



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

**Semiannual Report to Congress**  
October 1, 2025–March 31, 2026

FINANCIAL IMPACT AND ACCOMPLISHMENTS

Audit Recommendations  
 for Recovery of Funds  
**\$660,984,717**

Management  
 Commitments to  
 Recover Funds  
**\$25,426,191**

Recoveries Through  
 Investigative Actions  
**\$4,099,121**

Note: OPM management commitments for recovery of funds during this reporting period reflect amounts covering current and past reporting period audit recommendations.



## MESSAGE FROM THE DEPUTY INSPECTOR GENERAL PERFORMING THE DUTIES OF THE INSPECTOR GENERAL

On behalf of the employees of the U.S. Office of Personnel Management (OPM) Office of the Inspector General, I am pleased to submit this semiannual report highlighting our oversight work between October 1, 2025, and March 31, 2026.

With the Administration's focus on government spending and OPM's focus on reducing federal spending to save taxpayer dollars, the idea of government embracing practices used in the private sector is frequently discussed as a means to increase efficiency and return on investment (ROI). One way to assess the benefits that offices of inspectors general (OIGs) provide is to calculate their ROI. In the private sector, the ROI is a ratio that compares collected revenue to operating costs; the public sector uses different metrics to calculate ROI, specifically monetary impact. For instance, an OIG ROI of 2:1 indicates that 2 dollars are generated in savings, recovered funds, fines, or potential savings from audit findings for every taxpayer dollar expended.

OIGs are reliable investments because the consistent return of taxpayer money lost through fraud, waste, or abuse has historically resulted in positive ROIs. OIGs carry out audits, investigations, and various administrative and enforcement actions that help the government recover funds and use resources more efficiently. Through the return of funds resulting from these activities, the majority of OIGs end up saving the government significantly more money than their operating costs. As an example, one OPM Office of the Inspector General pharmacy benefit manager audit issued this reporting period included our largest Federal Employees Health Benefits Program (FEHBP) monetary audit findings in a single audit to date. With questioned costs of more than \$615 million, even a low recovery rate on this audit will result in an impressive ROI for the year.

Federal OIGs provide substantial financial value throughout government, and the OPM Office of the Inspector General is no exception. In fiscal year 2025, our own recoveries have been noteworthy, with funds returned to OPM trust funds exceeding 150 percent of our budget. This exceptional return underscores the efficiency and effectiveness of our oversight and recovery efforts. In addition to substantial recoveries, our questioned costs have increased considerably during this period, with the OPM Office of the Inspector General identifying \$12.40 of questioned costs for every taxpayer dollar invested. This trend suggests that future recoveries may also rise, further demonstrating the ongoing positive financial impact of our work.

This semiannual report outlines this period’s quantifiable recoveries from our audits, investigations, evaluations, and False Claims Act settlements. A few highlights from our accomplishments include the following:

- **Recovering Taxpayer Funds:** Our total audit recommendations for recovery of funds were more than \$660 million for this reporting period. The recovery of funds from audit recommendations made during this and prior reporting periods (there is often a time lag between the issuance audit recommendations and the recovery of funds) was more than \$25 million.
- **Fighting Fraud in Taxpayer Programs:** Our investigative efforts led to our criminal investigators presenting \$15 million for U.S. Department of Justice prosecution during this 6-month period. An ongoing investigation into a transnational scheme using bought National Provider Identifiers is fighting back against \$21 million in alleged false claims: during this quarter, the first of 10 coconspirators pleaded guilty to conspiracy to commit money laundering.
- **Protecting the Public and the Integrity of Federal Funds:** During the reporting period, we issued 495 administrative sanctions on FEHBP health care providers. These suspensions and debarments are issued to providers who commit certain violations, including those convicted of criminal offenses. Preventing these unscrupulous providers from receiving payment from the FEHBP protects the public and safeguards federal funds.

The figures presented here illustrate only part of the efforts undertaken by the OPM Office of the Inspector General. While we continue to streamline and modernize our operations, and thereby decrease our operating costs, we will continue to deliver a positive return on investment through independent, objective, and transparent oversight of OPM and its programs and operations.

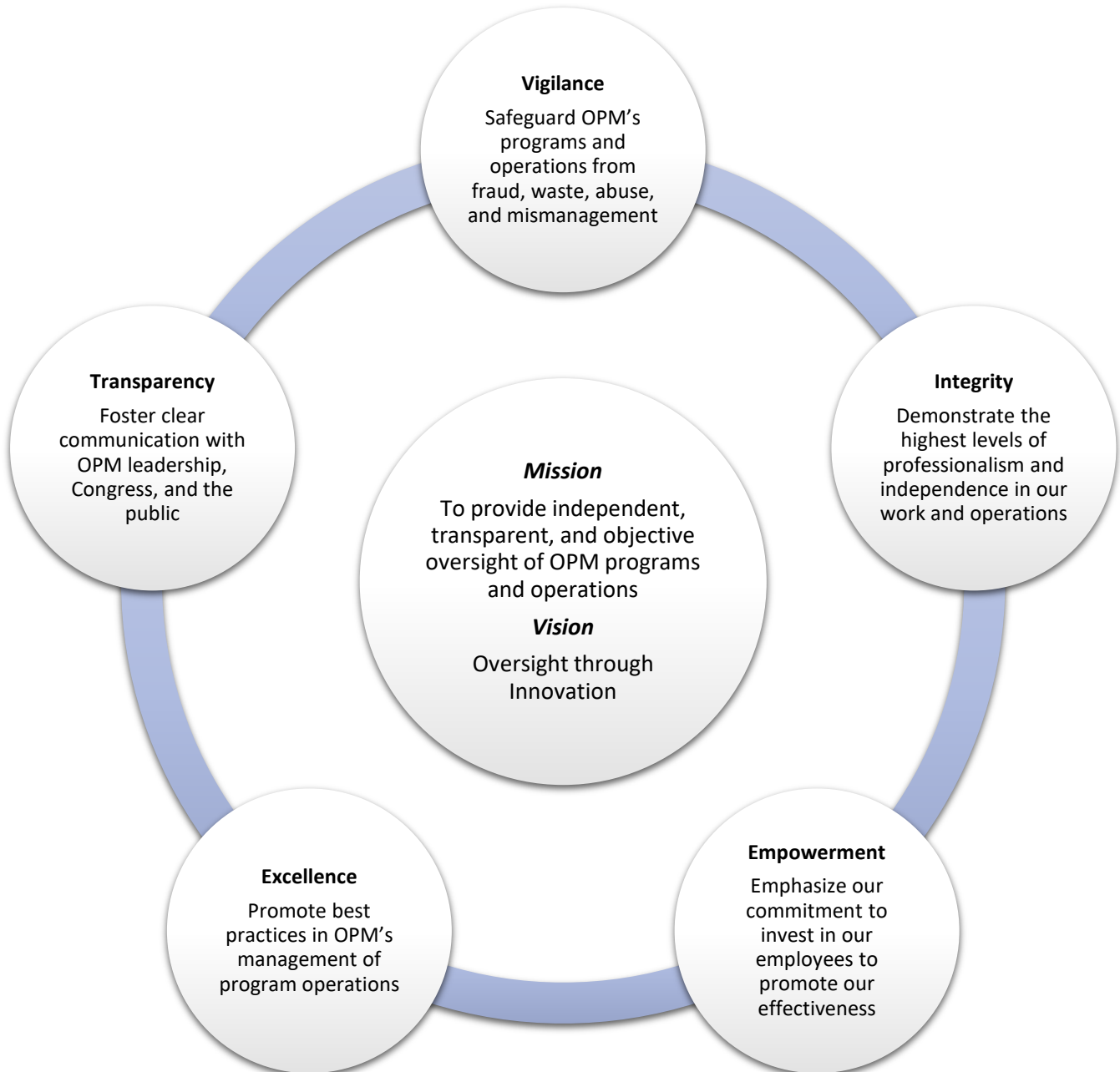


Michael R. Esser  
Deputy Inspector General  
Performing the Duties of the Inspector General

