Term Care Insurance Program (FLTCIP), and
- Federal Employees Dental and Vision Insurance Program (FEDVIP).

Our office also conducts audits of pharmacy benefit managers (PBMs) that administer pharmacy benefits for the FEHBP carriers. The objective of these audits is to ensure costs charged and services provided to federal subscribers are in accordance with the contracts and applicable federal regulations. Our staff also performs audits of tribal enrollments into the FEHBP, as well as audits of the Combined Federal Campaign (CFC) to ensure monies donated by federal employees and annuitants are properly handled and disbursed to charities according to the designations of contributing employees and annuitants.

The following summary highlights the results of an audit conducted by the Special Audits Group during this reporting period.

Limited Scope Audit of EmblemHealth Dental's 2025 Premium Rate Proposal for the FEDVIP Jacksonville, Florida, and Cranberry Township, Pennsylvania Report Number 2024-SAG-015, August 2, 2024

We conducted a limited-scope performance audit of EmblemHealth Dental's (Carrier) 2025 premium rate proposal for the FEDVIP. Our audit objective was to determine whether premium rates proposed for calendar year 2025 were in accordance with the terms of the Carrier's contract and federal regulations. The audit also included a review of the Carrier's 2023 certified annual accounting statements for the FEDVIP operations. Audit fieldwork was conducted remotely from our Jacksonville, Florida, and Cranberry Township, Pennsylvania, offices from June to July 2024.

2025 Premium Rate Proposal Review

The results of our review identified one finding related to overestimated claims and higher-than-needed premium increases in the Carrier's 2025 rate proposal (May 2024 submission). We

recommended that OPM and the Carrier remove a loading added to the 2023 base year's completion factor because the loading is unsupported and unreasonable in obtaining the most accurate pricing needed for a rate increase.

2023 Annual Accounting Statement Review

The results of our review showed that the Carrier had sufficient policies and procedures in place to ensure that its 2023 annual accounting statements was accurately reported to OPM. However, OPM should consider the Carrier's history of overestimating its claims each year when negotiating the rates since any shortfall in anticipated claims results in additional profit to the Carrier.

The final selection and approval of 2025 premium rates is OPM's responsibility, and our recommendations are based solely on the best supported estimates needed to accurately predict the required premium rates.

Limited Scope Audit of the Aetna Dental's 2025 Premium Rate Proposal for the FEDVIP Cranberry Township, Pennsylvania
Report Number 2024-SAG-014, August 2, 2024

We conducted a limited-scope performance audit of Aetna Dental's (Carrier) 2025 premium rate proposal for the FEDVIP. Our audit objective was to determine whether premium rates proposed for calendar year 2025 were in accordance with the terms of the Carrier's contract and federal regulations. The audit also included a review of the Carrier's 2023 certified annual accounting statements or FEDVIP operations.

2025 Premium Rate Proposal Review

The results of our review identified one finding related to overestimated claims and higher-than-needed premium increases in the Carrier's 2025 rate proposal (May 2024 submission) due to inaccurate claims experience completion factors. We recommended that OPM require the Carrier to resubmit a July rate proposal each year with claims paid through a more current date to allow the most accurate completion factor.

2023 Annual Accounting Statement Review

The results of our review showed that the Carrier had sufficient policies and procedures in place to ensure that its 2023 annual accounting statements was accurately reported to OPM. Additionally, we recommended that OPM consider a rate reduction due to the Carrier's excess profit over the last 2 years made by using overstated claims expectations for 2022 and 2023.

The final selection and approval of 2025 premium rates is OPM's responsibility, and our recommendations are based solely on the best supported estimates needed to accurately predict the required premium rates.

Enforcement Activities

Investigative Activities

The OPM OIG Office of Investigations' mission is to protect the public, federal employees, annuitants, and their eligible family members from fraud, waste, abuse, and mismanagement in OPM programs through criminal, civil, and administrative investigations related to OPM programs and operations. Our investigations safeguard the financial and programmatic integrity of the Civil Service Retirement System (CSRS), Federal Employees Retirement System (FERS), FEHB, and FEGLI programs. More than 8 million current and retired federal civilian employees and their eligible family members receive benefits through these OPM programs.

In this section, OPM OIG presents a summary of our investigative efforts, trends in OPM OIG investigations, oversight activities, and challenges to our oversight efforts. The Office of Investigations pursues its oversight mission by prioritizing investigations into allegations of:

- Physical or financial harm to federal employees, annuitants, or eligible family members involved in OPM programs;
- Substantial financial loss to OPM programs; and
- OPM program vulnerabilities or issues that could allow for additional or ongoing fraud, waste, or abuse.

OPM OIG investigations most commonly involve complex white-collar crimes such as health care fraud associated with the FEHBP or retirement fraud associated with OPM's civil service retirement programs. The cases described in this section demonstrate the breadth of investigations that our staff investigate, including cases involving ineligible use of FEHBP benefits, falsified medical procedures, violations of the False Claims Act, and theft of government money via retirement fraud.

In this semiannual report to Congress, we report 9 criminal indictments or criminal informations, 7 arrests, 3 convictions, and the return of $1,892,057 to OPM programs. We also published one Fraud Alert related to unauthorized FSAFEDS enrollments during the reporting period.

Health Care Investigations

Most OPM OIG investigations—annually, about two-thirds—involve health care fraud allegations affecting the FEHBP. These allegations cover a wide range of schemes that can risk harm to patients and waste program and taxpayer dollars. The cases we describe in this report involve potential violations of the False Claims Act, falsification of patient records, faked injections that did not actually provide medication, and other allegations of serious wrongdoing. Several resolved cases concern durable medical equipment fraud, which is a persistent health care fraud trend.

In this section, we also highlight a case where we did not pursue investigative actions because of the Anti-Kickback Statute. Our oversight and protection of the FEHBP continues to face challenges because of the FEHBP's exclusion from the Anti-Kickback Statute. This exclusion prevents OPM from receiving restitution for illegal actions that harm the FEHBP and its members—even when other federal health care programs can take action and be made whole.

Ineligible Family Member Files $130K in False Health Claims After FEHBP Member Dies

In January 2020, an FEHBP member who lived in the Philippines died. This member was the wife of a retired Foreign Service Officer and received FEHBP coverage as a survivor annuitant.

The Foreign Service Benefit Plan, an FEHBP health insurance carrier, continued to receive medical and pharmacy claims after her death. Medications continued to be dispensed as well. These claims continued until December 2022 and cost the FEHBP $138,903. In January 2023, we received a carrier notification from the Foreign Service Benefit Plan about questionable member-filed claims submitted on behalf of the deceased survivor annuitant, which included expensive and excessive non-FDA-approved prescription drugs.

Further investigation found the adult child of the deceased survivor annuitant stole the reimbursements. In addition to the falsified claims that OPM paid, other federal agencies paid $212,920 to the adult child as part of the fraud scheme, costing federal programs $348,719 in total.

According to court documents and information found during our investigation, the adult child used the stolen government funds to write checks to cash or with notations such as "kitchen remodel," "Airbnb," and for other personal expenses.

The adult child was charged by a criminal information filed in the U.S. District Court for the District of Maryland with one count of theft of public money. On July 30, 2024, the adult child pleaded guilty to the charge. They have not been sentenced as of the end of this reporting period.

Durable Medical Equipment Scheme Results in Settlement

In September 2022, we received a referral from a federal law enforcement partner about a doctor working at various locations who submitted questionable claims for durable medical equipment, specifically orthotic braces. The companies the doctor associated with had been identified in an earlier nationwide investigation involving other durable medical equipment providers.

Our investigation found that the doctor had partnered with a telemedicine company that paid marketers to target individuals (often those using Medicare or other federal health programs) in attempts to gain insurance information and use that information to bill for the medically unnecessary orthotic braces.

