



OFFICE OF INSPECTOR GENERAL EVALUATION REPORT

PBGC Can Improve the Effectiveness of the Missing Participants Program

**Report No. EVAL-2022-04
January 7, 2022**

PBGC Can Improve Effectiveness of the Missing Participants Program

Background	<p>Missing Participants Program (MPP). The program, governed by Section 4050 of ERISA, was created by the Retirement Protection Act of 1994 to provide a way for distributing plan benefits to participants and beneficiaries who cannot be located by plans in a standard termination. Congress gave PBGC authority to broaden the MPP under the Pension Protection Act of 2006 (PPA). The Corporation expanded the program to other terminating plans not otherwise covered under PBGC's pension insurance program, including defined contribution plans and small professional defined benefit plans. The PPA also extended the MPP to include missing participants in multiemployer plans whose plan sponsors terminate and close out the plan. PBGC's Office of Benefits Administration manages the MPP.</p> <p>Federal Performance Framework. OMB Circular No. A-11, Part 6, discusses the federal performance framework. It also requires agencies to annually assess progress toward achieving the intended outcomes of each strategic objective, as part of its strategic review. Further, the Government Accountability Office states that performance measurement and program evaluation are key tools for federal program management.</p>
Key Question	<p>Objective. To determine the effectiveness of PBGC's Missing Participants program in locating missing participants</p>
Evaluation Results	<p>Conclusion. We found that while PBGC has had success locating missing participants, the program is not as effective as it could be. We determined that PBGC needs to improve and emphasize the MPP. Currently, the program</p> <ul style="list-style-type: none">• does not have performance measures,• uses unreliable data management practices, and• MPP procedures do not reflect the actual business practices used in program administration. <p>Without performance measures, identifying outliers in performance is difficult, and not having sound data management practices has led to a lack of quantitative data available for program evaluation. Further, the lack of MPP procedures reflecting actual business practices may lead to ineffective implementation of the program and hinder continuity of operations.</p>
Corrective Actions	<p>Our recommendations. We made five recommendations to the Office of Benefits Administration related to implementing performance measures for the program, improving data management practices to ensure data reliability for tracking and reporting on the MP status, and updating the procedures to reflect current MPP business practices.</p> <p>Management agreement. Management agreed with the recommendations and to take the corrective actions identified in the report.</p>



January 7, 2022

MEMORANDUM

TO: David Foley
Chief of Benefits Administration

FROM: John Seger *John Seger*
Assistant Inspector General for Audits, Evaluations, and Reviews

SUBJECT: Issuance of Final Evaluation Report, PBGC Can Improve the Effectiveness of the MPP Program (Report No. EVAL-2022-04)

We are pleased to provide you with the above-referenced final report. We appreciate the cooperation you and your staff extended to OIG during this project. We thank you for your receptiveness to our recommendations and your commitment to reducing risk and improving the effectiveness and efficiency of PBGC programs and operations.

This report contains public information and will be posted in its entirety on our website and provided to the Board and Congress in accordance with the Inspector General Act.

cc: Frank Pace, Director, Corporate Controls and Reviews Department
Kristin Chapman, Chief of Staff
Russ Dempsey, General Counsel, Office of General Counsel
Department of Labor Board staff
Department of Treasury Board staff
Department of Commerce Board staff
House committee staff (Education and Workforce, Ways and Means, HOCR)
Senate committee staff (HELP, Finance, HSGAC)

Table of Contents

Background	2
PBGC's Missing Participants Program	2
PBGC's Strategic Plan FY 2018-2022	2
OMB Circular No. A-11, Part 6, and Performance Measurement.....	3
Objective	4
Evaluation Results	5
Summary	5
Finding 1: Lack of Performance Measures for the Program	5
Recommendations.....	9
Finding 2: Inconsistent Data Can Hinder Program Evaluation.....	9
Recommendation.....	11
Finding 3: PBGC's MPP Interim Procedures Do Not Capture the Current MPP Business Practices	11
Foreign Addresses	12
Recommendations.....	13
Appendix I: Objective, Scope, and Methodology.....	15
Appendix II: Agency Response	17
Appendix III: Acronyms	20
Appendix IV: MP Program History.....	21
Appendix V: Staff Acknowledgement	22
Appendix VI: Feedback.....	23

Background

Established by the Employee Retirement Income Security Act of 1974 (ERISA), the Pension Benefit Guaranty Corporation (PBGC or Corporation) insures the pension benefits of workers and retirees in private sector defined benefit pension plans. PBGC's mission is to enhance retirement security by preserving plans and protecting pensioners' benefits. The Corporation guarantees payment of basic pension benefits earned by over 33 million American workers, retirees, and beneficiaries. PBGC pays guaranteed benefits directly to retirees and beneficiaries in failed single-employer plans and pays financial assistance to insolvent multiemployer plans to allow them to pay guaranteed benefits to retirees and beneficiaries.

