



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

Summary of Investigative Activities

Quarterly Summary of Investigative Activities

October 1, 2023, to December 31, 2023

Executive Summary

Summaries of Investigative Activities

In this report, the U.S. Office of Personnel Management (OPM) Office of the Inspector General (OIG) summarizes recent cases investigated by the OPM OIG Office of Investigations as part of our mission to provide independent and objective oversight of OPM programs and operations. These cases highlight the successes of our criminal investigators and investigative analysts; present challenges and risks to OPM programs and OIG oversight; and describe fraud, waste, abuse, and mismanagement that harms OPM, its programs and operations, and Federal employees, retirees, and their eligible dependents.

Drew M. Grimm
*Assistant Inspector General
for Investigations*

About OPM OIG Investigations

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

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

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

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

Abbreviations

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

Table of Contents

Executive Summary	i
Abbreviations	ii
Table of Contents	3
Health Care Investigations	4
Retirement Investigations	7
Integrity Investigations	8
About OPM Programs.....	9

Health Care Investigations

OPM OIG Health Care Investigations

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

The OPM OIG Office of Investigations prioritizes investigating allegations of patient harm, substantial monetary loss to OPM health care programs, program vulnerabilities, or cases that involve health care priorities such as the opioid epidemic or the COVID-19 pandemic.

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

Health Care Fraud Case Summaries

- In October 2016, we received a carrier notification from an FEHBP health insurance carrier alleging that a pharmacy was primarily billing for high-dollar-reimbursement medications from two manufacturers, which potentially indicated an improper relationship between the entities. We previously reported that FEHBP health insurance carriers paid over \$670,000 for the medications at issue and that eight individuals were indicted or charged by criminal information (a formal charge of a crime) in the U.S. District Court for the Eastern District of Virginia. Several of these individuals have pleaded guilty and been sentenced. On December 15, 2023, a ninth individual associated with this case was charged by information with one count of corruptly endeavoring to obstruct the Internal Revenue Service, which also participated in the investigation. The individual pleaded guilty. Further action is anticipated in this case.

OPM OIG Investigations Involving the Opioid Crisis

In October 2017, the President declared the opioid crisis a public health emergency. All Executive agencies were directed to use their available resources to combat the consequences of the epidemic. The OPM OIG Office of Investigations continues to prioritize opioid-related investigations during this public health emergency. Opioid investigations by our office may involve the manufacturing or marketing of opioids; inappropriate or medically unnecessary

prescribing practices; or fraud, waste, or abuse by sober homes and substance abuse recovery facilities.

Opioid-Related Case Summaries

- In July 2023, we received a case referral from a Federal law enforcement partner about two doctors who allegedly billed excessively and billed for services not rendered. They also allegedly provided opioids illegally to patients. Between January 2018 and August 2023, FEHBP health insurance carriers paid \$144,771 in claims related to the allegations. On November 14, 2023, the doctors were indicted on 13 counts of health care fraud and unlawful distribution of a controlled substance. On November 16, 2023, both doctors were arrested. Further judicial action is anticipated in this case.
- We received a referral from the Federal Bureau of Investigation’s Miami Health Care Fraud Strike Force alleging that a rehabilitation clinic was billing for services not rendered. FEHBP health insurance carriers paid \$4.3 million to the facility as it operated a scheme that targeted FEHBP members. On December 18, 2023, one individual was charged by criminal information in the U.S. District Court for the Southern District of Florida on one count of health care fraud. Further judicial action is expected in this case.
- In August 2016, we received multiple referrals alleging that a hospital company was billing a high number of urine drug screenings. Our investigation identified a rural hospital pass-through billing scheme that involved arrangements with marketers who in turn solicited substance abuse treatment centers, sober homes, and physician offices to submit medically unnecessary tests using the rural hospital’s billing credentials to take advantage of the favorable reimbursement rates. FEHBP health insurance carriers paid \$3.1 million related to the scheme. We previously reported that multiple individuals were charged in the U.S. District Court for the Middle District of Florida. Two individuals were convicted of conspiracy to commit health care fraud and wire fraud, five counts of health care fraud, and conspiracy to commit money laundering of proceeds greater than \$10,000. On December 15, 2023, one of the convicted individuals was sentenced to 100 months of imprisonment and 36 months of probation. The second individual was sentenced to 75 months of imprisonment and 36 months of probation.