Per court documents, the doctor allegedly made referrals for the durable medical equipment despite not treating the FEHBP members or performing adequate exams to determine the medical necessity of the durable medical equipment.

The FEHBP paid $1,771 in claims to the durable medical equipment providers based on referrals made by the doctor. Though the monetary loss to the FEHBP was low, as part of this joint investigation with our federal law enforcement partners our investigative staff conducted more than a dozen interviews with victims affected by the alleged fraud.

On August 30, 2024, the doctor signed a fully executed settlement agreement with the U.S. Attorney's Office for the District of Delaware wherein the doctor agreed to pay $1.08 million within 30 days to resolve allegations of violating the False Claims Act. The doctor did not admit liability. The FEHBP received $1,771 in restitution. Additionally, OPM received $11,480 in investigative costs because of our efforts in this case.

Medical Providers Who Performed Fake Injections Sentenced to 78 Months in Prison

In July 2023, we received a case referral from a federal law enforcement partner about two medical providers who billed for pain injections but were actually providing patients with opioids regardless of patient complaint or diagnosis and did not provide the injections they billed for.

Patients who visited the medical providers' practice often received monthly prescriptions for high doses of Schedule II medications, including opioids. The doctors, according to court documents, required patients to have monthly office visits to bill patients' insurance companies. At these appointments, the medical providers purported to give patients corticosteroid injections. But the doctors only mimed injections: they pressed a needle to the patient without piercing the skin. If an actual injection was performed, patients received only a small amount of medication.

Fake medical records, including cut-and-paste records for multiple patients, supported these false claims to conceal the fraud. Based on the false and fraudulent claims submitted by the medical providers, FEHBP health insurance plans paid $144,771 related to the scheme. The entirety of the scheme encompassed more than $12 million across all federal programs and victims.

In May 2024, both medical providers pleaded guilty in the U.S. District Court for the Northern District of Texas to one count each of conspiracy to commit health care fraud. On September 26, 2024, both medical providers were sentenced to 78 months of incarceration and 24 months of supervised release.

Settlement Resolves Allegations of $16 Million in FEHBP False Claims

In June 2018, we received a carrier notification from an FEHBP health insurance carrier alleging that a durable medical equipment company billed excessively for equipment that was not medically necessary.

The durable medical equipment company allegedly submitted false claims for compression garments provided to FEHBP members, inflating profits by using inappropriate billing codes to excessively charge the FEHBP. The FEHBP paid the durable medical equipment company $16 million from the beginning of 2013 to July 2021.

On April 26, 2024, the U.S. Attorney's Office for the District of Maryland and the durable medical equipment company entered a settlement to resolve the allegations. Per the settlement, the durable medical equipment company does not admit liability for the alleged false claims and will pay restitution of $352,800 to the FEHBP. In this investigation, the financial restitution (minus the 3-percent DOJ offset) is entirely to the FEHBP.

Infusion Center Settles Over Alleged Monoclonal Antibody Treatment Billing Fraud

In August 2022, we received a case notification from an FEHBP health insurance carrier alleging that an infusion center in Pittsburgh, Pennsylvania, submitted duplicate claims for monoclonal antibody treatment and other claims.

The duplicate claims included claims codes associated with monoclonal antibody treatment for COVID-19. A review of claims data found that the FEHBP had paid $255,826 to the infusion center for claims associated with the alleged fraud.

The infusion center, without admitting guilt, agreed to pay $100,534 to resolve the allegations that it violated the False Claims Act. The settlement, signed in the U.S. District Court for the District of Western Pennsylvania, returned $94,550 to the FEHBP.

Anti-Kickback Statute Exclusion Interrupts OPM OIG COVID-19 Investigation

In February 2024, we received a case notification from an FEHBP health insurance carrier alleging that a medical provider improperly dispensed COVID-19 test kits and vaccines in exchange for kickbacks. FEHBP health insurance carriers had paid $171,400 to the provider since 2019. Because the FEHBP is excluded from the Anti-Kickback Statute, we closed our investigation in April 2024.

Retirement Investigations

Fraud committed against OPM retirement programs because of the death of an annuitant that is not reported to OPM often takes years for OPM to detect or discover, which can allow for thousands to hundreds of thousands of dollars in improper annuity payments. Our investigations in these cases often uncover deceitful actions intentionally taken by perpetrators to continue the fraud, such as forging a signature of the annuitant on OPM's Address Verification Letters or, as in the case described in this semiannual report, forging personal checks to illicitly access money paid to a deceased OPM annuitant. Our investigations in this area are essential to identifying, stopping, and recovering these improper payments and protecting OPM's retirement programs.

In-Law Uses Checks of Deceased CSRS Annuitant in $75K Fraud

In June 2022, Retirement Services provided a fraud referral based on the unreported death of a CSRS annuitant. The CSRS annuitant had died in December 2018, but OPM continued to deposit

monthly annuity payments through November 2021. This resulted in an overpayment of $77,865. OPM recovered $2,131 via reclamation actions, but $75,734 in improper payments remained outstanding.

Our investigation found that the decedent's daughter-in-law used checks written to herself, some signed by the CSRS annuitant prior to their death, for things such as the daughter-in-law's own expenses.

In May 2023, the daughter-in-law was charged by criminal information in the U.S. District Court for the Eastern District of Missouri with one count of theft of government money and pleaded guilty. On July 25, 2024, the daughter-in-law was sentenced to 36 months of probation and ordered to pay $75,734 in restitution.

Integrity Investigations

The OPM OIG Office of Investigations has taken proactive steps to prepare for the PSHBP as it continues to progress towards disbursing benefits in 2025. Our activities during the reporting period include liaising with the OPM Healthcare and Insurance program office.

Administrative Sanctions of FEHBP Health Care Providers

Under the FEHBP administrative sanctions authority (Title 5 U.S.C. § 8902a), we suspend or debar health care providers whose actions demonstrate that they are not sufficiently professionally responsible to participate in the FEHBP. At the end of the reporting period, there were a total of 39,522 active suspensions and debarments which prevented health care providers from participating in the FEHBP.

Debarment disqualifies a health care provider from receiving payment of FEHBP funds for a stated time period. The FEHBP has 18 bases for debarment. The most frequently cited provisions are for criminal convictions or professional licensure restrictions/revocations. Before debarring a provider, our office gives the provider notice and the opportunity to contest the sanction in an administrative proceeding.

Suspension has the same effect as a debarment, but it becomes effective upon issuance without prior notice and remains in effect for a limited time. The FEHBP sanctions law authorizes suspension only in cases where adequate evidence indicates that a provider represents an immediate risk to the health and safety of FEHBP enrollees.

During the reporting period, our office issued 475 administrative sanctions, including both suspensions and debarments, of health care providers who committed violations impacting the FEHBP and its enrollees. In addition, we addressed 2,317 sanctions-related inquiries and correspondence.

We develop our administrative sanctions caseload from a variety of sources, including:

- Administrative actions issued against health care providers by other federal agencies;
- Cases referred by the OPM OIG Office of Investigations;
- Cases identified by the OPM OIG Administrative Sanctions Group through systematic research and analysis of electronically available information about health care providers; and
- Referrals from other sources, including health insurance carriers, state regulatory entities, and federal law enforcement agencies.

Administrative sanctions serve two important functions. First, they protect the financial integrity of the FEHBP. Second, they protect the health and safety of federal employees and annuitants and their eligible family members who obtain their health insurance coverage through the FEHBP.

The following cases handled during the reporting period highlight the importance of the Administrative Sanctions Group's proactive work identifying cases.

Rheumatologist, Clinic Manager and Medical Clinic Suspended After Indictment for Health Care Fraud

In September 2024, our office suspended an Alaskan rheumatologist and her husband after the couple was indicted for health care fraud and tax evasion.

