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

Investigative Summary Report
July–September 2026

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About Our Investigative Activities

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

We investigate allegations of wrongdoing related to OPM employees and contractors and allegations of fraud, waste, abuse, or mismanagement involving or affecting OPM. This includes

- the Federal Employees Health Benefits Program, including the Postal Service Health Benefits Program;
- the Federal Employees Dental and Vision Insurance Program;
- the Federal Employees' Group Life Insurance program;
- OPM-administered retirement programs (the Civil Service Retirement System and the Federal Employees Retirement System);
- the Federal Long Term Care Insurance Program; and
- the Combined Federal Campaign.

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

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

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

Investigative Productivity
July–September 2026

Dollars referred for judicial or administrative action..... $2,466,082

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

Restitution orders, settlements, and other recoveries..... $1,350,292

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

Actual dollars returned to the OPM trust funds..... $1,027,884

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

FEHBP carrier notifications received..... 434

The most common categories of allegations we received in these notifications were services not rendered, miscoding or upcoding, and false claims.

Fraud referrals received from OPM Retirement Services.....11

OIG Hotline contacts received during the quarter..... 882

The OIG Hotline is a statutorily mandated component of the OIG that receives allegations of fraud, waste, or abuse and whistleblower complaints.

The OIG Hotline receives a number of customer service complaints related to OPM programs and operations, such as when callers cannot reach agency customer service representatives. This quarter, we received

- FEHBP customer service complaints..... 6
- Retirement Services customer service complaints..... 142

We track retirement-related hotline contacts we referred to OPM that are awaiting response from the program office.

- Total number of open OPM OIG referrals provided to Retirement Services[1] 131
- Referred cases older than 90 days[2] 22

[1] This includes referrals provided to the Retirement Services program office in previous quarters.
[2] Based on the list of open referrals we provided on September 21, 2026, which was the last list provided before the close of the quarter.

Health Care Investigations

About Our Health Care Investigations

The FEHBP pays tens of millions of dollars annually in improper payments caused in part by fraud, waste, and abuse. Common health care fraud allegations that the OIG investigates include medical providers overbilling, billing for services not covered or performed, falsifying diagnoses, and performing unnecessary tests or procedures. Ineligible members who receive health benefits also cause improper payments.

The OIG prioritizes investigating allegations of patient harm, frauds that cause substantial monetary loss to OPM health care programs, schemes that exploit program vulnerabilities, and cases that involve health care priorities such as the opioid epidemic.

In cases where fraud, waste, or abuse affect programs or entities beyond OPM, we work closely with our law enforcement partners at the U.S. Department of Justice, the U.S. Department of Health and Human Services (HHS) OIG, and other federal and state law enforcement agencies. An indictment is merely an allegation.

Health Care Investigation Cases

In April 2025, we received information from a law enforcement partner about a DME company that allegedly billed for services not rendered, causing FEHBP carriers to pay $631,887 for medical supplies and items that members did not receive. This DME company had been involved in a prior fraud investigation and sold to new ownership. We previously reported that several individuals affiliated with the new ownership were charged via criminal complaint or indictment for multiple crimes, including health care fraud conspiracy and money laundering conspiracy. One individual was arrested overseas in June 2026. On July 1, 2026, another individual who had been indicted for money laundering conspiracy was arrested in Mississippi. He was transported to the U.S. Southern District of Florida to face his charges.

In April 2023, we received a carrier notification after a member contacted their health insurance carrier and alleged that they did not order or receive medical supplies billed to their account. Several other members reported similar billings. This investigation became part of a nationwide law enforcement activity known as Operation Gold Rush. For all entities identified as targets in Operation Gold Rush, which included more than 45

National Provider Identifiers allegedly used for fraudulent billing, FEHBP carriers paid more than $28 million. In September 2024, one individual was indicted in the U.S. District Court for the Southern District of New York for money laundering. He pleaded guilty to conspiracy to commit money laundering in February 2026. On August 10, 2026, he was sentenced to 18 months of imprisonment and 1 year of supervised release.

Based on our participation in the South Florida Health Care Fraud Strike Force, we opened an investigation into a DME company after discovering that FEHBP members fraudulently billed in another case were also being billed by the target DME company in this case. FEHBP carriers paid $63,220 for this case from billed claims of over $6 million. In September 2025, one individual was charged via criminal complaint with health care fraud conspiracy sworn by an OPM OIG special agent. The individual was indicted in the U.S. District Court for the Southern District of Florida on one count of conspiracy to commit money laundering, which he pleaded guilty to. On September 6, 2026, he was sentenced to 37 months of imprisonment and 3 years of supervised release. The court ordered he pay $2.9 million in restitution. The exact amount the FEHBP will recover has not yet been determined.

