

Office of Inspector General
Pension Benefit Guaranty Corporation



Semiannual Report to Congress

For the Period April 1, 2022 to September 30, 2022

SARC #67



Our Value Framework

 **OUR VISION**

Providing deep knowledge and sensible solutions through independent, positive engagement.

 **OUR CORE VALUES**

Respect 	Integrity 
Excellence 	Objectivity and Independence 

INDEPENDENT, POSITIVE ENGAGEMENT

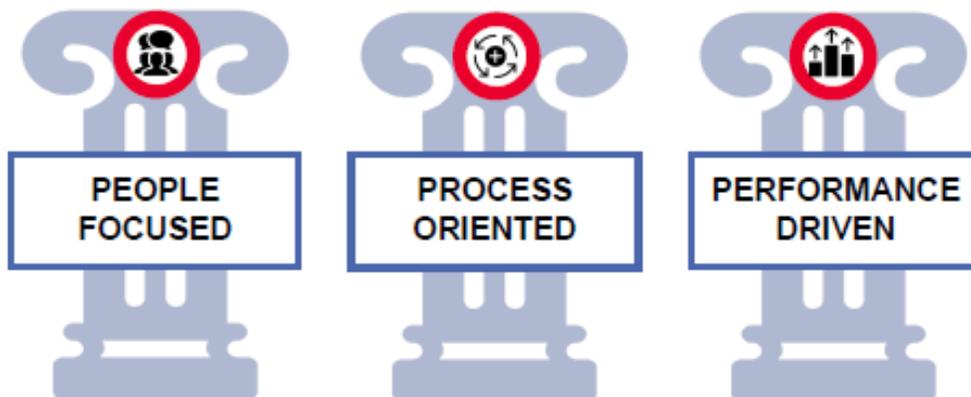
This is the OIG brand value proposition.

Our work must be **independent** and objective.

At the same time, corrective action based on our work is less likely to happen if we are not engaged *with* management.

We optimize our value through **positive engagement** and creating win-wins whenever possible.

Pillars





From the Inspector General



Nicholas J. Novak

The Board of Directors
Pension Benefit Guaranty Corporation

I am pleased to present the Pension Benefit Guaranty (PBGC) Office of Inspector General's (OIG's) Semiannual Report to Congress for the 6 months ending September 30, 2022. This report summarizes work we completed during this semiannual period on a number of critical corporate activities. We remain diligently focused on protecting taxpayer funds from fraud, waste and abuse, and ensuring PBGC programs function efficiently and effectively.

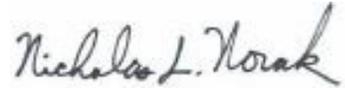
We continue to concentrate our oversight on PBGC's Special Financial Assistance (SFA) program. In doing so, we have looked to experts to leverage our work. We are a small office, but part of a larger federal OIG community that provides us important tools. For example, we are working with data analysts at the Pandemic Response Accountability Committee (PRAC) to update our risk model to account for PBGC's Final Rule on the SFA program. We completed our risk model in September and expect to launch it this year. Once in production, the model will allow us to screen SFA applications for fraud based on known risk factors. It is the kind of predictive analytical tool OIGs across the federal government are developing.

The OIG model is built on a framework of independence and adherence to professional standards of quality. Our model allows us to add new dimensions of expertise while maintaining focus on OIG principles and mission. During the planning and performance of audit engagements, auditors may utilize persons with skills in other fields to obtain and analyze evidence. Audit standards refer to these individuals as "specialists." Standards require auditors to ensure specialists have the necessary competence and qualifications in their areas of expertise, and consider the effects of bias, self-interest, and the influence of others on the specialist's professional judgement.

We have identified specialists to work with our auditors on SFA oversight. Specialists we have employed or will employ include actuaries, attorneys, information technology experts, valuation experts and statisticians, all with significant knowledge of and experience with multiemployer plans and ERISA. Our approach with SFA has been to leverage the knowledge and experience of these specialists to drive new insights and program improvements.

I would like to take this opportunity to thank you for the interest and support that you have provided to our office, and I look forward to working with you in meeting the challenges and opportunities that lay ahead.

Respectfully submitted,

A handwritten signature in black ink that reads "Nicholas J. Novak". The signature is written in a cursive style with a large, prominent initial "N".

Nicholas J. Novak
Inspector General

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Statement Regarding Plain Writing

We strive to follow the Plain Writing Act of 2010. The Act requires that government documents be clear, concise, well-organized, and follow other best practices appropriate to the subject or field and intended audience. The abbreviations we use in this report are listed below.

Abbreviations

Acronym	Description
APC	Agency Program Coordinator
ARP	American Rescue Plan Act
BCV	Benefits Calculation and Valuation
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CRM	Customer Relationship Management
DOJ	Department of Justice
DOL	Department of Labor
ERISA	Employee Retirement Income Security Act of 1974
FAR	Federal Acquisition Regulations
FedRAMP	Federal Risk and Authorization Management Program
FISMA	Federal Information Security Modernization Act
FPBU	Funds Put to Better Use
FY	Fiscal Year
GAO	Government Accountability Office
I&E	Inspections and Evaluations
IG Act	Inspector General Act of 1978
IT	Information Technology
MPP	Missing Participants Program
My PAA	My Plan Administration Account
NIST	National Institute of Standards and Technology
OBA	Office of Benefits Administration
OGC	Office of General Counsel
OIG	Office of Inspector General
OIT	Office of Information Technology
OMB	Office of Management and Budget
ONR	Office of Negotiations and Restructuring
OPM	Office of Personnel Management
PBGC	Pension Benefit Guaranty Corporation
PD	Procurement Department
PII	Personally Identifiable Information
PIIA	Payment Integrity Information Act of 2019
PMP	Participant Management Program
QuEST	Quick Easy Secure Transparent

SFA	Special Financial Assistance
SSN	Social Security Number
U.S.C.	United States Code

Executive Summary

During the period April 1, 2022 through September 30, 2022, we:

- Closed 10 recommendations and issued 4 new recommendations. The total number of open audit recommendations is 35. (P. 20)

- Issued the following reports:

Evaluation of PBGC's Purchase Card Program. PBGC's internal controls for administering PBGC's Purchase Card Program are adequate to prevent fraud, waste, and abuse, but there are several areas where internal controls over the program can be strengthened. (P. 20)

Evaluation of PBGC's Fiscal Year 2021 Compliance with the Payment Integrity Information Act of 2019 (PIIA). PBGC complied with the applicable PIIA requirements outlined in *M-21-19, Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, Office of Management and Budget's (OMB) guidance, dated March 5, 2021*. We also identified a recommendation that would improve payment integrity risk assessments of the Corporation. (P. 21)

Continued to focus investigative resources on:

- **Deceased Participants Program.** We continued our efforts under the fraud detection/computer matching initiative to identify deceased participants in the single-employer and multiemployer programs. (P. 23)
- **Special Financial Assistance Outreach.** To prepare for investigative activities that may develop from the SFA Program, meetings were held with management from the Department of Labor's Employee Benefits Security Administration and the Office of Labor-Management Standards. (P. 24)
- **OIG Hotline.** The Hotline not only serves as a tool to report fraud, waste, and abuse, but also provides a method for participants to report missing benefits, seek assistance with applying for benefits, and report mistreatment by a caregiver or family member. (P. 24)

Background

Pension Benefit Guaranty Corporation

The Employee Retirement Income Security Act of 1974 (ERISA) established the Pension Benefit Guaranty Corporation (PBGC or Corporation) within the Department of Labor (DOL) to administer the pension insurance programs. ERISA requires PBGC to: (1) encourage the continuation and maintenance of voluntary private pension plans, (2) provide for the timely and uninterrupted payment of pension benefits to participants and beneficiaries, and (3) maintain premiums at the lowest level consistent with carrying out PBGC's obligations.

