

Agency Response to the Office of the Inspector General's Semiannual Report to Congress

October 1, 2022 to March 31, 2023



This is the six-month annual Agency Response to the Office of the Inspector General's Semiannual Report to Congress.

Message from the Director

As Director of the U.S. Office of Personnel Management, it is my pleasure to present the OPM Office of Inspector General's (OIG) Semiannual Report (SAR) (October 1, 2022 – March 31, 2023) to Congress.

OIG plays an essential role assessing risk and promoting accountability and transparency within OPM. They provide critical guidance to improve effectiveness, allowing us to better serve the Federal workforce and the American people. Over the past year under Inspector General Krista Boyd's leadership, OIG has continued this work with independence, diligence, and professionalism. I appreciate her efforts and share her commitment to a productive partnership.

OPM recognizes the importance of OIG's audit recommendations and their identified priority recommendations. We are committed to understanding each one thoroughly and will work to implement changes whenever appropriate. We will continue to work with OIG to act on appropriate recommendations that improve our effectiveness and efficiency as an agency.

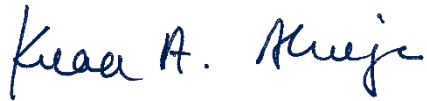
OPM also remains committed to facilitating OIG's oversight role of the Postal Services Reform Act (PSRA) and our work establishing a Postal Service Health Benefits Program. We continue to hold monthly meetings with OIG and have responded to numerous requests collaboratively, prior to OIG issuing formal information requests. This has enabled us to balance legitimate oversight interests with operational demands. We have also responded to numerous formal Information Requests. To ensure appropriate communication, we've identified two dedicated points of contact (POC) for OIG, who are in regular contact with their office. We welcome OIG's proactive oversight that will allow us to identify weaknesses early and address them.

OPM appreciates the significant impact OIG audits yielded this reporting period. As OIG notes, their efforts returned over \$1.7 million to the Federal Employee Health Benefits Program (FEHBP) and identified over \$15 million in overcharges by a health plan and a Pharmacy Benefit Manager. They also investigated claims of health care fraud over COVID-19 tests that subsequently led to an indictment for criminal allegations involving \$1.46 million in FEHBP funds. Findings like these are vital for OPM – and all Federal agencies – as we constantly work to deliver on the public's expectations for honesty, integrity, and transparency in government.

To that end, OPM is actively reviewing OIG's data brief on telehealth services and utilization, which provides analysis of the FEHB Program utilization trends and program integrity risks in telehealth claims. Every day, OPM actively works with FEHB Carriers to ensure safe access to needed services, including preventive services, primary care, mental health, and behavioral health services. We believe that the significant increase in telehealth services noted during the pandemic is strong

evidence of FEHB Carriers responding to an urgent need for access to necessary care and has had an overwhelming positive impact.

I remain committed to open and cooperative engagement with OIG. Their work allows OPM to better deliver for our customers and help agencies meet staffing needs across the Federal government. OPM is proud to serve the Federal workforce and the American people, and OIG fulfills a vital role in ensuring our work meets the highest of standards.

A handwritten signature in black ink that reads "Kiran A. Ahuja". The signature is written in a cursive style with a large initial 'K' and 'A'.

Kiran Ahuja

Director

U.S. Office of Personnel Management

Office of Personnel Management (OPM) Agency Response to the Office of the
Inspector General’s Semiannual Report to Congress

May 2023

Table of Contents

Message from the Director 1

Office of Personnel Management (OPM) Agency Response to the Office of the Inspector
General’s Semiannual Report to Congress 3

 Table 1: Actions Taken on Reports with Disallowed Costs for Insurance Programs October
 1, 2022 to March 31, 2023 4

 Table 2: Actions Taken on Audits with Recommendations for Better Use of Funds October
 1, 2022 to March 31, 2023 5

 Table 3: Actions Taken on Reports without Monetary Findings October 1, 2022 to March
 31, 2023 6

 Table 4: Summary of Reports More than 12 Months Old Pending Final Action as of March
 31, 2023 7

