

April 1, 2025–September 30, 2025

SARC #73

# PBGC OIG

Pension Benefit Guaranty Corporation Office of the Inspector General



## SEMIANNUAL REPORT TO CONGRESS







## PBGC Headquarters

Washington, DC

# → From the Inspector General



Nicholas J. Novak

Dear Members of the Board:

I am pleased to present the Office of Inspector General Semiannual Report to Congress, covering the period April 1, 2025, to September 30, 2025. This report fulfills our statutory requirement to keep Congress informed about the significant activities of the OIG regarding oversight of the Pension Benefit Guaranty Corporation (PBGC).

During these six months, we continued to focus on enhancing the efficiency, effectiveness, and integrity of PBGC's operations. Our auditors issued, among other things, a report on *Centenarian Participants Receiving Benefits* and are fact-gathering in anticipation of reporting on the *Federal Debt Verification of PBGC Employees*.

Our criminal investigators continued their investigations into the defrauding of vulnerable participants from trustee pension plans, including an investigation of a couple who, over multiple years, stole benefits from a 70-year-old and continued to collect his benefits after his death. Our investigation led to criminal convictions and prison sentences for these fraudsters. The male defendant received a 95-month sentence, while the female defendant was ordered to 18-months incarceration. On a personnel note, our former Assistant Inspector General for Investigations, Curtis Flood, retired after 25 years of federal law enforcement service.



Our audits, evaluations, and investigations highlighted critical areas for improvement and provided recommendations to PBGC to address identified deficiencies. PBGC successfully implemented 13 of our report recommendations from prior semiannual periods. Our publicly released reports are available online at <https://oig.pbgc.gov>.

We again thank the Board and Board staff for their support and PBGC's leaders for their cooperation.

Respectfully submitted,

Nicholas J. Novak  
Inspector General  
Pension Benefit Guaranty Corporation

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# Pension Benefit Guaranty Corporation

## The Agency

The Employee Retirement Income Security Act of 1974 (ERISA) established the Pension Benefit Guaranty Corporation (PBGC or the Corporation) within the Department of Labor to administer pension insurance programs. ERISA requires PBGC to: (1) encourage the continuation and maintenance of voluntary private pension plans, (2) provide for the timely and uninterrupted payment of pension benefits to participants and beneficiaries, and (3) maintain premiums at the lowest level consistent with carrying out PBGC's obligations.

PBGC insures the pension benefits of about 31 million American workers and retirees who participate in more than 24,300 private-sector defined-benefit plans through its Single-Employer and Multiemployer Insurance Programs. The Corporation's two insurance programs are legally separate and operationally and financially independent. Historically, the Corporation has not received general tax revenues. The Single-Employer Program is financed by insurance premiums paid by sponsors of defined-benefit plans, investment income from plan assets trusted by PBGC, and recoveries from companies formerly responsible for the plans. The Multiemployer Program is financed by premiums paid by insured plans and investment income. Premium rates are set by statute.

In Fiscal Year (FY) 2024, PBGC paid over \$5.8 billion in retirement benefits to 912,000 participants in 5,144 single-employer plans. It also paid \$163.1 million in traditional financial assistance to more than 89,000 participants in 98 insolvent multiemployer plans. Between the two programs, it managed approximately \$151 billion in total assets.<sup>1</sup> The American Rescue Plan Act of 2021 (Public Law 117-2) established the Special Financial Assistance (SFA) program to address the solvency of the Multiemployer Program, which was projected to become insolvent in 2026. The SFA program is expected to provide an estimated \$79.6 billion in financial assistance to 198 financially troubled multiemployer pension plans.<sup>2</sup>

For the first time in its 50-year history, PBGC received taxpayer funds—in the form of SFA—to support financially troubled multiemployer defined-benefit pension plans. As of September 30, 2025, PBGC received 210 SFA applications requesting a total of \$75.8 billion in SFA and approved 174 applications for \$74.1 billion in SFA. Twenty-two applications, requesting a total of \$3.6 billion, were under PBGC review as of September 30, 2025. During the past FY, PBGC paid \$6.2 billion in SFA. As of September 30, 2025, 63 plans repaid \$261.9 million of SFA to the Treasury due to adjustments related to deceased participants.<sup>3</sup>

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<sup>1</sup> Unless otherwise cited, the figures contained in this section are based on PBGC's 2024 Annual Report.