PBGC's Missing Participants Program

The Missing Participants Program (MPP or program) was created by the Retirement Protection Act of 1994 to provide a way for distributing plan benefits to participants and beneficiaries who cannot be located by plans in a standard termination. The MPP is governed by Section 4050 of ERISA. Congress gave PBGC authority to broaden the MPP under the Pension Protection Act of 2006 (PPA). Through regulation, the Corporation expanded the program to other terminating plans not otherwise covered under PBGC's pension insurance program, including defined contribution plans and small professional defined benefit plans. The PPA also extended the MPP to include missing participants in multiemployer plans whose plan sponsors terminate and close out the plan. Finally, the PPA directed that the expanded program applies to distributions made after PBGC's final rules implementing the expansion was effective. In December 2017, PBGC issued final regulations to implement the expanded program under the PPA. (See Appendix IV for the history of the program.)

PBGC's Office of Benefits Administration (OBA) manages the MPP. OBA's duties include:

- loading missing participants names into PBGC's participant database,
- searching for missing participants,
- advising located missing participants of their benefits at PBGC or providing them contact information of the entity holding their benefits, and
- paying benefits transferred to PBGC.

PBGC's Strategic Plan FY 2018-2022

The Government Performance and Results Act Modernization Act (GPRAMA) of 2010 requires federal agencies to develop a new strategic plan every four years. PBGC's

Fiscal Year (FY) 2018-2022 strategic plan describes the mission, long term goals and end-results that PBGC will strive to accomplish by FY 2022, and how PBGC will monitor its progress. The Corporation publishes an annual performance report of its accomplishments. This framework is consistent with requirements outlined in GPRAMA and Office of the Management and Budget (OMB) Circular No. A-11, Part 6.

Strategic Goal 1 of the FY 2018-2022 strategic plan, *Preserve Plans and Protect the Pensions of Covered Workers and Retirees*, states that reducing the number of missing participants is a strategic objective, and reuniting plan participants with their lost pensions is a performance strategy. In addition, the strategic plan's FY 2022 performance goals are to "promote existence of the program, implement robust search procedures and provide prompt payout when the identity of missing participants is confirmed."

OMB Circular No. A-11, Part 6, and Performance Measurement

On April 28, 2021, OMB issued its revised Circular No. A-11, *Preparation, Submission and Execution of the Budget*. Part 6 of the circular describes the federal performance framework, detailing the Administration's management policies and approach for improving the organizational management and performance of executive branch agencies. It also requires agencies to annually assess progress toward achieving the intended outcomes of each strategic objective, as part of its strategic review.

Each strategic objective should have some means of assessing progress both on effectiveness of implementation and progress toward ultimate outcomes as one of the considerations when determining if a strategic objective will support a meaningful assessment. GPRAMA requires performance goals to be expressed in an objective, quantifiable, and measurable form unless agencies, in consultation with OMB, determine that it is not feasible. In order to assess the progress towards achievement of performance goals, the performance data must be appropriately valid and reliable for intended use.

According to Part 6 of the circular, the agency should describe the use of evidence in developing the strategic plan, including the use of evaluation and research findings in establishing or revising the agency's strategic objectives. Additionally, the agency should identify how effective strategies or approaches, as determined by credible, high-quality evidence, will be used to reach these objectives. The Government Accountability Office (GAO) states that *performance measurement* and *program evaluation* are key tools for federal program management. Although the two are complementary they differ in the following ways:

Figure 1: Distinction Between Performance Measurement and Program Evaluation.

		What drives it	What data it uses	What frequency	What it can tell
Performance Measurement	➔	Agency goals	Typically, quantitative data	On-going	How well a program is performing
Program Evaluation	➔	Theory of program change	Quantitative or qualitative	Discrete	Whether a program is working and why

Source: Adapted from the GAO-21-404SP glossary, *Program Evaluation Key Terms and Concepts* (page 3)

GAO defines *performance measurement* as the ongoing monitoring and reporting of a program’s accomplishments and progress, particularly towards its pre-established goals, and *program evaluation* as an assessment using systematic data collection and analysis of one or more programs, policies, and organizations intended to assess their effectiveness and efficiency.