**Table 1: Actions Taken on Reports with Disallowed Costs for Insurance Programs¹
October 1, 2022 to March 31, 2023**

Subject	Number of Audit Reports	Disallowed Costs	Recoveries or Adjustments
Reports for which final action not taken by beginning of reporting period	4		
Reports on which management decisions made during the period	7	4,725,420	
Reports for which final action taken during period:	3		
1. Recoveries and Adjustments		4,725,420	
a. Collections and offsets			4,725,174
b. Property			
c. Other (adjustments)			246
2. Write-offs			
Reports pending final action at end of period	8		

¹This table was updated to reflect corrections made after the end of the last reporting period .

**Table 2: Actions Taken on Audits with Recommendations for Better Use of Funds
October 1, 2022 to March 31, 2023**

Subject	Number of Audit Reports	Better Use of Funds
Reports for which final action not taken by beginning of reporting period	2	\$114,354,689
Reports on which management decisions made during period	2	\$108,213,934
Reports for which final action taken during period:		
a) Recommendations completed		
b) Recommendations on which management concluded should not or could not be implemented or completed		
Reports pending final action at end of period	1	\$6,140,755

Table 3: Actions Taken on Reports without Monetary Findings
October 1, 2022 to March 31, 2023

Subject	Number of Reports
Reports for which final action not taken by beginning of reporting period	84
Reports for which final action taken during period:	10
a. Health Insurance Carrier Audit Reports	2
b. Information Systems Audit Reports	5
c. Internal Audit Reports	3
d. Special Review Reports	
Reports without monetary findings issued by OIG during period	8
Reports without monetary findings pending final action at end of period	82

Table 4: Summary of Reports More than 12 Months Old Pending Final Action as of March 31, 2023

