

# Pension Benefit Guaranty Corporation Office of Inspector General

RETIREMENT



SEMIANNUAL REPORT TO CONGRESS  
April 1, 2010 - September 30, 2010





# Pension Benefit Guaranty Corporation

Office of Inspector General

1200 K Street, NW, Washington, DC 20005-4026

January 7, 2011

The Board of Directors  
Pension Benefit Guaranty Corporation

During the six month period covered by this report, the PBGC Office of Inspector General addressed a range of issues including information technology, financial reporting, and pension plan terminations. We issued two reports with nine recommendations for improvement, completed two investigations, resolved 45 complaints, and continued investigative work on 3 cases that were previously accepted for prosecution by U.S. Attorneys' offices.

Federal agencies have been called upon to enhance the attention paid to risk and controls. The myriad requirements of OMB Circulars A-123 and A-130, the Federal Managers' Financial Integrity Act (FMFIA) of 1982 and the Federal Information Security Management Act (FISMA) of 2002, as well as other guidance relating to accountability and transparency, all share the objective of enhancing an agency's risk management and ensuring that an agency's response to risk provides reasonable assurance that the organization will achieve its strategic objectives.

The reports issued during this period and our ongoing audit work share a common focus on risk and risk management. For example:

- In our report on Authorizations to Operate PBGC Information Systems, we explained that PBGC has been unable to determine the risk associated with weaknesses in its information technology systems. As a result, PBGC senior management officials do not have a valid basis on which to authorize continued operations of PBGC's automated systems. Nevertheless, the Corporation continues to rely on these systems for all aspects of its operations.
- Our audit of the Actuarial Calculation Toolkit (ACT) disclosed that the personally identifiable information for approximately 1 million participants is currently at risk. This situation occurred when PBGC determined the level of risk associated with ACT, incorrectly classifying it as a minor system. As a result of the incorrect assessment of risk, the Corporation did not perform the security risk assessment mandated by federal standards or take needed actions to mitigate risk.
- As part of our review of PBGC's draft document titled Major Asset Allocation Transitions, we shared observations and suggestions, including the need to address specific investment-related risks and associated mitigations. Subsequent to this six-month report period, but before we issued this Semiannual Report, PBGC adopted many of our suggestions relating to risk and added a requirement for a transition implementation plan to include an analysis of pertinent risks and identify specific mitigating measures.

During the six month period, we continued to work closely with PBGC management to address open audit recommendations. A total of 47 recommendations were closed during the period, leaving 163 recommendations yet to be addressed. PBGC reports that it plans to complete many of these recommendations in the near future, with more than half (82) scheduled to be completed within the next six month period. Some recommendations will take far longer to fully implement. For example, certain recommendations relating to PBGC's information technology security are not scheduled for completion until 2015. It is important that PBGC ensure effective interim measures to mitigate risks until final action can be taken.

Sincerely,



Rebecca Anne Batts  
Inspector General

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# Executive Summary

The Semiannual Report to Congress summarizes the activities and accomplishments of the Pension Benefit Guaranty Corporation (PBGC) Office of Inspector General (OIG) for the period April 1, 2010 through September 30, 2010. During this reporting period, our work focused primarily on financial reporting, information technology security, and pension plan termination processes.

- Our report on authorizations to operate (ATO) PBGC information systems explained that the Corporation continues to rely on its automated systems for all aspects of its operations, despite PBGC's inability to determine the risks associated with weaknesses in its information technology systems (see pages 5 -7.)
- Through work initiated as a result of a whistleblower complaint, we determined the personally identifiable information for approximately 1 million plan participants is currently at risk because PBGC has not implemented adequate controls in its Actuarial Calculation Toolkit (see pages 7-8).
- In response to a Congressional request, we evaluated PBGC's handling of the 2005 termination of the United Airlines (UAL) pension plans and found PBGC took many actions to protect worker and retiree interests. While responding to the request, we also found serious deficiencies in PBGC's plan asset and participant data audits for the UAL plans and initiated evaluations that will be completed in the near future (see pages 11-12).

Highlights of our follow-up on PBGC's progress in addressing findings from prior audits and investigations, include:

- PBGC made good progress in reducing the backlog of unimplemented audit recommendations by closing 47 of the 201 recommendations that were open as of April 1, 2010.
- More than 60% of the recommendations that remain open relate to needed improvements in information technology and contracting.
- PBGC expects to close more than half of its open recommendations in the next six months.
- PBGC took some corrective actions to improve security and protect confidential information in response to investigative management advisories.