# Contents

<b>INTRODUCTION .....</b>	<b>1</b>
<b>AUDIT AND EVALUATION ACTIVITIES .....</b>	<b>2</b>
HEALTH CARE AND INSURANCE AUDITS .....	2
<i>Community-Rated Health Plans</i> .....	2
<i>Experience-Rated Health Plans</i> .....	4
OVERSIGHT OF OPM’S IMPLEMENTATION OF THE POSTAL SERVICE HEALTH BENEFITS PROGRAM.....	6
OTHER BENEFIT PROGRAM AUDITS .....	7
INFORMATION SECURITY AUDITS.....	9
INTERNAL AUDITS .....	11
<i>OPM’s Consolidated Financial Statements Audits</i> .....	12
EVALUATIONS .....	15
<b>ENFORCEMENT ACTIVITIES .....</b>	<b>16</b>
HEALTH CARE INVESTIGATIONS.....	16
RETIREMENT INVESTIGATIONS .....	20
ADMINISTRATIVE SANCTIONS OF FEHBP HEALTH CARE PROVIDERS.....	22
STATISTICAL SUMMARY OF ENFORCEMENT ACTIVITIES .....	25
<i>OIG Hotline Complaint Activities</i> .....	28
<b>LEGAL AND LEGISLATIVE ACTIVITIES .....</b>	<b>29</b>
CONGRESSIONAL ENGAGEMENTS .....	29
ENHANCING OVERSIGHT CAPABILITIES THROUGH DATA ANALYTICS AND GENERATIVE AI .....	29
<b>APPENDIX I-A: FINAL REPORTS ISSUED WITH QUESTIONED COSTS FOR OPM INSURANCE PROGRAMS .....</b>	<b>31</b>
<b>APPENDIX I-B: FINAL REPORTS ISSUED WITH QUESTIONED COSTS FOR ALL OTHER AUDITED ENTITIES .....</b>	<b>32</b>
<b>APPENDIX II: RESOLUTION OF QUESTIONED COSTS IN FINAL REPORTS FOR OPM INSURANCE PROGRAMS.....</b>	<b>33</b>
<b>APPENDIX III: FINAL REPORTS ISSUED WITH RECOMMENDATIONS FOR BETTER USE OF FUNDS.....</b>	<b>34</b>
<b>APPENDIX IV: REPORTS ISSUED.....</b>	<b>35</b>
<b>APPENDIX V: PRIORITY OPEN RECOMMENDATIONS.....</b>	<b>36</b>
<b>APPENDIX VI: SUMMARY OF REPORTS MORE THAN 6 MONTHS OLD PENDING CORRECTIVE ACTION .....</b>	<b>37</b>
<b>APPENDIX VII: MOST RECENT PEER REVIEW RESULTS .....</b>	<b>45</b>
<b>APPENDIX VIII: INVESTIGATIVE RECOVERIES.....</b>	<b>46</b>
<b>REPORTING REQUIREMENTS IN THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED, 5 U.S.C. §§ 401–424 .....</b>	<b>47</b>

## OIG STRATEGIC FRAMEWORK



## Introduction

The Office of the Inspector General (OIG) is an independent office within the U.S. Office of Personnel Management (OPM). The OIG is dedicated to promoting accountability and transparency both within and outside of the agency. Our mission is to provide independent and objective oversight of OPM services and programs by conducting audits, investigations, evaluations, and other reviews. The recommendations we provide help improve the efficiency and effectiveness of OPM’s operations.

We strive for continuous improvement in our agency’s management and program operations and in our own offices.

The OIG provides objective oversight and appraisal of the agency’s responsibilities and its implementation to assure the integrity, efficiency, and effectiveness of the agency’s services.

Our offices are located in Washington, D.C.; Cranberry Township, Pennsylvania; and Jacksonville, Florida.



Figure 1. OIG Office Locations

## Audit and Evaluation Activities

---

The OIG Office of Audits and Evaluations (OAE) conducts comprehensive and independent audits and evaluations of OPM programs, operations, and contractors. These audits and evaluations assist the OPM Director and Congress by providing credibility and transparency to the information reported by the agency and providing information to improve accountability and facilitate decision-making.

During this reporting period, in accordance with Executive Order 14210 and associated Office of Management and Budget (OMB) and OPM guidance, OAE revised its organizational structure to better align resources and oversight functions. This change consolidated four audit groups responsible for health care and insurance related audits into a new group focused on OPM's health care and insurance programs. Additionally, the former Office of Evaluations was incorporated into OAE's internal audit function.

### Health Care and Insurance Audits

OPM contracts with health insurance carriers to provide health plans under the Federal Employees Health Benefits Program (FEHBP) for federal employees, annuitants, their eligible family members, and other eligible populations. The OAE handles auditing the activities of these health plans to ensure that they meet their contractual obligations with OPM. The selection of

specific audits we conduct each year is based on a risk assessment model that considers various factors, including the size of the carrier, the time elapsed since the last audit, and our previous audit results.

The OIG's insurance audit universe encompasses more than 200 audit sites consisting of carriers, sponsors, and underwriting organizations participating in the FEHBP. The number of audit sites fluctuates due to the addition, nonrenewal, and merger of participating carriers. Combined premium payments for the FEHBP total more than \$67 billion annually. The carriers audited by the OIG are classified as either community-rated or experience-rated.

### Community-Rated Health Plans

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.

The community-rated carrier audit universe covers approximately 140 health plans located throughout the country. Community-rated carrier 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 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 determine whether the medical and prescription drug claim totals are accurate and the individual claims are processed and paid correctly; FEHBP rates are developed in a model filed with and approved by 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 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 perform audits to evaluate carrier compliance with OPM's FEHBP-specific MLR requirements.

Medical loss ratio 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.

In 2012, OPM issued a final rule establishing an FEHBP-specific MLR requirement for most community-rated FEHBP carriers. 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 (HHS). The MLR is a financial metric that measures the percentage of premium dollars a health plan spends on medical claims and quality improvements. The remaining percentage should be used to cover the health plan's administrative costs and profit. The MLR is important because it requires health insurers to demonstrate to consumers the value of their premium payments.

The premium rates charged to the FEHBP under the MLR methodology should be developed in accordance with OPM's rules and regulations and the plan's state-filed standard rating methodology. All FEHBP pricing data must be supported by accurate, complete, and current documentation. A rating methodology is defined as a series of well-defined procedures a carrier follows to determine the rates it will charge to its subscriber groups. An independent professional must be able to follow the

carrier's procedures and reach the same conclusion. OPM negotiates benefits and rates with each plan annually, and all rate agreements between OPM and the carrier are subject to audit by the OIG. Community-rated carriers participating in the FEHBP are subject to various federal, state, and local laws, regulations, and ordinances. In addition, participation in the FEHBP subjects the carriers to the Federal Employees Health Benefits Act and implementing regulations published by OPM.

No audit reports related to community-rated carriers were issued during this reporting period.

## Experience-Rated Health Plans

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 will suffer a loss in certain situations if claims exceed amounts available in the Federal Employees' 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.

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
- adequacy of carriers' internal controls to ensure proper contract charges and benefit payments

During this reporting period, we issued one audit report on experience-rated health plans (not including information security reports). This report contained recommendations for the return of more than \$37 million to the OPM-administered health care trust fund. Additionally, we issued one report on FEHBP experience-rated contract oversight.

---

### Oversight of the Federal Employees Health Benefits Program's Contract Section 2.3(g) – Erroneous Payments Clause

March 30, 2026 | [2025-CAAG-010](#)

Our audit identified three findings and two areas for program improvement related to the FEHBP contract's section 2.3(g), Erroneous Payments Clause. The most critical issues identified include the following:

- insufficient oversight of carrier recovery efforts by OPM
- carriers including restrictive time limits on recovering overpayments in their provider contracts
- the limited scope of contract revisions to only carriers on standard FEHBP contracts

These gaps collectively expose the FEHBP to financial losses and weaken program integrity.

Additionally, we noted that the Postal Service Health Benefits Program (PSHBP), established under the Postal Service Reform Act of 2022 (PSRA), Pub. L. No. 117–108, has carrier contracts that are nearly identical to those of the FEHBP. While this audit of contract section 2.3(g) focused solely on FEHB carrier contracts, OPM should consider applying the findings and recommendations equally to the newly implemented PSHBP.

### *Blue Cross and Blue Shield Service Benefit Plan Audits*

The Blue Cross Blue Shield Association (BCBSA), on behalf of its member plans, entered a governmentwide Service Benefit Plan contract with OPM to provide a health benefits plan authorized by the Federal Employees Health Benefits Act of 1959. The BCBSA delegates authority to participating local Blue Cross and Blue Shield (BCBS) plans throughout the United States to underwrite and process the health benefit claims of its federal subscribers. Two-thirds of all FEHBP members are enrolled in the BCBS Service Benefit Plan.

The BCBSA established the Federal Employee Program (FEP) Director’s Office to centrally manage the Service Benefit Plan and oversee its contracts with OPM and its member BCBS plans. The FEP Operations Center serves as a fiscal intermediary for claims processing, verifies subscriber eligibility, reviews and approves FEHBP claim payments, and maintains records of all claims and payments using computer systems.

We issued no BCBS plan audit reports during this reporting period.

### *Employee Organization Plan Audits*

Employee organization plans are experience-rated plans that either administer or sponsor federal health benefits programs for federal employees or annuitants. These fee-for-service plans give eligible members the flexibility to receive care from any facility or provider they prefer.

---

### **American Postal Workers Union Health Plan**

February 5, 2026 | [2025-ERAG-005](#)

Our audit of the American Postal Workers Union Health Plan (APWU) identified \$37,623,312 in questioned costs, encompassing health benefit charges, administrative expense overcharges, cash management activities, and lost investment income. Additionally, we identified a procedural issue where APWU was not adhering to communication and reporting requirements regarding fraud and abuse cases.

Key findings identified included the following:

- APWU had not recovered and returned 2,908 claim overpayments, totaling \$13,339,961, to the FEHBP.
- APWU overcharged the FEHBP \$3,667,879 for employee health benefit costs and \$2,227,295 for pension plan costs.
- APWU held excess funds of \$17,997,306 in its dedicated FEHBP interest-bearing account.

APWU agreed with most of the questioned costs and the procedural issue. We verified that APWU returned approximately \$24.2 million during our audit. The remaining \$13.4 million of questioned costs are pending audit resolution.