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-08-022	Federal Information Security Management Act for Fiscal Year 2008	9/23/2008			
4A-CF-00-08-025	The U.S. Office of Personnel Management's Fiscal Year 2008 Consolidated Financial Statements	11/14/2008			5 of 6 recommendations are closed. Actions to address the remaining recommendation are in progress.
4A-CI-00-09-031	Federal Information Security Management Act for Fiscal Year 2009	11/5/2009			29 of 30 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress this fiscal year.
4A-CF-00-09-037	The U.S. Office of Personnel Management's Fiscal Year 2009 Consolidated Financial Statements	11/13/2009			4 of 5 recommendations are closed. Actions to address the remaining recommendation are in progress.
4A-CF-00-10-015	The U.S. Office of Personnel Management's Fiscal Year 2010 Consolidated Financial Statements	11/10/2010			4 of 7 recommendations are closed. Actions to address the remaining recommendation are in progress.
4A-CI-00-10-019	Federal Information Security Management Act for Fiscal Year 2010	11/10/2010			40 of 41 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the current fiscal year.
1K-RS-00-11-068	Stopping Improper Payments to Deceased Annuitant	9/14/2011			12 of 14 recommendations are closed. Closure documentation has been submitted for the remaining recommendations. The auditor's response is pending.
4A-CI-00-11-009	Federal Information Security Management Act for Fiscal Year 2011	11/9/2011			28 of 29 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the current fiscal year.
4A-CF-00-11-050	The U.S. Office of Personnel Management's Fiscal Year 2011 Consolidated Financial Statements	11/14/2011			6 of 7 recommendations are closed. Actions to address the remaining recommendation are in progress.
4A-CI-00-12-016	Federal Information Security Management Act for Fiscal Year 2012	11/5/2012			17 of 18 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the current fiscal year.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CF-00-12-039	The U.S. Office of Personnel Management's Fiscal Year 2012 Consolidated Financial Statements	11/15/2012			2 of 3 recommendations are closed. Actions to address the remaining recommendation are in progress.
4A-CI-00-13-021	Federal Information Security Management Act for Fiscal Year 2013	11/21/2013			15 of 16 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the current fiscal year.
4A-CF-00-13-034	The U.S. Office of Personnel Management's Fiscal Year 2013 Consolidated Financial Statements	12/13/2013			0 of 1 recommendation is closed. Actions to address the remaining recommendation are in progress.
4A-CF-00-14-039	The U.S. Office of Personnel Management's Fiscal Year 2014 Consolidated Financial Statements	11/10/2014			1 of 4 recommendations is closed. Actions to address the remaining recommendations are in progress.
4A-CI-00-14-016	Federal Information Security Management Act for Fiscal Year 2014	11/12/2014			26 of 29 recommendations are closed. OCIO expects that one recommendation will close during the next audit period. OCIO is coordinating across multiple program offices and expects to make significant progress in the current fiscal year on the remaining two recommendations.
4K-RS-00-14-076	The Review of the U.S. Office of Personnel Management's Compliance with the Freedom of Information Act	3/23/2015			1 of 3 recommendation is closed. Corrective actions are planned and in progress but not yet fully complete.
4A-RI-00-15-019	Information Technology Security Controls of the U.S. Office of Personnel Management's Annuitant Health Benefits Open Season System	7/29/2015			6 of 7 recommendations are closed. During the period one recommendation closed. Corrective actions are still in progress for the one remaining recommendation
4A-CI-00-15-011	Federal Information Security Modernization Act for Fiscal Year 2015	11/10/2015			24 of 27 recommendations are closed. OCIO expects that one recommendation will close during the next audit period. OCIO is coordinating across multiple program offices and expects to make significant progress in the current fiscal year on the remaining two recommendations.
4A-CF-00-15-027	The U.S. Office of Personnel Management's Fiscal Year 2015 Consolidated Financial Statements	11/13/2015			1 of 5 recommendations are closed. The remaining recommendation will be closed once associated newer recommendations are completed.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CA-00-15-041	The U.S. Office of Personnel Management's Office of Procurement Operations' Contract Management Process	7/8/2016	\$35,761,169	\$1,269,235	3 of 6 recommendations are closed. During the period one recommendation closed. OPM is addressing feedback from the OIG and gathering additional evidence to close the remaining recommendations.
4A-CI-00-16-061	Web Application Security Review	10/13/2016			2 of 4 recommendations are closed. During the period one recommendation closed. OPM continues to implement corrective actions across multiple program offices to address the recommendations.
4A-CI-00-16-039	Federal Information Security Modernization Act for Fiscal Year 2016	11/9/2016			22 of 26 recommendations are closed. OCIO is working toward closing one recommendation during the next period. OCIO is coordinating across multiple program offices and expects to make significant progress in the current fiscal year on the remaining three recommendations.
4A-CF-00-16-030	The U.S. Office of Personnel Management's Fiscal Year 2016 Consolidated Financial Statements	11/14/2016			7 of 19 recommendations are closed. Corrective actions are in progress and significant work is required to address the remaining recommendations.