We will continue to monitor the completion of recommendations relating to PBGC's information technology security, scheduled for completion in 2015.

As of September 30, 2010, much of our audit work was nearing completion (and was issued prior to this report's submission to Congress), including evaluating PBGC's preparedness for a potential workload influx, the annual audits of the PBGC's financial statements, and PBGC's compliance with the Federal Information Security Act (FISMA). Other ongoing work includes evaluation of PBGC's actions in processing certain Minnesota Steelworker plans, and review of PBGC's proposed investment policy implementation guidance and its written guidance for the securities lending program.



# Introduction

## The Pension Benefit Guaranty Corporation

The Pension Benefit Guaranty Corporation (PBGC or the Corporation) was established under Title IV of the Employee Retirement Income Security Act of 1974 (ERISA), as amended (29 U.S.C. §§ 1301-1461), as a self-financing, wholly-owned Federal government corporation to administer the pension insurance program. ERISA requires that PBGC: (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.

For about 44 million Americans, PBGC provides assurance that their retirement benefits will be paid, up to a statutory limit. PBGC protects the pensions of participants in certain defined benefit pension plans (i.e., plans that promise to pay definitely determinable retirement benefits). Such defined benefit pension plans may be sponsored individually or jointly by employers and unions. PBGC is now responsible for the pensions of about 1.5 million people.

During FY 2010, PBGC managed about \$71.19 billion in assets and paid about \$5.6 billion in benefits to almost 801,000 retirees and beneficiaries. The Corporation reports having sufficient liquidity to meet its obligations for a number of years, despite a cumulative deficit of \$23 billion from the single-employer and multiemployer programs. Neither program at present has the resources to satisfy all of the benefit obligations already incurred, much less future obligations likely to be assumed.

PBGC's governance structure comprises the Board of Directors, their Board Representatives, a Presidentially-appointed Director, and Congressional oversight. Other elements of governance include PBGC's system of internal control, its clearly articulated authority to act, and the policies and procedures under which PBGC operates. PBGC governance is complex and requires those who are charged with its oversight to view the Corporation from a number of differing perspectives. Oversight by the PBGC Board, PBGC management and the OIG is critical to effective corporate governance.

## The Office of Inspector General

Our Office of Inspector General (OIG) was created under the 1988 amendments to the Inspector General Act of 1978. We provide an independent and objective voice that helps the Congress, the Board of Directors, and PBGC protect the pension benefits of American workers. Like all Offices of Inspector General, the PBGC OIG is charged with providing leadership and recommending policies and activities designed to prevent and detect fraud, waste, abuse, and mismanagement; conducting and supervising independent audits and investigations; and recommending policies to promote sound economy, efficiency, and effectiveness.

*PBGC paid about \$5.6 billion in benefits to almost 801,000 retirees and beneficiaries during FY 2010.*

*OIG independently  
responds to  
Congressional  
requests and initiates  
contact with Congress,  
as warranted*

To provide value, we focus our work on the challenges facing PBGC. We strive to target the highest risk areas and emphasize timely reporting of results. We determine what we will investigate and audit and how we will conduct those investigations and audits. We determine our own priorities and have had our own independent legal counsel since 1990. Our audit and investigative staff is competent and experienced, with professional backgrounds in other Offices of Inspector General, independent accounting firms, and federal criminal investigative agencies. We independently respond to Congressional requests and initiate contact with Congress, as warranted.

The OIG is in full compliance with the Quality Standards for Federal Offices of Inspector General, published by the President’s Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE). Our audit work is performed in compliance with Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, and our investigations are performed in compliance with PCIE and ECIE Quality Standards for Investigations.

The PBGC OIG is organizationally independent. The Inspector General reports directly to the highest level of PBGC governance, the PBGC Board and to Congress. In executing our independent oversight role, we perform a range of legally-mandated work (e.g., the annual financial statement audit and the annual Federal Information Security Management Act review) as well as a body of discretionary work.

# OIG's Focus on Challenges Facing PBGC

Between April 1, 2010 and September 30, 2010, the Pension Benefit Guaranty Corporation (PBGC) Office of Inspector General (OIG), focused on three priority areas: financial reporting, information technology security, and pension plan termination processes. We issued two audit reports and two reports of investigation. In response to a Congressional request, we reviewed PBGC's handling of the 2005 termination of United Airline's pension plans. Our work resulted in the initiation of a follow-on audit of PBGC's plan asset and participant data audits of these pension plans. We also initiated one new investigation and closed 47 investigations and complaints. As of September 30, 2010, we are actively working three criminal cases with various U.S. Attorneys' offices.