<sup>2</sup> PBGC FY 2023 Projections Report, July 2024.

<sup>3</sup> SFA figures in this paragraph were based on data reported by PBGC at <https://www.pbgc.gov/arp-sfa/sfa-applications>.

# Office of the Inspector General

## Who we are

The PBGC OIG was created under the 1988 amendments to the Inspector General Act of 1978 (IG Act). We provide independent and objective audits, inspections, evaluations, and investigations to help Congress, the Board of Directors, and PBGC protect the pension benefits of America's workers.

We are organizationally independent from the Corporation, with the Inspector General reporting to the Board of Directors. Under Public Law 112-141, the Inspector General must attend at least two Board meetings per year "to provide a report on the activities and findings of the Inspector General, including with respect to monitoring and review of the operations of the Corporation."

The OIG executive leadership team consists of the Inspector General, the Deputy Inspector General, the Chief Counsel, and three Assistant Inspectors General. The Assistant Inspector General for Audits leads our audit staff, the Assistant Inspector General for Investigations leads our investigative staff, and the Assistant Inspector General for Management leads our office operations.

# Our Value Framework

## Independent, Positive Engagement

Our work must be **independent** and objective.

At the same time, corrective action based on our work is less likely to happen if we are not engaged with management.

We optimize our value through **positive engagement** and creating win-wins whenever possible.



### Vision

Providing deep knowledge and sensible solutions through independent, positive engagement.



### Mission

Prevent and detect fraud and abuse in PBGC programs and operations, along with other core activities.



### Pillars

People Focused  
Process Oriented  
Performance Driven



# OIG Core Values



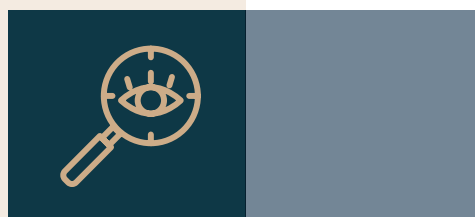
## Respect

We treat each other and those with whom we interact with dignity, civility, and due regard to differing perspectives.



## Integrity

We consistently practice honesty and fairness with an uncompromising adherence to strong moral and ethical principles and values. We rely upon these principles to guide our actions and decisions no matter how small they may seem.



## Excellence

We strive to achieve the highest quality in everything we do and learn from our experiences.



## Objectivity and Independence

We conduct our work with fairness and free from bias.  
We base our findings and recommendations on reliable and verifiable evidence, unencumbered by external pressure and undue influence.



# Audits, Inspections, and Evaluations

We conduct independent and objective audits and evaluations of PBGC's programs and activities to ensure they operate economically, efficiently, and effectively.

## Audit Accomplishments



### PBGC's Software Self-Attestation Efforts Need Improvement

PBGC made some efforts to meet the critical software self-attestation requirements. While PBGC inventoried critical software, the inventory did not contain all the data elements needed. The Corporation agreed with the recommendations and plans to complete all actions by July 31, 2026.