4A-CI-00-17-014	The U.S. Office of Personnel Management's Security Assessment and Authorization Methodology	6/20/2017			1 of 4 recommendations are closed. OIG determined that decommission documentation would not be sufficient for closure. OCIO is addressing feedback from the OIG and will revise the corrective action plan.
1C-GA-00-17-010	Information Systems General and Application Controls at MVP Health Care	6/30/2017			14 of 15 recommendations are closed. The remaining open recommendation is resolved, and corrective actions continue but are not yet fully complete.
4A-CI-00-17-030	Information Technology Security Controls of the U.S. Office of Personnel Management's SharePoint Implementation	9/29/2017			1 of 8 recommendations are closed. Corrective actions are in progress for the remaining recommendations. OCIO is currently working to determine whether some recommendations have been overcome by events due to an updated system environment.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-17-020	Federal Information Security Modernization Act Audit Fiscal Year 2017	10/27/2017			31 of 39 recommendations are closed. During the period, two recommendations closed. OCIO expects that two recommendations will close during the next audit period. Corrective actions are in progress for the remaining recommendations.
4A-CF-00-17-028	The U.S. Office of Personnel Management's Fiscal Year 2017 Consolidated Financial Statements	11/13/2017			5 of 18 recommendations are closed. During the period, one recommendation closed. Corrective actions are in progress for the remaining recommendations.
4A-CF-00-15-049	The U.S. Office of Personnel Management's Travel Card Program	01/16/2018			6 of 21 recommendations are closed. During the period, four recommendations closed. Corrective actions are in progress to address the remaining recommendations.
4A-CI-00-18-022	Management Advisory Report - the U.S. Office of Personnel Management's Fiscal Year 2017 IT Modernization Expenditure Plan	02/15/2018			3 of 4 recommendations are closed. OCIO is coordinating across multiple program offices and expects to make significant progress in the current fiscal year.
4A-CF-00-16-055	The U.S. Office of Personnel Management's Common Services	03/29/2018			0 of 5 recommendations are closed. OPM expects three recommendations will close during the next period. Corrective actions are in progress to address the remaining recommendations.
4A-CF-00-18-012	The U.S. Office of Personnel Management's Fiscal Year 2017 Improper Payments Reporting	05/10/2018			1 of 2 recommendations are closed. Corrective actions are in progress for the remaining recommendation.
4A-HR-00-18-013	Information Technology Security Controls of the U.S. Office of Personnel Management's USA Staffing System	05/10/2018			2 of 4 recommendations are closed. Corrective actions are in progress to address the remaining recommendations.
4A-CI-00-18-038	Federal Information Security Modernization Act Audit Fiscal Year 2018	10/30/2018			39 of 52 recommendations are closed. During the period, two recommendations closed. OCIO expects three recommendations will close during the next audit period. Corrective actions are planned and in progress but not yet fully complete for the remaining recommendations.
4A-CF-00-18-024	The U.S. Office of Personnel Management's Fiscal Year 2018 Consolidated Financial Statements	11/15/2018			8 of 23 recommendations are closed. During the period, one recommendation closed. Corrective actions are in progress for the remaining recommendations.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4K-CI-00-18-009	The U.S. Office of Personnel Management's Preservation of Electronic Records	12/21/2018			2 of 3 recommendations are closed. Actions to address the remaining recommendation are in progress.
1C-8W-00-18-036	Information Systems General Controls at University of Pittsburgh Medical Center Health Plan	3/1/2019			4 of 5 recommendations are closed. OPM expects the remaining recommendation will close during the next period.
1C-LE-00-18-034	Information Systems General and Application Controls at Priority Health Plan	3/5/2019			9 of 10 recommendations are closed. The remaining recommendation is resolved, and corrective actions are planned and in progress but not yet fully complete.
4A-CI-00-18-037	The U.S. Office of Personnel Management's Compliance with the Federal Information Technology Acquisition Reform Act	04/25/2019			1 of 5 recommendations are closed. During the period, one recommendation closed. Corrective actions are in progress for the remaining open recommendations.
4A-CF-00-19-012	The U.S. Office of Personnel Management's Fiscal Year 2018 Improper Payments	06/03/2019			3 of 4 recommendations are closed. Corrective actions are in progress for the remaining open recommendation.
4K-ES-00-18-041	Evaluation of the U.S. Office of Personnel Management's Employee Services' Senior Executive Service and Performance Management Office	07/01/2019			2 of 6 recommendations are closed. Supporting documentation has been submitted for closure consideration for the remaining recommendations.
4A-CF-00-19-026	Information Technology Security Controls of the U.S. Office of Personnel Management's Consolidated Business Information System in Washington, D.C.	10/03/2019			6 of 7 recommendations are closed. OPM expects the last remaining recommendation will close during the next period.
4A-CI-00-19-008	Audit of OPM's Compliance with the Federal Information Technology Acquisition Reform Act – DCOI, GSS – FY 2019	10/23/2019			15 of 23 recommendations are closed. During the period, three recommendations closed. Corrective actions are in progress to address the remaining recommendations.
4A-CI-00-19-029	Federal Information Security Modernization Act Audit Fiscal Year 2019 (FISMA)	10/29/2019			33 of 47 recommendations are closed. During the period, three recommendations closed. Corrective actions are in progress to address the remaining recommendations.