Objective

Our objective was to determine the effectiveness of PBGC's Missing Participants program in locating missing participants.

Evaluation Results

Summary

While PBGC has had success locating missing participants, the program is not as effective as it could be. Efforts to reduce the number of missing participants and reunite them with their benefits are a core activity of the Corporation based on its mission and the FY 2018-2022 strategic plan. We determined that PBGC needs to improve and emphasize the MPP.

Currently, the program

- does not have performance measures,
- uses unreliable data management practices, and
- MPP procedures do not reflect the actual business practices used in program administration.

Without performance measures, identifying outliers in performance (either poor or strong) is difficult, and not having sound data management practices has led to a lack of quantitative data available for program evaluation. Finally, the lack of MPP procedures reflecting actual business practices may lead to ineffective implementation of the program and hinder continuity of operations.

PBGC can enhance the program's ability to locate missing participants by:

- implementing performance measures for the program,
- improving data management practices to ensure data reliability for tracking and reporting on the MP status, and
- updating the procedures to reflect current MPP business practices.

Finding 1: Lack of Performance Measures for the Program

OMB Circular No. A-11, Part 6, highlights the importance of developing strategic objectives that enable a review of progress both on effectiveness of implementation and the impact made on ultimate outcomes, using a variety of sources of evidence. The circular states that when developing each objective, the agency should consider how to measure progress toward achieving it, such as considering which performance indicators and other sources of evidence are most useful to understand progress and assess if current strategies are effective.

We found that the Corporation does not have performance measures for the program. PBGC officials did not provide a response as to why performance measures were not established. Furthermore, PBGC does not track the ongoing universe of missing participants.

We further concluded that although PBGC has a process in place to administer the MPP, the lack of resources and direction for it show PBGC has not emphasized the program. Simply having a process is not enough. If reducing the number of missing participants is truly a strategic objective, then identifying performance measures and implementing them through the performance goals is necessary to support this objective.

As discussed above in the Background section, in its FY 2018-2022 strategic plan, the Corporation listed reducing the number of missing participants as a strategic objective. An excerpt from the strategic plan is below in Figure 2.

Figure 2. Missing Participants Strategic Objective Supporting Strategic Goal 1.

Strategic Objectives	Performance Strategies	FY 2022 Performance Goals
Reduce the number of missing participants.	Reunite plan participants with their lost pensions.	Promote existence of program, implement robust search procedures, and provide prompt payout when the identity of missing participants is confirmed.

Source: Extracted from PBGC's FY 2018-2022 Strategic Plan (page 10)

Although PBGC reported progress on other strategic objectives that support Strategic Goal 1 in its FY 2020 Annual Report, the Corporation did not report progress on its efforts toward achieving the intended outcomes for the missing participants strategic objective. See Figure 3 below.

Figure 3. Excerpt from Operations in Brief in the FY 2020 Annual Report.

TABLE 1: FY 2020 OPERATIONS IN BRIEF			
	2020 Target	2020 Actual	2019 Actual
GOAL 1: Preserve Plans and Protect Pensions			
Single-Employer Plan Participants Protected – Employers Emerging from Bankruptcy During the Year		127,000	12,000
Single-Employer Plan Standard Termination Audits: Additional Payments		\$1.9M paid to 1,909 participants	\$5.1M paid to 993 participants
Single-Employer Benefit Payments for Terminated Plans			
• Participants Receiving Benefits		984,000	932,000
• Benefits Paid		Over \$6.1B	Over \$6B
• Participants Expected to Receive Future Benefits		552,000	591,000
Multiemployer Plan Financial Assistance		\$173M to 95 plans	\$160M to 89 plans
Multiemployer Participants in Insolvent Plans			
• Participants Receiving Benefits		79,600	66,900
• Participants Expected to Receive Future Benefits		27,600	27,300

Source: Extracted from the PBGC's FY 2020 Annual Report (page 2)