## OIG's Audits and Investigations of PBGC's Information Security

Because of PBGC's long-standing and systemic information technology (IT) weaknesses, we continued our focus on information technology security during the six month period. In our prior report to Congress, we had reported that our FY 2009 financial statement audits included an adverse opinion on internal control, based on significant IT weaknesses that posed an increasing and substantial risk to PBGC's ability to carry out its mission. (see Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements, AUD-2010-1/FA-09-64-1 (<http://oig.pbgc.gov/audit/2010/pdf/FA-09-64-1.pdf>)).

Remediating these serious deficiencies will require time. We recently issued two audit reports, described below, that address identified shortcomings in PBGC's information technology security. Further, the financial statement and Federal Information Security Management Act (FISMA) audit work that was ongoing as of September 30, 2010, shows that some progress has occurred. The results of our audits of PBGC's FY 2010 financial statements and of our FISMA work will be summarized in our next semiannual report.

### Authorization to Operate PBGC Information Systems

AUD-2010-8 /IT-09-70

<http://oig.pbgc.gov/audit/2010/pdf/IT-09-70.pdf>

Although PBGC has been unable to determine the risk associated with weaknesses in its information technology systems, the Corporation continues to rely on its automated systems for all aspects of its operations. During our FY 2009 FISMA review, we became aware that PBGC was operating its information technology general support systems and major applications without the necessary authorizations to operate (ATOs), as required by FISMA and Office of Management and Budget (OMB) Circular A-130. The

*OIG continued work to identify and correct IT weaknesses which pose threats to PBGC's ability to carry out its mission.*

*PBGC must address weaknesses in its C&A process before its systems can be appropriately authorized to operate.*

ATO is intended to document the official management decision made by a senior agency official to allow operation of a system and to explicitly accept the risk to agency operations, assets, or individuals based on the implementation of an agreed-upon set of security controls.

Due to fundamental weaknesses in PBGC's IT infrastructure and PBGC's ineffective certification and accreditation (C&A) process, PBGC senior management officials did not have a valid basis on which to authorize continued operation of PBGC's information technology systems. We determined that out of the 14 systems, only three had a current ATO. Without remediation of all the high and 50% of the moderate vulnerabilities, the remaining eleven systems did not have valid authorizations to operate. Specifically we observed that:

- PBGC continued to use systems with unremediated vulnerabilities. Some of the vulnerabilities had been identified as long ago as December 2007.
- "Conditional" as opposed to "authorized" approvals had been granted because of the significant number of high and medium unresolved vulnerabilities. For nine systems, PBGC senior officials granted a conditional ATO and allowed continued operation although high and medium vulnerabilities had not been remediated. On August 20, 2009, OMB issued Memorandum M-09-29 which states that OMB does not recognize an interim authorization to operate, as doing so would be counter to FISMA's goals.
- In December 2007, the certifying agent, information system owner, and Information Systems Security Officer concluded that two major systems – My Pension Benefit Account (MyPBA) and eTalk-Qfiniti – should be denied an approval to operate, pending remediation of all "High" rated items and at least half of all "Moderate" rated items. For each of the systems, the reviewers had concluded "we certify that the safeguards designed, developed, and implemented **have not** demonstrated the necessary security to reduce the risk of operating the aforementioned system to an acceptable level." [emphasis in original]

PBGC is in a difficult position with respect to authorizing operation of its general support systems and other major applications. Because an ATO must be supported by a complete C&A document, PBGC must address weaknesses in the C&A process before its systems can be appropriately authorized. OMB guidance does not provide for agencies to issue "conditional" or "interim" ATOs. In theory, an agency should not operate an information technology system unless it has been properly certified and accredited. In summary, our recommendations included:

- Requesting a waiver from OMB to allow for continued operations of information technology systems, despite the presence of unremediated vulnerabilities and the absence of an effective certification and accreditation process.
- Developing a comprehensive corrective action plan to remediate all the high and moderate vulnerabilities remaining on the PBGC network.

- Ensuring that an accountable individual takes ownership and provides oversight of the remediation process and validates corrective actions are completed by the target dates.
- Ensuring that all ATOs are updated accurately to reflect the current system security state and status of the Plan of Action and Milestones.

PBGC agreed with three of the four recommendations. With respect to our recommendation that PBGC seek a formal waiver from OMB, PBGC disagreed with this recommendation and proposed an alternative. PBGC stated it has briefed OMB and OMB has not requested that PBGC apply for a waiver. PBGC noted its commitment to keeping its stakeholders apprised of progress as the plans are implemented. We accepted PBGC's proposed alternative corrective action. We will continue to monitor PBGC's progress in completing new authorizations to operate.