4A-CF-00-19-022	Office of Personnel Management's Fiscal Year 2019 Consolidated Financial Statements	11/18/2019			4 of 20 recommendations are closed. During the period, two recommendations closed. OCIO expects three recommendations will close during the audit period. Corrective actions are planned and in progress but not fully complete for the remaining recommendations.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4K-ES-00-19-032	Evaluation of the Presidential Rank Awards Program	1/17/2020			0 of 4 recommendations are closed. Supporting documentation has been submitted for closure consideration for all recommendations.
1H-01-00-18-039	Management Advisory Report related to Prescription Drug Costs in the Federal Employees Health Benefits Program	2/27/2020			0 of 2 recommendations are closed. Corrective actions have been identified, but they have been impacted by resource constraints.
4A-RS-00-18-035	U.S Office of Personnel Management's Federal Employees Health Benefits Program and Retirement Services Improper Payments Rate Methodologies	4/2/2020			0 of 12 are recommendations closed. Eight of the open recommendations are resolved. Corrective actions are planned and in progress but not yet fully complete.
4A-CF-00-20-014	U.S Office of Personnel Management's Fiscal Year 2019 Improper Payments Reporting	5/14/2020			2 of 3 recommendations are closed.
4A-CI-00-20-007	Information Technology Security Controls of the U.S Office of Personnel Management's Electronic Official Personnel Folder System Report	6/30/2020			2 of 3 recommendations are closed. A closure package for the remaining recommendation was submitted and is in the OPM review process.
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	7/20/2020			5 of 8 recommendations are closed. Corrective actions to address the remaining three recommendations are being considered.
4A-DO-00-20-041	Management Advisory Report – Delegation of Authority to Operate and Maintain the Theodore Roosevelt Federal Building and the Federal Executive Institute	8/5/2020			2 of 4 recommendations are closed. During the period, one recommendation closed. Corrective actions are in progress but not yet complete for the remaining recommendations.
4A-CI-00-20-009	U.S Office of Personnel Management's Security Assessment and Authorization Methodology	9/18/2020			3 of 11 recommendations have closed. During the period, one recommendation closed. OCIO expects two recommendations will close during the next audit period. Corrective actions are in progress for the remaining recommendations.
4A-HI-00-19-007	Audit of the Federal Employee Insurance Operations (FEIO) as Administered by OPM's Healthcare and Insurance Program Office	10/30/2020			17 of 24 recommendations are closed and one of the open recommendations is resolved. OPM expects 1 recommendation to close during the next period. Corrective actions to address the remaining recommendations are being considered.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-RS-00-19-038	U.S Office of Personnel Management's Retirement Services' Disability Reconsideration Appeals Process	10/30/2020			3 of 8 recommendations are closed. During the period, one recommendation closed. Five recommendations are resolved.
4A-CI-00-20-008	U.S Office of Personnel Management's Common Security Controls FY2020	10/30/2020			1 of 4 recommendations are closed. OCIO expects one recommendation to close during the next audit period. Corrective actions for the remaining two recommendations are in progress but not fully complete.
4A-CI-00-20-010	Federal Information Security Modernization Act (FISMA) Audit Fiscal Year 2020	10/30/2020			30 of 45 recommendations are closed. During the period, three recommendations closed. OCIO expects three recommendations will close during the audit period. Corrective actions are in progress but not fully complete for the remaining recommendations.
4A-CF-00-20-024	U.S Office of Personnel Management's Fiscal Year 2020 Consolidated Financial Statements	11/13/2020			5 of 21 recommendations have closed. During the period, three recommendations closed. Corrective actions for the remaining recommendations are in progress.
1C-A8-00-20-019	Information Systems General Controls at Baylor Scott and White Health Plan in Dallas, Texas	12/14/2020			10 of 12 recommendations have closed. The remaining recommendations are resolved, and corrective actions are planned and in progress but not yet fully complete.
1C-GG-00-20-026	Information Systems General Controls at Geisinger Health Plan in Danville, Pennsylvania	03/09/2021			1 of 2 recommendations have closed. The remaining recommendation is resolved, and corrective actions continue but are not yet fully complete.
4A-HI-00-18-026	Management Advisory Report - FEHB Program Integrity Risks Due to Contractual Vulnerabilities in Washington, D.C.	04/1/2021			0 of 11 recommendations are closed. Corrective actions to address the Recommendations are being considered.
4A-CF-00-21-008	The U.S. Office of Personnel Management's Fiscal Year 2020 Improper Payments Reporting in Washington, D.C.	05/17/2021			3 of 4 recommendations are closed. During the period, one recommendation closed. Corrective actions are in progress to address the remaining recommendation.
1C-8W-00-20-017	UPMC Health Plan, Inc. in Pittsburgh, Pennsylvania	06/28/2021			13 of 17 recommendations have closed. Corrective actions to address the remaining recommendations are being considered.
1H-99-00-20-016	Reasonableness of Selected FEHBP Carriers' Pharmacy Benefit Contracts in Washington, D.C.	07/29/2021			0 of 3 recommendations are closed. Corrective actions to address the Recommendations are being considered.