In the FY 2020 Annual Report, the Corporation did report on a liability that PBGC assumed \$188 million for 30,000 participants whose benefits were transferred to PBGC for unlocated participants in plan terminations under PBGC's expanded missing participants program. This information does not demonstrate achievement of the Corporation's strategic objective for missing participants as the objective is to reduce the number of participants. However, PBGC has demonstrated operational success for locating missing participants in two cases:

1. Page-Collins Class Action Lawsuit

A 1996 settlement involved approximately 12,000 pension plans that were terminated between 1976 and 1981. In 2013, following a court-ordered mediation, PBGC signed a supplemental agreement that, among other things, provided funds for class counsel's use in searching for, and/or commissioning, third party searches for unlocated Page-Collins class members. In 2014, PBGC management became aware that its staffing level was not adequate for the volume of claims resulting from location efforts. The Corporation assigned full-time dedicated staff to oversee the Page-Collins administration. As a result, the number of Page-Collins missing participants significantly decreased from roughly 11,000 in 2013 to around 4,900 as of May 2021.

2. Memorandum of Understanding (MOU) with the Department of Labor's Employee Benefits Security Administration (EBSA)

According to the current three-year agreement, EBSA will obtain PBGC's list of missing participants from plans trusted by PBGC with the goal of finding such individuals and subsequently helping to connect them with their benefits. Under the MOU, upon receiving the missing and unlocated participant data from the PBGC, EBSA staff will conduct Westlaw searches (and other searches if necessary) of the missing participants and update PBGC with the new contact information. EBSA staff will also create a record for each missing or unlocated participant that EBSA attempts to locate.

During our interview with EBSA officials, we found that EBSA has full-time benefit advisors performing these searches. Nationally, EBSA has 120 benefit advisors in ten regional offices, and they all participate in the PBGC initiative. One of the officials stated that, usually, each benefit advisor is assigned three participants per week, and they contact potentially 15 participants (or beneficiaries) per week. The official also stated that each staff member dedicates as much time as they can to this PBGC project, and the benefit advisors get between 170-175 thousand inquiries per year outside the PBGC project. From 2017 to 2020, EBSA staff have united participants and beneficiaries with \$163.6 million in previously unclaimed benefits for PBGC-trusted plans. EBSA officials attributed their success in searching and locating missing participants to having adequate resources, such as dedicated staff and locator tools.

The two cases above show that success in searching and locating missing participants is related to having adequate resources allocated to the effort.

According to OMB Circular No. A-11, Section 200, engagement of agency leadership in performance management is critical for several purposes. One of them is to make timely and consequential decisions, including program, budget, and staffing decisions, to drive performance results in more effective and cost-effective ways.

Not having performance measures hinders identifying:

- informed decisions about allocating evaluation resources,
- outliers in performance (either poor or strong) that warrant evaluation, and
- types of indicators that are important to program operators and might thus be useful to including in selecting evaluation measures.

Recommendations

We recommend that OBA:

1. Establish objective, quantifiable, and measurable performance goals for the program as required by OMB Circular No. A-11, Part 6, and develop performance measures to track progress in achieving them.

PBGC's Response and OIG's Evaluation

Resolved. PBGC concurred with the recommendation. The OBA stated that it would develop a performance measure to determine the success or failure of the search and location activity over specified time intervals. OBA's goal is to complete the planned action by June 30, 2022.

Closure of this recommendation will occur when PBGC submits to OIG the developed performance measures to track progress in locating missing participants for the MPP.

2. Assess adequacy of the resources and/or work prioritization for successful implementation of the program.

PBGC's Response and OIG's Evaluation

Resolved. PBGC concurred with the recommendation. The OBA stated that it would develop a chart of roles and responsibilities as well as an oversight matrix to assess and determine accountability at the federal level as compared to duties performed by contractors. OBA will additionally review the volume of activity and the frequency expectations to assess if functions are adequately staffed and resourced to produce the desired outcomes. This information will be used to update 2022 performance plans as needed. OBA's goal is to complete the planned action by April 29, 2022.

Closure of this recommendation will occur when PBGC provides evidence of completed assessments of the adequacy of the resources and work prioritization for successful implementation of the program.

Finding 2: Inconsistent Data Can Hinder Program Evaluation

According to OMB Circular No. A-11, Section 240, data are most valuable when they are meaningful for analyzing progress and identifying ways to improve performance. Further, it states:

Data need to be sufficiently accurate, and timely to inform a decision, behavior, or outcome by those who have authority to take action to drive progress towards mission, service, and stewardship outcomes. For information to be actionable, it must be prepared in a format appropriate for the user.