PBGC insures the pension benefits of more than 33 million American workers and retirees who participate in about 25,000 private-sector defined-benefit plans through its single-employer and multiemployer insurance programs. Historically, the Corporation has not received general tax revenues. Operations are financed by insurance premiums set by statute and paid by sponsors of defined-benefit plans, investment income, assets from pension plans trusted by PBGC, and recoveries from the companies formerly responsible for the plans. In fiscal year (FY) 2021, PBGC paid over \$6.4 billion in retirement benefits to nearly 970,000 participants in over 5,000 single-employer plans. It also paid \$230 million in financial assistance to 109 multiemployer plans.¹ It manages approximately \$154 billion in total assets between the two programs.

For the first time in its 48-year history, PBGC received taxpayer funds to provide Special Financial Assistance (SFA) to financially troubled multiemployer plans under the American Rescue Plan Act (ARP). Congress and the President created the SFA program to provide an estimated \$83 billion in assistance to approximately 200 plans.² On July 8, 2022, PBGC published a final rule implementing changes to the SFA program for financially troubled multiemployer pension plans. The final rule became effective on August 8, 2022 and made changes to certain provisions of PBGC's interim final rule published in July 2021, including allowing plans to invest a portion of their SFA assets in return-seeking assets, modifying the calculation method to allow two interest rates for a plan's SFA and non-SFA assets, and providing a different methodology for the calculation of SFA for plans that implemented benefit suspensions under the Multiemployer Pension Reform Act of 2014. As of September 30, 2022, 46 plans have submitted applications for SFA, four of which have been withdrawn. PBGC has approved 30 of these initial applications for a total of \$7.6 billion; 16 of these applications are

¹ Unless otherwise cited, the figures contained in this section are based on PBGC's 2021 Annual Report.

² The total SFA decreased by \$14.5 billion from the amount reported in the last semi-annual report primarily due to the favorable 2021 market returns and updated plan data. (PBGC FY 2021 Projections Report, September 2022)

under review with a requested SFA amount of \$36.9 billion. In addition, as a result of the changes from the interim to the final rule, plans approved under the interim rule have submitted 22 supplemented applications for an additional \$9 billion.

Even with SFA, PBGC's long-term financial future remains uncertain, due in part to the collective risk of the many underfunded pension plans PBGC insures and a long-term decline in the number of traditional defined-benefit plans. The Government Accountability Office (GAO) designated the single-employer program in 2003, and the multiemployer program in 2009, as *high-risk*. GAO's March 2021 high-risk report noted PBGC faced both an immediate and critical challenge with its multiemployer program and long-term risks with its single-employer program. Also in March 2022, GAO issued another report in their high-risk series focused on, *Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*. In this report, GAO detailed the congressional action needed to mitigate PBGC's financial risks. Although the SFA does extend the life of the multiemployer program, PBGC's financial condition has fluctuated over time and still faces fundamental financial risks, such as underfunded plans sponsored by employers who have an elevated risk of bankruptcy, a wide range of projected financial outcomes for the multiemployer program despite the relief provided by ARP, and premiums that do not completely reflect the risk a plan poses to PBGC's finances.

At the end of FY 2021, PBGC's net position in the single-employer program was approximately \$31 billion and its net position in the multiemployer program was approximately \$478 million. For FY 2021, PBGC's estimate of the reasonably possible exposure to loss in the single-employer program improved to \$105 billion. PBGC's estimate of its multiemployer program's reasonably possible exposure decreased to \$329 million in FY 2021. The primary reason for the decrease in exposure was the net effect of removing 13 plans that are no longer classified as reasonably possible (\$6.552 billion decrease), while only two new plans are classified as reasonably possible (\$147 million increase). Another driver of the decrease was the decline in the reasonably possible small plan bulk reserve due to adjustments made to account for the new SFA program.

PBGC's governance structure is comprised of the Board of Directors, their Board Representatives, the Advisory Committee, a Presidentially-appointed and Senate-confirmed Director, and PBGC executives. PBGC is also subject to Congressional oversight. Other elements of governance include PBGC's system of internal control, its clearly articulated authority under ERISA to act, and PBGC's operational policies and procedures. PBGC governance is complex and requires those who are charged with its oversight to view the Corporation from different perspectives. Oversight by the PBGC Board, PBGC management, and OIG is critical to effective corporate governance.

The Office of Inspector General

The PBGC Office of Inspector General was created under the 1988 amendments to the Inspector General Act of 1978 (IG Act). We provide independent and objective audits, inspections, evaluations, and investigations to help Congress, the Board of Directors, and PBGC protect the pension benefits of America's workers.

We are organizationally independent from the Corporation, with the Inspector General reporting to the Board of Directors. Under Public Law 112-141, the Inspector General must attend at least two Board meetings per year “to provide a report on the activities and findings of the Inspector General, including with respect to monitoring and review of the operations of the Corporation.”

The OIG executive leadership team consists of the Inspector General, the Deputy Inspector General, the Chief Counsel, and the Assistant Inspectors General. The Assistant Inspector General for Audits leads our audit staff, the Assistant Inspector General for Investigations leads our investigative staff, and the Assistant Inspector General for Management leads our office operations.

Our office operates in compliance with the *Quality Standards for Federal Offices of Inspector General* issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Our audits are performed in compliance with *Generally Accepted Government Auditing Standards* issued by the Comptroller General of the United States. Our evaluations and inspections work are performed in compliance with the CIGIE *Quality Standards for Inspection and Evaluation*, and investigations are conducted in compliance with the CIGIE *Quality Standards for Investigations*. We strive to provide deep knowledge and sensible solutions through independent, positive engagement. We focus our available resources on high-risk areas and continuously seek ways to increase value to our stakeholders; to support this, we completed our routine update to our internal risk assessment of PBGC. We also continued emphasis on our OIG capability model to focus on three oversight imperatives: Contracting, Data Analytics and Visualization, and Compliance and Integrity.

We actively participate in and support OIG community activities. The Inspector General represents our office on the CIGIE Enterprise Risk Management Working Group. Our Chief Counsel represents our office on the Chief Counsels of Inspectors General Employment Law Working Group. Our Assistant Inspector General for Management represents our office on the CIGIE Data Analytics Working Group. In addition, two of our auditors are part of the CIGIE Leading, Inspiring, and Fostering Talent Network, an audit manager participates in CIGIE's Enterprise Risk Management Working Group, and an analyst is a member of CIGIE's Quality Assurance Working Group. Finally, we actively support diversity, equity & inclusion (DE&I)

within the community and throughout our office. An auditor serves on the CIGIE DE&I Work Group.

