

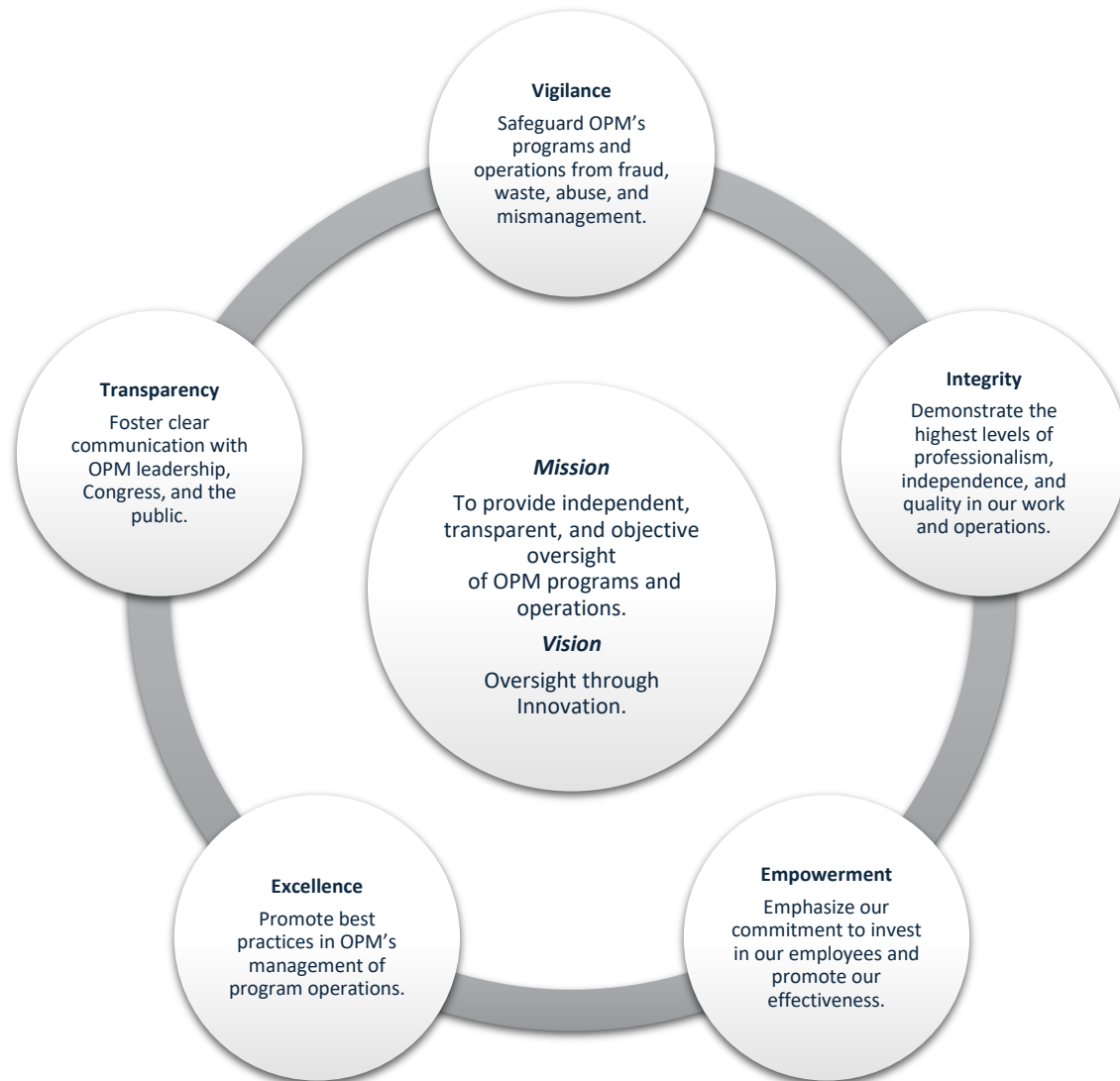
# Fiscal Year 2026 Oversight Plan

October 1, 2025–September 30, 2026

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



## OIG Strategic Framework



## Message from the Deputy Inspector General Performing the Duties of the Inspector General

The following is the fiscal year 2026 Oversight Plan of the U.S. Office of Personnel Management Office of the Inspector General (OIG). It outlines the OIG’s ongoing and planned work for the year ahead. Like any plan, it will be reviewed and adjusted as needed to reflect emerging issues, shifting priorities, and changes in the resources available to our office over the course of the year.

As always, we remain committed to promoting economy and efficiency in the administration of agency programs and operations, and to preventing and detecting fraud, waste, abuse, and improper payments. This plan was developed with those goals in mind, informed by risk assessments of the programs and operations the agency oversees, as well as input from senior program leadership.