PBGC Directive IM 15-03, *PBGC Records Management Program* (August 17, 2017), establishes the responsibilities and requirements for the management of PBGC records and ensures that the Corporation complies with federal laws and regulations, National Archives and Records Administration guidance, related PBGC policies, and best practices for managing records. The directive states that PBGC employees and contractor employees will manage records throughout the lifecycle of the record by:

- ensuring they remain reliable and usable records, and
- maintaining records in a manner that preserves the overall integrity of the record during the normal course of business

To administer the missing participant (MP) program PBGC uses data that is stored in a live database. The data flows from different PBGC systems to this database. Regular participant's information is stored in a set of tables, and MP information is stored in specific MP set of tables. With similar information stored in different tables, disagreements may occur in cases where one set of data gets updated and the other does not. We found that old data persist in the database. During our analysis of the extracted MPP data, we noted that OBA created a data field attempting to categorize different groups of missing participants based on their located status. However, the field was not updated, and the located status was often not accurate; this happened because the Corporation inconsistently managed data for the program. As PBGC staff stated, the same data is stored in multiple tables for certain data fields (e.g., form of benefit, such as lump sum, annuity, etc., and over time, there are different data for the same fields). In addition to the absence of the data fields informing end-users if a missing participant has been found, the data did not have fields that documented search progress.

Since the data is inconsistent, we determined it is unreliable. Thus, we were unable to complete an analysis of MPP performance beyond a census data compilation. Likewise, unreliable data would make it impossible for PBGC to accurately analyze progress and identify ways to improve the program.

According to OMB Circular No. A-11, Part 6, frequent data-driven performance reviews give agency leaders a mechanism for focusing an agency on priorities, diagnosing problems, and finding opportunities. The circular states that successful reviews include

analyzing disaggregated data, learning from experience, and deciding next steps to increase performance and productivity.

Standardizing data practices, synchronizing data once changes are made, and regular purging of old data from the system would improve data quality. They will also allow for the capture and recall of reliable information. The standardization of terms of reference and category labels would ensure that accurate data is captured and that comparisons are made between similarly defined items.

If PBGC does not correct data management practices for the MPP, it may lead to:

- a lack of quantitative data available for program evaluation, which is required to determine if the program should be administered differently,
- misguided decisions resulting in lower performance or inaccurate performance measurements,
- inability to accurately assess the number of missing participants located, and
- duplication of efforts finding MP.

Recommendation

We recommend that OBA:

3. Improve data management practices to ensure data reliability for tracking and reporting on the MP status including search activity efforts.

PBGC's Response and OIG's Evaluation

Resolved. PBGC concurred with the recommendation. The OBA stated that it would implement additional data fields at the customer level that are specific to missing participants including the date of last search, outcome of search, date of last contact as well as the outcome of that contact. OBA's goal is to complete the planned action by December 30, 2022 (dependent on system release schedule).

Closure of this recommendation will occur when PBGC provides evidence of implemented changes of the data fields.

Finding 3: PBGC's MPP Interim Procedures Do Not Capture the Current MPP Business Practices

GAO's *Standards for Internal Control in the Federal Government* (also known as the "Green Book"), Principle 12, states:

Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks. If there is a significant change in an entity's process, management reviews this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately. Changes may occur in personnel, operational processes, or information technology.

PBGC created the *Missing Participant Processing Interim Procedures* (May 30, 2018) as a result of the expansion of the program. The MPP interim procedures serve as guidance for MPP staff (federal employees and contractors) to perform MPP customer-related tasks.

We found that PBGC's MPP interim procedures do not reflect the current MPP business practices; this happened because PBGC created the procedures before any MPP work was done and did not revisit them after establishing the business practices. OBA officials stated that as the program has evolved since the expansion, some steps became unnecessary and impractical; however, these procedures were not removed. We noted that procedures did not reflect actual business practices in the following areas of the MPP process:

- *Intake* (obtaining MP plan and participant information from plan administrators). During program administration, a tracking spreadsheet mentioned in the procedure was replaced by the plan intake tracker and consulting a manager for small professional service plans is no longer required.
- *Search and Locate* (searching for MP's address using a locator tool). In practice, the locator tool is run after returned mail is received during the outreach phase.
- *Outreach* (initial communication to MP). Benefit determination letters to MP have been replaced with 573MP form letters after the program expansion. In addition, tools such as the benefit determination worksheet and MP determination job aid are currently not used due to absence of a benefit determination calculator.

