



---

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

---

**Summary of Investigative  
Activities**

**Quarterly Summary of Investigative Activities**

**July 1, 2023, to September 30, 2023**

# Executive Summary

## Summaries of Investigative Activities

In this report, the U.S. Office of Personnel Management (OPM) Office of the Inspector General (OIG) summarizes recent cases investigated by our Office of Investigations. Our efforts are to curtail improper payments, stop patient harm, protect the integrity of OPM programs, and provide independent and objective oversight of OPM programs and operations.

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

**Drew M. Grimm**  
*Assistant Inspector General  
for Investigations*

## About OPM OIG Investigations

The OPM OIG Office of Investigations investigates allegations of wrongdoing related to OPM employees and contractors and allegations of fraud, waste, abuse, or mismanagement involving or affecting OPM programs and operations, including the following:

- the Federal Employees Health Benefits Program (FEHBP),
- the Federal Employee Dental and Vision Insurance Program (FEDVIP),
- the Federal Employees' Group Life Insurance program (FEGLI),
- OPM Retirement Programs, including the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS),
- the Federal Executive Institute (FEI),
- the Combined Federal Campaign (CFC), and
- other OPM programs and operations.

These investigations are essential to the oversight of OPM programs and operations and ensuring OPM maintains the trust of the public and the Federal employees, annuitants, and eligible dependents that it serves.

An indictment is merely an allegation. Defendants referenced in these case summaries are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

# Abbreviations

<b>OPM</b>	<b>U.S. Office of Personnel Management</b>
<b>OIG</b>	<b>Office of the Inspector General</b>
<b>CFC</b>	<b>Combined Federal Campaign</b>
<b>CSRS</b>	<b>Civil Service Retirement System</b>
<b>FEDVIP</b>	<b>Federal Employee Dental and Vision Insurance Program</b>
<b>FEGLI</b>	<b>Federal Employees' Group Life Insurance</b>
<b>FEHBP</b>	<b>Federal Employees Health Benefits Program</b>
<b>FEI</b>	<b>Federal Executive Institute</b>
<b>FERS</b>	<b>Federal Employees Retirement System</b>

# Table of Contents

Executive Summary .....	i
Abbreviations .....	ii
Table of Contents .....	3
Health Care Investigations .....	4
Retirement Annuity Investigations .....	7
Integrity Investigations .....	10
About OPM Programs.....	11

# Health Care Investigations

U.S. Office of Personnel Management (OPM) health benefits programs—the Federal Employees Health Benefits Program (FEHBP) and the Federal Employee Dental and Vision Insurance Program (FEDVIP)—cumulatively pay tens of millions of dollars annually in improper payments that are caused in part by fraud, waste, and abuse. Common health care fraud allegations that the OPM Office of the Inspector General (OIG) investigates include medical providers overbilling, billing for services not covered or performed, falsifying diagnoses, and performing unnecessary tests or procedures. Ineligible enrollees and/or ineligible dependents who receive FEHBP benefits also cause improper payments.

We prioritize investigating allegations of patient harm or substantial monetary loss to these health care programs as well as cases that involve health care priorities such as the opioid epidemic or the COVID-19 pandemic.

In cases where fraud, waste, or abuse affects programs or entities beyond OPM programs, we work closely with our law enforcement partners at the U.S. Department of Justice, the U.S. Department of Health and Human Services OIG, and other Federal and State law enforcement agencies.

The following case summaries represent cases that have reached investigative milestones.

## Health Care Fraud Case Summaries

- In March 2022, we received a referral from a Federal law enforcement partner regarding a medical provider entity that allegedly used health care claims modifiers improperly. These modifiers provided additional information about a health care claim related to COVID-19 and were used to increase reimbursement. FEHBP health insurance carriers paid the medical provider entity \$1.46 million between January 2020 and January 2022. We previously reported that the owner of the medical provider entity was indicted in the U.S. District Court for the District of Maryland on three counts of health care fraud. A superseding indictment later charged the individual with five additional counts of health care fraud. On August 4, 2023, a Federal jury convicted the owner of five counts of health care fraud. This case is the first doctor convicted at trial by the Justice Department for health care fraud billing for office visits in connection with patients seeking COVID-19 tests. Further judicial action related to sentencing is anticipated.
- In June 2018, we received information from the Civil Division of the U.S. Attorney's Office in the District of Maryland about a medical practice identified as an outlier for using certain billing codes. Some of the practice's providers also allegedly billed for services on days they were out of the United States. A review of claims data found FEHBP health insurance carriers spent \$75,487 on claims specifically related to the

allegations. On July 19, 2023, the medical practice entered into a settlement to resolve the allegations. The settlement returned \$850,949 to Government health programs, including \$47,949 to the FEHBP.

- We received a carrier notification from an FEHBP health insurance carrier alleging that an FEHBP member submitted fictitious claims on behalf of their dependent children to receive reimbursement. Our investigation also uncovered an alleged co-conspirator to the scheme. The FEHBP paid a combined \$379,000 to the subjects of our investigation. We previously reported that one individual was indicted on one charge of health care fraud. On August 29, 2023, a superseding indictment filed in the U.S. District Court for the Southern District of New York charged both subjects with one count each of conspiracy to commit health care fraud, health care fraud, and aggravated identity theft. Further judicial action is expected in this case.