In March 2020, we received information from a law enforcement partner about a federal employee fitted for hearing protection that was billed to the FEHBP carrier as hearing aids. During an investigation of hearing centers in Arizona, we found a location under separate ownership in San Diego, California. Our investigation found patterns of fraudulent billing where hearing protection was billed as hearing aids for a diagnosis of tinnitus, often without a hearing test or exam by an audiologist. FEHBP carriers paid approximately $1 million for fraudulent claims associated with this scheme. On July 25, 2026, the owner of the San Diego hearing center pleaded guilty in the U.S. District Court for the Southern District of California to health care fraud. She was sentenced on September 11, 2026, to 8 months of home confinement and 5 years of probation. The court also ordered her to pay $962,500 in restitution.

In April 2018, we received information from a law enforcement partner about custom hearing protection that was provided to FEHBP members but billed as hearing aids. Members were typically not seen by audiologists and

had questionable, if any, diagnoses of hearing loss or tinnitus. FEHBP health insurance carriers paid $834,154 in improper payments to the company that sold the custom hearing protection. We previously reported that three individuals were indicted on conspiracy to commit health care fraud in the U.S. District Court for the District of Utah. On September 28, 2026, two individuals pleaded guilty to wrongful use of a unique health identifier, which is a misdemeanor.

In 2020, we joined an ongoing federal case related to a major national pharmaceutical company filing for bankruptcy based, in part, on the company's efforts to market opioids in ways allegedly harmful to patients and contributory to the substance abuse epidemic. We had closed our investigation in 2022 as further litigation progressed. This recovery was recorded for statistical reporting purposes when the settlement was finalized, but payment had not begun at that time. On September 28, 2026, OPM received a $735,703 payment, which is part of the $8.2 million recovery OPM is due based on the settlement between the government and the pharmaceutical company.

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

The Anti-Kickback Statute (42 U.S.C. §§ 1320a–7b) makes it illegal for health care providers to knowingly and willfully accept bribes or other forms of remuneration in return for activities such as patient referrals. If health care providers get kickbacks for making referrals or providing treatments that are not medically necessary, patients can suffer harm. Kickbacks can also increase FEHBP costs. However, because the FEHBP is excluded from pursuing cases under the Anti-Kickback Statute, improperly paid FEHBP dollars often remain unrecovered. This limitation can interfere with our ability to fully protect the FEHBP and its members from improper conduct that would constitute a federal crime when committed against any other federally funded health care program, as in the investigation below.

In December 2024, we received a qui tam filed in the U.S. District Court for the District of Massachusetts alleging that a nationwide chain of medical labs provided physician and hospital customers with free or cheaper drug monitoring services so that those customers would use that medical lab for other highly profitable tests. This allegation, if true, would violate the Anti-Kickback Statute. FEHBP health insurance carriers paid more than

$10 million to the medical lab between 2019 and 2024, though we did not use our limited investigative resources to determine the actual loss relevant to the allegation because the FEHBP's exclusion from the Anti-Kickback Statute limited our potential remedies. We closed our investigation.

Retirement Investigations

About Our Retirement Investigations

OPM reported $265 million in improper overpayments under the Retirement Services program in fiscal year 2025.[3] The program's improper payment rate was 0.33 percent. Some of these improper payments are from fraud, waste, or abuse in the OPM-administered Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

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

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

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

Retirement Investigation Cases

In November 2024, the Retirement Services Fraud Unit referred allegations that annuity payments were stolen after a survivor annuitant died in December 2019. Payments were suspended in December 2024 and dropped for death in March 2025 after Retirement Services confirmed the death. OPM paid $177,929 after the survivor annuitant's death. We found that the survivor annuitant's daughter had access to the financial account where the

[3] According to the information provided through PaymentAccuracy.gov.

annuity was deposited. The daughter, an 80-year-old woman, confessed during an investigative interview with OPM OIG special agents to using the money for her own benefit. However, the case was declined for prosecution in the U.S. District Court for the Northern District of Georgia because of the subject's age and potential availability of civil remedies to recover the annuity payments.