Foreign Addresses

During our MPP data analysis, we identified 154 missing persons living overseas with designated benefits totaling approximately \$3 million. We also noted approximately 9,000 missing persons with no country code. PBGC officials stated that currently there are no procedures to locate missing persons who live overseas, and that further work will be needed to determine capabilities of searching addresses outside of the United States. We confirmed that there are no MPP interim procedures for locating missing participants living overseas.

Principle 9 of the Green Book states that management can anticipate and plan for significant changes by using a forward-looking process for identifying change. According to this principle, management identifies, on a timely basis, significant changes to internal and external conditions that have already occurred or are expected to occur.

According to the GAO report GAO-18-19, *Better Guidance and Information Could Help Plan Participants at Home and Abroad Manage Their Retirement Saving* (January 31, 2018), based on statistics from 2010 to 2015, the number of U.S. citizens living abroad has been increasing. We noted that the country code field for many records of missing participants were blank. This lack of data hinders program evaluation. If PBGC noticed a trend indicating more MP were residing outside the United States, changes in how the program is administered might be deemed appropriate by management. The lack of data makes such a determination, and subsequent evaluation, impossible.

MPP procedures not reflecting actual business practices may lead to ineffective implementation of the program and hinder continuity of operations.

Recommendations

We recommend that OBA:

4. Update the MPP procedures in accordance with current business practices, including overseas missing participants/beneficiaries.

PBGC's Response and OIG's Evaluation

Resolved. PBGC concurred with the recommendation. The OBA stated that it would update the MPP procedures in accordance with current business practices including searching for and contacting overseas missing participants and beneficiaries. OBA's goal is to complete the planned action by April 29, 2022.

Closure of this recommendation will occur when PBGC submits the updated MPP procedures to OIG and includes evidence of notifying the staff about the updated procedures.

5. Periodically review policies, procedures for continued relevance and effectiveness in achieving the MPP mission.

PBGC's Response and OIG's Evaluation

Resolved. PBGC concurred with the recommendation. OBA will establish an annual review of MPP policies and procedures. OBA's goal is to complete the planned action by May 31, 2023.

Closure of this recommendation will occur when PBGC provides evidence of the periodic review of MPP policies and procedures. The periodic review frequency should also be captured in the policy or the procedures.

Appendix I: Objective, Scope, and Methodology

Objective

Our objective was to determine the effectiveness of PBGC's Missing Participants Program (MPP) in locating missing participants.

Scope

Our scope was an evaluation of PBGC's MPP. Due to the COVID-19 pandemic, we conducted this evaluation remotely using CDC guidelines and PBGC OIG Virtual Office guidance.

Methodology

To answer our objective, we reviewed and gained an understanding of all pertinent MPP criteria captured in ERISA Section 4050, OMB Circular No. A-11, PBGC's FY 2018-2022 Strategic Plan, PBGC's FY 2020 Annual Report, GAO Standards for Internal Control in the Federal Government, and PBGC's policies and procedures related to the MPP.

The evaluation team identified the operational processes and history of the MPP through our entrance conference and follow-up discussions with PBGC officials. We had walkthroughs of PBGC's MPP, where we gained an understanding of the operational processes completed, and systems and tools used by the MPP staff. We created flowcharts to capture different processes within the MPP as listed in the interim procedures (May 30, 2018) and confirmed the flowcharts' accuracy with PBGC officials.

We analyzed PBGC's MPP data of over 87,000 missing participant records accumulated since the inception of the program. We reviewed other information related to the MPP, including but not limited to, the contract award for field office support services, the contract award for the commercial locator tool the contractor employees use to search for missing persons (along with its guidance), organizational charts, MPP staff performance plans, and the memorandum of understanding between PBGC and the Department of Labor's EBSA. We additionally reviewed PBGC best practice cases for locating missing participants.

We judgmentally selected and interviewed MPP staff (federal employees and contractors) from various functions of the program. We also interviewed the Contracting

Officer's Representative of the contract award for field office support services and EBSA officials to discuss the memorandum of understanding between PBGC and EBSA. Furthermore, we interviewed professionals familiar with locating missing persons and/or PBGC's MPP, including officials in PBGC's Office of the Participant and Plan Sponsor Advocate.