Norbert E. Vint

Deputy Inspector General  
Performing the Duties of the Inspector General

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## Introduction

The work outlined in our annual Oversight Plan assists the U.S. Office of Personnel Management (OPM) Office of the Inspector General (OIG) in fulfilling its mission to provide independent, transparent, and objective oversight of OPM's programs and operations to prevent fraud, waste, and abuse. The planned work also assists OPM in enhancing the efficiency and effectiveness of its programs and operations.

The OIG assesses relative risks in OPM programs and operations in identifying those areas most in need of attention to be selected for our oversight work. It is important to note that our oversight plan may change as new risks emerge throughout the year. Additionally, the planned projects are contingent on resource availability.

## Audits and Evaluations

The OIG conducts comprehensive and independent audits and evaluations of OPM programs and operations. Our results assist the Director and Congress by providing credibility and transparency to the information reported by OPM and providing information to improve accountability and facilitate decision-making.

In addition, the OIG audits the activities of OPM contractors that underwrite and provide health and life insurance benefits to federal employees and annuitants, and their eligible dependents and survivors, through the Federal Employees Health Benefits Program (FEHBP) and the Federal Employees' Group Life Insurance (FEGLI) Program. There are approximately 200 insurance carriers participating in the FEHBP with annual premium payments that exceed \$71 billion. In addition, we conduct audits of OPM's Retirement Program, which manages the Civil Service Retirement and Disability Fund (CSRDF), and which includes the Civil Service Retirement System and the Federal Employees Retirement System. The CSRDF has approximately \$1 trillion in net assets available for benefits and makes monthly payments to almost 3 million annuitants and survivors which exceed \$90 billion annually.

To quickly analyze OPM concerns or issues that need immediate attention, the OIG uses a variety of evaluative methods and techniques. The OIG's evaluations are completed in accordance with the Quality Standards for Inspection and Evaluation (known as the Blue Book) published by the Council of the Inspectors General on Integrity and Efficiency. Our evaluation reports provide OPM management and Congress with findings and recommendations that assist in enhancing program operations, efficiency, effectiveness, and compliance with applicable policies and procedures.

## Audit and Evaluation Work Continuing from Fiscal Year 2025

The following audit and evaluation work was initiated during fiscal year (FY) 2025. This work will continue and will result in reports in FY 2026.

- American Postal Workers Union Health Plan
- Blue Cross Blue Shield Association/Caremark Pharmacy Operations

- Blue Cross Blue Shield of North Dakota
- Federal Employees Health Benefits Contract Erroneous Payments Clause
- FY 2025 Financial Statement Audit
- Government Employees Health Association, Inc. (GEHA)
- GEHA Pharmacy Operations (Caremark Pharmacy Benefit Manager [PBM])
- Medical Loss Ratio Research Project
- National Association of Letter Carriers/Caremark Pharmacy Operations
- OPM Retirement Services Efforts to Identify and Prevent Improper Payments
- OPM Office of Procurement Operations
- OPM Office of Small and Disadvantaged Business Utilization
- Payment Integrity Information Act of 2019 Compliance for FY 2025
- Postal Service Health Benefits Program (PSHBP) Contract Risks
- Triple S Salud, Inc., Pharmacy Operations (Abarca Health PBM)

## Audit and Evaluation Work Planned for FY 2026

Our work plan was developed using risk assessments that consider factors such as the perceived vulnerability of programs to fraud, waste, and abuse; the adequacy of management controls; the time elapsed since the last audit; and the oversight work mandated by statute. We also considered our previous audit experience with the same or similar programs and obtained input from the leadership of OPM's programs. Additionally, some of the audits in the plan are required by law. Our focus is consistent with guidance from the U.S. Office of Management and Budget (OMB) and other interested government agencies.

During FY 2026, the OIG plans to initiate six external performance audits of health insurance carriers, nine internal performance audits, and two evaluations.

### ***Planned external performance audits of health benefit carriers***

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- 5 FEHBP audits
  - 1 experience-rated carrier audit
  - 2 health benefit payments audits
  - 2 information technology (IT) security audits
- 1 pharmacy benefit manager audit

### ***Planned internal performance audits***

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- 5 OPM program audits
- 1 oversight review of the audit of OPM's consolidated financial statements
- 2 audits on OPM's compliance with the Federal Information Security Modernization Act (FISMA)
- 1 audit of the PSHBP enrollment process

### ***Planned evaluations***

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- OPM's Physical Access and Badging
- OPM's Offboarding Process

## ***Planned External Audits***

This year's plan includes six external audits during FY 2026. External audits involve programs, activities, and functions that OPM engages private sector organizations to perform. Entities that fall into this category include health insurance carriers that participate in the FEHBP, PBMs that contract with FEHBP carriers, the Federal Flexible Spending Account Program, FEGLI, the Federal Long Term Care Insurance Program, Federal Employees Dental & Vision Insurance Program contractors that provide goods and services to OPM, and organizations that administer the Combined Federal Campaign.