A July 2024 indictment filed in the U.S. District Court for the District of Alaska contends that a rheumatologist and her husband, through their medical clinic, knowingly and willfully executed and attempted to defraud health benefit programs to enrich themselves by means of false and fraudulent pretenses, representations, and promises in connection with the delivery of or payment for health care benefits, items, or services. The couple's indictment included the following allegations, amongst others:

- The rheumatologist deceived patients regarding the identity, quantity, and other material facts regarding substances that she injected into their bodies and administered medications to which the patients did not consent;
- The couple knowingly falsified medical records and submitted fraudulent claims to health care benefit programs by falsely stating the identity, quantity, and other material facts regarding substances that the rheumatologist injected into patients' bodies;
- The couple knowingly caused the submission of fraudulent claims to health care benefit programs that falsely represented the medical services purportedly provided to patients by the rheumatologist, including but not limited to inflating the number of injections that the rheumatologist performed, and the duration of time the rheumatologist spent with patients; and
- The couple knowingly obtained approximately $10.3 million in proceeds from health care benefit plans.

The indictment also alleged that the couple evaded paying income taxes for 2014 through 2017 by providing false information that overstated their clinic's expenses and filing false tax returns understating their income. Furthermore, the couple did not file tax returns for 2018 through 2021, as required by law.

Under Title 5 Code of Federal Regulations (CFR) § 890.1031(b)(1), OPM has the authority to suspend a provider based on the indictment or conviction of a provider for a criminal offense that is a basis for mandatory debarment or that reflects a risk to the health, safety, or well-being of FEHBP covered individuals. It also provides OPM the authority to suspend a provider based on the immediate need to protect the public interest, including the health and safety of covered individuals or the integrity of the FEHBP.

The rheumatologist and her husband allegedly placed their patients' health in imminent danger by deceiving them about what substances she injected into the patients' bodies; administering medications without patients' consent; and falsifying medical records, along with other deceitful and fraudulent actions. In August 2024, the state of Alaska also found that the rheumatologist posed a clear and immediate danger to the public health and therefore suspended her license to practice medicine in the State.

Based on the nature and seriousness of the couple's offenses, we determined that immediate action to suspend both the couple and their clinic was necessary to protect the public interest. We suspended the rheumatologist, her husband, and their clinic, effective September 2024.

Debarred Providers Continue to Submit Claims After Their Effective Debarment Dates

Debarred providers who continue to either submit claims or cause the submission of claims to the FEHBP health insurance carriers are in violation of their debarment terms. This type of activity is considered fraudulent and must be reported by the FEHBP health insurance carriers. In addition, the debarred providers may be in violation of federal statutes which pertain to the submission of false claims. Upon review of the information submitted by an FEHBP health insurance carrier we will, if warranted, issue "shock and alarm" notices to inform the provider about the consequences of submitting further claims, including the possibility of an additional debarment period and/or civil monetary penalties. During this reporting period, we issued approximately 34 shock and alarm notices to debarred providers.

California Podiatrist Violates Terms of Debarment, Resulting in Pre-Debarment Notifications to Two Medical Facilities

On October 26, 2023, our office debarred a California podiatrist based on his September 20, 2023, exclusion by the U.S. Department of Health and Human Services (HHS) for a felony conviction related to health care fraud, which carries a minimum of a 5-year exclusion period. His debarment runs concurrent with the term of his HHS exclusion. As of September 30, 2024, our debarment and his HHS exclusion remain in effect.

OPM debarments prohibit health care providers from participating in the FEHBP, which provides health insurance coverage to federal employees, annuitants, and their immediate family members (FEHBP enrollees). Debarred providers cannot receive payment of FEHBP

funds, either directly or indirectly, for services or supplies furnished to any person enrolled in one of the FEHBP's health insurance plans.

In June 2024, the Government Employees Health Association (GEHA) notified our office that the debarred podiatrist submitted a claim to the FEHBP for payment of services rendered to FEHBP enrollees after the date of his debarment. On July 23, 2024, we issued a shock and alarm notice to the debarred podiatrist reminding him that his OPM debarment prohibits him from participating in the FEHBP and receiving payment of FEHBP funds, either directly or indirectly, for services or supplies furnished to any person enrolled in one of the FEHBP's health insurance plans. We informed the podiatrist that his actions were violations of his debarment terms and, should he continue to submit or cause the submission of FEHBP claims during his debarment period, these actions could be deemed violations of the federal false claims statutes and potentially result in prosecution by a United States Attorney. Additionally, the podiatrist was informed that such claims may be a basis for the OPM OIG Debarring Official to deny or delay future reinstatement into the FEBHP.

Under 5 U.S.C. §§ 8902a(c) and (d), OPM has the authority to debar any health care provider who has charged for services or supplies which the provider knows or should have known involves an item or service furnished during a period in which the provider was debarred. Additionally, a health care entity may be barred from participating in the FEHBP if a debarred provider directly or indirectly owns or has a controlling interest in the entity.

The podiatrist's violation of his debarment terms prompted the Administrative Sanctions Group to investigate the entities with which the debarred provider was affiliated. The investigation revealed that the debarred podiatrist was practicing at two medical facilities. On July 23, 2024, we issued pre-debarment notifications to the two medical facilities, informing them that the podiatrist who is affiliated with them is debarred by OPM. The medical facilities were also informed that as a debarred individual, the podiatrist is not permitted to file or cause claims to be filed with FEHBP health insurance carriers for reimbursement of items or services furnished at non-debarred facilities, such as the two medical facilities. In lieu of debarring the two medical facilities, the pre-debarment notifications required the facilities to explain how they would ensure that the debarred podiatrist's services would no longer be billed to the FEHBP. The pre-debarment notifications also required the facilities to provide assurances that the debarred podiatrist does not directly or indirectly have an ownership stake or controlling interest in the facilities.

In September 2024, the medical facilities confirmed that the debarred podiatrist does not have a direct or indirect ownership or control interest in the facilities and that they had taken measures to inform and remind staff and patients that the podiatrist is debarred by OPM, and his services cannot be billed to the FEHBP health insurance carriers. Should additional claims be filed by or through the medical facilities for services rendered by the debarred podiatrist, we may pursue debarment of the facilities, in compliance with 5 U.S.C. §§ 8902a(c) and (d).

Wisconsin Dentist Violates Terms of Debarment

On March 28, 2022, our office debarred a Wisconsin dentist based on his February 20, 2022, HHS exclusion for a controlled-substance-related felony conviction, which carries a minimum 5-year exclusion period. His debarment runs concurrent with the term of his HHS exclusion. As of September 2024, our debarment and his HHS exclusion remained in effect.

OPM debarments prohibit health care providers from participating in the FEHBP, which provides health insurance coverage to federal employees, annuitants, and their eligible family members (FEHBP enrollees). As a debarred provider, the provider cannot receive payment of FEHBP funds, either directly or indirectly, for services or supplies furnished to any person enrolled in one of the FEHBP's health insurance plans.

In February 2024, GEHA notified our office that the debarred dentist submitted claims to an FEHBP health insurance carrier for payment of services rendered to FEHBP enrollees after the date of his debarment. On May 13, 2024, we issued a notice to the debarred dentist reminding him that his OPM debarment prohibits him from participating in the FEHBP and receiving payment of FEHBP funds, either directly or indirectly, for services or supplies furnished to any person enrolled in one of the FEHBP's health insurance plans. We informed the dentist that his actions were violations of his debarment terms and, should he continue to submit or cause the submission of FEHBP claims during his debarment period, these actions could be deemed violations of the federal false claims statutes and potentially result in prosecution by a United States Attorney. Additionally, the dentist was informed that such claims may be a basis for the OPM OIG Debarring Official to deny or delay future reinstatement into the FEBHP.

Under 5 U.S.C. § 8902a(c)(2)(d), OPM has the authority to debar an entity that is owned or controlled by a sanctioned provider. Our regulations at 5 CFR § 890.1003 define "control" as constituting the direct or indirect ownership of five percent or more of an entity, or serving as an officer, director, or agent of an entity.