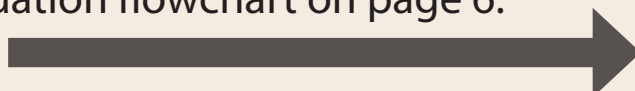


### Evaluation of Centenarian Participants Receiving Benefits

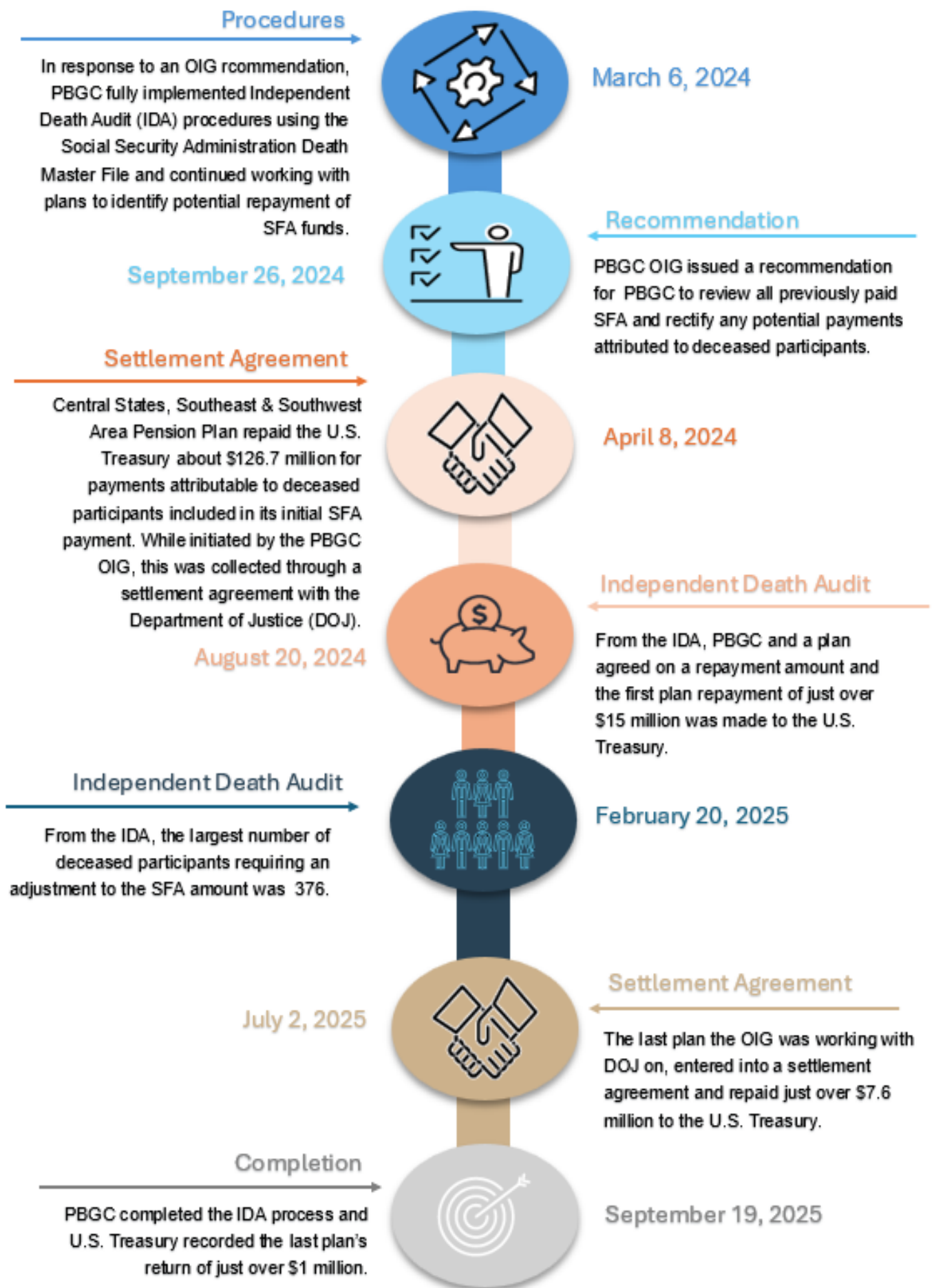
A review of the Single-Employer Program's participant data revealed that PBGC made improper pension payments to six deceased individuals. These six participants were receiving pension payments totaling approximately \$1,911 per month, resulting in \$89,865 of combined improper payments. The Corporation agreed with the recommendations and plans to complete all actions by March 31, 2026.

To access our full library of reports and recommendations, visit  
<https://oig.pbgc.gov/index.html>

Our OIG annual budget is around \$10 million. Based on the repayments from this recommendation (2024-12-02) alone, our office has a Return on Investment of about \$25 for every \$1 spent. Recommendation flowchart on page 6.



# About \$262 million in returns to Treasury, based on PBGC's Actions on an OIG Recommendation





# Statistical Data

## Type of Reports

### Performance audits

provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits follow Generally Accepted Government Auditing Standards.

$$\frac{1}{5}$$

### Financial audits

are assessments that determine whether the reported financial conditions, results, and use of resources are presented fairly in accordance with recognized criteria.

$$\frac{1}{4}$$

## Completed Reports

## Recommendations

$$\frac{1}{2}$$

### Evaluations

provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Evaluations follow the Quality Standards for Inspection and Evaluation by CIGIE.