Management Challenges

Information Security

Protecting retiree income by paying benefits on time and accurately is a statutory requirement and one of the fundamental reasons PBGC exists. In FY 2021, the Corporation paid over \$6.4 billion in benefits to more than 970,000 participants in single-employer plans and \$230 million in financial assistance to 109 multiemployer plans, covering the benefits of 80,786 participants. PBGC relies on information systems and electronic data to carry out operations and process, maintain, and report essential information. Many of PBGC's systems contain vast amounts of personally identifiable information (PII), including approximately two million Social Security numbers (SSNs) for active customers. It is PBGC's responsibility to protect the confidentiality, integrity, and availability of this information.

GAO has identified information security as a government-wide high-risk since 1997 and expanded the risk in 2015 to include protecting the privacy of PII. Protecting PBGC networks, systems, and data is a long-standing and continuing management challenge. We have noted PII concerns beginning with our FY 2010 report, *PBGC Needs to Improve Controls to Better Protect Participant Personally Identifiable Information* and, in a limited distribution Risk Advisory, *Personally Identifiable Information and Data Loss Prevention Control Weaknesses*, issued in 2017.

Management continued to make progress in information security and identified maintaining effective Information Technology (IT) security as a strategic objective within their Strategic Goal to maintain *High Standards of Stewardship and Accountability*. In our FY 2015 internal controls report, IT conditions we previously reported as *material weaknesses* resulting in an adverse opinion on internal control were downgraded to *significant deficiencies*. Management's corrective actions resulted in (1) entity-wide security program planning and management and (2) access control and configuration management no longer being reported as *significant deficiencies* as of FY 2017 and FY 2020. In FY 2020, we identified a new *significant deficiency* regarding segregation of duties controls over information systems; PBGC resolved this in FY 2021.

For FY 2021, PBGC's information security program was found to be effective, with all five of the IG metric function areas assessed at *Managed and Measurable*. Improvements were noted in all five of the function areas and the maturity level for *Identify, Protect and Recover* was raised from *Consistently Implemented* to *Managed and Measurable*. However, continued focus is needed from PBGC management to maintain an effective program. In this report, we issued three new recommendations related to PBGC's identity and access management program and noted additional attention is needed to mature the new supply chain risk management domain.

During FY 2019, we issued an evaluation report, *PBGC's Data Protection at Contractor-Operated Facilities*. Our report found that although controls relating to data protection at the contractor-operated facilities are for the most part suitably designed, controls relating to the monitoring of the personnel security process and oversight by Contracting Officer's Representatives are not consistently executed in a manner to ensure the protection of sensitive information.

In FY 2019, we also issued a Risk Advisory to management that highlighted the need for additional safeguards to protect sensitive participant data from insider threats. Our evaluation of *PBGC's Efforts to Reduce the Collection, Maintenance, and Use of Social Security Numbers*, issued in September 2019, identified several PBGC offices that have responsibilities involving SSNs. The types of work vary by office and individual, but include access to SSNs of federal employees, contractors, pension plan participants, or beneficiaries. Although the Office of Information Technology (OIT) has made efforts in controlling access to PII, including SSNs, continued progress is needed across the organization to more narrowly grant access based on individual employees' duties in accordance with the principle of least privilege. Limits of PBGC's technology affect both its ability to conceal SSNs when not needed and to secure SSNs and other PII. As PBGC plans and continues modernizing its systems, limiting access to SSNs with the latest IT technology should be considered.

Continued improvements in PBGC's information security posture are needed so the Corporation can remain agile in the rapidly changing threat environment. The National Institute of Standards and Technology (NIST) published the most recent revision to the *Security and Privacy Controls for Information Systems and Organizations* in September 2020. The Corporation must leverage the latest controls and swiftly implement the federal security standards and Office of Management and Budget (OMB) requirements.

Modernization of PBGC's Key Benefits-Related Information Technology Systems

The modernization of legacy systems challenges agencies to prioritize IT spending to deliver better service to the public while enhancing mission effectiveness, reducing cybersecurity risks, and building a modern IT workforce. Along with infrastructure modernization projects, PBGC also needs to prioritize program office modernization projects to ensure they are strategically aligned, transparent, synchronized, and driven by performance-based data.

PBGC is currently modernizing portions of its Participant Management program (PMP). The PMP is the consolidation of the Integrated Present Value of Future Benefits; Benefits Administration, Benefit Calculation and Valuation (BCV); Spectrum; and other related IT systems. The PMP administers benefits to more than 1.5 million participants in PBGC-trusted

plans and facilitates approximately \$6 billion in payments to around 1 million retirees or their beneficiaries.

Our office continued to identify the importance of modernizing IT systems and management has made some progress in this area. In 2019, testing of the Present Value Future-Benefit liability revealed errors caused by IT systems limitations or programming flaws, as well as data entry errors and inaccurate use of plan data provisions. PBGC has reported several modernization projects affecting key benefits and premium-related IT systems being on schedule, including BCV, Customer Relationship Management (CRM) and My Plan Administration Account (My PAA), PBGC's premium collection system.

BCV is PBGC's pension calculation and valuation solution used by plan actuaries to determine participant benefits and calculate corporate liabilities for plans PBGC will trustee. The BCV modernization aims to close performance gaps, retire antiquated technology, reduce security issues, incorporate re-engineered processes, and integrate with other corporate systems while aligning with IT infrastructure. PBGC reported that it completed Phase 1 of the BCV modernization at the end of FY 2020, which consolidated case-specific plan and participant data stored across thousands of databases into a single, secure, centralized database. Phase 2 was deployed on October 4, 2021 and modernized the benefit calculation components to web-based technology and modernized the interfaces between BCV with other PBGC systems. The modernized components are expected to connect to the centralized database, improve ease of use, improve data integrity and security, and ensure greater consistency and accuracy.

Quick Easy Secure Transparent (QuEST) is the central repository for all PBGC participant interactions. Customer service representatives use data pulled from the repository to answer questions for plan participants, beneficiaries, and plan managers. QuEST replaced the legacy Customer Relationship Management (CRM) and My Pension Benefit Access systems with a platform hosted in the cloud, and leverages General Services Administration's *login.gov* – a Federal Risk and Authorization Management Program (FedRAMP)³ approved authentication and identity proofing platform – to improve system security. The CRM modernization has been completed, but PBGC continues to work on improvements and future enhancements to the system.

My PAA, a secure, web-based application that currently enables pension plan practitioners to electronically submit premium filings and pay insurance premiums to PBGC, was updated. The update enables configurable front-end business rules, user interactions, and integration with

³ FedRAMP is a government-wide program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services.

other applications that can be changed more easily, quickly, and for lower cost; enable processing power to be scaled to accommodate peak premium filing periods; enable PBGC to offer additional user-friendly and self-service features and capabilities to enhance the filing experience for practitioners; and better support evolving IT security requirements and is based on Oracle commercial off-the-shelf software.