The dentist's violation of his debarment terms prompted the Administrative Sanctions Group to investigate the entities with which the debarred provider was affiliated. The investigation identified two dental practices controlled by the debarred dentist. As a result, a debarment case was opened for the two practices.

Evaluation Activities

The OPM OIG Office of Evaluations provides an alternative method for conducting independent, credible, and thorough reviews of OPM's programs and operations to prevent waste, fraud, and abuse. The Office of Evaluations quickly analyzes OPM concerns or issues that need immediate attention by using a variety of review methods and evaluation techniques. The work by the Office of Evaluations is completed in accordance with the Quality Standards for Inspection and Evaluation (known as the Blue Book) published by Council of the Inspectors General on Integrity and Efficiency. Office of Evaluations reports provide OPM management with findings and recommendations that assist in enhancing program operations, efficiency, effectiveness, and compliance with applicable policies and procedures.

Evaluation of the U.S. Office of Personnel Management's Personal Property Management Process,
Washington, D.C.
Report Number 2023-OEI-002, August 28, 2024

Our analyst completed an evaluation of OPM's personal property management process. The Federal Personal Property Act of 2018 established guidance to increase the efficiency and economy of federal government operations regarding the procurement, utilization, and disposal of property. Effective management of the agency's personal property can prevent fraud, waste, and abuse. As a result, we sought to determine the effectiveness of OPM's personal property management process by assessing OPM's (1) governance structure, (2) inventory process, and (3) disposal process.

At OPM, personal property management responsibilities are shared between its Facilities, Security, and Emergency Management (FSEM) office and the Office of the Chief Information Officer (OCIO). The OCIO manages Information Technology (IT) personal property. FSEM manages non-IT personal property and the ultimate disposal of all OPM personal property. We found that OPM's disposal process is generally following the U.S. General Services Administration's (GSA) required policies and procedures. However, during our evaluation, we determined that OPM needs to improve internal controls over its personal property management process. Specifically, we found:

- OPM's *Personal Property Management Policies and Procedures* manual is outdated. The current manual does not formally document the division between OPM's program offices involved in managing the personal property management process at OPM. Additionally, the manual does not meet all GSA requirements for the management of federal personal property.
- OPM has not conducted an agencywide inventory since 2014, which has led to inaccuracies in the current inventory records.

We made three recommendations that, if implemented, could improve OPM's Personal Property Management Process. OPM Management concurred with our recommendations and provided the corrective actions it plans to take to address the recommendations.

Legal and Legislative Activities

Under the Inspector General Act of 1978, as amended (5 U.S.C. Chapter 4), OIGs are required to obtain legal advice from a counsel reporting directly to an Inspector General (IG). This reporting relationship ensures that the OIG receives independent and objective legal advice. The OPM OIG Office of Legal and Legislative Affairs (OLLA) discharges this statutory responsibility in several ways, including by providing advice to the immediate Office of the Inspector General and the OIG office components on a variety of legal issues, tracking and commenting on legislative matters affecting the work of the OIG, and advancing legislative proposals which address waste, fraud, and abuse against and within OPM programs.

Over the course of this reporting period, the OIG's OLLA advised the IG and other OIG components on many legal and regulatory matters. The office also evaluated proposed legislation related to OPM and the OIG's programs and operations. As part of these activities, we tracked and provided comments on proposed and draft legislation to both Congress and the Council of the Inspectors General on Integrity and Efficiency Legislation Committee.

Congressional Engagement

Over the course of the reporting period, OLLA coordinated 16 engagements with Congressional stakeholders. OLLA provided technical assistance as well as briefings on recent OIG reports and on a joint OPM/OPM OIG legislative proposal.

Below we highlight the ways in which OLLA addressed specific Congressional inquiries regarding:

- The OIG's reporting on FEHBP pharmacy operations and PBMs;
- Oversight of OPM's implementation of the PSHBP within the FEHBP;
- Technical assistance related to introduced legislation addressing FEHBP enrollment and eligibility; and
- A legislative proposal that would address a longstanding OIG recommendation to increase FEHBP integrity by establishing a centralized enrollment portal.

Prescription Drug Benefits and Costs

Congress has been clear on its bipartisan concerns about the rising price of prescription drugs, including concerns about the potential role that PBMs may play in escalating costs.

The OIG has previously reported that prescription drug benefits are a major component of the cost for the FEHBP, representing approximately 31.6 percent of total health care charges in the

FEHBP.[3] One way in which OPM has sought to address these rising costs is by establishing PBM Transparency Standards. These standards have been included in FEHBP contracts since 2005 for fee-for-service and 2008 for experienced-rated health maintenance organization health insurance carriers.[4] Despite the long-standing application of the PBM transparency standards, the OIG continues to find that carriers and PBMs often fail to comply with these requirements, frequently overcharging the FEHBP millions of dollars.[5]

The OIG had the opportunity during this reporting period to brief Congressional staff and other interested stakeholders on our work in this area and emphasize the essential role of oversight in holding PBMs accountable and protecting taxpayer funds.

PSHBP Oversight Resources

The Postal Service Reform Act of 2022, which was enacted in April 2022, requires that OPM establish the PSHBP by January 1, 2025. Accordingly, the agency had less than 3 years to establish this new, separate program within the FEHBP. Open Season, during which Postal Service employees, annuitants, and eligible family members select health plans, begins on November 11, 2024, and runs through December 9, 2024. Congress appropriated significant funds to OPM to accomplish this major initiative, and the OIG has prioritized real-time oversight of critical aspects of OPM's PSHBP implementation.

The OIG has raised the importance of dedicated funding to support our ongoing real-time reviews of OPM's PSHBP implementation with Congressional oversight and appropriations committees. Through briefings and other communications, OLLA, as well as other OIG components, have shared with key stakeholders how—as the agency moves closer to fully implementing the program—the OIG's efforts will shift to ongoing oversight in the form of audits and investigations related to OPM's administration of the PSHBP.

Legislative Proposals to Enhance the Integrity of OPM's Health Benefits Programs

The OIG has reported on the ongoing challenges the FEHBP faces related to its ability to detect, identify, and prevent ineligible family members from using FEHBP benefits. Congress is also interested in strengthening the integrity of the FEHBP, as demonstrated by the Federal

[3] Final Report, *The U.S. Office of Personnel Management Challenges for Fiscal Year 2025*, U.S. Office of Personnel Management Office of the Inspector General (September 27, 2024).

[4] FEHB Program Carrier Letter Number 2024-02 at https://www.opm.gov/healthcare-insurance/carriers/fehb/2024/2024-02.pdf.

[5] Final Audit Report, Audit of the American Postal Workers Union Health Plan's Pharmacy Operations as Administered by Express Scripts, Inc. For Contract Years 2016 through 2021 (2022-SAG-029), U.S. Office of Personnel Management Office of the Inspector General (March 27, 2024), Final Audit Report, Audit of Group Health Incorporated's Federal Employees Health Benefits Program Pharmacy Operations as Administered by Express Scripts, Inc. For Contract Years 2015 through 2019 (1H-08-00-21-015), U.S. Office of Personnel Management Office of the Inspector General (February 16, 2023).

Employees Health Benefits Protection Act (H.R. 7868/S. 4035), legislation that requires OPM to verify eligibility of members, conduct an audit to identify ineligible members, and remove ineligible enrollees. At the request of Senate Committee on Homeland Security and Governmental Affairs staff, the OIG reviewed the legislation and provided technical assistance. Specifically, OIG staff from the Offices of Audits and investigations identified that there was an opportunity to further achieve the goals of the legislation by adding provisions that would ensure the OIG was able to conduct adequate oversight through audits and investigations.