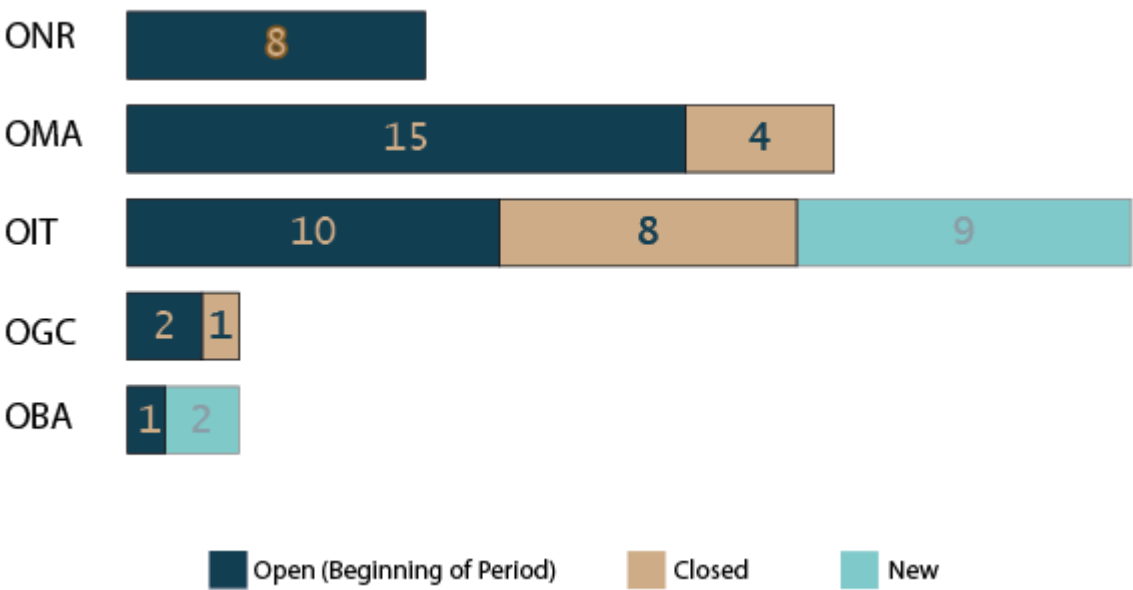
$$\frac{1}{0}$$

### Special Reports

provide information on emerging issues to management's attention through a Risk Advisory or Management Alert or provide the public and stakeholders with contextual information through a White Paper. These products can have suggestions, which are non-formal recommendations.

# OIG Recommendations

Status of Recommendations to PBGC  
Departments as of September 30, 2025



As of September 30, 2025, PBGC OIG has 34 open recommendations included in 11 reports issued since FY 2021.

A recommendation is opened on the date the audit report is issued. The recommendation is considered “resolved” and remains open until the auditee completes the corrective action and provides PBGC OIG with sufficient supporting evidence of the actions taken. A recommendation is closed after the auditee has agreed with the recommendation, takes appropriate corrective action, and provides PBGC OIG with sufficient supporting evidence to demonstrate the actions corrected the issue.