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

The PSHBP was established within the FEHBP by the PSRA and is 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 FEHBP health plans ended on December 31, 2024, and enrollment and coverage will only be offered by the Postal Service Health Benefits (PSHB) health plans. Subject to limited exceptions, Postal Service annuitants who

retire and become Medicare-eligible after December 31, 2024, and their Medicare-eligible family members, must enroll in Medicare Part B as a condition of eligibility to enroll in the PSHBP. The first PSHBP open season began on November 11, 2024, and ran through December 13, 2024. The first contract year began January 1, 2025.

Section 101 of the PSRA added a new section, 8903c, to Title 5 United States Code (U.S.C.) Chapter 89, which directs OPM to establish the PSHBP. The PSHBP was authorized under the PSRA Title I - Postal Service Financial Reforms 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 5 U.S.C. § 8903c.

Our oversight of OPM's implementation of the PSHBP was ongoing, with periodic audit reports throughout the program's implementation. During this reporting period, we issued our seventh and final report on OPM's implementation of the PSHBP. We will continue to consider oversight of OPM's administration of the PSHBP as part of our annual risk assessment process.

---

## Audit of the U.S. Office of Personnel Management’s Implementation of the Postal Service Health Benefits Program: Capstone Report

November 24, 2025 | [PSHB-090](#)

Our primary objective of the audit of OPM’s implementation of the PSHBP was to determine whether OPM followed appropriate laws, regulations, and guidance to implement the requirements of the PSRA. We began oversight of OPM’s PSHBP implementation in October 2022 and since then have published several interim audit reports on our work. The capstone audit report compiles and summarizes our prior oversight activities and provides updates on the agency’s program implementation activities.

Specifically, the activities we reviewed during our audit included OPM’s project management of the PSHBP, the Carrier Connect system Authorization to Operate (ATO), the PSHB System, the collection of member eligibility documentation, the analysis of coverage for health insurance carrier applicants, and the customer support experience, as well as other implementation operation activities. Listed below are the most significant issues identified during our oversight and their status.

- OPM did not have a plan of action to collect eligibility documentation for all PSHBP dependent members who were previously enrolled in the FEHBP. In September 2024, we issued the final interim audit report outlining our findings. The recommendations remain open as of today.
- OPM granted an ATO for its Carrier Connect system without the proper supporting documentation. We issued a Flash Audit Alert in November 2023 to alert stakeholders. OPM subsequently implemented corrective actions to close the recommendation.
- OPM did not have comprehensive documented plans, policies, and procedures for the operation of what OPM described as its customer support experience for PSHBP customers during the PSHBP Open Season 2024 and after. OPM subsequently implemented corrective actions to close the recommendation.

## Other Benefit Program Audits

In addition to health insurance programs, we audit various other benefit programs administered by OPM for federal employees, annuitants, and their eligible dependents. These include the Federal Employees’ Group Life Insurance Program, Federal Flexible Spending Account Program, Federal Long Term Care Insurance Program, Federal Employees Dental and Vision Insurance Program, and Tribal Insurance Processing System (TIPS).

Our office also conducts audits of pharmacy benefit managers (PBMs) that administer pharmacy benefits for the FEHB’s experience-rated 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.

During this reporting period, we issued three reports on other benefit programs.

---

### **Audit of Tribal Participation in the Federal Employees Health Benefits Program from 2018 Through 2023**

October 27, 2025 | [2025-SAG-006](#)

Our audit of TIPS, as administered by the U.S. Department of Agriculture’s National Finance Center, identified three findings. TIPS is an enrollment and payment system used to support and manage enrollment and premium payments for tribal employers participating in the FEHBP.

Specifically, our audit identified the following:

- Enrollment errors and late terminations by tribal benefit officers resulted in improper health benefit payments and incorrect premium refunds, causing financial losses to the FEHBP.
- OPM holds an unused surplus of \$15,971,300 in operations and maintenance fees collected from tribal employers. Because these funds cannot be used for TIPS, the system instead relies on limited taxpayer funding that is insufficient to support necessary improvements.
- OPM did not retain eligibility documentation supporting its approval of tribes to participate in the FEHBP.

TIPS could be fully funded through its operations and maintenance fees, but congressional approval is required. Many of the issues identified in our audit stem from TIPS being underfunded.

---

### **Audit of the National Association of Letter Carriers Health Benefit Plan’s Pharmacy Operations as Administered by CVS Caremark for Contract Years 2018 Through 2023**

December 8, 2025 | [2024-SAG-022](#)

Our audit of the National Association of Letter Carriers (NALC) Health Benefit Plan’s Pharmacy Operations as administered by CVS Caremark identified one finding questioning \$8,212,777 (including \$1,217,705 in lost investment income) for failing to pass through transmission credits as required under the PBM Transparency Standards in NALC’s contract with OPM.

Specifically, CVS Caremark overcharged the FEHBP \$6,995,072 by retaining transmission fee credits collected from processing NALC prescriptions and billing the FEHBP more than the amounts actually paid to the pharmacies.

Both NALC and CVS Caremark are disputing the finding and amounts questioned.

---

### **Audit of the Blue Cross Blue Shield Association’s Service Benefit Plan’s Retail and Mail Order Pharmacy Operations as Administered by CVS Caremark for Contract Years 2018 Through 2021**

March 13, 2026 | [2024-SAG-013](#)

Our audit of the BCBSA’s Service Benefit Plan’s Pharmacy Operations as administered by CVS Caremark identified three findings questioning \$615,148,628 (including \$98,063,440 in lost investment income) for failing to pass through all discounts, credits,

and financial benefits related to prescription drug pricing as required under the PBM Transparency Standards in BCBSA’s contract with OPM.

Specifically, our audit identified the following:

- Caremark overcharged the FEHBP \$478,717,560 (including \$77,977,735 in lost investment income) by failing to pass on all discounts negotiated with two major retail pharmacy chains.
- Caremark overcharged the FEHBP \$108,600,029 (including \$16,170,786 in lost investment income) by retaining transmission fee credits collected from processing retail prescriptions and billing the FEHBP more than the amounts actually paid to retail pharmacies.
- BCBSA overcharged the FEHBP \$27,831,039 (including \$3,914,919 in lost investment income) by paying Caremark a percentage of excess savings above the retail claims pricing guarantee in 2018, 2019, and 2021.

Both BCBSA and Caremark dispute all findings and amounts questioned in this audit.

## Information Security 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 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 now operates 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 sectors make the continual maturation and enhancement of cybersecurity programs a critical need for OPM and its contractors. Information technology (IT) audits identify the challenges in responding to the escalating cybersecurity threats and provide tangible strategies and action plans to rectify and/or mitigate the challenges. The specific audits conducted each year are based on a risk assessment model that considers various factors, including the size of the 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 55 OPM-owned information systems as well as the 64 information systems used by private sector entities that contract with OPM to process federal data.

We issued two IT system audit reports and one flash report during this reporting period.

---

## Federal Information Security Modernization Act Audit for Fiscal Year 2025

November 24, 2025 | [2025-ISAG-008](#)

The Federal Information Security Modernization Act's reporting metrics use a maturity model evaluation system derived from the National Institute of Standards and Technology's Cybersecurity Framework. The Cybersecurity Framework is comprised of 10 "domain" areas and the weighted averages of the domain scores are used to derive the agency's overall cybersecurity score. In fiscal year (FY) 2025, OPM's cybersecurity maturity level was measured as "2 – Defined," which means that OPM documented its cybersecurity policies, procedures, and strategies, but those practices were not yet consistently implemented. This indicates that OPM has established a cybersecurity framework and understands the requirements for managing related risks. However, execution may vary among components, systems, or offices. In practical terms, OPM needs to strengthen agency-wide implementation, oversight, and consistency to improve the effectiveness of its cybersecurity program. In general, Level 4 or higher is the threshold for an effective information security program.

---

## Audit of the Information Systems General and Application Controls at BlueCross BlueShield of Tennessee

October 14, 2025 | [2025-ISAG-009](#)

Our IT audit focused on the claims processing applications used to adjudicate FEHBP claims for BlueCross BlueShield of

Tennessee (BCBST) members, as well as the various processes and IT systems used to support these applications. Our audit of the IT security controls of BCBST determined the following:

- BCBST did not provide sufficient evidence for how it determines which roles require separation during its logical access provisioning and review processes. However, BCBST is deploying a new identity and access management tool that will provide granular separation of duties.
- BCBST has implemented adequate physical access controls.
- BCBST does not have a formalized policy to secure, inventory, or regularly change keys to the data center.
- BCBST has developed adequate documented disaster recovery and business continuity plans.
- BCBST performs adequate developer testing and evaluation.

In addition, we made recommendations that were redacted from the publicly available version of the audit report:

- four enterprise security recommendations
- three logical access recommendations
- two network security recommendations
- one security event monitoring an incident response recommendation

## Internal Audits

Our internal audits focus on improving the efficiency and effectiveness of OPM's operations and their corresponding internal controls. We conduct comprehensive performance audits and special reviews of OPM programs, operations, and contractors and oversee certain statutorily required projects for improper payments and charge card reporting. In addition, we oversee OPM's annual financial statement audit, perform risk assessments of OPM programs and operations, and work with program offices to resolve and close internal audit recommendations.

We issued two internal audit reports during this reporting period.