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

The Anti-Kickback Statute (Title 42 U.S. Code § 1320a–7b) makes it illegal for health care providers to knowingly and willfully solicit or accept bribes or other forms of remuneration in return for activities such as patient referrals.

The FEHBP is excluded from pursuing cases under the Anti-Kickback Statute. Kickbacks can increase FEHBP costs. Additionally, if health care providers are tempted to profit from referrals for treatments or procedures that are not medically necessary, FEHBP members can suffer harm. The FEHBP's exclusion from the Anti-Kickback Statute can interfere with our ability to protect the FEHBP and its enrollees from improper conduct that, when committed against any other Federally funded health care program, constitutes a Federal crime. Improperly paid FEHBP dollars can go unrecovered because of our exclusion.

Typically, our investigations are complicated by the FEHBP's Anti-Kickback Act exclusion when either of the following findings occur:

1. Our investigation finds alleged wrongdoing by a medical provider involves Anti-Kickback Statute violations as well as other wrongdoing. In these cases, we often continue our investigation. However, if there is a settlement or restitution, the FEHBP may be unable to recover losses considered Anti-Kickback Statute violations. The FEHBP may recover a smaller part of its improper payments compared to other Federal programs.
2. Our investigation finds alleged wrongdoing by a medical provider involves primarily or exclusively Anti-Kickback Statute violations. When the Department of Justice prosecutes these cases, other Federal health care programs are identified as victims—but the FEHBP is not, regardless of dollars lost. We typically close these cases after a prosecutorial determination excludes the FEHBP based on the Anti-Kickback Statute's exclusion.

## Anti-Kickback Statute-Related Case Summaries

- In May 2022, we received information from the U.S. Attorney's Office for the Eastern District of Pennsylvania regarding a pharmaceutical company allegedly providing improper pre-authorizations for a medication. The FEHBP had paid \$28.77 million for the medication from 2015 to 2022. The OPM OIG conducted numerous investigative actions to locate and interview FEHBP members who were potentially improperly prescribed. In June 2023, the U.S. Attorney's Office for the Eastern District of Pennsylvania determined that it would pursue the case as a violation of the Anti-Kickback Statute. Since the FEHBP is excluded from the statute, we closed our investigation in July 2023.
- In June 2023, we received allegations via a *qui tam* that alleged behavioral health entities failed to make efforts to collect copayments from substance abuse treatment center patients as required by Government programs. FEHBP health insurance carriers had paid \$4.6 million to the behavioral health entities. However, the allegations were based on violations of the Anti-Kickback Statute. Because the FEHBP is excluded from the Anti-Kickback Statute, we closed our investigation.

# Retirement Annuity Investigations

OPM reported \$325.81 million in improper payments for its retirement programs in fiscal year 2022. These improper payments often are from fraud, waste, or abuse in the OPM-administered Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) retirement programs.

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 payments continue for years and cost tens of thousands of dollars before discovery.

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

As part of our investigative work, our Investigative Support Operations group performs proactive searches of death records and other data analysis to find OPM 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 from our Investigative Support Operations that we refer to OPM can also help the agency recover money through administrative actions such as payment agreements or the U.S. Department of the Treasury (Treasury) reclamation process.

## OPM Retirement Annuity Fraud Case Summaries

- In October 2020, we received a fraud referral from the OPM Retirement Services program office about a deceased survivor annuitant whose January 2001 death was not reported to OPM. Payments continued until May 2019, resulting in an overpayment of \$256,754. OPM recovered \$1,373 through the Treasury reclamation process, leaving \$255,380 outstanding. This case was declined for criminal prosecution. In December 2021, the case was accepted for civil litigation. On August 18, 2023, the subject of our investigation signed a settlement agreement with the U.S. Attorney's Office for the Western District of Texas to repay OPM \$60,000 through an initial payment of \$5,000 and then 55 installments of \$1,000 per month.
- Our proactive investigative activities located an April 2004 death record for a survivor annuitant whose annuity payments had been stopped but the case had not been closed and the Retirement Services program office had not initiated Treasury reclamation actions to



recover post-death annuity payments. Between April 2004 and October 2019, OPM paid \$106,535 in annuity payments and \$109,033 in health benefit premiums for a total improper payment of \$215,568. In May 2021, the Retirement Services program office initiated reclamation actions and recovered the entirety of the post-death health benefit premiums. The Retirement Services program office referred this case to the OIG for investigation over the post-death survivor annuity payments. Our investigation found that OPM was properly notified of the death a day after the survivor annuitant's death. However, survivor benefits continued to be paid due to an internal error. Based on the overpayments being made after the death was properly reported, prosecution of the case was unlikely. We therefore closed our investigation.