Report Number	Subject	Date Issued	Disallowed Costs	Current Receivable	Status
4A-CI-00-20-034	The U.S. Office of Personnel Management's Office of the Chief Information Officer's Revolving Fund Programs in Washington, D.C.	09/09/21 Reissued 11/22/2021			3 of 4 recommendations have closed. During the period, three recommendations closed.
1C-SF-00-21-005	Information Systems General and Application Controls at SelectHealth in Murray, Utah	09/13/2021			10 of 12 recommendations are closed. Two recommendations are resolved, and OPM expects both recommendations will close during the next period.
4A-ES-00-21-020	Information Technology Security Controls of the U.S. Office of Personnel Management's Executive Schedule C System in Washington, D.C.	09/30/2021			13 of 14 recommendations have closed. Corrective actions are being revised for the remaining recommendation per recent feedback received from OIG.
4A-CI-00-21-012	Federal Information Security Modernization Act Audit Fiscal Year 2021 in Washington, D.C.	10/27/2021			17 of 36 recommendations are closed. OCIO expects three recommendations will close during the audit period. Corrective actions are in progress for the remaining recommendations.
4A-CF-00-20-044	The U.S. Office of Personnel Management's Data Submission and Compliance with the Digital Accountability and Transparency Act of 2014 in Washington, D.C.	11/8/2021			2 of 3 recommendations are closed. The last remaining recommendation is resolved. OPM expects the last recommendation will close during the next period. OIG is reviewing documentation to address the recommendation.
4A-CF-00-21-027	The U.S. Office of Personnel Management's Fiscal Year 2021 Consolidated Financial Statements in Washington, D.C.	11/12/2021			5 of 20 recommendations are closed. Corrective actions are in progress for the remaining recommendations.
1C-QA-00-21-003	Independent Health Association, Inc. in Buffalo, New York	01/7/2022	\$550,385		31 of 33 recommendations are closed. Corrective actions are in planned and in progress but not yet fully implemented.
4A-CF-00-20-029	The U.S. Office of Personnel Management's Utilization of the Improper Payments Do Not Pay Initiative in Washington, D.C.	02/14/2022			6 of 7 recommendations are closed and one recommendation is resolved. OPM expects the remaining recommendation will close during the next period.
1A-10-17-21-018	Health Care Service Corporation for Contract Years 2018 through 2020 in Chicago, Illinois	02/23/2022 Reissued 03/16/2022	\$1,129,747		14 of 18 recommendations are closed. Corrective actions to address the remaining recommendations are being considered.
1D-80-00-21-025	Information Systems General and Application Controls at Emblem Health in New York, New York	03/21/2022			3 of 5 recommendations are closed. The remaining recommendations are resolved, and corrective actions continue but are not yet fully complete.



U.S. Office of Personnel Management

Merit System Accountability & Compliance
1900 E Street NW, Washington DC 20415

[OPM.gov](https://www.opm.gov)