---

### Audit of OPM's Facilities, Security, and Emergency Management Office

December 22, 2025 | [2024-IAG-021](#)

OPM's Facilities, Security, and Emergency Management Office (FSEM) manages the agency's personal and real property, building operations, space design and layout, mail management, realty, safety, physical security, and occupational health problems. FSEM provides security and suitability and national security clearance determinations for OPM personnel and directs the operations and oversight of OPM's preparedness and emergency response programs. The organization also oversees publishing and printing management for internal and external design and reproduction.

The objective of this audit was to determine if FSEM adequately trained staff, maintained building safety equipment, conducted required drills, and followed policies and procedures. Specifically, we assessed whether FSEM ensured that protective security officers and other physical security staff received required training; conducted testing and preventative maintenance of building safety equipment in the Theodore Roosevelt Building; sent out Everbridge emergency notifications in accordance with operating instructions; conducted fire, active threat, and shelter-in-place drills, as required; and followed policies and procedures for personal identity verification (PIV) card management and the situation room.

We determined that FSEM completed training for physical security staff and protective security officers as required and FSEM regularly conducted reviews of building safety equipment. However, we identified issues affecting the overall effectiveness of FSEM's operations. Specifically, we determined the following:

- The situation room was closed for 17 out of 732 shifts during FY 2024, which did not align with FSEM's Organizational Overview policy that requires 24-hours-a-day, 7-days-a-week operation to provide real-time situational awareness to OPM.
- FSEM is required to complete daily shift logs documenting situation room activities. We found inconsistencies in task details and missing information in all 54 daily logs that we sampled and tested.

- FSEM did not complete the full set of drills identified in the FY 2024 OPM Security Plan, including unannounced fire drills, shelter-in-place drills, and active-shooter-training drills.
- We could not confirm that FSEM completed monthly PIV access control reviews, including implementing requested changes from authorized approving officials as outlined in the Standard Operating Procedure Card Reader Access, March 20, 2024.
- There was no documented process for the approval of messages that are sent out by the Everbridge Emergency Notification System.

In addition, FSEM's management expressed concerns regarding the lifecycle status of certain building countermeasures, noting that older equipment may not be capable of detecting newer technologies entering the building.

## OPM's Consolidated Financial Statements Audits

The Chief Financial Officers Act of 1990, Pub. L. No. 101–576, requires OPM's Inspector General or an independent external auditor, as determined by the Inspector General, to audit the agency's financial statements in accordance with Government Auditing Standards issued by the Comptroller General of the United States. The OIG contracted with KPMG LLP, an independent certified public accounting firm, to audit the consolidated financial statements as of September 30, 2025. The contract required that the audit be performed in accordance with auditing

standards generally accepted in the United States, the standards applicable to financial audits contained in Government Auditing Standards and OMB Bulletin No. 24-02, Audit Requirements for Federal Financial Statements. OPM's consolidated financial statements include the agency's retirement programs, health benefits program, life insurance program, revolving fund programs, and salaries and expenses. OPM provides a variety of human resource–related services to other federal agencies, such as preemployment testing and employee training, and these activities are financed through an intragovernmental revolving fund. Salaries and expenses provide the budgetary resources used by OPM for the administrative purposes in support of the agency's mission and programs.

KPMG was responsible for, but not limited to, issuing an audit report that included opinions on the consolidated financial statements and the individual statements for the three benefit programs, a report on internal control over financial reporting, and a report on compliance and other matters.

In connection with the audit contract, we reviewed KPMG's report and related documentation and made inquiries of its representatives regarding the audit. To fulfill our audit responsibilities under the Chief Financial Officers Act to ensure the quality of the audit work performed, we reviewed KPMG's audit of OPM's FY 2025 consolidated financial statements in accordance with Government Auditing Standards.

Specifically, we provided oversight and technical advice and liaised with KPMG auditors; ensured that audits and audit reports were completed timely and in accordance with the requirements of generally accepted government auditing standards, OMB Bulletin No. 24-02, and other applicable professional auditing standards; documented oversight activities and monitored audit status; reviewed responses to audit reports per OMB Circular No. A-50, Audit Follow-up; coordinated issuance of the audit report; and performed other procedures we deemed necessary. Our review disclosed no instances where KPMG did not comply, in all material respects, with generally accepted government auditing standards.

---

### Audit of OPM's Fiscal Year 2025 Consolidated Financial Statements

December 17, 2025 | [2025-IAG-012](#)

KPMG reported on its financial statement audit of OPM's consolidated financial statements, which comprise the consolidated balance sheet as of September 30, 2025, related consolidated statements of net costs and changes in net position, combined statement of budgetary resources for the year then ended, and related notes to the consolidated financial statements. KPMG's report also covered the financial statements of OPM's Retirement Program, Health Benefits Programs, and Life Insurance Program, which comprise the balance sheets as of September 30, 2025, and the related statements of net cost, changes in net position, and statements of budgetary resources for the years then

ended, presented in the accompanying consolidating and combining financial statements, and the related notes to the financial statements. KPMG reported the following:

- The financial statements present fairly, in all material respects, the financial position of the Retirement Program, Health Benefits Program, and Life Insurance Program as of September 30, 2025, and their respective net costs, changes in net position, and budgetary resources for the year then ended in accordance with U.S. generally accepted accounting principles.
- The results of KPMG's tests of OPM's compliance with certain provisions referred to in Section 803(a) of the Federal Financial Management Improvement Act of 1996 disclosed no instances in which OPM's financial management systems did not substantially comply with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level.

KPMG's audits generally include identifying internal control deficiencies, significant deficiencies, and material weaknesses.

An **internal control deficiency** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A **significant deficiency** is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

A **material weakness** is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

KPMG identified a material weakness in OPM's internal control over financial reporting. KPMG identified the following in relation to the material weakness disclosure:

- ineffective review of manual journal entries
- deficiencies in accounting for budgetary resources
- insufficient financial statement fluctuation analysis

KPMG also identified significant deficiencies in OPM's internal control over financial reporting. These were focused on improvements needed in controls over information technology and entity level controls. Specifically, KPMG noted the following:

### **Controls over IT**

- OPM did not effectively design, consistently implement, or operate logical access controls for three of its IT systems.
- OPM did not appropriately design, consistently implement, or operate configuration controls.

### **Entity Level Controls**

- OPM experienced operational challenges that hindered its ability to maintain effective entity level controls throughout the fiscal year, including the lack of an appropriate level of resources to effectively prioritize its enterprise risk management process.

## Evaluations

OIG evaluations provide an alternative method for conducting independent, credible, and thorough reviews of OPM’s programs and operations to prevent waste, fraud, and abuse. Evaluations quickly analyze OPM concerns or issues that need immediate attention by using a variety of review methods and evaluation techniques and 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. Evaluation reports provide OPM management with findings and recommendations that assist in enhancing program operations, efficiency, effectiveness, and compliance with applicable policies and procedures.

We issued one data brief during this reporting period.

---

## FEHB Program Trends: Increases in Glucagon-like Peptide-1 Receptor Agonists Spending from 2019 to 2024

December 8, 2025 | [2025-CAAG-019](#)

We completed a data analysis of spending trends within the FEHBP related to glucagon-like peptide-1 receptor agonist (GLP-1) medications for the period covering 2019 to 2024. GLP-1s are medications designed to lower blood sugar levels and promote weight loss that became an FEHBP allowable benefit in January 2023.

Overall, FEHBP spending on GLP-1s has increased significantly since its mandated coverage in 2023. In 2024, GLP-1s accounted for 18 percent of total FEHBP pharmacy spending. This is a substantial deviation from normal spending patterns and warrants ongoing research and reporting by OPM’s Healthcare and Insurance to determine the effects of this shift both on affordability and medical outcomes in the FEHBP.

## Enforcement Activities

---

The OIG conducts civil, criminal, and administrative investigations of OPM programs and operations as part of our oversight mission. Our staff of federal special agents and investigative analysts respond to allegations of fraud, waste, and abuse and perform complex data analyses and law enforcement interviews, searches, and arrests to build our investigations.

Our investigative priorities focus on

- preventing harm to FEHBP members and annuitants,
- ending financially damaging schemes, and
- responding to allegations of weaknesses or vulnerabilities in OPM programs.

The case summaries in this semiannual report describe results from select investigations with milestone events in the past 6 months. These cases show the range and importance of our civil, criminal, and administrative investigations. Highlighted cases include investigations into a former federal courts employee who submitted false claims and fraudulent records; our involvement in a multiagency investigation into an international health care fraud scheme that cost the FEHBP millions of dollars; and ending decades of improper payments after the death of an annuitant.

### Health Care Investigations

The FEHBP covers more than 8 million people, including federal employees, retirees, and family members. To protect these members and the financial integrity of the FEHBP, the OIG conducts investigations into allegations of health care fraud and other allegations of illegal or improper conduct involving the FEHBP and OPM's other health care programs.

We receive allegations for potential investigations in several different ways, as shown in the investigations described in this report. Americans who use OPM programs like the FEHBP can report suspected fraud either directly to the OIG through our Hotline or to their health insurance carrier, which is subsequently provided to us for potential investigation. We also proactively develop our analytically driven investigations based on public information or proactive projects. And we participate in nationwide taskforces and joint investigative actions with the Federal Bureau of Investigation, HHS OIG, and other law enforcement partners.

