



U.S. OFFICE OF PERSONNEL MANAGEMENT
OFFICE OF THE INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

Summary of Investigative Activities

Quarterly Summary of Investigative Activities

October 1, 2024 to December 31, 2024

Executive Summary

Summaries of Investigative Activities

In this report, the U.S. Office of Personnel Management (OPM) Office of the Inspector General (OIG) summarizes recent cases investigated by the OPM OIG Office of Investigations as part of our mission to provide independent and objective oversight of OPM programs and operations.

These cases highlight the successes of our criminal investigators and investigative analysts; present challenges and risks to OPM programs and OIG oversight; and describe fraud, waste, abuse, and mismanagement that harms OPM, its programs and operations, and federal employees, retirees, and their eligible dependents.

Drew M. Grimm
*Assistant Inspector General
for Investigations*

About OPM OIG Investigations

The OPM OIG Office of Investigations investigates allegations of wrongdoing related to OPM employees and contractors and allegations of fraud, waste, abuse, or mismanagement involving or affecting OPM programs and operations, including the following:

- the Federal Employees Health Benefits Program (FEHBP), including the Postal Service Health Benefits Program (PSHBP),
- the Federal Employees Dental and Vision Insurance Program (FEDVIP),
- the Federal Employees' Group Life Insurance program (FEGLI),
- OPM retirement programs, including the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS),
- the Federal Executive Institute (FEI),
- the Combined Federal Campaign (CFC), and
- other OPM programs and operations.

These investigations are essential to the OPM OIG's oversight of OPM programs and operations and ensuring OPM maintains the trust of the public and the federal employees, annuitants, and eligible dependents whom the agency serves.

An indictment is merely an allegation. Defendants referenced in these case summaries who have not pleaded guilty or been convicted are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

Abbreviations

OPM	U.S. Office of Personnel Management
OIG	Office of the Inspector General
CFC	Combined Federal Campaign
CSRS	Civil Service Retirement System
FEDVIP	Federal Employees Dental and Vision Insurance Program
FEGLI	Federal Employees' Group Life Insurance
FEHBP	Federal Employees Health Benefits Program
FEI	Federal Executive Institute
FERS	Federal Employees Retirement System
PSHBP	Postal Service Health Benefits Program

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Health Care Investigations

OPM OIG Health Care Investigations

The U.S. Office of Personnel Management's (OPM) health benefits programs—the Federal Employees Health Benefits Program (FEHBP), which includes the Postal Service Health Benefits Program (PSHBP), and the Federal Employees Dental and Vision Insurance Program (FEDVIP)—cumulatively pay tens of millions of dollars annually in improper payments caused in part by fraud, waste, and abuse. Common health care fraud allegations that the OPM Office of the Inspector General (OIG) investigates include medical providers overbilling, billing for services not covered or performed, falsifying diagnoses, and performing unnecessary tests or procedures. Ineligible members, including ineligible family members, who receive health benefits also cause improper payments.

The OPM OIG Office of Investigations prioritizes investigating allegations of patient harm, substantial monetary loss to OPM health care programs, program vulnerabilities, or cases that involve health care priorities such as the opioid epidemic or the COVID-19 pandemic.

In cases where fraud, waste, or abuse affects programs or entities beyond OPM programs, we work closely with our law enforcement partners in the U.S. Department of Justice, the U.S. Department of Health and Human Services OIG, and other federal and state law enforcement agencies.

Health Care Fraud Case Summaries

- In January 2023, we received a case notification from an FEHBP health insurance carrier alleging that it received claims through December 2022 for an FEHBP member who died in January 2020. The member's daughter submitted fraudulent claims for reimbursement after the FEHBP member's death. The FEHBP health insurance carrier paid \$138,903 for these claims. The total loss to the government from all programs totaled \$348,719. In May 2024, the daughter was charged by a criminal information in the U.S. District Court for the District of Maryland with theft of public money. She pleaded guilty in July 2024. On November 5, 2024, the daughter was sentenced to 3 years of probation, including 12 months of home detention. The court also ordered the daughter to complete 100 hours of community service and pay \$348,719 in restitution.

OPM OIG Investigations Involving the Postal Service Health Benefits Program

The PSHBP is a separate health benefits program under the FEHBP. The PSHBP covers U.S. Postal Service employees, annuitants, and their eligible family members, with its first coverage year beginning on January 1, 2025. The OPM OIG investigates health care fraud cases involving the PSHBP as part of our efforts to protect the FEHBP and OPM programs.

- We have no PSHBP-related investigations to report in this quarter.

OPM OIG Investigations Involving the Opioid Crisis

Beginning in 2017, the U.S. Department of Health and Human Services declared the opioid crisis as an ongoing public health emergency. The OPM OIG Office of Investigations continues to prioritize opioid-related investigations during this ongoing public health emergency. Opioid investigations by our office may involve the manufacturing or marketing of opioids; inappropriate or medically unnecessary prescribing practices; or fraud, waste, or abuse by sober homes and substance abuse recovery facilities.