PBGC's Office of Negotiations and Restructuring (ONR)–Office of the General Counsel (OGC) Case Management Modernization is set to replace the Risk Management and Early Warning and Legal Edge for Windows systems, which have reached their end-of-service-life. The modernized solution plans to maximize Commercial Off-the-Shelf functionality and continue PBGC's migration of mission critical applications to the Microsoft Cloud utilizing both the Microsoft Dynamics platform, as well as Microsoft Azure IaaS/PaaS. The modernization is scheduled to be complete in FY 2023.

To mitigate some of the risk of modernization projects, PBGC reported using agile development methodologies and holding bi-weekly executive briefings. In addition, per suggestion from the OIG, PBGC-OIT provided information related to project costs in the public domain for significant IT modernization efforts. This process was initiated with the ONR-OGC Case Management Modernization, CRM modernization effort, My PAA update, BCV Phase I, and BCV Phase II, and will continue for future significant IT modernization efforts.

Since 2015, GAO has identified *Improving the Management of IT Acquisitions and Operations* as high-risk because “federal IT investments too frequently fail or incur cost overruns and schedule slippages while contributing little to mission-related outcomes. These investments often suffered from a lack of disciplined and effective management, such as project planning, requirements definition and program oversight and governance.” With PBGC conducting critical legacy system modernization, we continue to identify PBGC's modernization efforts as a top management challenge and provide oversight in light of the critical nature of the systems, PBGC's history of challenges in integrating its systems, and its reliance on professional services contract support.

Transparency and Accountability of Professional Services Contracting

PBGC is highly dependent on contractor staff to conduct its work that includes providing IT support, developing and assessing internal controls, and calculating and paying pension benefits. The current PBGC workforce consists of just under 1,000 federal employees, who are supported by contractors. For example, the Office of Benefit Administration (OBA) has approximately 260 federal employees supported by over 800 contractor staff. Within these totals, OBA's two primary field offices, which oversee the day-to-day benefits administration activities and the Customer Contact Center for PBGC's trustee and non-trustee plans, are staffed with over 700 contractor employees. In addition, the OIT has approximately 120 federal employees and 370 contract staff to operate, maintain, and secure PBGC's network, systems, and services. This staffing model has raised concerns in the past regarding inherently governmental functions and the technical ability of a sufficient number of federal employees to effectively oversee contract deliverables.

Contractors are an important part of the PBGC workload influx plan in the event of a dramatic increase in plan failures; this is because benefit calculations are based on contractors performing critical plan asset evaluations, participant data reviews, actuarial valuations services, and data collection. The enactment of the ARP of 2021 on March 11, 2021, and the creation of the SFA program for certain financially troubled multiemployer plans, will involve contractor labor as well. The ONR has over 70 contractors to support their review of SFA applications received from eligible multiemployer pension plans under the ARP provisions.

Our office has raised concerns on numerous occasions about various issues in acquisition and PBGC management's oversight of professional services. After the former PBGC Procurement Department (PD) Director pled guilty to conspiracy to bribe a public official in May 2020, we initiated an audit to determine how procurement practices allowed awards to be steered, and if there were indications of steering in a sample of awards. As a result of this audit, in December 2020, we issued a report that found internal control deficiencies contributed to contract steering for one procurement support contract and avoidance of competition requirements for five other contracts, including four professional services contracts. In this audit, we also reported how inadequate management oversight of PD procurements enabled certain actions of the former PBGC PD Director.

Most recently, our June 2021 evaluation found that PBGC's acquisition planning for actuarial support services did not timely and effectively meet its needs. PBGC relies on actuarial contractors to help pay timely and accurate benefits to participants in single-employer pension plans trustee by PBGC. Our March 2020 evaluation of a service contract to assist PD with a backlog of contract close-outs disclosed that PD did not perform adequate monitoring during

the period of performance and did not follow-up on findings from the contract close-out reports.

We also reported on considerations of risk to the government and the contractor when selecting a contract type. PBGC's use of cost-reimbursable and labor-hour type contracts increases its risk related to cost control and labor efficiency, and adds the additional administrative burden of monitoring contractor performance. The level of risk drives the contract type chosen, with the contract then reflecting the risk of the work. Consistent with long-standing federal policy, the agency should strive to use fixed price or fixed price incentive contracts to the maximum extent possible. In the audit report issued in September 2020, we found PD did not administer the Cost-Plus-Award Fee contract for IT infrastructure operations and maintenance services in a manner consistent with the Federal Acquisition Regulations (FAR); this happened because PBGC did not adequately address the FAR suitability requirements when determining the appropriate contract vehicle. Also, in the discussed evaluation of PBGC's acquisition planning for actuarial support services, delays in acquisition planning led PBGC to extend the previous contracts and award follow-on contracts on a sole-source basis.

To its credit, PBGC implemented 20 of the 22 recommendations from these engagements since their issuance. PBGC has already submitted the closing package for one of the two outstanding recommendations that we will review in FY 2023. The remaining one is not due until June 2024. Sufficient and effective oversight is a shared responsibility, and this remains a top management challenge.

In Focus

PBGC Death Match Initiative

WHAT WE DO

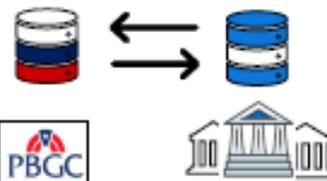


WHY WE DO IT

To expand our capacity to prevent fraud, waste, and abuse or improper payments related to deceased participants in the single-employer and multiemployer programs.



HOW WE DO IT



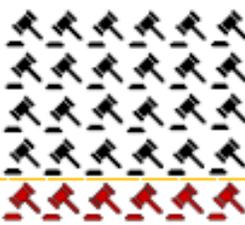
Use the Computer Matching Act exemption authority under the Inspector General Empowerment Act of 2016 to compare PBGC participant data with other government agencies, including the Department of Health and Human Services (HHS), Department of Veterans Affairs, and the Railroad Retirement Board to identify deceased participants. We also expanded this project to conduct data matches with several states, including Florida, California,

2017-2022 AT A GLANCE

213 Inquiries resulting in referrals to PBGC's OBA

\$2,076,509 in recovery referrals to PBGC

30 Full Investigations



6 Criminal Convictions

\$172,345 IN RESTITUTION

DATA MATCH WITH HHS – MARCH 2021*

197 Deceased Individuals **\$335,705**

Total overpayments sent for recovery by PBGC



*No investigations conducted in these 197 names

Audits, Evaluations, and Reviews

Summary of Performance

Category	Number
Open Recommendations Beginning of Period	41
Opened this Period	4
Closed this Period	10
Open Recommendations End of Period	35
Reports with Open Recommendations End of Period	15

Performance Audits, Evaluations and Special Reports

Evaluation of PBGC's Purchase Card Program

(EVAL-2022-10, issued April 4, 2022)

<https://oig.pbgc.gov/pdfs/EVAL-2022-10.pdf>

We found that while PBGC internal controls for administering PBGC's Purchase Card Program are adequate to prevent fraud, waste, and abuse, there are several areas where internal controls over the program can be strengthened. First, we found instances in which 25 cardholders, in contravention of OMB Circular A-123, Appendix B and PBGC's Purchase Card Manual, paid \$8,601 in state and local sales taxes to vendors. Second, we found that, in contravention of regulations, laws and policies, documents were missing or incomplete. Specifically, we identified 9 trained and authorized cardholders who made transactions in FY 2019, but whose names did not appear on the Agency Program Coordinator (APC) list of active and closed/inactive accounts. We also identified five cardholders who did not have a request for appointment document, which PBGC's manual requires the APC to maintain; one Approving Official did not have a training certificate on file; one cardholder did not have a Delegation of Authority letter; and one Delegation of Authority letter that was not signed and dated.