In this semiannual report, we also highlight a case where the FEHBP's ongoing exclusion from the Anti-Kickback Statute disadvantaged our ability to pursue an investigation and potentially limited the return of fraudulently spent taxpayer dollars. OPM programs are unlikely to receive restitution on the same level as other federal health care programs because of the FEHBP's (as well as the PSHBP's) exclusion.

---

## U.S. Probation Office Employee Pleads Guilty to Health Care Fraud

In May 2024, we received information from an FEHBP health insurance carrier that a member sent suspicious international claims for reimbursement. The member submitted claims for services that she supposedly received in Mexico, but there was evidence of possible forgery and falsified records.

The 68 false claims submitted netted the member \$358,634 in reimbursement.

Our investigation identified that the member submitted fabricated bank statements. Patient files were also faked.

The member was an employee of the U.S. Probation Office, but her federal employment ended in August 2024. Even after leaving federal employment and losing FEHBP coverage, the member subscribed to a private insurance plan and submitted an additional \$10,000 of false claims.

The member pleaded guilty in October 2025 in the U.S. District Court for the Southern District of California to one count of health care fraud. Per the details of the plea agreement, the member admitted, among other things, to submitting a claim that she received medical care in Tijuana on December 4, 2023. However, she was not in Mexico on that day. To support the false claim, she provided a bill from a Tijuana hospital and an edited bank statement.

In February 2026, she was sentenced to 8 months of incarceration and 3 years of supervised release. The court also ordered restitution of \$369,287, which will include

restitution of the full amount of stolen FEHBP money.

---

## First Sentencing for Members of a Transnational Durable Medical Equipment Scheme

In April 2023, we received information from an FEHBP health insurance carrier after the carrier was contacted by a member who had durable medical equipment billed to their account despite not ordering and never receiving the equipment. At least 13 other members reported similar activity.

Our investigation of this information linked the durable medical equipment provider to an ongoing multiagency investigation into transnational health care fraud. Durable medical equipment companies purchased by international stakeholders during the pandemic used the National Provider Identifiers (NPIs) they acquired to bill for the fraudulent services, like the ones the members reported. These NPIs let the fraudsters submit claims and avoid detection long enough to bill for millions of dollars. FEHBP health insurance carriers paid more than \$21 million for claims associated with this scheme.

Ten individuals have been arrested in this case. At least one individual has been deported after their arrest.

On November 21, 2025, one individual who had pleaded guilty in the U.S. District Court for the Eastern District of Kentucky to conspiracy to commit money laundering was sentenced to 28 months of imprisonment, with credit for time served, and 3 years of supervised release. The court

also ordered payment of \$6 million in restitution.

We continue to pursue an end to this international fraud scheme and expect further judicial action related to the case.

---

### **Nationwide Pharmacy Chain Settles Over Allegations of Inappropriate Insulin Refills, Pays FEHBP \$1.9 Million**

In September 2018, we joined a multiagency investigation based on a qui tam<sup>1</sup> that alleged a nationwide pharmacy chain was violating the False Claims Act. The pharmacy dispensed more insulin than was specified by prescription and refilled prescriptions before the refills were necessary by not following rules related to days-of-supply for insulin and other prescribing problems. This increased the reimbursement that government health care programs paid for these prescriptions.

Our special agents conducted interviews with patients and former employees as part of our investigation. Patients stated that they were signed up for automatic refills without requesting to be and received excess insulin because of the pharmacy chain's refilling practices. Patients described having two extra boxes of insulin pens, throwing out expired or unused insulin, or having to request the pharmacy shelve unneeded refills. Pharmacists and pharmacy technicians described, among other things, patients calling to complain about prescriptions being filled too early, pressure

---

<sup>1</sup> The False Claims Act allows private citizens to file suits on behalf of the United States against those who have defrauded the government. These suits

from the pharmacy's managers to meet quotas, and inconsistent application of policies and procedures to ensure that prescriptions were paid for by insurance companies.

FEHBP members filled \$1.7 billion worth of insulin prescriptions by this pharmacy chain during the 6-year period where the pharmacy's dispensing practices allegedly caused improper refills. While not all these refills violated the False Claims Act or were part of the covered actions, the cost to the government from these early refills was still substantial. On December 1, 2025, the national pharmacy chain entered a \$37.7 million settlement with the government to resolve the allegations. The FEHBP received \$1.9 million from this settlement.

---

### **Couple Pleads Guilty to Defrauding the Federal Long Term Care Insurance Program with Impossible Claims, False Information**

In 2024, we received information from FedPoint that it had received suspicious claims filed with the Federal Long Term Care Insurance Program (FLTCIP). FedPoint administers the FLTCIP on behalf of OPM. The suspicious claims had an insured member billing for care every day of the week during normal business hours beginning on her eligibility date, with no breaks in service. FedPoint also provided information that the insured member possibly still worked for the government.

are called "qui tam" suits. Private citizens who successfully bring qui tam actions may receive a portion of the government's recovery.

A second individual, the husband of the insured, also began submitting claims to FedPoint, using the same caregiver information as his wife. The husband had been involved in an earlier, unrelated fraud scheme—he had pleaded guilty to conspiracy to commit racketeering for his part in a fraud scheme where he was paid bribes to help the children of the rich and famous attend prestigious universities.

FLTCIP paid \$381,930 to this married couple for the fraudulent care claims they submitted.

The claims filed featured no days off and the maximum or nearly the maximum of the reimbursable amount for each day.

According to the plea agreement, between May 2021 and May 2023, the husband and wife claimed that an employee at the school where the husband worked provided in-home care. The submitted forms used that employee's name, Social Security number, date of birth, and other personal information. But that employee never provided in-home care to either of the perpetrators of this scheme.

Our law enforcement team conducted a search warrant and seized documents and electronic evidence. We also served financial forfeiture warrants at multiple banks for approximately \$230,000.

In January 2026, the husband and wife were charged via criminal information with wire fraud. They pleaded guilty in the U.S. District Court for the Southern District of California on March 25, 2026. The wife was removed

from her position in the federal service. Sentencing is scheduled for later this year.

---

### **Ophthalmologist Charged Over Amniotic Membrane Graft False Claims**

In July 2024, we received information from an FEHBP health insurance carrier that a federal law enforcement partner had requested information about an ophthalmologist that allegedly billed for amniotic membrane grafts that were either medically unnecessary or never performed.

Amniotic membrane grafts are a surgical procedure that uses placental tissue as a graft to encourage healing, usually as part of reconstructive eye procedures.

FEHBP health insurance carriers paid \$338,155 for the alleged false claims over the past 4 years.

A criminal information filed in the U.S. District Court for the Middle District of Tennessee charged the medical provider with submitting false claims. The provider is presumed innocent until proven guilty in a court of law. Further judicial action is expected in this case.

---

### **Settlement Resolves Allegations That Medical Center Subsidized Cash-Payment COVID Tests by Upcoding FEHBP Member Visits**

A news report from a local television station in Austin, Texas, described an emergency room and medical center that, during the height of the COVID-19 pandemic, charged a listed cash price of about \$400 for COVID-19 testing, but charged insured

patients for the test and a doctor's appointment at a cost of about \$3,000. In the news report, an email reportedly from the hospital described how charging insured patients for the doctor's visit and test subsidized the cash-only cost.

Based on the news story, we opened an investigation and conducted interviews with patients and requested records to understand the scope of the potential fraud.

Our analysis of paid FEHBP health insurance claims found that FEHBP health insurers paid \$261,428 specifically associated with this scheme.

On October 28, 2025, the emergency room agreed to a settlement with the government to resolve the allegations that its actions charged insured patients more and that it up-coded evaluation and management services to increase reimbursement. From the \$429,231 settlement, the FEHBP will receive \$229,957.

---

### FEHBP's Exclusion from the Anti-Kickback Statute Sidelines Investigation

In March 2025, we received a qui tam from the U.S. Attorney's Office for the Eastern District of Pennsylvania that alleged that a medical device provider engaged in an expansive scheme of kickbacks to encourage physicians to use its surgically implantable devices. The kickbacks, according to the complaint, included honoraria for sham speaking programs, free marketing services, and lavish meals and cocktail parties. FEHBP health insurance carriers paid \$161 million for procedures involving the implantable devices between

2017 and 2024. In October 2025, we closed this investigation because the investigative efforts were focused primarily on the Anti-Kickback Statute, which the FEHBP is excluded from. The case could potentially be reopened if there are findings that the False Claims Act was also violated and the Department of Justice pursues those violations as well.

## Retirement Investigations

OIG activities can end years of fraudulent or wasteful payments from OPM's retirement programs. Our investigations into fraud, waste, and abuse lead to OPM stopping payments to deceased annuitants and the recovery of improperly paid, including stolen, annuities. Our partnership with the agency's OPM Retirement Services Fraud Branch program integrity efforts generate referrals for potential action. We also base investigations on information shared with us by other benefits-paying agencies such as the Social Security Administration or via the Do Not Pay Portal.

While subjects try to circumvent agency verification methods, our special agents and investigative analysts use a variety of complex investigative techniques to unravel suspicious or potentially stolen annuities. Our law enforcement staff regularly analyze bank records, evaluate potentially forged documents or impersonated phone calls, seek subpoenas of important records, and conduct interviews with victims, witnesses, and subjects.