# Summary of Outstanding Recommendations

Report No.	Issue Date	Report Title	Total Report Recs	Open Recs 9/30/2025	Potential Cost Savings
2021-01	12/08/2020	Internal Controls Must Be Strengthened to Promote Procurement Integrity	3	1	\$4,800,000 <sup>4</sup>
2021-06	02/01/2021	Fiscal Year 2020 Financial Statement Audit Management Letter Report	9	1	\$0
2024-11	09/26/2024	PBGC Needs to Strengthen Oversight Controls Between Contracting Officer Representatives and Other Technical Personnel	10	3	\$1,442 <sup>5</sup>
2024-12	09/26/2024	Projected Benefit Payments in Selected Special Financial Assistance Applications	2	1	\$250,000,000 <sup>4</sup>
2025-02	10/31/2024	PBGC's Information Security Program and Practices for FY 2024	6	1	\$0
2025-05	12/18/2024	FY 2024 Financial Statement Audit Management Letter	4	4	\$0
2025-06	03/13/2025	Evaluation of PBGC's Contract Type Justifications	5	5	\$0
2025-08	03/27/2025	PBGC's SFA Program's Policies and Procedures for Annual Statement of Compliance Needs Improvement	8	7	\$0
2025-10	08/06/2025	PBGC's Software Self-Attestation Efforts Need Improvement	5	5	\$0
2025-11	09/03/2025	Evaluation of Centenarian Participants Receiving Benefits	2	2	\$0
2025-12	09/30/2025	FY 2025 PBGC's Federal Information Security Modernization Act of 2014 Audit	4	4	\$0

<sup>4</sup> These identified funds are questioned costs. Questioned costs include funds identified as unnecessary or unreasonable.

<sup>5</sup> This identified potential savings is categorized as funds put to better use. Funds put to better use is a broad definition, but generally includes any identified savings from implementation of a recommendation.





# 50 Years

## Protecting America's Pensions



## The Road to PBGC

**In the decades prior to PBGC's founding in 1974, pensions were gradually recognized and seen as a critical tool in retirement security.**

The Revenue Acts of 1921, 1926, and 1942 allowed employer tax deductions for pension contributions, encouraging the growth of employer-sponsored pension plans, and introducing greater oversight of plans. In 1958, the Welfare and Pension Plans Disclosure Act (WPPDA) required employers to disclose details about the pension plans they provide their employees.

In 1961, President John F. Kennedy launched the Committee on Corporate Pension Funds to explore, among other issues, how pension plans could better support workforce productivity and mobility. In 1962, Congress amended the WPPDA, enforcing the prevention of mismanagement and abuse of employee benefit plan funds. In 1963, The Studebaker automobile plant in South Bend, Indiana closed. Thousands of workers were left without their pensions, driving a movement that demanded new legislation to protect America's workers. Four years later, Senator Jacob K. Javits introduced legislation to reform pension laws.

In 1972, the National Broadcasting Company aired "Pensions: The Broken Promise," a Peabody award-winning documentary that exposed abuses in the pension system and drew national attention to the issue.

# Peer Reviews



## Audit

Generally accepted government auditing standards require any organization conducting audits in accordance with those standards to undergo an external peer review at least once every three years.

These peer reviews conclude in a rating of *pass*, *pass with deficiencies*, or *fail*. A rating of *pass* signifies that the audit organization's system of quality control has been suitably designed to provide the organization with reasonable assurance of performing and reporting in conformity with applicable professional standards, legal, and regulatory requirements in all material respects.

## Inspection and Evaluation

The *CIGIE Quality Standards for Inspection and Evaluation* require members of CIGIE that conduct inspections or evaluations under those standards to undergo an external peer review every three years. These peer reviews conclude in a rating of *pass*, *pass with deficiencies*, or *fail*. A rating of *pass* signifies that the audit organization's system of quality control gives reasonable assurance of performing and reporting in conformity with these standards. Prior to April 1, 2024, inspection and evaluation peer review reports did not include an overall rating (such as *pass* or *fail*), but stated whether the reviewed OIG's policies and procedures were generally consistent with CIGIE standards and whether the OIG's work generally complied with those standards.

## Investigation

*CIGIE's Qualitative Assessment Review Guidelines for Investigative Operations of Federal Offices of Inspector General* establish an independent external evaluation process for investigative operations. The objective of an investigative peer review is to determine whether internal control systems are in place and operating effectively to provide reasonable assurance that an OIG's investigative operations comply with CIGIE's Quality Standards for Investigations. Reviewed OIGs are assessed a rating of *compliant* or *non-compliant*.

To ensure adherence to relevant professional standards, each OIG is subject to periodic external peer reviews. Information on peer reviews conducted by and of the PBGC OIG is provided below.