Evaluation of PBGC's Fiscal Year 2021 Compliance with the Payment Integrity Information Act of 2019 (PIIA)

(EVAL-2022-11, issued May 12, 2022)

<https://oig.pbgc.gov/pdfs/EVAL-2022-11.pdf>

We determined that PBGC complied with the applicable PIIA requirements outlined in *M-21-19, Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*, OMB's guidance dated March 5, 2021. We also identified a recommendation that would improve payment integrity risk assessments of the agency. PBGC concurred with the recommendation and anticipate closure of the recommendation in FY 2023.

On-Going Performance Audits and Related Work

Audit of Pension Benefit Guaranty Corporation's Financial Statements for FY 2022 and Related Work

(Project No. FA-22-165, announced March 17, 2022)

https://oig.pbgc.gov/pdfs/Ann_FA-22-165.pdf

OIG has contracted with Ernst and Young, LLP to conduct, subject to OIG oversight, the financial statements audit. The financial statement audit report will be issued on November 15, 2022. The purpose of this audit is to express an opinion as to whether PBGC's financial statements are prepared in accordance with prescribed accounting principles. The audit scope includes:

- General-purpose financial statements, including related notes, of the single-employer program and multiemployer program;
- Internal controls over financial reporting;
- Compliance with laws, including the Federal Information Security Modernization Act (FISMA), and regulations;
- Limited-purpose financial statements, including related notes, for the government-wide consolidated financial statements; and
- IT vulnerability assessment and penetration testing.

Evaluation of Hotline Complaints Regarding a PBGC Contract

(Project No. EV-22-162, announced December 20, 2021)

https://oig.pbgc.gov/pdfs/Ann_EV-22-162.pdf

We received two confidential hotline complaints alleging a contractor billed PBGC for work not completed and overbilling by a contractor employee that was not properly addressed by the contractor. This engagement will evaluate whether the allegations have merit and warrant management attention. This report is expected to be issued later in 2022.

PBGC's Review of Initial Special Financial Assistance Applications

(Project No. PA-22-164, announced on December 20, 2021)

https://oig.pbgc.gov/pdfs/Ann_PA-22-164.pdf

We are conducting this audit to determine if PBGC adequately reviewed SFA applications prior to approving them. This report is expected to be issued later in 2022.

Evaluation of PBGC's Implementation of the American Rescue Plan Act's Special Financial Assistance Program

(Project No. EV-21-161, announced September 15, 2021)

https://oig.pbgc.gov/pdfs/Ann_EV-21-161.pdf

Our objectives for this evaluation are to determine whether PBGC's policies, procedures, and controls are sufficient to deliver timely and appropriate SFA to eligible multiemployer plans and determine the adequacy of PBGC's procedures used to identify plans eligible for SFA. This report is expected to be issued in fall 2022.

Limited Scope Evaluation of Terminated Vested Populations in Special Financial Assistance Applications

(Project EV-22-167 announced May 25, 2022)

https://oig.pbgc.gov/pdfs/Ann_EV-22-167.pdf

We are conducting this engagement to determine whether PBGC ensures the best estimate related to the terminated vested population in approving SFA applications. This report will be issued in fall 2022.

Investigative Activities

Summary of Performance

Criminal Actions	Federal Prosecutors	State or Local Prosecutors
Indictments	0	0
Informations	1	0
Convictions	1	0
Sentencings	0	0

During this reporting period, we continued to address the integrity of PBGC operations. We focused investigative resources on deceased participant fraud and SFA outreach, and assisted PBGC participants who contacted the OIG Hotline regarding their pension benefits.

Pennsylvania Woman Pleads Guilty to Theft of Government Funds

On April 4, 2022, a 59-year-old Wilkes Barre, Pennsylvania woman pleaded guilty to a charge of Theft of Government Money in violation of 18 U.S.C. Section 641. She was previously charged, via information, in the U.S. District Court for the Middle District of Pennsylvania on March 30, 2022. The defendant was the caretaker of a PBGC participant who passed away in March 2019. Beginning after the participant’s death, and continuing through March 2020, the defendant knowingly converted, for her own use, approximately \$9,000 in PBGC benefits. This investigation was conducted by the PBGC Office of Inspector General, with the assistance of the Social Security Administration, Office of Inspector General.

Apex, North Carolina Woman Charged with Conversion of Government Funds

On August 23, 2022, a 67-year-old Apex, North Carolina woman was formally charged, via criminal information, by the Department of Justice with one count of Theft of Government Funds. The defendant allegedly collected her father’s Office of Personal Management (OPM) and PBGC pension benefits after he passed away in December 2005. Neither PBGC nor OPM received notice that her father was deceased and continued to pay his monthly benefits for 15 years after his death. In totality, the defendant collected and spent approximately \$339,000 in U.S. government benefits she was not entitled to receive. This case was jointly investigated with the OPM Office of Inspector General.

Deceased Participants Program

We continued our efforts under the fraud detection/computer matching initiative to identify deceased participants in the single-employer and multiemployer programs. During this period, we identified over \$91,000 in improper payments or fraud relating to deceased participants in

the single-employer and multiemployer programs and referred those cases to PBGC to terminate benefit payments and seek recoupment. (See our *In Focus* infographic on page 19 for more details.)

Special Financial Assistance Outreach

To prepare for investigative activities that may develop from the SFA program, we held meetings with officials from the Department of Labor’s Employee Benefits Security Administration and Office of Labor-Management Standards. During these meetings, OIG provided information about PBGC’s SFA program, including the mechanics of the program and our oversight plans, and we discussed fraud and other program risks. The meetings served to develop a line of communication and coordination for future actions.

OIG Hotline

The OIG Hotline serves as a tool to report fraud, waste, and abuse, but also provides a method for participants to report missing benefits, seek assistance with applying for benefits and report mistreatment by a caregiver or family member.

Senior Government Employee Substantiated Misconduct Investigations

During this reporting period, we did not complete any investigations involving a senior government employee⁴ where we substantiated an allegation of misconduct.

Instances of Whistleblower Retaliation

We did not complete any investigations of whistleblower retaliation during this reporting period.

Congressional Requests

During this reporting period, we did not receive any Congressional requests.