Our investigations are an important part of the accountability ecosystem that ensures OPM spends taxpayer dollars on the

annuitants and survivor annuitants who have earned those benefits. We look forward to our continued cooperation and partnership with the agency's Retirement Services Fraud Branch and its other initiatives to reduce and prevent improper payments in its Federal Employees Retirement System (FERS) and Civil Service Retirement System (CSRS) retirement programs.

---

### Deceased Annuitant's Son Steals \$100K in OPM Annuity Payments

In January 2024, we received information from a law enforcement partner about a deceased individual who was continuing to receive payments from the government, including a federal annuity. The decedent's death, in November 2012, had not been reported to OPM.

In more than 11 years of overpayments, OPM ultimately improperly paid more than \$101,328 after the annuitant died.

Our investigation found that the son of the decedent had access to the money.

Together with another federal law enforcement partner, our special agent conducted an interview with the son, who claimed that he thought he was entitled to the money. According to financial records, the son did not disclose these funds when he filed for bankruptcy. Our investigation

also found that he used the OPM annuity payments for personal expenditures.

He was charged by criminal information in the U.S. District Court for the Middle District of Georgia. He pleaded guilty to one count of theft of government property.

On October 20, 2025, the son was sentenced to 18 months of imprisonment and 3 years of supervised release. The court also ordered the son to pay restitution to return the stolen funds, including \$101,328 to OPM.

---

### Case Update: Twenty-Five Years of Improper Payments Ends with Guilty Plea<sup>2</sup>

In July 2023, we received a request for assistance from a federal law enforcement partner after that agency identified that a deceased individual's financial accounts continued to receive government payments after the individual died in January 1998. The decedent received a CSRS annuity until July 2023.

Over more than 25 years and approximately 300 improper payments, OPM paid \$702,336 to the decedent after their death. Through U.S. Department of Treasury reclamation actions, OPM recovered \$4,549, leaving a loss to OPM of \$697,787.

Because the death certificate listed a different date of birth for the annuitant than other information that federal agencies possessed, OPM did not learn of the death

---

<sup>2</sup> Information about this case first appeared in the [Semiannual Report to Congress](#) for October 1, 2023, to March 31, 2024.

promptly, and no one reported the death to the agency. Our investigation identified the name of an individual on the CSRS annuitant's death certificate as a person who could potentially be accessing the government payments.

The subject of our investigation admitted during an interview with criminal investigators that she accessed the payments issued to the decedent. In total, she may have accessed more than \$1 million in improperly paid government funds from OPM and other federal agencies.

In May 2024, the subject of our investigation was indicted in the U.S. District Court for the District of New Jersey on one count of wire fraud. On February 2, 2026, she pleaded guilty to the charge. Sentencing is scheduled for this summer.

## Administrative Sanctions of FEHBP Health Care Providers

Under the FEHBP administrative sanctions authority (5 U.S.C. § 8902a), we suspend or debar health care providers whose actions demonstrate insufficient professional responsibility to participate in the FEHBP. At the end of the reporting period, there were a total of 40,763 active suspensions and debarments preventing 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, we issued 495 administrative sanctions (including both suspensions and debarments) of health care providers who committed violations impacting the FEHBP and its enrollees. In addition, we addressed 1,634 sanctions-related inquiries and correspondence.

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

- administrative actions issued against health care providers by other federal agencies
- cases referred by the OIG Office of Investigations
- cases identified by the OIG Administrative Sanctions Group (ASG) through systematic research and

analysis of electronically available information about health care providers

- referrals from other sources, including FEHBP 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 our proactive work.

---

#### **Debarment of Four Illinois Medical Practices Owned/Controlled by Debarred Physician**

In May 2024, our office debarred an Illinois oncologist based on his exclusion by HHS for a health care program–related conviction, which carries a minimum 5-year exclusion period. His debarment runs concurrently with the term of his HHS exclusion. As of March 2026, both the OPM debarment and the 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, such as written prescriptions, to

any person enrolled in one of the FEHBP's health insurance plans.

Under 5 U.S.C. § 8902a(c)(2), OPM has the authority to debar an entity that is owned or controlled by a sanctioned provider. The OPM regulations at 5 Code of Federal Regulations (C.F.R.) § 890.1003 define "control" as constituting the direct or indirect ownership of 5 percent or more of an entity, or serving as an officer, director, agent, or an employee of an entity. Consistent with this authority and guided by the definition of "control" in 5 C.F.R. § 890.1003, ASG conducted additional research and investigative review to assess the broader risk posed by the provider's business affiliations. Through this work, we identified four medical practices that were owned and/or controlled by the debarred oncologist.

Because the debarred oncologist's actions and affiliation with the medical practices posed a risk to both FEHBP enrollees and the financial integrity of the program, in October 2025 we issued notices proposing the debarment of all four practices. Their debarments became effective in November 2025 and will remain for the duration of the oncologist's debarment term.

This case was identified and investigated by the ASG.

---

#### **Debarment of a Convicted Medical Claims Biller**

In November 2025, our office debarred a medical claims biller after she plead guilty in the U. S. District Court Northern District of Illinois Eastern Division to one count of theft

or embezzlement in connection with health care. According to court filings, she worked with others to submit false insurance claims for physical therapy and health care services, knowing that the services had never been provided. To support these fraudulent claims, they created medical records that falsely reported that patients received treatment by medical providers to substantiate the fraudulent claims. They also knowingly and willfully used the names of those providers without their knowledge or authorization to make the claims appear legitimate.

The court's March 23, 2023, superseding indictment, charged that between October 2013 and July 2015, the medical biller and coconspirators fraudulently obtained at

least \$6.5 million from health insurance companies by submitting and causing the submission of fraudulent claims. On July 26, 2023, she pleaded guilty to one count of theft or embezzlement in connection with health care. She was sentenced to 21 months in prison, followed by 12 months of supervised release, and was ordered to pay \$1 million in restitution jointly with her coconspirators.

Her actions defrauded health insurance programs and undermined the integrity of the claims process, prompting OPM to take administrative action to protect the FEHBP and its enrollees. We debarred the provider for the mandatory 3-year period. This case was identified and investigated by the ASG.

## Statistical Summary of Enforcement Activities

Investigative Actions and Recoveries	
Indictments and Criminal Informations	14
Arrests	8
Convictions	7
Criminal Complaints/Pre-Trial Diversion	1
Subjects Presented for Prosecution – Federal Venue	
Criminal	13
Civil	6
Subjects Presented for Prosecution – Local Venue	
Criminal	2
Civil	0
Total Monetary Value of Referrals Submitted by FEHB Carriers as Potential Fraud, Waste, or Abuse <sup>3</sup>	\$604,855,433
Total Monetary Value of Cases Provided to the U.S. Department of Justice in Response to Qui Tam Investigations <sup>4</sup>	\$352,970,703
Total Monetary Value of Cases Presented for Civil or Criminal Prosecution <sup>5</sup>	\$15,913,547
Expected Recovery Amount to OPM Programs	\$4,099,121
Civil Judgments and Settlements	\$3,094,150
Criminal Judgements and Restitution	\$1,004,970
Administrative Recoveries	\$0
Expected Recovery Amount for All Programs and Victims <sup>6</sup>	\$89,818,930

<sup>3</sup> Total Monetary Value of Referrals Submitted by FEHB Carriers as Potential Fraud, Waste, or Abuse represents, approximately, how much money FEHBP health insurance providers submitted as paid claims related to allegations or potential instances of fraud, waste, or abuse through the carrier notification process.

<sup>4</sup> Total Monetary Value of Cases Provided to the U.S. Department of Justice in Response to Qui Tam Investigations represents approximately the initial financial exposure or damages that we provided to the U.S. Department of Justice related to qui tams that allegedly affected the FEHBP through the submission of false claims or other allegations of fraud, waste, or abuse.

<sup>5</sup> Total Monetary Value of Cases Presented for Civil or Criminal Prosecution represents the financial exposure of all investigations where our investigative staff presented the case to the U.S. Department of Justice or a local prosecutorial authority to prevail upon those entities to bring criminal or civil actions against the subjects of our investigations.

<sup>6</sup> Expected Recovery Amount for All Programs and Victims is the amount of 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.

<b>Investigative Administrative Actions</b>	
FY 2026 Investigative Reports Issued <sup>7</sup>	46
Whistleblower Retaliation Allegations Substantiated	0
Cases Referred for Suspension and Debarment	18
Personnel Suspensions, Terminations, or Resignations	0
Referrals to the OIG Office of Audits	0
Referrals to an OPM Program Office	0
<b>FEHBP Administrative Sanction Activities</b>	
Debarments and Suspensions Issued	497
Provider Debarment and Suspension Inquiries	1,863
Debarments and Suspensions in Effect at the End of the Reporting Period	39,982

Additional reporting of statistical information required by the Administrative False Claims Act: The OIG does not report any information related to 5 U.S.C. 405(c)(5) for this semiannual reporting period. Rulemaking has not been finalized and preparatory steps for implementation between the OIG and the agency are ongoing. In future semiannual reports, we will include the required statistics about reports submitted by OIG investigating officials to agency reviewing officials.