Copies of peer review reports of PBGC OIG are available on our website at

<https://oig.pbgc.gov/reviews.html>

## Peer Reviews of PBGC OIG



Type of Review	Date of Peer Review	Reviewing OIG	Rating	Recommendations
Audit	March 18, 2025	Railroad Retirement Board	Pass	None
Evaluation	March 28, 2024	Federal Communications Commission	In Compliance	None
Investigation	August 22, 2024	U.S. Agency for International Development	In Compliance	None

## Peer Reviews by PBGC OIG



Type of Review	Date of Peer Review	Reviewed OIG	Rating	Recommendations
Audit (Modified Peer Review)	September 27, 2022	Federal Communications Commission	None	Yes
Evaluation	July 30, 2025	Department of Commerce	Pass	None
Investigation	March 27, 2023	National Archives and Records Administration	In Compliance	None



# Investigations

The OIG has broad discretion to carry out investigations related to PBGC programs and operations that the IG determines are necessary or appropriate. The range of matters falling within the OIG's investigative purview is expansive, encompassing potential violations of law, rules, or regulations; mismanagement; abuse of authority; and more.

All investigations are carried out in accordance with the CIGIE's Quality Standards for Investigations. Significant issues for which we completed or concluded an investigation during this reporting period include:

## Investigative Activities



853

Hotline contacts received



8

Criminal investigations referred for prosecution



1/2

Convictions/Sentencings



30

Subpoenas Issued

# Pension Fund Repaid \$7.6 Million in Excess Special Financial Assistance Funds

On July 2, 2025, the Trucking Employees of North Jersey Welfare Fund Inc. Pension Fund (Trucking Employees Fund) repaid to the U.S. Treasury more than \$7.6 million in funds attributed to deceased participants that it received from PBGC in connection with the PBGC's Special Financial Assistance (SFA) program.

The American Rescue Plan (ARP) Act of 2021 (Public Law 117-2) established the SFA program for financially troubled multiemployer pension plans. The law addresses the solvency of PBGC's Multiemployer program, which was projected to become insolvent in 2026. The Trucking Employees Fund was paid approximately \$774 million from the SFA program in 2022 and 2023, which was projected to enable the Fund to pay all benefits through 2051.

In order for a multiemployer pension plan to include a participant in SFA benefit projections, of course, that person must be alive. The inclusion of deceased participants in the census data would overstate the SFA amount an eligible multiemployer plan would receive. In response to OIG recommendations, PBGC has implemented procedures to perform independent death audits using the Social Security Administration's Death Master File to identify deceased participants and required eligible multiemployer plans to adjust the census data used for the SFA application. PBGC retroactively reviewed multiemployer plans that were paid SFA prior to these independent audits, and those plans have repaid the U.S. Treasury for the excess SFA attributed to deceased participants.

Since the Trucking Employees Fund was paid SFA prior to OIG's oversight reports and recommendations, PBGC OIG investigated the Fund and determined it included 89 deceased participants among the more than 6,100 plan participants in its SFA application. The investigation revealed that, because of the inclusion of deceased participants, PBGC's SFA payment to the Fund was overstated by approximately \$7.6 million. The Fund's Board of Trustees fully cooperated with PBGC OIG's investigation and voluntarily repaid the entirety of the excess SFA funds on July 2, 2025.

# Statistical Data

## Investigative Workload

PBGC OIG investigates and refers matters for criminal prosecution, including cases of theft of pension benefits, identity theft, bank fraud, wire fraud, and forgery.



80

Investigations, Complaints,  
and Hotlines Opened



46

Ongoing  
Investigations



99

Investigations, Complaints,  
and Hotlines Closed

## Metrics Used to Develop Investigative Statistical Data



PBGC OIG maintains an Investigative Case Management System to track the life of an investigation. It captures hundreds of data points, including dates, significant investigative steps, referrals, and outcomes (criminal, civil, and administrative). It is also the repository for reports of investigation, stakeholder communications, and management implication reports. Each statistic and outcome reported is validated against supporting legal documents.