⁴ “[A]n officer or employee in the executive branch (including a special Government employee as defined in section 202 of title 18, United States Code) who occupies a position classified at or above GS–15 of the General Schedule or, in the case of positions not under the General Schedule, for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule[.]”
5 U.S.C. App. 3, § 5(f)(7).

Other OIG Statutory Reporting

Access to Information

Section 6(a) of the Inspector General Act grants the Inspector General access to all agency records, information, or assistance when engaged in an investigation or audit. Whenever access to requested records, information or assistance is unreasonably refused or not provided, the Inspector General must promptly report the denial to the agency head. We have not been denied access, nor has assistance been unreasonably refused during this reporting period.

Interference with Independence

During the reporting period, PBGC did not attempt to, or actually interfere with, our independence by creating budget constraints to limit our capabilities, nor were there any incidents where PBGC resisted our oversight or delayed our access to information, including the justification of the establishment for such action.

Outstanding Management Comment and Unimplemented Recommendations

There were no audit, inspection, or evaluation reports issued: (1) for which no management comment was returned within 60 days of being provided with the report and (2) for which there were outstanding unimplemented recommendations.

Management Decisions

There were no significant revised management decisions and no management decisions of a material nature with which we did not agree.

Compliance with Federal Financial Management Improvement Act

PBGC is in compliance with the Federal Financial Management Improvement Act.

Review of Proposed Statutory and Regulatory Changes

Under the IG Act, the OIG is responsible for reviewing PBGC's proposed changes to laws and regulations. During this reporting period, we did not review or provide comment on any proposed changes to laws or regulatory actions.

Peer Reviews

Inspections and Evaluations: As adopted and approved by the majority of the CIGIE membership, OIGs with an Inspection and Evaluation (I&E) organization that conducts I&Es in accordance with the Blue Book must undergo an external peer review every three years. The PBGC OIG underwent a review for the period ending June 30, 2020. The review was led by AmeriCorps OIG. The review team assessed the extent to which the PBGC OIG met the seven CIGIE Quality Standards for I&E. This assessment included a review of PBGC OIG's policies and procedures. The review team also analyzed three I&E reports issued between July 1, 2019, and June 30, 2020, to determine whether the reports complied with the covered Blue Book standards and PBGC OIG internal policies and procedures. The review team determined the PBGC OIG policies and procedures and the three reports reviewed generally met the seven Blue Book standards. There are no outstanding recommendations from the review. The peer review report is posted on our website at <https://oig.pbgc.gov/reviews.html>.

Audit: *Generally Accepted Government Auditing Standards* require each audit organization to obtain an external review of its system of quality control every three years and make the results publicly available. In June 2022, a peer review was completed by the Board of Governors of the Federal Reserve System and of the Bureau of Consumer Financial Protection OIG for the period ending September 30, 2021. The reviewing OIG found the PBGC OIG's system of quality control for the audit organization for the year ended September 30, 2021, had been suitably designed and complied with to provide the PBGC OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. The PBGC OIG received an external peer review rating of *pass*. There are no outstanding recommendations from this review. A copy of this peer review is on our website at <https://oig.pbgc.gov/pdfs/PeerReview2021.pdf>.

Investigations: During this period, there were no peer reviews of our Investigations Division. Further, the Investigations Division did not conduct an external peer review or issue a report on an external peer review.

Restricted Access Audit, Inspection or Evaluation Reports

With limited exceptions, we post all audit, inspection, and evaluation reports on our website within three days of issuing the final report to PBGC. We generally do not provide or post on our website the full text of reports that would disclose specific vulnerabilities that could be exploited; typically, such reports are IT-related.

We use restricted disclosure and other non-public audit, inspection, or evaluation reports to communicate that we have conducted work on sensitive subject matters. However, in lieu of posting full text reports, we post a high-level summary or redacted version, and summarize sensitive matters in our Semiannual Reports to Congress.

During this period, we did not post any restricted access audit, inspection, or evaluation reports.

APPENDICES

Cross-Reference to Reporting Requirements of the Inspector General Act

Inspector General Act Reference	Reporting Requirements	Page(s)
Section 4(a)(2)	Review of legislation and regulations.	25
Section 5(a)(1)	Significant problems, abuses, and deficiencies.	13-24
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies.	13-24
Section 5(a)(3)	Prior significant recommendations on which corrective action has not been completed.	33
Section 5(a)(4)	Matters referred to prosecutorial authorities.	23, 31-32
Section 5(a)(5)	Summary of instances in which information was refused.	25
Section 5(a)(6)	List of audit reports by subject matter, showing dollar value of questioned costs and recommendations that funds be put to better use.	20-21
Section 5(a)(7)	Summary of each particularly significant report.	9, 20-22
Section 5(a)(8)	Statistical table showing number of reports and dollar value of questioned costs.	34
Section 5(a)(9)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use.	34
Section 5(a)(10)	Summaries of each audit, inspection, and evaluation report issued: (1) for which no management comment was returned within 60 days of being provided with the report and (2) for which there are outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations.	25
Section 5(a)(11)	Significant revised management decisions.	25
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees.	25
Section 5(a)(13)	Compliance with Federal Financial Management Improvement Act.	25
Section 5(a)(14)	Results of peer review.	26
Section 5(a)(15)	Outstanding recommendations from any peer review conducted by another OIG.	26
Section 5(a)(16)	Any peer reviews performed by another OIG.	26

Section 5(a)(17)	<p>Statistical table showing, during that reporting period, the:</p> <ul style="list-style-type: none"> • Number of investigative reports issued; • Number of persons referred to Department of Justice for criminal prosecution; • Number of persons referred to state and local authorities for criminal prosecution; and • Number of criminal indictments and criminal informations resulting from any prior referrals to prosecutive authorities. 	30-31
Section 5(a)(18)	A description of the metrics used to develop the data for the statistical tables in (a)(17).	32
Section 5(a)(19)	<p>A detailed description of each investigation involving a senior Government employee where allegations of misconduct were substantiated, including:</p> <ul style="list-style-type: none"> • A detailed description of the facts and circumstances of the investigation; and • A detailed description of the status and disposition of the matter, including, if referred to the Department of Justice (DOJ), the date of referral and, if declined by DOJ, the date of declination. 	24
Section 5(a)(20)	<p>(A) detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation; and</p> <p>(B) what, if any, consequences the establishment actually imposed to hold the official described in subparagraph (A) accountable.</p>	24
Section 5(a)(21)	<p>A detailed description of any attempt by the establishment to interfere with the independence of the OIG, including:</p> <ul style="list-style-type: none"> • with budget constraints designed to limit OIG capabilities; and • incidents where the establishment has resisted OIG oversight or delayed OIG access to information, including the justification of the establishment for such action. 	25
Section 5(a)(22)	<p>A detailed description of the particular circumstances of each:</p> <ul style="list-style-type: none"> • inspection, evaluation, and audit conducted by the OIG that is closed and was not publicly disclosed, and • investigation conducted by the OIG involving a senior Government employee that is closed and was not disclosed to the public. 	26-27