### **PBGC Needs to Improve Controls to Better Protect Participant Personally Identifiable Information (PII)**

AUD-2010-09/ IT-09-67

<http://oig.pbgc.gov/audit/2010/pdf/IT-09-67.pdf>

We found that the personally-identifiable information (PII) for approximately 1 million participants is currently at risk because PBGC has not implemented adequate controls in its Actuarial Calculation Toolkit (ACT). A whistleblower complaint alleged that the PII of participants in terminated pension plans was unprotected because PBGC was using an unsecured application that did not comply with applicable information technology standards.

ACT captures and stores PII information, such as name, Social Security Number, hire date and retirement date. Based in Microsoft, it utilizes customized features of Excel and Access to perform the calculation of an individual participant's final pension benefit -- a core function for PBGC and one that is necessary to ensure the agency can adequately meet its mission. Individual benefit calculations are performed by using Microsoft Excel spreadsheets and participant data is stored in Microsoft Access files, a small database system, which allows users to create databases with minimum security features.

Between 1996 to 2004, ACT served as PBGC's primary valuation system. In 1999, PBGC recognized a number of drawbacks with the spreadsheet approach and began the process to identify and procure a new valuation system. Eventually, PBGC selected Ariel, a valuation system developed by a Canadian firm, to replace ACT. PBGC management initially believed that Ariel would improve the timeliness of benefit determinations and improve the reliability and security of participant data. However, in 2008, PBGC concluded that Ariel was requiring so many resources, in terms of both staff time and money (more than \$31 million), that the Corporation decided to begin the process of transitioning pension plan participant information from Ariel back to ACT.

When the transition from the new system back to the old software occurred, PBGC should have, at a minimum, completed a risk assessment, security plan and privacy

*Our report indicated PBGC's actuarial application lacks adequate controls over the PII of plan participants.*

*PBGC is taking steps to address vulnerabilities in ACT.*

impact assessment. However, because the risks associated with ACT were incorrectly determined, with a resulting classification as a minor system - "a tool kit" - the Corporation did not perform the security assessment mandated by federal standards or take needed actions to mitigate risk. We recommended that PBGC:

- Identify all Microsoft Access files that are not password protected and immediately implement password and access controls to ensure the protection of participant PII.
- Reclassify ACT as a major system and complete a Certification and Accreditation review based on FIPS 199, National Institute of Standards and Technology (NIST) standards and OMB guidance including risk identification, assessment and mitigation.
- Review the facts surrounding PBGC's incorrect classification of ACT as a minor application and document a determination of whether additional controls over the classification process are needed.
- Conduct scanning on a periodic basis and timely mitigate vulnerabilities in accordance with NIST guidance.
- Implement encryption on all PBGC laptops and storage media that handle PII.

PBGC concurred with the report findings and recommendations, informing OIG that management has already completed steps to resolve one of the recommendations by instituting password protection for the 584 databases in ACT that contain PII.

## **Corrective Actions in Response to OIG's Investigative Management Advisories**

### *Security Breach - Protected Data Exposure*

During the previous SARC period, we reported on an investigation of a PBGC employee who transferred personally identifiable information for over 2200 plan participants from a flash drive to a CD via a Kinkos' kiosk. Our investigation revealed that an employee received a flash drive that was not authorized for use on the PBGC network. The employee was incorrectly instructed by an IT security employee to use Kinkos to transfer the information to a PBGC approved electronic storage device so that it could be checked for malicious software. We determined that this represented a serious internal control concern for the PBGC because of the risk associated with transferring data via external vendors. A management advisory was issued to document our concerns and needed actions.

PBGC took appropriate corrective action in response to our investigation. Steps taken included:

- Developing and publishing written procedures to ensure safe transfer of data from electronic storage devices;

- Setting up a dedicated personal computer to be used if PBGC receives data in a form that may pose a risk; and
- Establishing internal controls intended to ensure that sensitive data is kept safe during electronic transfer.

### *Potential Security Breach at the Continuation of Operations (COOP) Site*

During the previous SARC period, we reported on an investigation of an alleged security breach that had occurred at a remote PBGC location. Our physical security inspection of the site showed that no breach had occurred, although a hard drive had been removed from a server and never restored. Our investigation identified several inventory and internal control issues at the facility. Most importantly, the onsite network administrators were unable to identify which specific drive was missing, who had removed it and if one of the uninstalled drives found in the server room was the removed drive. A management advisory was issued to document our concerns and needed actions.