During this reporting period, OLLA also partnered with OPM's Office of Congressional, Legislative, and Intergovernmental Affairs to promote a legislative proposal aimed at improving the integrity of the FEHBP by allowing OPM to draw additional administrative funds from the existing Employee Health Benefits fund to improve eligibility determination and enrollment systems of the FEHBP. The joint proposal also creates a mechanism by which the OIG can draw additional funds to conduct oversight as well as oversee implementation of the legislative proposal more generally. Together, the OIG and OPM engaged with stakeholders in both the House and Senate on a shared legislative priority to support FEHBP and PSHBP integrity and oversight.

With this consistent source of funding, OPM would be able to implement a centralized enrollment portal for the PSHBP—and ultimately the FEHBP—thereby addressing an important agency priority. The OIG has continuously identified ineligible members as a fraud risk to OPM's health benefits programs and highlighted the need for centralized enrollment as a means of preventing improper enrollment activity through better control mechanisms. An investment in a centralized enrollment portal would help OPM to improve project management and provide the OIG with enhanced oversight capabilities. This could be a potentially significant development for reducing improper payments and fraud, waste, and abuse in OPM's health benefits programs. It would also help address the longstanding program integrity concerns shared by the agency, the OIG, and Congress.

Statistical Summary of Enforcement Activities

Investigative Actions and Recoveries

Indictments and Criminal Informations	9
Arrests	7
Convictions	3
Criminal Complaints/Pre-Trial Diversion	1
Subjects Presented for Prosecution	39
Federal Venue	39
Criminal	21
Civil	18
State Venue	0
Local Venue	0
No-Knock Entries[6]	0
No-Knock Entries Pursuant to Judicial Authorization	0
No-Knock Entries Pursuant to Exigent Circumstances	0
No-Knock Entries in which Law Enforcement Officer or Other Person was Injured	0
Dollars Presented to the U.S. Department of Justice[7]	$784,091,641
Expected Recovery Amount to OPM Programs	$1,892,057
Civil Judgments and Settlements	$1,411,291
Criminal Fines, Penalties, Assessments, and Forfeitures	$480,766
Administrative Recoveries	$0
Expected Recovery Amount for All Programs and Victims[8]	$545,848,281

Investigative Administrative Actions

FY 2024 Investigative Reports Issued[9]	211
Issued between April 1, 2024, and September 30, 2024	134
Whistleblower Retaliation Allegations Substantiated	0
Cases Referred for Suspension and Debarment	4
Personnel Suspensions, Terminations, or Resignations	1
Referrals to the OPM OIG Office of Audits	0
Referrals to an OPM Program Office	1

[6] This information is reported as part of the reporting required by Executive Order 14074, Accountable Policing and Criminal Justice Practices to Enhance Public Trust and Public Safety, Section 10(c).

[7] The "Dollars Presented to the U.S. Department of Justice" attempts to better present how OPM programs are affected by potential improper payments due to fraud, waste, or abuse in cases that the OPM OIG expends investigative resources on, whether or not the case is ultimately accepted for prosecution.

[8] This figure represents criminal fines/penalties and civil judgments/settlements returned not to OPM, but to the general fund of the Treasury. It also includes asset forfeitures, court assessments, and/or fees resulting from criminal investigations conducted by our office. Many of these criminal investigations were conducted jointly with other federal agencies who share credit for the fines, penalties, assessments, and forfeitures.

[9] The total number of investigative reports issued during the reporting period includes reports of investigations and summative investigative reports.

Administrative Sanctions Activities

FEHBP Debarments and Suspensions Issued 475
FEHBP Provider Debarment and Suspension Inquiries 2,317
Suspensions in Effect at the End of the Reporting Period 39,522

Table 1: Enforcement Activities

	OPM Healthcare & Insurance Office	OPM Retirement Services Office	Other OPM Program Offices	External/ Internal Matters	Total
Cases Opened					
Investigations[10]	54	6	0	2	62
Preliminary Investigations[11]	87	7	0	11	105
FEHBP Carrier Notifications/Program Office	725	6	0	0	731
Complaints – All Other Sources/Proactive[12]	165	6	0	14	185
Cases Closed					
Investigations	47	8	0	1	56
Preliminary Investigations	36	3	0	3	42
FEHBP Carrier Notifications/Program Office	807	3	0	0	810
Complaints – All Other Sources/Proactive	154	6	0	6	166
Cases In Progress[13]					
Investigations	127	17	1	5	150
Preliminary Investigations	42	7	0	10	59
FEHBP Carrier Notifications/Program Office	97	4	0	0	101
Complaints – All Other Sources/Proactive	14	0	0	0	14

[10] This includes preliminary investigations from this reporting period and previous reporting periods converted to investigations during this reporting period.
[11] This includes complaints or carrier notifications from this reporting period and previous reporting periods converted to preliminary investigations during this reporting period. Additionally, preliminary investigations include cases migrated from the previous case management system.
[12] "Complaints" excludes allegations received via the OPM OIG Hotline, which are reported separately in this report.
[13] "Cases In-Progress" may have been opened in a previous reporting period.

OIG Hotline Complaint Activity

OIG Hotline Complaints Received	**1,729**
Sources of OIG Hotline Cases Received	
Website	984
Telephone	558
Letter	78
Email	106
Other	3
OPM Program Office	
Healthcare and Insurance	**353**
Customer Service	32
Health Care Fraud, Waste, and Abuse Complaint	174
Other Health Care and Insurance Issues	147
Retirement Services	**608**
Customer Service	146
Retirement Fraud, Waste, and Abuse Complaint	144
Other Retirement Services Issues	318
Other OPM Program Offices/Internal Matters	**53**
Customer Service	6
Other OPM Program Fraud, Waste, and Abuse	11
Other OPM Program Issue	36
External Agency Issue (Unrelated to OPM)	**715**
OIG Hotline Complaints Reviewed and Closed[14]	**1,803**
Outcome of OIG Hotline Complaints Closed	
Referred to External Agency	**15**
Referred to OPM Program Office	**423**
Retirement Services	215
Healthcare and Insurance	157
Other OPM Programs/Internal Matters	51
Referred to FEHBP Carrier	**55**
No Further Action	**1,306**
Converted to Case	**4**
OIG Hotline Complaints Pending[15]	**189**
By OPM Program Office	
Healthcare and Insurance	36
Retirement Services	121
Other OPM Program Offices/Internal Matters	12
External Agency Issue (unrelated to OPM)	10
To be determined[16]	10

[14] Includes hotline cases that may have been received in a previous reporting period.
[15] Includes hotline cases pending an OIG internal review or an agency response to a referral.
[16] Includes hotline cases pending an OIG internal review or an agency response to a referral.

Appendix I-A: Final Reports Issued With Questioned Costs for Insurance Programs

Subject	Number of Reports	Questioned Costs
A. Reports for which no management decision had been made by the beginning of the reporting period	14	$322,233,179
B. Reports issued during the reporting period with questioned costs	2[1]	$4,810,838[2]
Subtotals (A+B)	16	$327,044,017
C. Reports for which a management decision was made during the reporting period:	3	$23,355,458
1. Net disallowed costs	N/A	$21,820,680
Disallowed costs during the reporting period	N/A	$22,459,917[3]
Less: costs originally disallowed but subsequently allowed during the reporting period	N/A	$639,237[4]
2. Net allowed costs	N/A	$1,534,778
Allowed costs during the reporting period	N/A	$895,541[5]
Plus: costs originally disallowed but subsequently allowed during the reporting period	N/A	$639,237[4]
D. Reports for which no management decision has been made by the end of the reporting period	13	$303,688,559
E. Reports for which no management decision has been made within 6 months of issuance	12	$299,035,623

[1] Includes two reports that were previously issued but had no initial questioned costs.
[2] Includes $165,352 in questioned costs from two previously issued reports that had no initial questioned costs and $4,645,486 in additional questioned costs from two reports that were previously issued with questioned costs.
[3] Represents the management decision to support questioned costs and establish a receivable during the reporting period.
[4] Represents questioned costs which were determined by management to be allowable charges per the contract, subsequent to an initial management decision to disallow and establish a receivable.
[5] Represents questioned costs (overpayments) which management allowed and for which no receivable was established. It also includes the allowance of underpayments to be returned to the carrier.