<sup>7</sup> The total number of investigative reports issued during the reporting period includes reports of investigations and summative investigative reports.

Table 1: Enforcement Activities

	OPM Healthcare & Insurance Office	OPM Retirement Services Office	Other OPM Program Offices	External/ Internal Matters	Total
<b>Cases Opened</b>					
Investigations <sup>8</sup>	1	1	0	0	2
Preliminary Investigations <sup>9</sup>	11	1	0	0	12
FEHB Carrier Notifications/Program Office	966	11	0	0	977
Complaints – All Other Sources/Proactive <sup>10</sup>	152	1	1	13	167
<b>Cases Closed</b>					
Investigations	27	5	0	0	32
Preliminary Investigations	14	1	0	0	15
FEHB Carrier Notifications/ Program Office	794	5	1	0	800
Complaints – All Other Sources/Proactive	156	2	0	19	177
<b>Cases In Progress<sup>11</sup></b>					
Investigations	74	8	4	0	86
Preliminary Investigations	26	4	2	0	32
FEHB Carrier Notifications/ Program Office	925	10	0	0	935
Complaints – All Other Sources/Proactive	72	2	0	8	82

<sup>8</sup> This includes preliminary investigations from this reporting period and previous reporting periods converted to investigations during this reporting period.

<sup>9</sup> This includes complaints or carrier notifications from this reporting period and previous reporting periods converted to preliminary investigations during this reporting period.

<sup>10</sup> This excludes allegations received via the OIG Hotline, which are reported separately in this report.

<sup>11</sup> Cases in progress may have been opened in a previous reporting period.

## OIG Hotline Complaint Activities

<b>OIG Hotline Complaints Received</b>		<b>2,190</b>
<i>Sources of OIG Hotline Cases Received</i>		
Website		1,268
Telephone		684
Letter		138
Email		99
In-Person		1
<i>OPM Program Office</i>		
<b>Healthcare and Insurance</b>		<b>347</b>
Customer Service		78
Health Care Fraud, Waste, and Abuse Complaint		112
Other Health Care and Insurance Issues		157
<b>Retirement Services</b>		<b>954</b>
Customer Service		325
Retirement Fraud, Waste, and Abuse Complaint		74
Other Retirement Services Issue		555
<b>Other OPM Program Offices/Internal Matter</b>		<b>16</b>
Customer Service		9
Other OPM Program Fraud, Waste, and Abuse Complaint		2
Other OPM Program Issue		5
<b>External Agency Issue (Unrelated to OPM)</b>		<b>838</b>
<b>Unknown</b>		<b>35</b>
<b>OIG Hotline Cases Reviewed and Closed/Converted<sup>12</sup></b>		<b>1,860</b>
<i>Outcome of OIG Hotline Complaints Closed</i>		
Referred to External Agency		2
Referred to OPM Program Office		195
Retirement Services		37
Healthcare and Insurance		136
Other OPM Programs/Internal Matter		22
Referred to FEHB Carrier		23
No Further Action		1,638
Converted to Case		2
<b>OIG Hotline Complaints Pending<sup>13</sup></b>		<b>493</b>
<i>By OPM Program Office</i>		
Healthcare and Insurance		117
Retirement Services		314
Other OPM Program Offices/Internal Matters		8
External Agency Issue (unrelated to OPM)		1
Unknown/To Be Determined		53

<sup>12</sup> Includes hotline cases that may have been received in a previous reporting period.

<sup>13</sup> Includes hotline cases pending an OIG internal review or an agency response to a referral.

## Legal and Legislative Activities

---

Under the Inspector General Act of 1978, as amended, 5 U.S.C. §§ 401–424, 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 OIG Office of Legal and Legislative Affairs (OLLA) satisfies this statutory responsibility in several ways, including by providing advice to the IG 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 that address waste, fraud, and abuse against and within OPM programs.

During this reporting period, OLLA advised the Deputy IG Performing the Duties of the IG and other OIG components on many legal and regulatory matters. OLLA also evaluated and provided comments to Congress and the Council of the Inspectors General on Integrity and Efficiency Legislation Committee on proposed and draft legislation as it related to OPM's and the OIG's programs and operations.

### Congressional Engagements

OLLA participated in 27 congressional engagements since our last semiannual report, collaborating with other OIG components to provide information and facilitate meetings that addressed specific congressional requests and inquiries. These requests and inquiries covered a range of topics, including the impact of staff reductions on agency operations, recoveries

resulting from our oversight of PBMs, and constituent requests. We also organized bipartisan briefings with congressional staff to discuss the status or results of ongoing OIG audits and the OIG's plans to utilize generative artificial intelligence (AI) to enhance our oversight.

### Enhancing Oversight Capabilities Through Data Analytics and Generative AI

With the support of Congress, the OIG has invested in developing a data analytics program to provide our auditors and investigators with a robust set of tools for identifying improper payments and fraud, waste, and abuse within OPM's benefits programs. For the FEHBP alone, the OIG is responsible for overseeing a benefits program that processes billions of medical and pharmacy claims, which come from over 8 million subscribers enrolled in plans offered by over 65 health insurance carriers. Given this vast amount of data, the program's complexity, and the potential for improper payments and fraud, we recognize that now more than ever, it is critical to leverage advanced analytics to guide oversight and allocate resources where they are needed most.

Recently, we presented to congressional stakeholders our progress in integrating machine learning for data analysis and our plans to adopt generative AI technologies to enhance OIG oversight. These tools can quickly and clearly identify unusual claims as

well as data and spending anomalies, empowering auditors and investigators to efficiently navigate large datasets and generate leads for proactive oversight. Our intent is to integrate generative AI technology into full-scale production in our data warehouse environment to enable auditors and investigators to translate their knowledge into targeted, technical queries, accelerating discovery of potential risk areas and supporting data-driven decision-making.

While these enhanced technological capabilities will help to improve operational efficiency, they do not reduce the need for skilled personnel. Auditors and investigators remain vital for maximizing the benefits of the proactive oversight model that machine learning and AI can facilitate. Continued investment in both technology and staff is essential for the OIG to maintain and enhance its success in identifying taxpayer funds lost to improper payments, fraud, waste, and abuse.

## Appendix I-A: Final Reports Issued With Questioned Costs for OPM 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	13	\$332,258,340
B. Reports issued during the reporting period with questioned costs	3	\$660,984,717
Subtotals (A+B)	16	\$993,243,057
C. Reports for which a management decision was made during the reporting period	3	\$27,327,124
1. Net disallowed costs	N/A	\$25,426,191
Disallowed costs during the reporting period	N/A	\$26,239,022 <sup>1</sup>
Less: costs originally disallowed but subsequently allowed during the reporting period	N/A	\$812,831 <sup>2</sup>
2. Net allowed costs	N/A	\$1,900,933
Allowed costs during the reporting period	N/A	\$1,088,102 <sup>3</sup>
Plus: costs originally disallowed but subsequently allowed during the reporting period	N/A	\$812,831 <sup>2</sup>
D. Reports for which no management decision has been made by the end of the reporting period	13	\$965,915,933
E. Reports for which no management decision has been made within 6 months of issuance	10	\$329,150,869

<sup>1</sup> Represents the management decision to support questioned costs and establish a receivable during the reporting period.

<sup>2</sup> 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.

<sup>3</sup> Represents questioned costs (overpayments) which management allowed and for which no receivable was established. This figure also includes the allowance of underpayments to be returned to the carrier.

## Appendix I-B: Final Reports Issued With Questioned Costs for All Other Audited 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	0	\$0
Subtotals (A+B)	0	\$0
C. Reports for which a management decision was made during the reporting period	0	\$0
1. Net disallowed costs	N/A	\$0
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 OPM Insurance Programs

Subject	Questioned Costs
A. Value of open recommendations at the beginning of the reporting period	\$332,258,340
B. Value of new audit recommendations issued during the reporting period	\$660,984,717
Subtotals (A+B)	\$993,243,057
C. Amounts recovered during the reporting period	\$25,426,191
D. Amounts allowed during the reporting period	\$1,900,933
E. Other adjustments	\$0
Subtotals (C+D+E)	\$27,327,124
F. Value of open recommendations at the end of the reporting period	\$965,915,933

## 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	1	\$15,971,300
Subtotals (A+B)	1	\$15,971,300
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	1	\$15,971,300
E. Reports for which no management decision has been made within 6 months of issuance	0	\$0