We conducted this engagement in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation. Those standards require that we plan and perform the engagement to obtain sufficient, and appropriate evidence to provide a reasonable basis for our conclusions and observations based on our objective. We believe that the evidence obtained provided a reasonable basis for our conclusions and observations based on our evaluation objective. Accordingly, the evaluation included tests of controls and compliance with laws and regulations to the extent necessary to satisfy the evaluation objective. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our evaluation. Finally, we did not rely on computer-processed data to satisfy our evaluation objectives. We conducted a limited reliability assessment and deemed the data was unreliable; see Finding 2.

Appendix II: Agency Response



December 2, 2021

To: John Seger
Assistant Inspector General for Audits (OIG)

From: David Foley
Chief of Benefit Administration *Jennifer Messina*

Subject: Response to OIG's Draft Report on PBGC's Missing Participants Program

Thank you for the opportunity to comment on the Office of Inspector General's (OIG) draft report, dated November 10, 2021, relating to Pension Benefit Guaranty Corporation's (PBGC) Missing Participants Program (MPP). Your office's work on this is sincerely appreciated.

PBGC met with the representatives from the OIG on November 9, 2021, to discuss the findings and recommendations. The dialogue was both informative and insightful and PBGC is grateful for the opportunity to respond to the recommendations suggested by the OIG.

Management concurs with the report's findings and recommendations. In the attachment to this memorandum, you will find our specific responses to each recommendation included in the report, as well as our planned corrective actions and scheduled completion dates. Addressing these recommendations in a timely manner is an important priority for PBGC.

cc: Frank Pace, Director, Corporate Controls and Reviews Department
Latreece Wade, Risk Management Officer
Russell Dempsey, Associate General Counsel

ATTACHMENT

Our comments on the specific recommendations in the draft report are as follows:

1. Establish objective, quantifiable, and measurable performance goals for the program as required by OMB Circular No. A-11, Part 6, and develop performance measures to track progress in achieving them. (OIG Control Number 2022-04-01)

PBGC Response: Management concurs with this recommendation. The Office of Benefits Administration (OBA) will develop a performance measure to determine the success or failure of the search and location activity over specified time intervals. This data will need to be tracked and reported manually until the additional functionality can be automated.

Target Completion Date: June 30, 2022

2. Assess adequacy of the resources and/or work prioritization for successful implementation of the program. (OIG Control Number 2022-04-02)

PBGC Response: Management concurs with this recommendation. OBA will develop a chart of roles and responsibilities as well as an oversight matrix to assess and determine accountability at the federal level as compared to duties performed by contractors. OBA will additionally review the volume of activity and the frequency expectations to assess if functions are adequately staffed and resourced to produce the desired outcomes. This information will be used to update 2022 performance plans as needed.

Target Completion Date: April 29, 2022

3. Improve data management practices to ensure data reliability for tracking and reporting on the MP status including search activity efforts. (OIG Control Number 2022-04-03)

PBGC Response: Management concurs with this recommendation. OBA will implement additional data fields at the customer level that are specific to missing participants which will include the date of last search, outcome of search, date of last contact as well as the outcome of that contact.

Target Completion Date: December 30, 2022 (dependent on system release schedule)

4. Update the MPP procedures in accordance with current business practices, including overseas missing participants/beneficiaries. (OIG Control Number 2022-04-04)

PBGC Response: Management concurs with this recommendation. OBA will update the MPP procedures in accordance with current business practices including searching for and contacting overseas missing participants and beneficiaries.

Target Completion Date: April 29, 2022

ATTACHMENT

5. Periodically review policies, procedures for continued relevance and effectiveness in achieving the MPP mission. (OIG Control Number 2022-04-05)