Appendix I-B: Final Reports Issued With Questioned Costs for All Other Audit Entities

Subject	Number of Reports	Questioned Costs
A. Reports for which no management decision had been made by the beginning of the reporting period	0	$0
B. Reports issued during the reporting period with questioned costs	1	$372,666
Subtotals (A+B)	1	$372,666
C. Reports for which a management decision was made during the reporting period:	1	$372,666
1. Net disallowed costs	N/A	$372,666
2. Net allowed costs	N/A	$0
D. Reports for which no management decision has been made by the end of the reporting period	0	$0
E. Reports for which no management decision has been made within 6 months of issuance	0	$0

Appendix II: Resolution of Questioned Costs in Final Reports for Insurance Programs

Subject	Questioned Costs
A. Value of open recommendations at the beginning of the reporting period	$322,233,179
B. Value of new audit recommendations issued during the reporting period	$4,810,838[1]
Subtotals (A+B)	$327,044,017
C. Amounts recovered during the reporting period	$21,820,680
D. Amounts allowed during the reporting period	$1,534,778
E. Other adjustments	$0
Subtotals (C+D+E)	$23,355,458
F. Value of open recommendations at the end of the reporting period	$303,688,559

[1] Includes $165,352 in questioned costs from two previously issued reports that had no initial questioned costs and $4,645,486 in additional questioned costs from two reports that were previously issued with questioned costs.

Appendix III: Final Reports Issued With Recommendations for Better Use of Funds

Subject	Number of Reports	Questioned Costs
A. Reports for which no management decision had been made by the beginning of the reporting period	0	$0
B. Reports issued during the reporting period with questioned better use of funds amounts	0	$0
Subtotals (A+B)	0	$0
C. Reports for which a management decision was made during the reporting period:	0	$0
D. Reports for which no management decision has been made by the end of the reporting period	0	$0
E. Reports for which no management decision has been made within 6 months of issuance	0	$0

Appendix IV: Insurance Audit Reports Issued

Report Number	Subject	Date Issued	Questioned Costs
2024-SAG-016	Humana Dental's 2025 Premium Rate Proposal for the Federal Employees Dental and Vision Insurance Program in Louisville, Kentucky	July 29, 2024	$0
2024-CRAG-018	Priority Health's 2024 Proposed Rate Reconciliation in Grand Rapids, Michigan	July 30, 2024	$0
2024-CRAG-019	AvMed Health Plan's 2024 Proposed Rate Reconciliation in Miami, Florida	July 30, 2024	$0
2024-SAG-014	Aetna Dental's 2025 Premium Rate Proposal for the Federal Employees Dental and Vision Insurance Program in Blue Bell, Pennsylvania	August 2, 2024	$0
2024-SAG-015	EmblemHealth Dental's 2025 Premium Rate Proposal for the Federal Employees Dental and Vision Insurance Program in New York, New York	August 2, 2024	$0
2024-CAAG-001	Claims Processing and Payment Operations at Select Anthem Blue Cross and Blue Shield Plan Sites for Contract Years 2020 through 2022 in Washington, D.C.	August 23, 2024	$0
TOTAL			$0

Appendix V: Internal Audit Reports Issued

Report Number	Subject	Date Issued
2024-IAG-010	The U.S. Office of Personnel Management's Compliance with the Payment Integrity Information Act of 2019 in Washington, D.C.	May 29, 2024

Appendix VI: Information Systems Audit Reports Issued

Report Number	Subject	Date Issued
2023-ISAG-024	Information Systems General and Application Controls at Group Health Cooperative of South Central Wisconsin in Madison, Wisconsin	July 15, 2024
2024-ISAG-009	Information Technology Security Controls of the U.S. Office of Personnel Management's White House Fellows System in Washington, D.C.	August 8, 2024

Appendix VII: Postal Service Health Benefits Program Audit Reports Issued

Report Number	Subject	Date Issued
PSHB-087	The U.S. Office of Personnel Management's Implementation of the Postal Service Health Benefits Program: Interim Report in Washington, D.C.	April 25, 2024
PSHB-088	The U.S. Office of Personnel Management's Implementation of the Postal Service Health Benefits Program: Collection of Members' Eligibility Documentation in Washington, D.C.	September 13, 2024

Appendix VIII: Other Reports Issued

Report Number	Subject	Date Issued
2024-CRAG-006	Final Audit Research Results: OPM's Subscription Income Process in Washington, D.C.	June 17, 2024
2024-SAG-005	Federal Flexible Spending Account Program as Administered by HealthEquity, Inc. from January 1, 2019, through December 31, 2022, in Louisville, Kentucky	July 17, 2024

Appendix IX: Evaluation Reports Issued

Report Number	Subject	Date Issued
2023-OEI-002	Evaluation of the U.S. Office of Personnel Management's Property Management Process in Washington, D.C.	August 28, 2024

Appendix X: Summary of Reports More Than 6 Months Old Pending Corrective Action

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved[1]	Total Issued
4A-CF-00-08-025	The U.S. Office of Personnel Management's Fiscal Year 2008 Consolidated Financial Statements in Washington, D.C.	November 14, 2008	1	0	6
4A-CF-00-09-037	The U.S. Office of Personnel Management's Fiscal Year 2009 Consolidated Financial Statements in Washington, D.C.	November 13, 2009	1	0	5
4A-CF-00-10-015	The U.S. Office of Personnel Management's Fiscal Year 2010 Consolidated Financial Statements in Washington, D.C.	November 10, 2010	2	0	7
4A-CF-00-11-050	The U.S. Office of Personnel Management's Fiscal Year 2011 Consolidated Financial Statements in Washington, D.C.	November 14, 2011	1	0	7
4A-CF-00-12-039	The U.S. Office of Personnel Management's Fiscal Year 2012 Consolidated Financial Statements in Washington, D.C.	November 15, 2012	1	0	3
4A-CF-00-13-034	The U.S. Office of Personnel Management's Fiscal Year 2013 Consolidated Financial Statements in Washington, D.C.	December 13, 2013	1	0	1
4A-CF-00-14-039	The U.S. Office of Personnel Management's Fiscal Year 2014 Consolidated Financial Statements in Washington, D.C.	November 10, 2014	3	0	4
4A-CF-00-15-027	The U.S. Office of Personnel Management's Fiscal Year 2015 Consolidated Financial Statements in Washington, D.C.	November 13, 2015	3	0	5
4A-CF-00-16-030	The U.S. Office of Personnel Management's Fiscal Year 2016 Consolidated Financial Statements in Washington, D.C.	November 14, 2016	9	0	19
4A-CI-00-17-014	The U.S. Office of Personnel Management's Security Assessment and Authorization Methodology in Washington, D.C.	June 20, 2017	1	0	4
4A-CI-00-17-030	Information Technology Security Controls of the U.S. Office of Personnel Management's SharePoint Implementation in Washington, D.C.	September 29, 2017	1	0	8