Statistical Summary of Audit and Investigative Activities

For the Six-Month Period Ending September 30, 2022

Audits/Inspections/Evaluations Issued	
Number of Reports	2
Number of Recommendations	4
Special Reports Issued	
Number of Reports	0
Number of Recommendations	0
Investigative Reports Issued	
Number of Reports	0
Number of Recommendations	0
Open Recommendations	
Open Recommendations Beginning of Period	41
Opened This Period	4
Closed This Period	10
Open Recommendations End of Period	35
Reports with Open Recommendations End of Period	15

Investigative Workload	
Investigations Opened	29
Investigations Closed	31

Persons Referred for Prosecution	Federal Prosecutions	State or Local Prosecutions
Presented	3	1
Accepted	1	1
Declined	4	1

Criminal Actions	Federal Prosecutions	State or Local Prosecutions
Indictments	0	0
Informations	1	0
Criminal Complaints	0	0
Convictions	1	0
Nolo Contenderes/Proffer	1	0
Sentencings	0	0

Financial Recoveries	Federal Prosecutions	State or Local Prosecutions
Court Ordered Fines, Penalties, and Restitution	\$0	\$0

Administrative Actions	
Debarments	0
Administrative Recoveries	\$72,569.48

We used the following metrics to develop the data for the statistical tables above:

The number of investigative reports issued is based on those reports sent to management for action. This number does not include investigations closed without a referral to management for action.

The number of persons referred for prosecution includes any person or corporation that was referred to the U.S. Department of Justice, or state, or local authorities for consideration of criminal prosecution.

The number of criminal actions includes indictments, informations, criminal complaints, convictions, nolo contendere, and sentencings brought against a person or corporation based on prior referrals to prosecution authorities.

Previously Reported Significant Recommendations for Which Corrective Action Has Not Been Taken

For the Six-Month Period Ending September 30, 2022

Report Number, Report Title, and Date Issued	Number of Significant Recommendations	Significant Problems and Deficiencies	Summary of Significant Recommendations
AUD-2022-02/FA-21-155-1 Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2021 and 2020 Financial Statements 11/15/2021	2 ⁵	Internal controls over financial reporting. Lack of reevaluation of policies, procedures, and controls when significant changes to programs occur.	Develop policies to reevaluate procedures and controls when significant changes to programs occur and annually reevaluate allocation methodologies.

⁵ On August 24, 2022, PBGC submitted corrective actions addressing the 2 significant recommendations referenced above. These corrective actions will be evaluated as part of the FY 2022 financial statement audit.

Results of Reports Issued

For the Six-Month Period Ending September 30, 2022

Results	Number of Reports	Questioned Costs	Unsupported Costs	Funds Put to Better Use (FPBU)
A. For which no management decision had been made by the commencement of the reporting period.	0	\$0	\$0	\$0
B. Which were issued during the reporting period.	2	\$0	\$0	\$0
Evaluation of PBGC's Purchase Card Program		\$0	\$0	\$0
Evaluation of PBGC's Fiscal Year 2021 Compliance with the Payment Integrity Information Act of 2019		\$0	\$0	\$0
Total (Add A. & B.)	2	\$0	\$0	\$0
C. For which a management decision was made during the reporting period.	0			
(i) dollar value of disallowed costs		\$0	\$0	\$0
(ii) dollar value of costs not disallowed		\$0	\$0	\$0
(iii) dollar value FPBU agreed to		\$0	\$0	\$0
(iv) dollar value FPBU not agreed to		\$0	\$0	\$0
D. For which no management decision had been made by the end of the reporting period.	0	\$0	\$0	\$0
E. For which no management decision was made within six months of issuance.	0	\$0	\$0	\$0

Summary of PBGC Open Recommendations

As of September 30, 2022

	Recommendation Number	Date Issued	Report Title and Recommendation
1	2015-09-15 (prior FISMA-14-15)	5/6/2015	Fiscal Year 2014 Federal Information Security Management Act Final Report. Develop, document, and implement a process for the timely assessment of employees and contractors transferred or promoted to a new position or role to determine whether the risk-level has changed.
2	2016-01-04 (prior OIT-154R)	12/11/2015	Fiscal Year 2015 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect against exploitation of vulnerability; report is restricted disclosure.
3	2019-14-02 (prior OIT-174)	9/27/2019	PBGC's Property Management Program. Perform a risk assessment on assets not located during the annual inventory and follow-up on assets that are deemed <i>high risk</i> .
4	2020-05-02 (prior FISMA-19-02)	12/20/2019	Pension Benefit Guaranty Corporation's Fiscal Year 2019 Compliance with the Federal Information Security Modernization Act of 2014. Improve processes and implement oversight to ensure timeliness of background investigations to be completed for federal employees and contractors.
5	2020-05-03 (prior FISMA-19-03)	12/20/2019	Pension Benefit Guaranty Corporation's Fiscal Year 2019 Compliance with the Federal Information Security Modernization Act of 2014. Update directives, policies, and procedures to reflect current personnel security processes for the timely processing of background investigations.
6	2020-08-06	3/20/2020	PBGC's Agreed Upon Procedures for Contract Closeouts. Develop and implement a follow-up process to ensure prompt handling of audit findings prior to contract closeout, including tracking of findings from internal audit reports.
7	2021-01-02	12/08/2020	Internal Controls Must Be Strengthened to Promote Procurement Integrity. Develop and implement a mechanism in an electronic system to ensure that contract actions that require legal reviews according to PBGC policy receive these reviews and that disagreements with legal sufficiency comments are communicated to OGC.

8	2021-02-05	12/09/2020	<p>Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2020 and 2019 Financial Statements.</p> <p>Develop and update segregation of duty matrices to reflect the risk of multiple role assignments based on the current business operations of PBGC within the IT systems supporting the financial reporting environment.</p>
9	2021-02-06	12/09/2020	<p>Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2020 and 2019 Financial Statements.</p> <p>Review existing role assignments based on updated segregation of duty matrices for existing conflicts and remediate them as appropriate.</p>
10	2021-02-07	12/09/2020	<p>Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2020 and 2019 Financial Statements.</p> <p>Implement application monitoring controls to mitigate risk associated with required role assignments that violate separation of duty requirements.</p>
11	2021-02-10	12/09/2020	<p>Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2020 and 2019 Financial Statements.</p> <p>Increase the frequency of the periodic review of users with known separation of duties violation to determine management concurrence with the appropriateness of the access and their risk acceptance.</p>
12	2021-05-01	1/21/2021	<p>Pension Benefit Guaranty Corporation's Implementation of the Federal Information Security Modernization Act of 2014 for FY 2020.</p> <p>PBGC should develop and implement a management plan to address supply chain risks with respect to information systems and system components. Further, PBGC should educate the acquisition workforce on threats, risk and required security controls for acquired information technology (IT) components.</p>
13	2021-05-02	1/21/2021	<p>Pension Benefit Guaranty Corporation's Implementation of the Federal Information Security Modernization Act of 2014 for FY 2020.</p> <p>Harden the affected servers' cipher suites to avoid the use of weak ciphers and RC4 ciphers, in accordance with the vendor's security leading practices.</p>
14	2021-05-07	1/21/2021	<p>Pension Benefit Guaranty Corporation's Implementation of the Federal Information Security Modernization Act of 2014 for FY 2020.</p> <p>PBGC should conduct an analysis to determine if the current PBGC internal network monitoring capabilities are sufficient to fully support their insider threat program, specifically around the monitoring and disclosure of PII and sensitive banking information. Where appropriate, PBGC should deploy additional tool sets to monitor internal transmissions of PII and sensitive banking information for insider threat behavior analytic modeling.</p>