We revisited the COOP site to determine the effectiveness of PBGC's corrective actions in to our management advisories. We noted that the Corporation had developed and implemented security procedures to safeguard hard drives and that an inventory log of spare hard drives had been established.

## **Information Technology and Corrective Action Plans**

As reported in our prior semiannual report, PBGC is in the process of developing a series of Corrective Action Plans (CAPs) to address the systemic IT weaknesses reported in our internal control and FISMA reports. Importantly, PBGC has committed to build and manage security controls to an appropriate NIST standard. Further, PBGC made the decision to enter into an interagency agreement with the Bureau of Public Debt to leverage its expertise in security control. Our ongoing work shows that PBGC is beginning to actively address serious information technology issues and the substantial risks they pose for PBGC's ability to carry out its mission.

The Corporation has embarked on a coherent approach to resolving and correcting fundamental information technology weaknesses. Its multi-year corrective action plans are intended to address security issues at the root cause level. The corrective action plans are an important first step that reflects the priority that PBGC leadership places on this critical issue. However, PBGC's realistic assessment is that a timeframe of between three and five years is needed to achieve the objectives of the PBGC's plans. According to PBGC's schedule, corrective action for many of OIG's recommendations will not be complete until 2015. Specifically, over the next 3 to 5 years, PBGC's plans call for the following:

- An infrastructure compliant with NIST and FISMA standards,
- An improved security program;

*PBGC took steps to correct certain IT security weaknesses at PBGC's COOP site.*

*In its efforts to strengthen its IT processes, PBGC entered into an interagency agreement with the Bureau of Public Debt.*

- Lower cost and a less complex environment;
- Decreased reliance on contract personnel; and
- A holistic approach to address audit recommendations.

During this six month reporting period, PBGC reported to us that it entered into an interagency agreement with the Bureau of Public Debt's Information Systems Security Line of Business to provide the following services:

- Examine current system boundaries and reclassify PBGC's FISMA inventory;
- Update the Information Security Handbook;
- Reexamine and document the common controls;
- Assist in developing a timeline for the Certification and Accreditation of PBGC systems;
- Document the Authority to Operate those systems; and
- Assist in the Certification and Accreditation review of each system.

PBGC expects that its plans will resolve fundamental weaknesses in the PBGC information technology infrastructure. Current PBGC leadership has been straightforward in acknowledging the challenges it faces in revitalizing PBGC's information technology processes. Implementing the corrective action plans will be difficult and time-consuming. Some of PBGC's challenges, like the continuous stream of new and ever-changing federal requirements, are shared by all federal entities. Others are unique to PBGC. For example, PBGC still has an acting Chief Information Officer, PBGC system security expertise is still maturing, and trust-building is still a work-in-process for the office that manages PBGC's information technology. Strong leadership and effective, persistent oversight, from within the organization as well as from the outside, will be needed if PBGC is to ensure the security of the information technology systems that support the PBGC mission.

## Congressional Request Leads to New Audit Work

While conducting work to respond to a request from Representative George Miller (D. CA), Chairman of the House Committee on Education and Labor (discussed below), we found that the contractors charged with conducting the plan asset audits for the four United Airlines defined benefit plans did not exercise due professional care in their work. Further, we found that PBGC did not comply with its own protocols in conducting these audits that are designed to determine the fair market value of plan assets at the date of plan termination, a value that is important in determining the benefit level of participants. PBGC did not properly oversee the work of the contractor and failed to identify or follow-up on serious and obvious errors and omissions in the work. We found similar shortcomings in the United Airlines participant data audits, which were performed by same contractor and under the same lax control environment.

We determined that the issues surrounding the contractor's inadequate audits were so significant that additional, more detailed evaluation was warranted; we initiated an evaluation of PBGC's plan asset and participant data audits for the United Airlines plans. Our next semiannual report will describe our findings and recommendations for improvements in PBGC's oversight of the plan asset audit and the participant data audit processes.

### Congressional Request: PBGC's Handling of UAL Pension Plan Terminations

[http://oig.pbgc.gov/reports/testimony/Miller\\_UAL\\_review.pdf](http://oig.pbgc.gov/reports/testimony/Miller_UAL_review.pdf)

In late December 2009, Chairman Miller of the House Committee on Education and Labor requested that our office review the circumstances surrounding PBGC's handling of the 2005 termination of four United Airlines pension plans. We found that PBGC took action to protect worker and retiree interests. The deficiencies we found in the plan asset audits, however, constituted a serious failure in the execution of PBGC's protocols. Except for those issues, nothing came to our attention to cause us to believe that PBGC had not complied with its own protocols or that its established protocols were not adequate, as long as the Corporation ensures careful execution.