### **FEHBP Experience-Rated Carriers<sup>1</sup>**

Experience-rated carrier audits involve determining whether the carrier charged costs to the FEHBP and provided services to FEHBP members in accordance with the terms of the contract. These audits evaluate various areas, including miscellaneous health benefit payments and credits, administrative expenses, cash management, and the carrier's fraud and abuse program. This year's plan includes the following experience-rated carrier audit work:

- CareFirst BlueCross BlueShield

### **FEHBP Health Benefit Payments**

Through data mining and the use of claims auditing tools and techniques, the OIG provides health benefit program oversight through claims-only audits of experience-rated carriers participating in the FEHBP, as well as data analytics of the health care claims provided by these carriers. The objectives of our oversight are to safeguard program assets; ensure carrier compliance with program requirements related to fraud, waste, and abuse; ensure that carriers are meeting their contractual obligations and complying with laws and regulations governing the FEHBP; and identify concerning trends within the health care data resulting in recommendations for program improvements to address these concerns. This year's plan includes the following health benefit payments audit work:

- Anthem Blue Cross and Blue Shield
- Panama Canal Area Health Plan

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<sup>1</sup> 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 health maintenance organizations. 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.

**FEHBP Information Technology Security**

IT security audits involve the evaluation of controls over the confidentiality, integrity, and availability of FEHBP data processed and maintained in carriers' IT systems. This year's plan includes the following IT security audit work:

- Independence Blue Cross
- SAMBA Health Plan

**Pharmacy Benefit Managers**

PBMs are primarily responsible for processing and paying prescription drug claims. The services provided typically include retail pharmacy, mail order, and specialty drug benefits. PBMs are used to develop, allocate, and control costs related to the pharmacy claims program. Areas audited include administrative fees, fraud and abuse programs, performance guarantees, pharmacy claims eligibility and pricing, and manufacturer rebates. This year's plan includes the following PBM audit work:

- Mail Handlers Benefit Plan/Caremark

**Planned Internal Audits**

We plan to initiate nine internal audits this fiscal year. Internal audits involve all OPM organizations, programs, activities, and functions, which are performed by OPM employees, or which are delegated by OPM to other government agencies. These internal audits will include internal performance audits, oversight of an independent public accountant's full scope audit of the agency's consolidated FY 2026 financial statements, and an assessment of OPM's compliance with FISMA.

**Performance Audits<sup>2</sup>**

This year's plan includes the following performance audit work:

- Artificial Intelligence Governance
- Charge Card Act Reporting (Joint Violation and Open Recommendations)
- OPM Human Resources Program Office
- OPM Retirement Services (TBD)
- Payment Integrity Information Act of 2019 Compliance for FY 2026
- PSHBP Enrollment Process

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<sup>2</sup> Per the GAO Government Auditing Standards (Yellow Book), "Performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability." U.S. Government Accountability Office. Government Auditing Standards: 2024 Revision (GAO-24-106786), sec. 1.21. <https://www.gao.gov/products/gao-24-106786>.



**Oversight of Chief Financial Officers Act Financial Statement Audit**

To fulfill our audit responsibilities under the Chief Financial Officers Act for an audit of the annual OPM financial statements, we will oversee and ensure the quality of the audit work performed by an independent public accounting firm. They will conduct a full scope audit of OPM's consolidated FY 2026 financial statements consisting of the revolving fund; salaries and expenses account; and health, life, and retirement programs. The objectives of the audit will be to render an opinion on the financial statements, gain an understanding of the related internal controls, report on those matters considered to be reportable conditions, and report on compliance with related laws and regulations. Separate opinions will be provided for the health, life, and retirement financial statements, as required by OMB Bulletin No. 07-04, Audit Requirements for Federal Financial Statements. In addition, we will review the independent public accounting firm's general and application controls audit of OPM's computer-based information systems as part of the financial statement audit.

**Federal Information Security Modernization Act**

FISMA requires Offices of Inspectors General to complete an evaluation of their agency's IT security program and practices. For the general FISMA audit, we will review the OPM Office of the Chief Information Officer's general FISMA compliance efforts for specific areas defined in the U.S. Department of Homeland Security Office of Cybersecurity and Communications FY 2026 Inspector General FISMA Reporting Metrics. Also, as required by FISMA, we will perform an audit of the IT security controls of a selected OPM IT system. This year's plan includes the following FISMA audits:

- General FISMA
- FISMA IT System – Digital File System

***Planned Evaluations*****OPM's Physical Access and Badging**

Physical access control and badging systems are critical components of an organization's security infrastructure. These systems regulate those who can enter and exit buildings and specific areas within them, ensuring that only authorized personnel have access to sensitive areas. Badging systems typically involve issuing identification badges that employees and visitors must display and often use in conjunction with electronic access control devices such as card readers and biometric scanners. The importance of robust physical access controls and badging systems plays a crucial role in protecting an organization's personnel, data, and physical assets.