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved[1]	Total Issued
4A-CF-00-17-028	The U.S. Office of Personnel Management's Fiscal Year 2017 Consolidated Financial Statements in Washington, D.C.	November 13, 2017	11	0	18
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 in Washington, D.C.	February 5, 2018	3	0	3
4A-CF-00-18-012	The U.S. Office of Personnel Management's Fiscal Year 2017 Improper Payments Reporting in Washington, D.C.	May 10, 2018	1	0	2
4A-HR-00-18-013	Information Technology Security Controls of the U.S. Office of Personnel Management's USA Staffing System in Washington, D.C.	May 10, 2018	1	0	4
4A-CF-00-18-024	The U.S. Office of Personnel Management's Fiscal Year 2018 Consolidated Financial Statements in Washington, D.C.	November 15, 2018	11	0	23
4K-CI-00-18-009	The U.S. Office of Personnel Management's Preservation of Electronic Records in Washington, D.C.	December 21, 2018	1	0	3
4A-CI-00-18-037	The U.S. Office of Personnel Management's Compliance with the Federal Information Technology Acquisition Reform Act in Washington, D.C.	April 25, 2019	1	0	5
4A-CF-00-19-012	The U.S. Office of Personnel Management's Fiscal Year 2018 Improper Payments Reporting in Washington, D.C.	June 3, 2019	1	0	4
4A-CI-00-19-008	The U.S. Office of Personnel Management's Compliance with the Data Center Optimization Initiative in Washington, D.C.	October 23, 2019	3	0	23
4A-CF-00-19-022	The U.S. Office of Personnel Management's Fiscal Year 2019 Consolidated Financial Statements in Washington, D.C.	November 18, 2019	11	0	20
1H-01-00-18-039	Management Advisory Report - Federal Employees Health Benefits Program Prescription Drug Benefit Costs in Washington, D.C.	February 27, 2020 Reissued March 31, 2020	0	2	2
4A-RS-00-18-035	The U.S. Office of Personnel Management's Federal Employees	April 2, 2020	3	4	12

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved[1]	Total Issued
	Health Benefits Program and Retirement Services Improper Payments Rate Methodologies in Washington, D.C.				
4A-CF-00-20-014	The U.S. Office of Personnel Management's Fiscal Year 2019 Improper Payments Reporting in Washington, D.C.	May 14, 2020	1	0	3
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 in Scottsdale, Arizona	July 20, 2020	3	0	8
4A-CI-00-20-009	The U.S. Office of Personnel Management's Security Assessment and Authorization Methodology in Washington, D.C.	September 18, 2020	1	0	11
4A-HI-00-19-007	The U.S. Office of Personnel Management's Administration of Federal Employee Insurance Programs in Washington, D.C.	October 30, 2020	5	1	24
4A-RS-00-19-038	The U.S. Office of Personnel Management's Retirement Services Disability Process in Washington, D.C.	October 30, 2020	0	5	8
4A-CF-00-20-024	The U.S. Office of Personnel Management's Fiscal Year 2020 Consolidated Financial Statements in Washington, D.C.	November 13, 2020	11	0	21
1C-GG-00-20-026	Information Systems General Controls at Geisinger Health Plan in Danville, Pennsylvania	March 9, 2021	0	1	2
4A-HI-00-18-026	Management Advisory Report - FEHB Program Integrity Risks Due to Contractual Vulnerabilities in Washington, D.C.	April 1, 2021	11	0	11
4A-CF-00-21-008	The U.S. Office of Personnel Management's Fiscal Year 2020 Improper Payments Reporting in Washington, D.C.	May 17, 2021	1	0	4
1C-8W-00-20-017	UPMC Health Plan, Inc., in Pittsburgh, Pennsylvania	June 28, 2021	4	0	17
1H-99-00-20-016	Reasonableness of Selected FEHBP Carriers' Pharmacy Benefit Contracts in Washington, D.C.	July 29, 2021	3	0	3
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.	September 9, 2021 Reissued November 22,2021	1	0	4

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved[1]	Total Issued
4A-CF-00-21-027	The U.S. Office of Personnel Management's Fiscal Year 2021 Consolidated Financial Statements in Washington, D.C.	November 12, 2021	11	0	20
1A-10-17-21-018	Health Care Service Corporation for Contract Years 2018 through 2020 in Chicago, Illinois	February 23, 2022 Reissued March 16, 2022	0	4	18
n/a	Review of the 2017 Presidential Management Fellows Program Application Process Redesign in Washington, D.C.	May 18, 2022	8	0	8
2022-IAG-002	The U.S. Office of Personnel Management's Compliance with the Payment Integrity Information Act of 2019 in Washington, D.C.	June 23, 2022	1	0	6
1C-59-00-20-043	Kaiser Foundation Health Plan, Inc., in Oakland, California	August 16, 2022	1	0	16
1A-10-15-21-023	BlueCross BlueShield of Tennessee in Chattanooga, Tennessee	August 25, 2022	1	0	11
1G-LT-00-21-013	Federal Long Term Care Insurance Program for Contract Years 2017 through 2019 in Portsmouth, New Hampshire	September 12, 2022	1	0	3
2022-IAG-003	The U.S. Office of Personnel Management's Fiscal Year 2022 Consolidated Financial Statements in Washington, D.C.	November 14, 2022	11	0	15
2022-ISAG-0020	Information Systems General and Application Controls at Blue Cross Blue Shield of Kansas in Topeka, Kansas	December 14, 2022	0	2	6
2022-CRAG-004	MercyCare Health Plans in Janesville, Wisconsin	February 2, 2023	2	0	4
2022-CAAG-009	Claims Processing and Payment Operations at Premera Blue Cross in Mountlake Terrace, Washington	February 8, 2023	1	0	6
2022-CRAG-0010	The Federal Employees Health Benefits Program Termination Process at Health Plan of Nevada, Inc., in Las Vegas, Nevada	February 15, 2023	3	2	20
1H-08-00-21-015	Group Health Incorporated's Federal Employees Health Benefits Program Pharmacy Operations as Administered by Express Scripts, Inc., for Contract Years 2015 through 2019 in St. Louis, Missouri	February 16, 2023	10	0	12
2022-CAAG-0023	Claims Processing and Payment Operations at	March 3, 2023	2	0	5

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved[1]	Total Issued
	Blue Cross and Blue Shield of North Carolina for Contract Years 2018 through 2020 in Durham, North Carolina				
2022-CAAG-0014	Evaluation of COVID-19's Impact on FEHBP Telehealth Services and Utilization in Washington, D.C.	March 6, 2023	5	0	5
2023-IAG-002	The U.S. Office of Personnel Management's Compliance with the Payment Integrity Information Act of 2019 in Washington, D.C.	May 22, 2023	1	0	2
2022-IAG-0019	The U.S. Office of Personnel Management's Retirement Services' Settlement Process in Washington, D.C.	June 15, 2023	0	4	5
2022-CAAG-035	Claims Processed in Accordance with the Omnibus Budget Reconciliation Acts of 1990 and 1993 at All Blue Cross and Blue Shield Plans for Contract Years 2019 through 2021 in Washington, D.C.	June 27, 2023	11	0	11
2022-ISAG-036	Information Systems General and Application Controls at Health Alliance Medical Plans, Inc., in Champaign, Illinois	July 13, 2023	0	10	17
2023-ISAG-007	Information Technology Security Controls of the U.S. Office of Personnel Management's Benefits Plus System in Washington, D.C.	August 9, 2023	4	0	16
2023-ISAG-003	Information Systems General and Application Controls at Blue Cross of Idaho in Meridian, Idaho	August 10, 2023	0	1	7
2022-CRAG-032	Medical Mutual of Ohio in Cleveland, Ohio	August 21, 2023	0	1	20
2022-CRAG-037	UnitedHealthcare Insurance Company, Inc., in Minnetonka, Minnesota	October 30, 2023	11	0	17
2023-CAAG-001	Claims Processing and Payment Operations at Select Anthem Blue Cross and Blue Shield Plan Sites for Contract Years 2019 through 2021 in Washington, D.C.	November 6, 2023	1	2	7
2023-IAG-017	The U.S. Office of Personnel Management's Fiscal Year 2023 Consolidated Financial Statements in Washington, D.C.	November 13, 2023	15	0	15
2023-OEI-001	Evaluation of the U.S. Office of Personnel Management's Processing of Initial Retirement Claim Applications in Washington, D.C.	November 15, 2023	3	1	5