15	2021-05-08	1/21/2021	<p>Pension Benefit Guaranty Corporation's Implementation of the Federal Information Security Modernization Act of 2014 for FY 2020.</p> <p>With the adoption of NIST 800-53 rev5, PBGC should conduct a risk assessment to consider the inclusion of the AU-13 optional control requirements for monitoring information disclosures by internal employees.</p>
16	2021-06-01	2/1/2021	<p>Fiscal Year 2020 Financial Statement Audit Management Letter Report.</p> <p>Conduct an experience study over the spouse age difference for seriatim and phase out liability for unlocatable missing participant assumptions.</p>
17	2021-06-02	2/1/2021	<p>Fiscal Year 2020 Financial Statement Audit Management Letter Report.</p> <p>Document rationale for and/or update the seriatim marital status and smoothing adjustment for lump sum benefit projections assumptions.</p>
18	2021-06-04	2/1/2021	<p>Fiscal Year 2020 Financial Statement Audit Management Letter Report.</p> <p>PBGC should conduct the appropriate analyses/research/studies to ensure the reasonableness of percentages and thresholds used for promotion and document the rationale behind these analyses.</p>
19	2021-06-05	2/1/2021	<p>Fiscal Year 2020 Financial Statement Audit Management Letter Report.</p> <p>PBGC should develop a schedule for continuous monitoring over thresholds used within key controls and provide details about the time and the frequency of this schedule.</p>
20	2022-02-01	11/15/2021	<p>Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2021 and 2020 Financial Statements.</p> <p>Develop specific policies to reevaluate policies, procedures, and controls when significant changes to programs occur.</p>
21	2022-02-02	11/15/2021	<p>Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2021 and 2020 Financial Statements.</p> <p>Annually re-evaluate allocation methodologies considering any current year developments that impact the execution of PBGC operations.</p>
22	2022-04-01	01/07/2022	<p>PBGC Can Improve the Effectiveness of the Missing Participants Program.</p> <p>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.</p>

23	2022-04-03	01/07/2022	<p>PBGC Can Improve the Effectiveness of the Missing Participants Program.</p> <p>Improve data management practices to ensure data reliability for tracking and reporting on the MPP status including search activity efforts.</p>
24	2022-04-05	01/07/2022	<p>PBGC Can Improve the Effectiveness of the Missing Participants Program.</p> <p>Periodically review policies, procedures for continued relevance and effectiveness in achieving the MPP mission.</p>
25	2022-06-01	01/14/2022	<p>Fiscal Year 2021 Financial Statement Audit Management Letter Report.</p> <p>PBGC should implement procedures to periodically analyze the participant/beneficiary data to identify significant and unusual or abnormal changes. From this type of activity, PBGC should investigate participants to validate the reasonableness for the change and the adequacy of the data used for benefit calculation and liability determination and make corrections to the participant data as necessary.</p>
26	2022-06-02	01/14/2022	<p>Fiscal Year 2021 Financial Statement Audit Management Letter Report.</p> <p>Conduct in depth follow-up experience study mentioned within the rationale memorandum over expected retirement age versus actual retirement age and implement changes/updates to the assumption based on study results.</p>
27	2022-06-03	01/14/2022	<p>Fiscal Year 2021 Financial Statement Audit Management Letter Report.</p> <p>Implement procedures to formally retain review documentation over internal controls that evidences how the review steps were performed and how conclusions (especially judgmental decisions) were drawn. Examples would be tick marks, text boxes, comments, recalculations, reconciliations, supporting files researched, etc.</p>
28	2022-06-04	01/14/2022	<p>Fiscal Year 2021 Financial Statement Audit Management Letter Report.</p> <p>PBGC currently documents review evidence through the use of checklists, email support, and signatures; however, the details around how the review steps are executed (e.g., reconciling two numbers from certain documents) is often not formally documented as part of the control performance. We recommend PBGC develop more detailed checklists that outline how steps are completed and not just what needs to be completed.</p>

29	2022-07-01	02/03/2022	<p>Pension Benefit Guaranty Corporation's Implementation of the Federal Information Security Modernization Act of 2014 for FY 2021.</p> <p>PBGC should create organization-wide profiles surrounding establishment of passwords and password protection to ensure constant implementation of new technology and standards.</p>
30	2022-07-02	02/03/2022	<p>Pension Benefit Guaranty Corporation's Implementation of the Federal Information Security Modernization Act of 2014 for FY 2021.</p> <p>PBGC should complete mitigations against password guessing attacks.</p>
31	2022-07-03	02/03/2022	<p>Pension Benefit Guaranty Corporation's Implementation of the Federal Information Security Modernization Act of 2014 for FY 2021.</p> <p>PBGC should schedule periodic password resets to prevent previously obtained or compromised credentials from being re-used on PBGC domains.</p>
32	2022-10-01	04/04/2022	<p>Evaluation of PBGC's Purchase Card Program.</p> <p>Review the transactions we identified for which PBGC paid sales taxes and (a) determine whether it is economically feasible to obtain refunds and (b) if determined to be economically feasible, obtain refunds for those transactions.</p>
33	2022-10-02	04/04/2022	<p>Evaluation of PBGC's Purchase Card Program.</p> <p>Incorporate federal and PBGC policies regarding paying sales taxes into annual training for cardholders and Authorizing Officials.</p>
34	2022-10-03	04/04/2022	<p>Evaluation of PBGC's Purchase Card Program.</p> <p>Update the SharePoint records whenever documents are updated, or new documents are created.</p>
35	2022-11-01	05/12/2022	<p>Evaluation of PBGC's Fiscal Year 2021 Compliance with the Payment Integrity Information Act of 2019.</p> <p>Update, using the most recent OMB guidance, the risk assessment's methodology to ensure it supports a cumulative rating, considering detailed weighting of risk factors, pre-defined rating scale, or a quantitative approach.</p>

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If you want to confidentially report or discuss any instance of misconduct, fraud, waste, abuse, or mismanagement involving PBGC programs and operations, please contact the PBGC Office of Inspector General.

Telephone:
The Inspector General's HOTLINE
1-800-303-9737

TTY/TDD:
For hearing/speech impaired services,
dial FRS (800) 877-8339
and give the Hotline number to the relay operator.

Web:
<https://oig.pbgc.gov/hotline.html>



Or Write:
Pension Benefit Guaranty Corporation
Office of Inspector General
445 12th St SW
Washington, DC 20024-2101