OPM's Facilities, Security & Emergency Management office is responsible for

- overseeing OPM's Personal Identification Verification program and
- managing the agency's personal and real property, building operations, and physical security and safety.

We will evaluate the effectiveness of OPM's physical access controls at entry and exit points at OPM buildings in compliance with applicable rules, laws, and regulations.

### **OPM's Offboarding Process**

The process of ensuring a smooth transition for employees who are leaving an organization, commonly referred to as employee offboarding, is a critical aspect of human resource management. An efficient offboarding process not only ensures that departing employees transition smoothly, but it also protects the organization from various risks, including data breaches and compliance issues.

Best practices in offboarding include the following:

- structured exit interviews to gather feedback
- clear communication regarding final pay and benefits
- timely revocation of access to company systems and confidential information
- collection of company property
- documentation and transfer of knowledge

We will evaluate OPM's offboarding process against these best practices and regulatory requirements. The goals are to identify any gaps in the process, suggest improvements, and ensure compliance with all applicable laws and regulations.

## **Investigative Priorities for FY 2026**

The OIG conducts criminal, civil, and administrative investigations into allegations of fraud, waste, or abuse involving OPM programs and operations. Our investigations most often involve health care fraud, retirement fraud, or program or employee/contractor integrity.

We operate a nationwide law enforcement presence, with criminal investigators stationed in 11 metro areas throughout the country, supported by investigative analysts who provide advanced data analytics to further investigations. Office of Investigations staff also operate the statutorily required hotline, which is available to receive allegations of fraud, waste, or abuse from the public and OPM employees/contractors.

Investigations are often reactionary oversight addressing allegations of wrongdoing. We receive allegations from our law enforcement and government partners, the health insurance carriers contracted to the FEHBP, and whistleblowers. The OIG has invested heavily in developing its data programs as well. This allows our investigative staff to proactively develop case leads, run complex analytics to discover how schemes affect multiple FEHBP plans, and respond to widescale threats to OPM programs. The Office of Investigations also works with our partners within the agency, including the Retirement Services fraud branch. We engage in enforcement operations based on information provided by the agency's program integrity efforts. Our hotline also receives customer service contacts for OPM programs, which we refer to the agency for any necessary action.

The OIG’s workplan prioritizes investigating the following:

- **Harm (physical or financial) to individuals who use OPM programs.** This includes federal employees, retirees, eligible family members receiving health insurance coverage through the FEHBP or the PSHBP, retired annuitants and survivor annuitants, and other beneficiaries, customers, or users of OPM programs.
- **Substantial financial losses to OPM programs.** Improper payments and fraud, waste, and abuse squander the American’s people’s money. Our investigative efforts recover millions of dollars annually returned to the OPM trust funds. Our investigations also end ongoing schemes to prevent the loss of more taxpayer dollars.
- **Program vulnerabilities that potentially allow for ongoing fraud, waste, or abuse.** These investigations are an essential part of our oversight mission. Based on our investigative findings, we may generate management alerts or other reports to inform the agency of areas of potential program performance improvement.

## OIG Internal Collaborative Work

Various units within the OIG work synergistically to provide oversight. This includes the Office of Investigations receiving potential criminal or civil allegations from the Office of Audits (and likewise referring potential areas of audit or evaluation to the Office of Audits), submitting unfit providers for suspension or debarment via the OIG debarment official, and working with our Data Management Group to improve fraud detection efforts by the OIG.

The OIG is also sensitive to conducting necessary investigations for OPM priorities and/or challenges facing the agency, including the following:

- **Oversight of the Postal Service Health Benefits Program.** The PSHBP has begun disbursing benefits. Potential fraud, waste, or abuse affecting the PSHBP in unique ways or in the agency’s implementation of the new sub-program are areas the OIG will continue to monitor for any necessary action.
- **Ineligible members.** The Federal Employees Health Benefits Protection Act requires the agency to design and eventually implement an audit of the FEHBP member rolls. The OIG will continue to investigate allegations of ineligible members using or receiving FEHBP benefits.
- **Leveraging data, artificial intelligence, and machine learning.** We employ the OIG Data Warehouse and other available data sources, such as the Do Not Pay Portal, as part of our impactful investigative efforts, including identifying improper payments. Applications of artificial intelligence and machine learning on this data are improving our ability to detect fraud and abuse. We continue to liaise with the agency about areas of cooperation related to leveraging data to protect OPM programs. Expanding our data-driven investigative efforts continues our development of proactive investigations, unravels complex fraud schemes, and increases the overall potency of our efforts to prevent fraud, waste, and abuse and to provide oversight for OPM programs.



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