# Investigative Activity



## Investigative referrals for criminal prosecution

To the DOJ: 5  
Accepted: 1  
Declined: 3

To State/Local Prosecutor's Office: 3  
Accepted: 1  
Declined: 1

## Theft amounts identified during investigations

Single-Employer: \$236,606  
SFA Overpayments: \$15 million

## Theft amounts recovered from investigations

Internal: \$110,327<sup>6</sup>  
SFA Overpayments: \$7.6 million

## Investigative referrals for civil prosecution

To the DOJ: 2

Declined: 2

## Investigative memos

Issued : 2

## Administrative Cases

Informal Referrals to PBGC: 12  
Formal Referrals to PBGC: 38  
Referred to Outside Agency: 12



<sup>6</sup>This case involved multiple federal agencies. Total restitution ordered was about \$226 thousand; however, this is to be distributed on a pro rata basis among the various victims, in proportion to the amount each agency was defrauded. PBGC OIG estimates losses of about \$110 thousand.

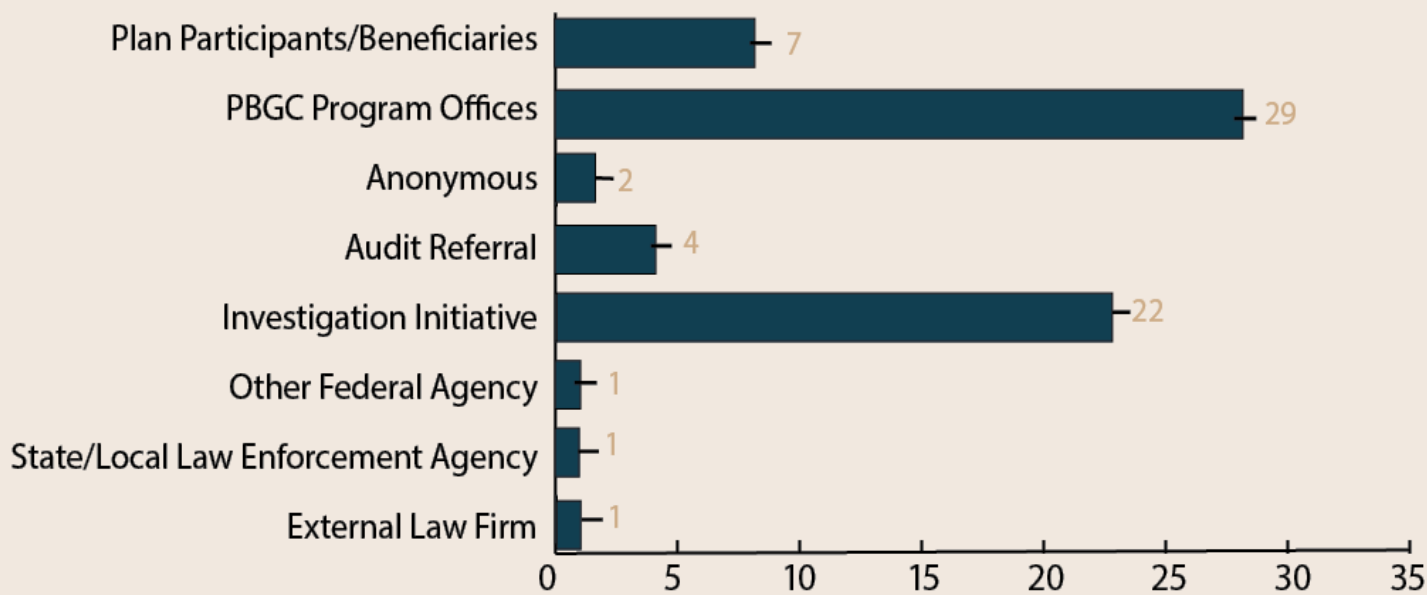


# Hotline Complaint Center

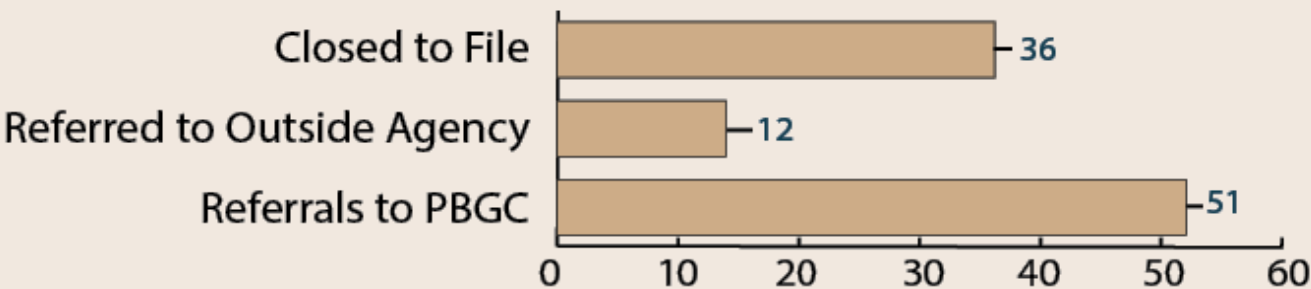


PBGC OIG maintains a Hotline Complaint Center for receiving allegations of fraud, waste, abuse, or mismanagement in PBGC programs or operations. Allegations may be reported 24 hours a day, 7 days a week by PBGC employees, contractors, or the general public. We received 853 hotline contacts and closed 873 contacts this period.<sup>7</sup>

Hotline Contacts Origination



Hotline Contacts Closed



<sup>7</sup>During the period, 786 contacts were initiated by private individuals. Of these, 774 were closed after review. This information supplements the bar charts, above, to equal total hotline numbers.



OFFICE OF INSPECTOR GENERAL HOTLINE

# Suspect Fraud, Waste, Abuse, or Mismanagement? **LET'S TALK!**

Workers and Retirees  
are Counting on You!



**Call the Hotline at 1-800-303-9737**

Or write to:

Pension Benefit Guaranty Corporation  
Office of the Inspector General Hotline

445 12th St SW

Washington, DC 20024-2101

Website: [oig.pbgc.gov](http://oig.pbgc.gov)

or email to:

[hotline@pbgc.gov](mailto:hotline@pbgc.gov)

Your report can be made anonymously or in confidence.

# Reporting Requirements



## Reports with no agency comment within 60 days

We work closely with the Corporation to ensure timely responses to our draft audit reports. All agency responses were received within 60 calendar days.



## Management decisions on previously issued audits

PBGC did not have any recommendations from a prior period with no management decision.