Opioid-Related Case Summaries

- In June 2024, we received a request from the U.S. Attorney's Office in Tennessee for the FEHBP claims for opioid prescriptions filled at a chain of supermarkets and related to allegations that the supermarkets' pharmacies dispensed opioids and other controlled substances that were medically unnecessary, lacked a legitimate medical purpose or medically accepted indication, or were not dispensed pursuant to valid prescriptions. Our investigation identified that between January 1, 2011, and December 31, 2018, FEHBP health insurance carriers paid \$1,046,081 for claims related to the allegations. On December 3, 2024, the supermarket chain and the U.S. government agreed to a settlement to resolve allegations that the supermarket chain violated the False Claims Act. The supermarket chain agreed to pay \$8.48 million, of which \$4.24 million is restitution. The FEHBP will receive \$396,736 from the settlement.
- In November 2022, the OPM OIG, as part of its work with the Federal Bureau of Investigation Healthcare Fraud Task Force, opened an investigation into a management consulting firm that provided consulting services to a pharmaceutical company. The management consulting firm allegedly advised the pharmaceutical company to intensify marketing of its opioid medication to certain health care providers, including some known to prescribe large quantities of opioids. This caused false or fraudulent FEHBP claims for the opioid medication. On December 11, 2024, a civil settlement was executed between the management consulting firm and the U.S. government to resolve the allegations. The management consulting firm agreed to pay \$323 million. Of this, the FEHBP is expected to receive \$4.95 million in restitution. Additionally, on December 13, 2024, one individual was charged by criminal information in the U.S. District Court for the Western District of Virginia with the destruction, alteration, or falsification of records in a federal investigation.

The FEHBP's Exclusion from the Anti-Kickback Statute: A Barrier to Recovering FEHBP Improper Payments

The Anti-Kickback Statute (Title 42 U.S. Code Sections 1320a–7b) makes it illegal for health care providers to knowingly and willfully accept bribes or other forms of remuneration in return for activities such as patient referrals. The FEHBP is excluded from pursuing cases under the Anti-Kickback Statute. Kickbacks can increase FEHBP costs and patients can suffer harm if health care providers profit off referrals for treatments or procedures that are not medically necessary.

The FEHBP's exclusion from the Anti-Kickback Statute has interfered with our ability to fully protect the FEHBP and its members from improper conduct that would constitute a federal crime when committed against any other federally funded health care program. Improperly paid FEHBP dollars can go unrecovered because of the program's exclusion.

The OPM OIG continues to work with Congress to advance reforms that would allow our office to pursue restitution for anti-kickback violations and recover related improper payments, with the goal of upholding the integrity of the FEHBP and ensuring the safety of its members.

Typically, our investigations are complicated by the FEHBP's Anti-Kickback Statute exclusion if one of the following findings occur:

1. Our investigation finds alleged wrongdoing by a medical provider that involves Anti-Kickback Statute violations as well as other wrongdoing. In these cases, we often continue our investigation. However, if there is a settlement or restitution, the FEHBP may be unable to recover losses considered Anti-Kickback Statute violations. The FEHBP may recover a smaller part of its improper payments compared to other federal programs.
2. Our investigation finds alleged wrongdoing by a medical provider that involves primarily or exclusively Anti-Kickback Statute violations. When the Department of Justice prosecutes these cases, other federal health care programs are identified as victims—but the FEHBP is not, regardless of dollars lost. We typically close these cases after a prosecutorial determination excludes the FEHBP.

Anti-Kickback Statute-Related Case Summaries

- We have no Anti-Kickback Statute related investigations to report during this quarter.

Retirement Investigations

About OPM OIG Retirement Investigations

OPM reported \$243.7 million in overpayments under the Retirement Services program in fiscal year 2024. These improper payments often are from fraud, waste, or abuse in the OPM-administered Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) retirement programs.

The most common causes of improper payments are related to annuitant deaths that are unreported or unknown to OPM. These unreported deaths may allow payments to continue because of program vulnerabilities or intentional fraud on the part of bad actors. Sometimes, CSRS or FERS improper annuity payments continue for years and amount to tens of thousands of dollars before discovery.

Fraud by forged documents (such as OPM's Address Verification Letters to annuitants), identity theft, and other schemes are common harms that the OPM OIG investigates. We also investigate allegations of financial elder abuse to OPM annuitants that may relate to OPM programs and mismanagement of funds by representative payees who violate their duty to act on behalf of an OPM annuitant or survivor annuitant.

As part of our investigative work, our Investigative Support Operations group performs proactive searches of death records and other data analysis to find annuitants and survivor annuitants who died but to whom OPM continues to send annuity payments. These proactive investigations are a vital process for finding and stopping improper payments. In some cases, our proactive analysis generates leads for criminal investigations. Information our Investigative Support Operations refers to OPM can also help the agency recover improper payments through administrative actions such as payment agreements or the U.S. Department of the Treasury (Treasury) reclamation process.