Customer Service Complaints to the OIG Hotline

The OIG Hotline receives hundreds of hotline contacts annually from OPM annuitants, survivor annuitants, and their family members. Many of these are customer service complaints related to OPM beneficiaries being unable to reach the Retirement Services program office. Our office cannot resolve customer service issues or engage in program administration to resolve the complaints. We spend investigative resources triaging these hotline complaints and referring them to the Retirement Services program office. The following summaries are samples of the customer-service-related complaints we received through the OIG Hotline this quarter.

We received a hotline complaint from an individual who contacted us after he was unable to obtain assistance ending Federal Employees' Group Life Insurance deductions from his Office of Workers' Compensation Programs disability payments. Despite sending multiple letters, he did not receive a response from OPM. Attempts to call Retirement Services were met with messages about high call volumes and no response. We referred the hotline complainant's information to Retirement Services.

We received a hotline complaint from an individual who claimed he had spent 2 years communicating with OPM trying to have his ex-spouse, who remarried prior to age 55, removed as eligible to receive his survivor annuity. He contacted the OIG for assistance. We referred the information to Retirement Services for their action.

We received a hotline complaint from an annuitant about a missing annuity payment. When he contacted Retirement Services, the annuitant was told the payment had been made. However, the account number provided was unfamiliar to the annuitant. The annuitant was able to correct the information with his financial institution. However, according to the complainant, in trying to find information about the change and the missing payment, he has made approximately eight calls to Retirement Services

without reaching a customer service representative. We referred the information from the hotline complaint to Retirement Services.

Integrity Investigations

About Our Integrity Investigations

The OIG investigates allegations of fraud, waste, abuse, or mismanagement involving OPM employees and contractors. These integrity investigations may involve whistleblowers or allegations of retaliation.

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

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

Integrity Investigation Cases

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

About OPM Programs

Federal Employees Health Benefits Program (FEHBP)	The FEHBP is the largest employer-sponsored health insurance program in the world, covering millions of federal employees, annuitants, and eligible family members. The FEHBP provides quality, affordable, and comprehensive health benefits with national and local plan choices. It is a vital part of the federal government's benefits package.
Postal Service Health Benefits Program (PSHBP)	The PSHBP is a separate health benefits program under the FEHBP that covers U.S. Postal Service employees, annuitants, and their eligible family members. The PSHBP's first plan year began January 1, 2025.
Federal Employees Dental and Vision Insurance Program (FEDVIP)	FEDVIP makes supplemental dental and vision insurance available to federal employees and retirees and their eligible family members as well as certain TRICARE (a health care program of the U.S. Department of Defense Military Health System) members.
Federal Flexible Spending Account Program (FSAFEDS)	FSAFEDS allows eligible federal employees to save money for health care expenses with a Health Care or Limited Expense Health Care FSA. Money in an FSA is deducted automatically from an employee's paycheck before taxes are taken out. These pre-tax dollars can be used to pay for eligible health care or dependent care expenses.
OPM Retirement Programs	OPM Retirement Programs, including the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS), pay monthly annuities to retired civil servants and the eligible survivors of deceased OPM annuitants. OPM paid billions of dollars in defined benefits to retirees, survivors, representative payees, and eligible family members during the previous fiscal year.
Federal Employees' Group Life Insurance program (FEGLI)	FEGLI is the largest group life insurance program in the world, covering enrolled federal employees, retirees, and their eligible family members. It provides standard group term life insurance and elective coverage options. FEGLI disburses millions of dollars in benefits annually.

Federal Long Term Care Insurance Program (FLTCIP)	FLTCIP provides supplemental long term care insurance to help pay for costs of care when enrollees need help with daily activities or have severe cognitive impairment. The program is currently suspended for new applications until December 2026.
Combined Federal Campaign (CFC)	The CFC offers the federal community an opportunity to donate to thousands of eligible charities. As the largest and most successful annual workplace charity campaign in the world, the CFC raises millions of dollars each year through pledges made by civilian, postal, and military employees and retirees.

OFFICE OF THE INSPECTOR GENERAL

INDEPENDENCE • INTEGRITY • ACCOUNTABILITY

REPORT FRAUD, WASTE, AND MISMANAGEMENT

Fraud, waste, and mismanagement within the government are issues of concern for all stakeholders, including the Office of the Inspector General staff, agency employees, and the public.

We actively seek reports regarding any instances of inefficiency, wasteful practices, fraud, and mismanagement related to Office of Personnel Management programs and operations.

ALLEGATIONS CAN BE REPORTED TO US VIA MULTIPLE CHANNELS:

INTERNET
oig.opm.gov

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