UAL sponsored a number of single-employer pension plans – four were significantly underfunded, including plans for pilots, ground employees, flight attendants, and the management, administrative and public contact employees. Under the Employee Retirement Income Security Act of 1974 (ERISA), as amended, PBGC insures benefits in certain defined benefit pension plans sponsored by private sector employers, such as the UAL plans. ERISA establishes the statutory scheme for termination of single-employer plans when certain conditions occur, such as if the plan will be unable to pay benefits when they are due or the plan's future liabilities are reasonably expected to cause an unreasonably increased long-run loss to PBGC. At the time PBGC instituted proceedings to terminate the four UAL pension plans, the cumulative underfunding was estimated to be \$10.4 billion. That is, the plans only had \$6.8 billion in assets to pay about \$17.2 billion in promised pension benefits. Under ERISA, \$13.8 billion of benefits were guaranteed; of that amount, about \$7 billion was unfunded. At the beginning of the fiscal year in which the UAL plans were terminated, PBGC's own deficit was \$23.5 billion.

From our review, we observed that PBGC officials and staff took actions and performed administrative steps that protected the worker and retiree interests, including applying regulations and established processes to implement ERISA's criteria for terminating and trusteeing plans. Among the actions that PBGC took were:

- Analyzing and documenting whether the plans should be terminated and, if so, on what date, then subjecting the analyses and termination recommendations to multiple, higher-level reviews, and
- Communicating with participants in the terminated plans, including responses to individual letters and mass mailings, and large group meetings with UAL pension

*OIG's current work includes evaluations of PBGC's plan asset and participant data audits for four United Airlines plans.*

*PBGC took some actions to protect UAL pension plan participant's and retiree's interests.*

participants in which PBGC answered questions, addressed concerns and explained the federal pension program.

Our review also included a follow-up to a prior OIG report, Review of PBGC Claims Sale (No. 2006-11/PA-0029, August 31, 2006). This report evaluated whether the process PBGC followed in hiring Deutsche Bank to market and sell PBGC's rights to UAL securities upon UAL's emergence from bankruptcy was reasonable in light of PBGC's governance and industry standards for institutional investors. While the report noted that "the Sale was perceived in the market as successfully executed," the report also noted that PBGC failed to share useful and timely information within PBGC and with the Board of Directors. We made recommendations that addressed PBGC's investment policy, governance and standard documentation. PBGC provided documentation showing they had taken many actions to improve their internal and external communications, including:

- Written Weekly Significant Activity Reports to the Board Representatives with confidential information about significant developments in active cases and litigation.
- Bi-weekly Significant Update Case meetings to executives and department directors affected by the cases.
- Large case working group meetings attended by interdisciplinary agency managers and staff who plan and prepare when a large plan is to be terminated and trusteed.
- Bi-weekly meetings between the General Counsel and Chief Counsel and their senior leaders to discuss legal matters of mutual concern.

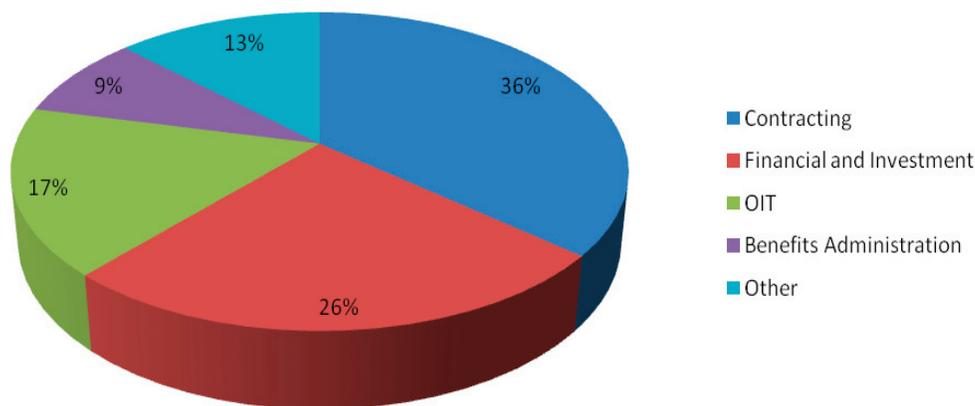
While PBGC did not implement some of our recommendations, we noted that the Corporation has established protocols and processes that reduce the likelihood of future communications breakdowns similar to those that occurred during the UAL claims sale.