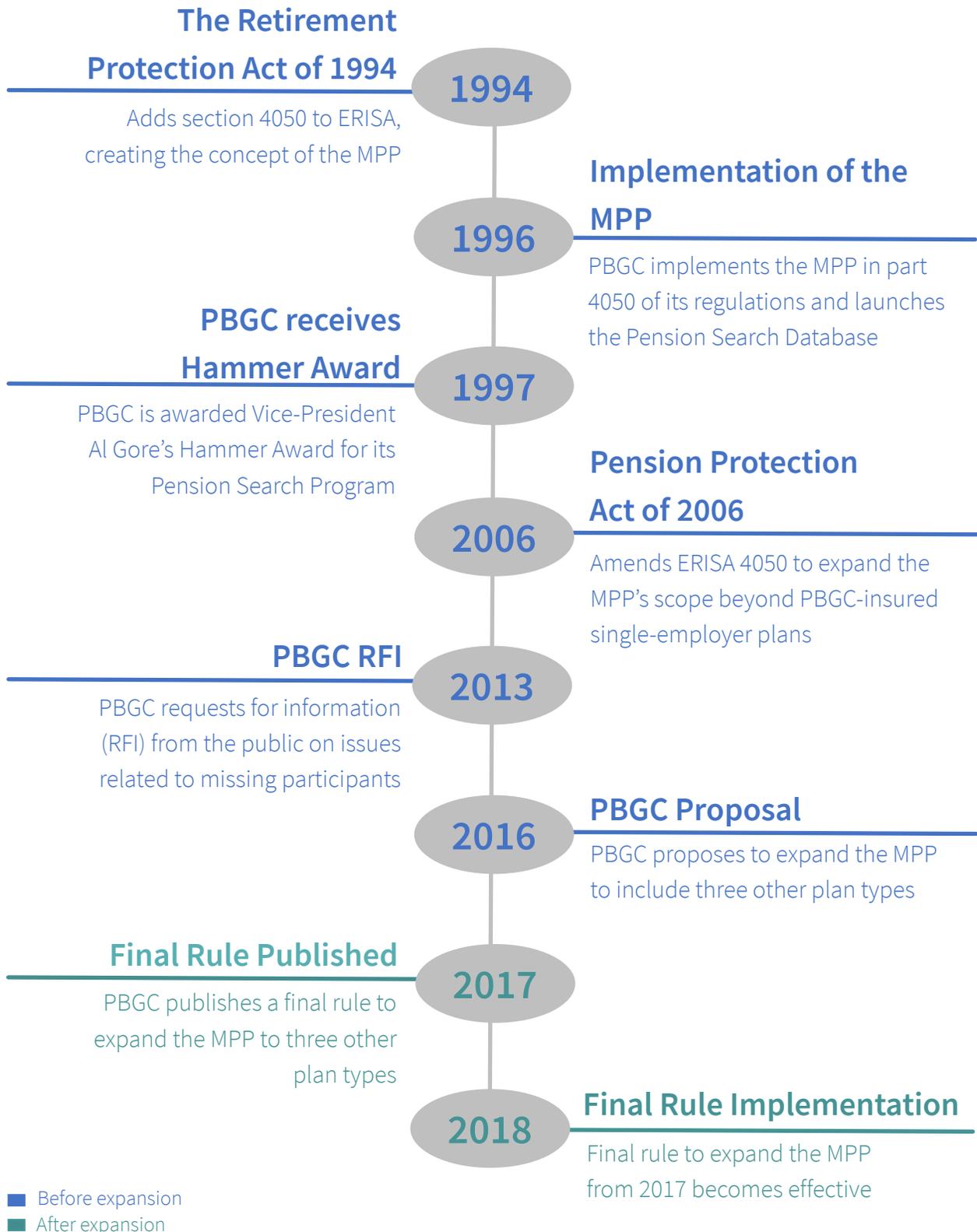
PBGC Response: Management concurs with this recommendation. OBA will establish an annual review of MPP policies and procedures.

Target Completion Date: May 31, 2023

Appendix III: Acronyms

Acronym	Meaning
EBSA	Employee Benefits Security Administration
ERISA	Employee Retirement Income Security Act
FY	Fiscal Year
GAO	General Accountability Office
MP	Missing Participants
MPP	Missing Participants Program
OBA	Office of Benefits Administration
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PBGC	Pension Benefit Guaranty Corporation
PPA	Pension Protection Act of 2006

Appendix IV: MP Program History



Appendix V: Staff Acknowledgement

Staff Acknowledgement

Parvina Shamsieva-Cohen, Audit Manager; Natali Dethomas, Auditor-In-Charge; and Jessica Kim, Auditor, made key contributions to this report.

Appendix VI: Feedback

Please send your comments, suggestions, and feedback to OIGFeedback@pbgc.gov and include your name, contact information, and the report number. You may also mail comments to us:

Office of Inspector General
Pension Benefit Guaranty Corporation
1200 K Street, NW, Suite 480
Washington, DC 20005

If you want to discuss this report or your comments with a member of the Office of Inspector General staff, please contact our office at (202) 326-4030.