## Attempts to interfere with PBGC OIG independence

We did not encounter any instances where PBGC attempted to interfere with our independence.



## Audits closed but not disclosed to the public

It is our practice to post all closed non-sensitive audits and evaluations on our public website. We generally do not provide or post on our website the full text of reports that would disclose specific vulnerabilities that could be exploited; typically, such reports are IT-related. During this period, we did not have any restricted access reports.



## Compliance with Federal Financial Management Improvement Act

PBGC is in compliance with the Federal Financial Management Improvement Act.



## Information or assistance refused by PBGC

PBGC did not unreasonably refuse information or assistance.



### Whistleblower retaliation

PBGC OIG did not close any investigations in which a PBGC official was found to have engaged in whistleblower retaliation.



### Investigations involving senior Government employees where misconduct was substantiated

There were no investigations involving senior Government employees where misconduct was substantiated.



### Investigations involving senior Government employees that were closed but not disclosed to the public

There were no investigations involving senior Government employees that were closed but not disclosed to the public.



### Human trafficking

In accordance with the Trafficking Victims Prevention and Protection Reauthorization Act (Public Law 117-348), PBGC OIG is required to report on its human trafficking investigations.

Allegations received: 0

Referred: 0

Accepted: 0

Declined: 0

# Index

## Reporting Requirements

Index of reporting requirements under the Inspector General Act of 1978, as amended.

Section	Requirement	Page
5(a)(1)	Significant problems, abuses, and deficiencies	5, 13
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# Acronym Glossary

## Acronym    Meaning

ARP	American Rescue Plan
CIGIE	Council of the Inspectors General on Integrity and Efficiency
ERISA	Employee Retirement Income Security Act of 1974
FY	Fiscal Year
IDA	Independent Death Audit
IG Act	Inspector General Act of 1978
OBA	Office of Benefits Administration
OGC	Office of the General Counsel
OIG	Office of Inspector General
OIT	Office of Information Technology
OMA	Office of Management and Administration
ONR	Office of Negotiations and Restructuring
PBGC	Pension Benefit Guaranty Corporation
SFA	Special Financial Assistance