We also noted an area in which PBGC could improve: there are no mandates to document discussions and negotiations between PBGC and plan sponsors. Creating a contemporaneous record of settlement and other discussions would create a complete record of the government's actions for the particular matter and would also preserve the facts from fading memories, differing perceptions, and lost knowledge when staff leave PBGC. We concluded that PBGC needs to develop and implement protocols for all meetings or discussions with plan sponsors that, at a minimum, require written documentation of the meetings.

## PBGC Has Made Progress in Reducing Backlog of Unimplemented Audit Recommendations.

As of April 1, 2010, the beginning of the reporting period, a total of 201 audit recommendations were open. Reports issued during the period added nine more recommendations, bringing the total number to 210. A total of 47 recommendations were closed during the period, including 17 recommendations relating to contracting issues and 12 recommendations relating to financial and investment issues. As shown by the following chart, more than half of the closed recommendations related to contracting and financial management issues.

### Closed Recommendations per Type



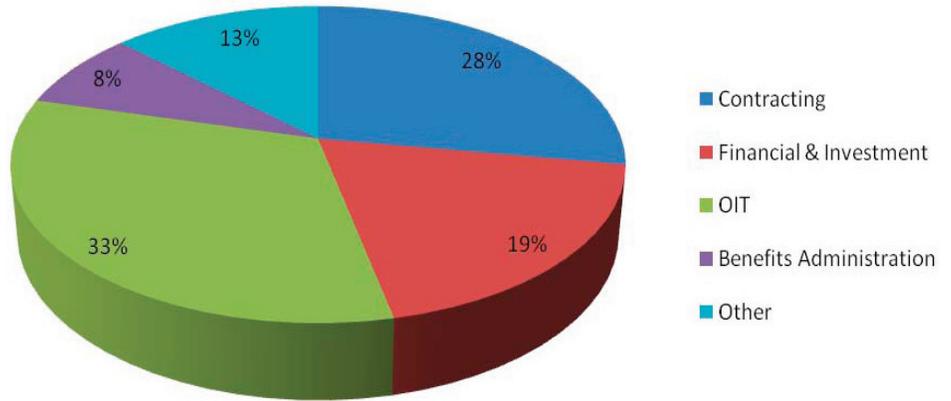
As of September 30, 2010, 163 audit recommendations remain open. These recommendations address a range of issues, from the most serious problem affecting PBGC to relatively minor compliance issues. In some cases, we met with PBGC officials to discuss management's reported corrective actions when we determined that what had been done was not sufficient to fully address the recommendations. As warranted, we provided detailed memoranda outlining the need for additional information. Many of our comments related to management's need to test the corrective action to ensure it had been fully implemented and was effective.

The following chart shows the distribution of open recommendations based on the subject of the recommendation. More than 60 percent of the recommendations relate to needed improvements in either information technology or contracting.

*PBGC closed 47 audit recommendations and continues reducing the backlog of unimplemented audit recommendations.*

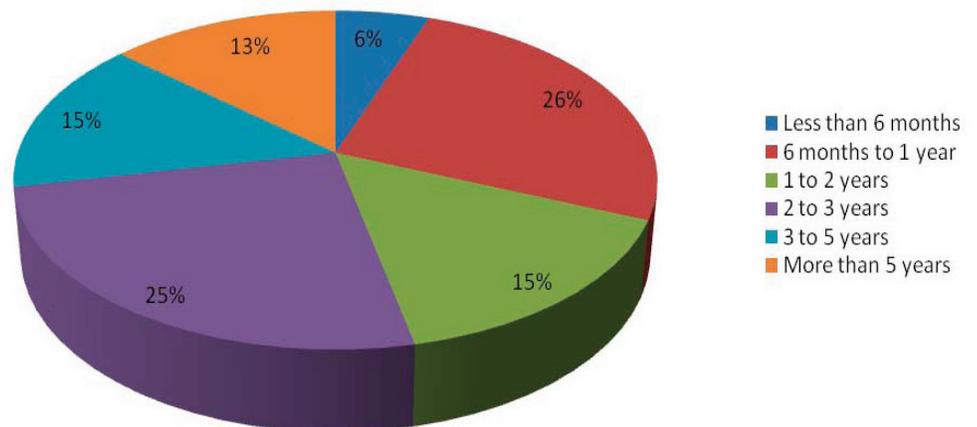
60 percent of PBGC's open audit recommendations relate to improvements needed in either information technology or contracting.