## Appendix IV: Reports Issued

Report Number	Subject	Date Issued	Questioned Costs
2025-ISAG-009	Information Systems General and Application Controls at BlueCross BlueShield of Tennessee in Chattanooga, Tennessee	October 14, 2025	n/a
2025-SAG-006	Tribal Participation in the Federal Employees Health Benefits Program from 2018 Through 2023 in New Orleans, Louisiana	October 27, 2025	\$0
2025-ISAG-008	Federal Information Security Modernization Act Audit - Fiscal Year 2025 in Washington, D.C.	November 24, 2025	n/a
PSHB-090	U.S. Office of Personnel Management's Implementation of the Postal Service Health Benefits Program: Capstone Report in Washington, D.C.	November 24, 2025	n/a
2025-CAAG-019	FEHB Program Trends Increases in Glucagon-like Peptide-1 Receptor Agonists Spending from 2019 to 2024 in Washington, D.C.	December 8, 2025	n/a
2024-SAG-022	National Association of Letter Carriers Health Benefit Plan's Pharmacy Operations as Administered by CVS Caremark for Contract Years 2018 Through 2023 in Scottsdale, Arizona	December 8, 2025	\$8,212,777
2025-IAG-012	U.S. Office of Personnel Management's Fiscal Year 2025 Consolidated Financial Statements in Washington, D.C.	December 17, 2025	n/a
2024-IAG-021	U.S. Office of Personnel Management's Facilities, Security, and Emergency Management Office in Washington, D.C.	December 22, 2025	n/a
2025-ERAG-005	American Postal Workers Union Health Plan in Elkridge, Maryland	February 5, 2026	\$37,623,312
2024-SAG-013	Blue Cross Blue Shield Association's Service Benefit Plan's Retail and Mail Order Pharmacy Programs as Administered by CVS Caremark for Contract Years 2018 Through 2021 in Scottsdale, Arizona	March 13, 2026	\$615,148,628
2025-CAAG-010	Oversight of the Federal Employees Health Benefits Program's Contract Section 2.3(g) – Erroneous Payments Clause in Washington, D.C.	March 30, 2026	n/a
<b>TOTAL</b>			<b>\$660,984,717</b>

## Appendix V: Priority Open Recommendations

The OIG identifies its three highest [priority open recommendations](#) on [Oversight.gov](#). These priority recommendations merit special attention from OPM leadership because their implementation could significantly improve program management and payment integrity. All three of our current priority recommendations focus on strengthening the FEHBP to reduce costs and provide better services to federal employees and their families.

Report Number	Subject	Date Issued	Rec #	Recommendation
2022-SAG-029	Audit of the American Postal Workers Union Health Plan’s Pharmacy Operations as Administered by Express Scripts, Inc., for Contract Years 2016 Through 2021	March 29, 2024	3	We recommend that OPM’s Contracting Officer require the PBM and Carrier to return \$12,484,472 to the FEHBP for its portion of retail pharmacy pricing discounts not received from the PBM for CYs 2016 through 2021.
1C-59-00-20-043	Audit of the Federal Employees Health Benefits Program Operations at Kaiser Foundation Health Plan, Inc.	August 16, 2022	1	We recommend that OPM revise or replace the FEHBP MLR requirements to provide a reliable measure of the premium dollars spent on the FEHB program, including the impact of carrier corporate structure and the current community-rated product market.
4A-HI-00-18-026	FEHB Program Integrity Risks Due to Contractual Vulnerabilities	April 1, 2021	7	We recommend that OPM modify section 2.3(g) and 2.3(g)(ii) to provide expectations for how carriers are to proactively identify overpayments and to define what it means by egregious errors.

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

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved <sup>1</sup>	Total Issued
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	2	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	2	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	4	0	19
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	5	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-Appportion 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

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved <sup>1</sup>	Total Issued
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	5	0	23
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	5	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	1	2
4A-RS-00-18-035	The U.S. Office of Personnel Management’s Federal Employees Health Benefits Program and Retirement Services Improper Payments Rate Methodologies in Washington, D.C.	April 2, 2020	3	3	12

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved <sup>1</sup>	Total Issued
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-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	5	0	21
4A-HI-00-18-026	Management Advisory Report - FEHB Program Integrity Risks Due to Contractual Vulnerabilities in Washington, D.C.	April 1, 2021	10	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

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved <sup>1</sup>	Total Issued
1H-99-00-20-016	Reasonableness of Selected FEHBP Carriers' Pharmacy Benefit Contracts in Washington, D.C.	July 29, 2021	2	0	3
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	5	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
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	0	1	16
2022-IAG-003	The U.S. Office of Personnel Management's Fiscal Year 2022 Consolidated Financial Statements in Washington, D.C.	November 14, 2022	5	0	15
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	1	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

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved <sup>1</sup>	Total Issued
2022-CAAG-0014	Evaluation of COVID-19's Impact on FEHBP Telehealth Services and Utilization in Washington, D.C.	March 6, 2023	3	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	2	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	6	0	11
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	0	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	4	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	1	2	5

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved <sup>1</sup>	Total Issued
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
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 Glenn Burnie, Maryland	March 29, 2024	7	0	17
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	1	0	5
2024-CRAG-006	Final Audit Research Results: OPM’s Subscription Income Process in Washington, D.C.	June 17, 2024	3	0	3
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	1	0	1
2023-OEI-002	Evaluation of the U.S. Office of Personnel Management’s Property Management Process in Washington, D.C.	August 28, 2024	0	3	3
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	3	0	3

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved <sup>1</sup>	Total Issued
2024-ISAG-008	Federal Information Security Modernization Act Audit - Fiscal Year 2024 in Washington, D.C.	October 30, 2024	2	0	4
2023-SAG-019	Compass Rose Health Plan’s Pharmacy Operations as Administered by Express Scripts, Inc. for Contract Years 2017 Through 2022 in St. Louis, Missouri	November 14, 2024	9	0	11
2024-IAG-017	The U.S. Office of Personnel Management’s Fiscal Year 2024 Consolidated Financial Statements in Washington, D.C.	November 15, 2024	4	0	4
2023-IAG-021	The U.S. Office of Personnel Management’s Audit Resolution Process Group in Washington, D.C.	November 26, 2024	8	1	18
2024-ERAG-002	Florida Blue in Jacksonville, Florida	January 8, 2025	3	0	22
2024-ERAG-004	HMO Missouri, Inc. in Mason, Ohio	March 25, 2025	1	0	8
2025-IAG-003	U.S. Office of Personnel Management’s Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2024 in Washington, D.C.	May 23, 2025	5	0	6
2024-ISAG-020	Information Systems General and Application Controls at Excellus BlueCross BlueShield in Rochester, New York	June 30, 2025	0	1	1
2025-PSHB-091	U.S. Office of Personnel Management’s Postal Service Health Benefits Program: Critical Resource Issues in Washington, D.C.	July 2, 2025	3	0	3

Report Number	Subject	Date Issued	Recommendations		
			Open Unresolved	Open Resolved <sup>1</sup>	Total Issued
2024-CAAG-023	Claims Processing and Payment Operations as Administered by Horizon Blue Cross and Blue Shield of New Jersey for Contract Years 2021 Through 2023 in Newark, New Jersey	September 9, 2025	14	0	16
2024-ERAG-003	Anthem Blue Cross and Blue Shield in Mason, Ohio	September 18, 2025	20	0	31
2025-ISAG-018	Flash Report - U.S. Office of Personnel Management's Government-Wide Email System in Washington, D.C.	September 24, 2025	1	0	6
TOTAL			202	25	556

<sup>1</sup> As defined in OMB Circular No. A-50, a recommendation is considered "resolved" when the audit organization and agency management have agreed on the action to be taken on reported findings and recommendations, regardless of whether corrective action has 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 VII: Most Recent Peer Review Results

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

Subject	Date of Report	Result
<b>Audit Operations</b>		
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 <sup>1</sup>
System Review Report on the U.S. Department of State Office of Inspector General Audit Organization (Issued by the Office of the Inspector General, U.S. Office of Personnel Management)	January 30, 2025	Pass
<b>Investigative Operations</b>		
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 <sup>2</sup>
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
<b>Inspection &amp; Evaluation Operations</b>		
External Peer Review Report for the U.S. Office of Personnel Management Office of the Inspector General (Issued by the U.S. National Science Foundation Office of Inspector General)	September 16, 2025	Pass
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 <sup>3</sup>

<sup>1</sup>For audit peer reviews, a rating of pass is issued when the reviewing OIG concludes that the system of quality control for the reviewed OIG has been suitably designed and complied with to provide the audit organization 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.

<sup>2</sup>For investigative peer reviews, a rating of compliant conveys that the reviewed OIG 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 IG Act are properly exercised.

<sup>3</sup>For inspection and evaluation peer reviews, a rating of compliant conveys that the reviewed OIG 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 VIII: Investigative Recoveries

Investigative Recovery Area	Sum of Total Recovery Amount	Sum of OPM Recovery Net
<b>Administrative Action</b>	<b>\$0</b>	<b>\$0</b>
Retirement Services	\$0	\$0
CSRS & FERS	\$0	\$0
Administrative Debt Recovery	\$0	\$0
<b>Civil Action</b>	<b>\$70,443,221</b>	<b>\$3,094,150</b>
Healthcare and Insurance	\$70,443,221	\$3,094,150
FEHBP	\$70,443,221	\$3,094,150
<b>Criminal Action</b>	<b>\$19,375,709</b>	<b>\$1,004,971</b>
Healthcare and Insurance	\$19,274,380	\$903,642
FEDVIP	\$177,634	\$0
FEHBP	\$19,096,746	\$903,642
Retirement Services	\$101,329	\$101,329
CSRS & FERS	\$101,329	\$101,329
<b>TOTAL (Administrative + Civil + Criminal Actions)</b>	<b>\$89,818,930</b>	<b>\$4,099,121</b>

## Reporting Requirements in the Inspector General Act of 1978, As Amended, 5 U.S.C. §§ 401–424

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	Appendix VI
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	Appendix IV
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, Pub. L. No. 117–263 § 5273.



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](http://oig.opm.gov)

April 2026 | OIG-SAR-74