- In May 2021, we received a referral from the Retirement Services program office regarding a deceased survivor annuitant whose November 2008 death was not timely reported to OPM. Monthly survivor annuity payments continued through May 2019. From the original overpayment of \$143,296, OPM recovered \$9,950 through the Treasury reclamation process, leaving a net overpayment of approximately \$133,345. In January 2023, the subject of our investigation was charged in the U.S. District Court for the Northern District Alabama via criminal information with theft of Government money. In March 2023, the subject pleaded guilty. On September 12, 2023, the subject was sentenced to 3 years of probation and ordered by the court to pay \$133,345 in restitution to OPM.
- We received information via the OPM OIG Hotline regarding an OPM annuitant who had potentially died. OPM had made \$121,113 in post-death annuity payments and \$22,473 in post-death health benefits premiums. We took investigative steps to verify that the annuitant had died and then referred the information to the OPM Retirement Services program office. OPM was able to use the Treasury reclamation process to recover the entire improper payment amount.
- In March 2022, we received a referral from a Federal law enforcement partner about a Federal annuitant currently residing in a Veteran Affairs medical center and allegations that the annuitant's adult child—an employee at that same medical center—was stealing the annuity. The adult child served as the annuitant's Department of Veteran Affairs-appointed fiduciary from September 2017 to August 2023. Based on the investigation, the annuitant's adult child stole \$81,001 in OPM annuity payments in addition to \$196,420 in other combined Federal annuities. On September 19, 2023, the adult child was indicted by a grand jury in the U.S. District Court for the Northern District of West Virginia on the charges of misappropriation by a fiduciary, wire fraud, theft of Government property, false written statements, and false statements to Federal agents. Further action is anticipated in this case.
- In October 2019, we received a referral from a Federal law enforcement partner alleging that a survivor annuitant's May 2008 death was not reported to OPM. Annuity payments

continued until November 2019, resulting in an overpayment of \$428,410. OPM recovered \$1,640 from Treasury reclamation actions. The net improper payment was approximately \$426,770. Our investigation identified multiple investigative subjects. We previously reported that two individuals were indicted by a grand jury in the U.S. District Court for the District of Maryland on charges of theft of Government property. One individual pleaded guilty to the charge in December 2022. In June 2023, the other individual's indictment was dismissed. On September 27, 2023, the individual who had pleaded guilty was sentenced to 5 years of probation and 10 months of home detention and ordered by the court to pay a total of \$466,323 in restitution. From the restitution order, OPM will recover \$426,769.

# Integrity Investigations

We conduct investigations into allegations of fraud, waste, abuse, or mismanagement involving OPM employees and contractors. These integrity investigations may involve whistleblowers or allegations of retaliation.

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

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

## **Integrity Investigations Case Summaries**

- In May 2018, we received a referral from another Federal agency alleging that an OPM employee was steering OPM contracts to an IT management and consulting firm cofounded by the OPM employee's spouse. This OPM employee had served as the contracting specialist on a September 2011 Blanket Purchase Agreement and signed modifications that increased the cost of the contract with the spouse's company. For this Blanket Purchase Agreement, OPM ultimately falsely obligated \$29.51 million—for a Blanket Purchase Agreement with an original ceiling of \$4.5 million. OPM subsequently awarded two additional task orders to the IT firm as well. In total, OPM obligated \$35.68 million to the spouse's firm. We previously reported that the OPM employee was indicted and pleaded guilty in the U.S. District Court for the District of Columbia for violating Title 18 United States Code Section 208(a), Acts Affecting a Personal Financial Interest. On September 21, 2023, the former OPM employee was sentenced to 24 months of probation and ordered by the court to pay a \$10,000 fine and a \$100 special assessment.

# About OPM Programs

- **Federal Employees Health Benefits Program (FEHBP):** The FEHBP is the largest employer-sponsored health insurance program in the world, covering more than 8.2 million Federal employees, annuitants, family members, and other eligible individuals. 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.
- **Federal Employee Dental and Vision Insurance Program (FEDVIP):** FEDVIP makes supplemental dental and vision insurance available to Federal employees and retirees who are eligible for Federal employment benefits.
- **OPM Retirement Programs, including the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS):** OPM Retirement Programs pay monthly annuities to retired civil servants and the survivors of deceased OPM annuitants. OPM paid billions in defined benefits to retirees, survivors, representative payees, and families 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 family members. It provides standard group term life insurance and elective coverage options.
- **Federal Executive Institute (FEI):** FEI is part of OPM's Center for Leadership Development. It offers learning and ongoing leadership development opportunities for Federal senior leaders through classes and programs to improve the performance of Government agencies.
- **Combined Federal Campaign (CFC):** CFC is the largest and most successful annual workplace charity campaign in the world, raising millions of dollars each year through pledges made by Federal civilian and retiree, postal, and military employee donors during the campaign season. These pledges support eligible nonprofit organizations.



# Report Fraud, Waste, Abuse, and Mismanagement

Fraud, waste, abuse, and mismanagement in Government concerns everyone: Office of the Inspector General staff, agency employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to OPM programs and operations. You can report allegations to us in several ways:

**By Internet:** <https://oig.opm.gov/contact/hotline>

**By Phone:** Toll Free Number: (877) 499-7295

**By Mail:** Office of the Inspector General  
U.S. Office of Personnel Management  
1900 E Street NW  
Room 6400  
Washington, DC 20415-1100