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved[1]	Total Issued
PSHB-085	Flash Audit Alert – The U.S. Office of Personnel Management's Implementation of the Postal Service Health Benefits Program: Carrier Connect Authorization to Operate in Washington, D.C.	November 15, 2023	1	0	2
2023-ISAG-006	Federal Information Security Modernization Act Audit - Fiscal Year 2023 in Washington, D.C.	November 22, 2023	2	0	11
2022-CAAG-001	The Office of Personnel Management's Disputed Claims Process for Years 2018 through 2020 in Washington, D.C.	December 20, 2023	15	0	15
2023-CRAG-011	Dean Health Plan in Madison, Wisconsin	January 12, 2024	2	0	19
2023-CAAG-009	Claims Processing and Payment Operations at all Blue Cross and Blue Shield Plans as Related to Provider Network Status for Contract Years 2019 through 2021 in Washington, D.C.	February 15, 2024	2	0	3
2023-CAAG-020	FEHBP Claims Processing and Payment Operations as Administered by Regence for Contract Years 2019 through 2021 in Tacoma, Washington	February 20, 2024	3	0	3
2023-IAG-008	The U.S. Office of Personnel Management's Purchase Card Program in Washington, D.C.	February 20, 2024	0	8	12
2023-ERAG-005	Blue Cross Blue Shield of North Carolina in Durham, North Carolina	February 26, 2024	0	1	8
2023-CAAG-022	Claims Processing and Payment Operations as Administered by Blue Cross and Blue Shield of Florida for Contract Years 2020 through 2022 in Jacksonville, Florida	March 6, 2024	1	1	2
2023-CRAG-010	Blue Care Network of Michigan in Detroit, Michigan	March 12, 2024	1	1	3
2022-SAG-029	American Postal Workers Union Health Plan's Pharmacy Operations as Administered by Express Scripts, Inc., for Contract Years 2016 through 2021 in Glen Burnie, Maryland	March 29, 2024	13	0	17
TOTAL			**255**	**51**	**676**

[1] As defined in OMB Circular No. A-50, resolved means that the audit organization and agency management agree on action to be taken on reported findings and recommendations; however, corrective action has not yet been implemented. Outstanding and unimplemented (open) recommendations listed in this appendix that have not yet been resolved are not in compliance with the OMB Circular No. A-50 requirement that recommendations be resolved within 6 months after the issuance of a final report.

Appendix XI: Most Recent Peer Review Results

We do not have any open recommendations to report from our peer reviews.

Subject	Date of Report	Result
System Review Report on the U.S. Office of Personnel Management Office of the Inspector General Audit Organization (*Issued by the Office of Inspector General, U.S. Department of Labor*)	September 4, 2024	Pass[1]
System Review Report on the National Railroad Passenger Corporation Office of Inspector General Audit Organization *(Issued by the Office of the Inspector General, U.S. Office of Personnel Management)*	December 16, 2021	Pass
External Quality Assessment Review of the Office of the Inspector General for the U.S. Office of Personnel Management Investigative Operations (*Issued by the Tennessee Valley Authority Office of the Inspector General*)	January 19, 2023	Compliant[2]
Quality Assessment Review of the Investigative Operations of the Office of the Inspector General for the U.S. Railroad Retirement Board (*Issued by the Office of the Inspector General, U.S. Office of Personnel Management*)	March 28, 2024	Compliant
External Peer Review Report on the Office of Evaluations of the Office of the Inspector General for the U.S. Office of Personnel Management (*Issued by the U.S. General Services Administration Office of Inspector General*)	June 30, 2022	Compliant[3]
External Peer Review Report on the Office of the Inspector General for the Library of Congress (*Issued by the Office of the Inspector General, U.S. Office of Personnel Management*)	July 22, 2021	Compliant

[1] A peer review rating of "Pass" is issued when the reviewing Office of Inspector General concludes that the system of quality control for the reviewed Office of Inspector General has been suitably designed and complied with to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The Peer Review does not contain any deficiencies or significant deficiencies.
[2] A rating of "Compliant" conveys that the reviewed Office of Inspector General has adequate internal safeguards and management procedures to ensure that the Council of the Inspectors General on Integrity and Efficiency standards are followed and that law enforcement powers conferred by the 2002 amendments to the Inspector General Act are properly exercised.
[3] A rating of "Compliant" conveys that the reviewed Office of Inspector General has adequate internal safeguards and management procedures to ensure that the Council of the Inspectors General on Integrity and Efficiency standards for Inspections and Evaluations are followed.

Appendix XII: Investigative Recoveries

Investigative Recovery Area	Sum of Total Recovery Amount	Sum of OPM Recovery Net
Civil Action	**$535,798,916**	**$1,411,291**
Healthcare and Insurance	$535,798,916	$1,411,291
Federal Employees Health Benefits Program (FEHBP)	$535,798,916	$1,411,291
Civil Action	$535,798,916	$1,411,291
Criminal Action	**$10,049,365**	**$480,766**
Healthcare and Insurance	$9,973,630	$405,032
Federal Employees Health Benefits Program (FEHBP)	$9,973,630	$405,032
Court Assessment/Fees	$1,100	$0
Criminal Judgement/Restitution	$9,973,630	$405,032
Retirement Services	$75,735	$75,735
CSRS & FERS	$75,735	$75,735
Court Assessment/Fees	$100	$0
Criminal Judgement/Restitution	$75,735	$75,735
TOTAL	**$545,848,281**	**$1,892,057**

Reporting Requirements in the Inspector General Act of 1978, As Amended

Requirement	Location
Review of legislation and regulations	Legal and Legislative Activities
Significant problems, abuses, and deficiencies as well as the associated reports and recommendations for corrective action	Audit Activities, Evaluation Activities
Recommendations made before the reporting period, for which corrective action has not been completed	OIG website
Significant investigations closed during the reporting period	Statistical Summary of Enforcement Activities
Number of convictions closed during the reporting period resulting from investigations	Statistical Summary of Enforcement Activities
Audit, inspection and evaluation reports issued during the reporting period, including information regarding the value of questioned costs and recommendations for funds put to better use	Appendices I–IX
Management decisions made during the reporting period with respect to audits, inspections, and evaluations issued during a previous reporting period	Summary of Reports More Than 6 Months Old Pending Corrective Action
Reportable information under section 804(b) of the Federal Financial Management Improvement Act of 1996	Information Systems Audits, Internal Audits
Information pertaining to peer review by other OIGs	Most Recent Peer Review Results
Statistical tables showing the number of investigative reports issued, persons referred for criminal prosecution, and indictments and criminal informations during the reporting period	Statistical Summary of Enforcement Activities, OIG Hotline Complaint Activity, Investigative Recoveries
Metrics used for developing the data for the table showing investigative reports, persons referred for criminal prosecution, and indictments and criminal informations	Statistical Summary of Enforcement Activities, OIG Hotline Complaint Activity
Reports on investigations involving substantiated misconduct by senior government employees or officials	No activity
Descriptions of whistleblower retaliation, including implicated individuals and any consequences imposed	No activity
Agency attempts to interfere with OIG independence	No activity
Closed investigations, audits, and evaluations not disclosed to the public	Statistical Summary of Enforcement Activities, OIG Hotline Complaint Activity
Closed investigations involving senior government employees, not disclosed to the public	No activity

See James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, H.R. 7776, 117th Cong. § 5273 (2022).

For additional information or copies of this publication, please contact:

Office of the Inspector General
U.S. Office Of Personnel Management

Theodore Roosevelt Building
1900 E Street NW, Room 6400
Washington, D.C. 20415-1100

Telephone: (202) 606-1200
Fax: (202) 606-2153

oig.opm.gov

September 2024 | OIG-SAR-71