OPM Retirement Fraud Case Summaries

- In June 2019, we received a case referral from the OPM Retirement Services program office after it used the Validated Agency Matching Agreement with the Social Security Administration to identify an annuitant who died in August 2014 but continued to receive an annuity until OPM suspended the annuity in September 2018. OPM recovered \$3,128, leaving a total improper payment to the deceased annuitant of \$74,044. The Civil Division of the U.S. Attorney's Office for the Southern District of New York accepted the case, and in March 2023, the Assistant U.S. Attorney filed a civil complaint against the adult child of the deceased annuitant. On October 23, 2024, the United States government and the adult child agreed to a consent judgment wherein \$153,229 will be returned to the government. As part of the settlement, the adult child acknowledged and accepted responsibility for misappropriating the annuity and not taking adequate steps to inform federal agencies of the annuitant's death or return the improper payments.

- In September 2024, we received a hotline referral from a partner OIG alleging that an annuitant's retirement annuity was deposited into the wrong account. Our investigation found that the annuitant died in October 2024. However, her heirs were owed annuity payments from December 2022 to October 2024, and survivor annuity benefits needed to be processed for the decedent's spouse. In October 2024, we referred this case to the Retirement Services program office to pay out the annuity owed to the family of the decedent and to initiate survivor annuity processing for the annuitant's spouse.
- In May 2024, we received information from the Retirement Services program office about annuitants whose information appeared in the U.S. Department of Treasury's Do Not Pay portal. We analyzed the records to find potential improper payments made to deceased annuitants. We located records for a retired annuitant who died in March 2021. OPM paid \$87,585 after the annuitant's death. In September 2024, we provided information about the deceased annuitant to the Retirement Services program office for its action. On October 29, 2024, we received information that OPM recovered the entire overpayment through Treasury reclamation actions.
- We received information from the Retirement Services program office regarding overpayments to a deceased retired and survivor annuitant. The annuitant died in November 2016, but the annuity continued until August 2019. OPM made \$223,067 in post-death annuity payments, but after recoveries through Treasury reclamation actions, the remaining overpayment was \$201,297. Our investigation uncovered that the decedent's son, who died in December 2017, and grandson had access to and allegedly stole government funds, including the OPM annuity. In July 2024, the grandson was indicted in the U.S. District Court for the Middle District of Florida on two counts of theft of government funds. On October 7, 2024, the grandson pleaded guilty to one count of theft of government funds and was sentenced to 6 months of community confinement in a halfway house and 3 years of probation. The court also ordered restitution of \$139,497, of which \$128,033 will be returned to OPM.

Integrity Investigations

About OPM OIG Integrity Investigations

The Office of Investigations conducts investigations into allegations of fraud, waste, abuse, or mismanagement involving OPM employees and contractors. These integrity investigations may involve whistleblowers or allegations of retaliation.

Integrity investigations are essential to maintaining public confidence in OPM, which includes the trust of the current and retired civil servants and eligible family members who rely on OPM programs to operate efficiently and effectively.

Our efforts in these investigations are an important part of the OIG's mission to provide independent and objective oversight of OPM programs and operations.

Integrity Investigations Case Summaries

- We have no reportable actions in integrity-related investigations during this quarter.

About OPM Programs

- **Federal Employees Health Benefits Program (FEHBP):** The FEHBP is the largest employer-sponsored health insurance program in the world, covering more than 8 million federal employees, annuitants, family members, and other eligible individuals. The FEHBP provides quality, affordable, and comprehensive health benefits with national and local plan choices. It is a vital part of the federal government's benefits package.
 - **Postal Service Health Benefits Program (PSHBP):** The PSHBP is a separate health benefits program under the FEHBP that covers U.S. Postal Service employees, annuitants, and their eligible family members. The PSHBP's first plan year began January 1, 2025.
- **Federal Employees Dental and Vision Insurance Program (FEDVIP):** FEDVIP makes supplemental dental and vision insurance available to federal employees and retirees and their eligible family members.
- **OPM Retirement Programs, including the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS):** OPM Retirement Programs pay monthly annuities to retired civil servants and the eligible survivors of deceased OPM annuitants. OPM paid billions of dollars in defined benefits to retirees, survivors, representative payees, and eligible family members during the previous fiscal year.
- **Federal Employees' Group Life Insurance program (FEGLI):** FEGLI is the largest group life insurance program in the world, covering enrolled federal employees, retirees, and their eligible family members. It provides standard group term life insurance and elective coverage options.
- **Federal Executive Institute (FEI):** The FEI is part of OPM's Center for Leadership Development. It offers learning and ongoing leadership development opportunities for federal senior leaders through classes and programs to improve the performance of government agencies.
- **Combined Federal Campaign (CFC):** The CFC is the largest and most successful annual workplace charity campaign in the world, raising millions of dollars each year through pledges made by federal civilian and retiree, postal, and military employee donors during the campaign season. These pledges support eligible nonprofit organizations.



Report Fraud, Waste, Abuse, and Mismanagement

Fraud, waste, abuse, and mismanagement in government concerns everyone: Office of the Inspector General staff, agency employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to OPM programs and operations. You can report allegations to us in several ways:

By Internet: <https://oig.opm.gov/contact/hotline>

By Phone: Toll Free Number: (877) 499-7295

By Mail: Office of the Inspector General
U.S. Office of Personnel Management
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