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

The Anti-Kickback Statute (Title 42 U.S. Code Sections 1320a–7b) makes it illegal for health care providers to knowingly and willfully accept bribes or other forms of remuneration in return for activities such as patient referrals. The FEHBP is excluded from pursuing cases under the Anti-Kickback Statute. Kickbacks can increase FEHBP costs and patients can suffer harm if health care providers are tempted to profit off referrals for treatments or procedures that are not medically necessary.

The FEHBP’s exclusion from the Anti-Kickback Statute can interfere with our ability to protect the FEHBP and its members from improper conduct that would constitute a Federal crime when

committed against any other Federally funded health care program. Improperly paid FEHBP dollars can go unrecovered because of our exclusion.

Typically, our investigations are complicated by the FEHBP's Anti-Kickback Statute exclusion if one of the following findings occur:

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

Anti-Kickback Statute-Related Case Summaries

- In January 2023, we received a *qui tam* filed in the U.S. District Court for the District of Massachusetts alleging that a pharmaceutical company engaged in an off-label prescribing and kickback scheme involving the promotion, sale, and marketing of a medication. FEHBP health insurance carriers paid \$2.7 million for claims related to the medication. The U.S. Attorney's Office overseeing the investigation narrowed the allegations to violations of the Anti-Kickback Statute. Because the FEHBP is exempt from the Anti-Kickback Statute, we closed our investigation.
- In November 2023, we received a *qui tam* filed in the U.S. District Court for the District of Massachusetts alleging that a medical entity attempted to improperly increase revenues by pressuring providers to add diagnosis codes unsupported by clinical criteria, offering financial incentives based on the volume and severity of patient diagnoses, and other allegations. The case involved alleged violations of the Anti-Kickback Statute. FEHBP health insurance carriers had paid \$3.2 million associated with the alleged fraud. Because the FEHBP is exempt from the Anti-Kickback Statute, we closed our investigation.

Retirement Investigations

About OPM OIG Retirement Investigations

OPM reported \$337.55 million in improper payments, including \$224.33 million in overpayments, in fiscal year 2023. These improper payments often are from fraud, waste, or abuse in the OPM-administered Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) retirement programs.

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

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

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

OPM Retirement Fraud Case Summaries

- In July 2023, we received a request from a Federal law enforcement partner for assistance in the investigation of a deceased survivor annuitant. The survivor annuitant died in January 1998. OPM annuity payments ended in July 2023. OPM paid \$702,336 after the unreported death of the survivor annuitant. The agency recovered \$4,549 through Treasury reclamation actions, leaving a program loss of \$697,787. Our investigation found that a family member of the decedent allegedly stole the OPM survivor annuity payments. On December 19, 2023, the family member was charged via criminal complaint in the U.S. District Court for the District of New Jersey with one count of wire fraud. Further judicial action is expected in this case.

Integrity Investigations

About OPM OIG Integrity Investigations

The Office of Investigations conducts investigations into allegations of fraud, waste, abuse, or mismanagement involving OPM employees and contractors. These integrity investigations may involve whistleblowers or allegations of retaliation.

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

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

Integrity Investigations Case Summaries

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

About OPM Programs

- **Federal Employees Health Benefits Program (FEHBP):** The FEHBP is the largest employer-sponsored health insurance program in the world, covering more than 8 million Federal employees, annuitants, family members, and other eligible individuals. The FEHBP provides quality, affordable, and comprehensive health benefits with national and local plan choices. It is a vital part of the Federal Government's benefits package.
- **Federal Employees Dental and Vision Insurance Program (FEDVIP):** FEDVIP makes supplemental dental and vision insurance available to Federal employees and retirees and their eligible family members.
- **OPM Retirement Programs, including the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS):** OPM Retirement Programs pay monthly annuities to retired civil servants and the eligible survivors of deceased OPM annuitants. OPM paid billions of dollars in defined benefits to retirees, survivors, representative payees, and eligible family members during the previous fiscal year.
- **Federal Employees' Group Life Insurance program (FEGLI):** FEGLI is the largest group life insurance program in the world, covering enrolled Federal employees, retirees, and their eligible family members. It provides standard group term life insurance and elective coverage options.
- **Federal Executive Institute (FEI):** The FEI is part of OPM's Center for Leadership Development. It offers learning and ongoing leadership development opportunities for Federal senior leaders through classes and programs to improve the performance of Government agencies.
- **Combined Federal Campaign (CFC):** The CFC is the largest and most successful annual workplace charity campaign in the world, raising millions of dollars each year through pledges made by Federal civilian and retiree, postal, and military employee donors during the campaign season. These pledges support eligible nonprofit organizations.



Report Fraud, Waste, Abuse, and Mismanagement

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

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

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

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