



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

Summary of Investigative Activities

Quarterly Summary of Investigative Activities

January 1, 2025, to March 31, 2025

Executive Summary

Summary 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 OPM OIG oversight; and describe fraud, waste, abuse, and mismanagement that harms OPM, its programs and operations, and federal employees, retirees, and their eligible dependents.

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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 Long Term Care Insurance Program (FLTCIP);
- 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

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
FERS	Federal Employees Retirement System
FLTCIP	Federal Long Term Care Insurance Program
FSAFEDS	Federal Flexible Spending Account Program
OIG	Office of the Inspector General
OPM	U.S. Office of Personnel Management
PSHBP	Postal Service Health Benefits Program
U.S.C.	U.S. Code

Table of Contents

Executive Summary	i
Abbreviations.....	ii
Table of Contents.....	1
Quarterly Investigative Productivity.....	2
Health Care Investigations	3
Retirement Investigations.....	6
Integrity Investigations.....	8
About OPM Programs.....	9

Quarterly Investigative Productivity

- **Dollars referred for judicial or administrative action..... \$81,637,457**

This is the amount the U.S. Office of Personnel Management (OPM) Office of the Inspector General (OIG) referred for judicial or administrative action based on the casework of the OPM OIG Office of Investigations during this quarter. Our investigative activities identified that this money is associated with allegations of waste, fraud, or abuse and/or improper payments issued by the agency.

- **Restitution orders, settlements, and other recoveries \$718,278**

This is the amount of court-ordered or otherwise promised monetary recoveries through judicial orders (restitution or settlements) or administrative agreements during this quarter. This money may be returned in this quarter or future quarters based on settlement structures, payment plans, or other factors.

- **Actual dollars returned to the OPM trust funds \$577,794**

This is the amount of money that OPM reported to the OIG as received and returned to the retirement or Federal Employees Health Benefits Program (FEHBP) trust funds during the quarter for actions associated with OIG investigative activities (e.g., settlements, restitution payments, or administrative payments). The payment may be based on case outcomes from earlier quarters.

- **OPM OIG Hotline contacts received 1,872**

This is the number of contacts that the OPM OIG Hotline received during the quarter. The OPM OIG Hotline is a statutorily mandated component of the OPM OIG that receives allegations of fraud, waste, or abuse and whistleblower complaints.

Health Care Investigations

About OPM OIG Health Care Investigations

The FEHBP pays 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 OIG investigates include medical providers overbilling, billing for services not covered or performed, falsifying diagnoses, and performing unnecessary tests or procedures. Ineligible 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.

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 February 2020, we received a qui tam complaint filed in the U.S. District Court for the Northern District of Illinois that alleged an orthopedic practice violated the False Claims Act by billing medically unnecessary x rays for all patients. FEHBP health insurance carriers paid \$96,534 related to the allegations. On January 17, 2025, we received an Intra-Governmental Payment and Collection recovery notification that the U.S. Department of Justice secured a \$12,699 financial recovery for the FEHBP as part of the resolution of this case.
- In November 2021, we received a qui tam filed in the U.S. District Court for the Eastern District of Tennessee alleging that a genomic testing company, a radiology center, and a dermatopathology laboratory submitted fraudulent claims in violation of the False Claims Act. The allegations also included kickbacks paid in exchange for genomic testing referrals. FEHBP health insurance carriers paid \$2,027,044 for claims associated with the allegations between January 2019 and January 2023. On January 6, 2025, the genomic testing company agreed to a \$10 million settlement with the U.S. government. The FEHBP will receive \$528,602 from the settlement. The FEHBP, because of its exclusion from the Anti-Kickback Statute, was excluded from any recovery of improper payments related to the kickback allegations.

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.

- In this reporting period, we do not report any public information about cases directly involving the PSHBP.

OPM OIG Investigations Involving the Opioid Crisis

In 2017, the U.S. Department of Health and Human Services declared the opioid crisis a 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 this reporting period, we do not report any public information about cases directly involving the opioid crisis.

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

The Anti-Kickback Statute (title 42 U.S.C. 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 from 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.

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

As mentioned in the summary of the genomic testing case described above, the FEHBP was excluded from any recoveries or settlement calculations associated with the alleged violations of the Anti-Kickback Statute.

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).

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 analysts and special agents refer 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 reclamation process.

OPM Retirement Fraud Case Summaries

- In January 2024, the Suffolk County, New York, District Attorney's Office requested our assistance in an investigation based on a Suffolk County Adult Protective Services complaint regarding misdirected payments to an OPM survivor annuitant with dementia. The survivor annuitant's stepdaughter allegedly stole the survivor annuitant's identity and annuity payments. OPM paid \$68,156 in misdirected annuity payments, but the outstanding improper payment was \$47,327 after some money was recovered. The survivor annuitant died in January 2024. In April 2024, the stepdaughter was indicted in the Superior Court of Suffolk County on grand larceny in the third degree and identity theft in the first degree. On January 9, 2025, the stepdaughter did not report for a scheduled appearance, so a bench warrant was issued. On January 29, 2025, the stepdaughter pleaded guilty to grand larceny in the fourth degree. Per the plea agreement, on March 26, 2025, the stepdaughter was sentenced to 5 years of probation and ordered to pay \$31,515 in restitution to the bank where she opened an account as part of the fraud scheme. The bank had previously reimbursed the survivor annuitant and/or her estate.

- We received a referral from Retirement Services regarding a deceased annuitant who was receiving both a retirement and survivor annuity from OPM. The annuitant had died in November 2016, but OPM continued to send annuity payments until August 2019. After recovering some money through reclamation actions, the remaining overpayment was \$201,297. Our investigation uncovered that the annuitant's son and grandson both had access to and allegedly stole government funds after the annuitant's death. The annuitant's son was deceased, but our investigation identified \$128,033 that the annuitant's grandson stole. On January 6, 2025, the grandson was charged with and pleaded guilty to one count of theft of public money and was sentenced to 6 months of community confinement and 3 years of probation. The court also ordered the grandson to pay restitution of \$139,497, of which OPM will receive \$128,033.

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 millions of federal employees, annuitants, and eligible family members. 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 as well as certain TRICARE members.
- **Federal Flexible Spending Account Program (FSAFEDS):** FSAFEDS allows eligible federal employees to save money for health care expenses with a Health Care or Limited Expense Health Care FSA. Money in an FSA is deducted automatically from an employee's paycheck before taxes are taken out. These pre-tax dollars can be used to pay for eligible health care or dependent care expenses.
- **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. FEGLI disburses millions of dollars in benefits annually.
- **Federal Long Term Care Insurance Program (FLTCIP):** FLTCIP provides supplemental long term care insurance to help pay for costs of care when enrollees need help with daily activities or have severe cognitive impairment. The program is currently suspended for new applications until December 2026.
- **Combined Federal Campaign (CFC):** The CFC offers the federal community an opportunity to donate to thousands of eligible charities. As the largest and most successful annual workplace charity campaign in the world, the CFC raises millions of dollars each year through pledges made by civilian, postal, and military employees and retirees.



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
1900 E Street NW
Room 6400
Washington, DC 20415-1100