### Open Recommendations as of 9/30/2010 by Type



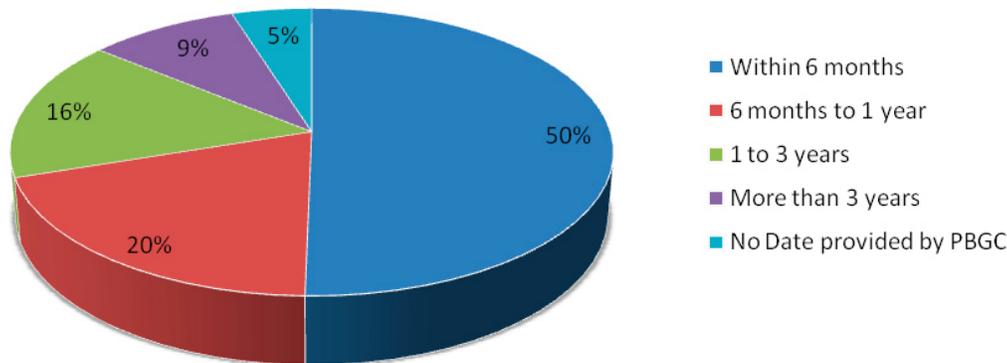
Many of our recommendations have been open for prolonged periods of time. As shown by the following chart, more than half of the recommendations are more than two years old. Twenty-two recommendations (about 13 percent) are more than five years old; many of the recommendations address the need for improvements in contracting practices and should be implemented in the near future. Other recommendations that have persisted for more than five years address weaknesses in the PBGC's existing automated premium accounting system; these recommendations will likely remain open until PBGC can implement its new system for premium accounting.

### Aging Schedule of Open Recommendations



PBGC reports that it plans to complete many of its open recommendations in the near future. As shown by the following chart, more than half (82 of 163 recommendations) are scheduled for completion within the next six month period. About one quarter of the recommendations will not be completed for at least a year, and the scheduled completion date for about 9 percent of the recommendations (15 of 163) is more than 3 years in the future. Certain recommendations relating to PBGC's information technology security are not scheduled for completion until 2015. PBGC should ensure effective interim measures to address the issues that will remain open for several years.

### Estimated Time of Completion for Open Recommendations



We are encouraged by management's emphasis on correcting noted deficiencies, testing their actions and submitting complete documentation to support closure of open audit recommendations. OMB Circular A-50 notes that "Corrective action taken by management on resolved findings and recommendations is essential to improving the effectiveness and efficiency of government operations."

*Effective interim measures are needed to address issues that will remain open for several years.*

## Significant On-Going Work

Our ongoing audit work addresses some of the most critical issues facing PBGC. As of September 30, 2010, we were assessing a variety of issues, including PBGC's preparedness for a potential influx of pension plans and the Corporation's financial statements and compliance with FISMA. We also continue to address a Congressional request that asked us to review PBGC's actions with respect to the defined benefit plans of Minnesota steelworkers and anticipate issuance of four separate reports dealing with the various concerns that have come to our attention.

### Request from Special Committee on Aging to Evaluate PBGC's Preparedness for a Potential Workload Influx (EVAL-2011-01/PA-09-05)

After September 30 but before this report was submitted, we issued our report to PBGC. Our work was performed in response to a request of Chairman Herbert Kohl of the Senate Special Committee on Aging to evaluate PBGC's readiness to address the potential increase in workload attributable to changes in the economy. Specifically, Chairman Kohl asked us to evaluate whether "PBGC management is taking steps to strategically prepare the corporation for the possible influx of such plans and their participants." In general, our findings relate to the need for a more strategic approach in planning for the workload surges that, while not precisely predictable, are foreseeable.

### Congressional Request: Evaluation of PBGC's Processing of Certain Minnesota Steelworker Plans (Project PA-09-66)

In response to a request from U.S. Senators Al Franken and Amy Klobuchar and Congressman James Oberstar, we initiated a review of PBGC's activities with regard to the Minnesota Steelworker pension plans. Our work will be reported in four separate reports, with the first report addressing the serious errors and omissions that plagued PBGC's efforts to determine the fair market value of plan assets for seven terminated National Steel pension plans. To its credit, PBGC leadership has already begun taking action to address the identified issues, including (1) contracting for a Certified Public Accounting (CPA) firm to re-perform the work related to these pension plans, as well as others; (2) developing a plan for how contractor work will be monitored, evaluated, and accepted; and (3) reviewing plan asset evaluations completed over the last two years, with the objective of using identified deficiencies to train reviewers and staff and to update procedures.

*Ongoing work includes evaluating PBGC's preparedness for a potential workload influx.*

## OIG's Annual Audits of PBGC's Financial Statements

The OIG is statutorily required to audit PBGC's annual financial statements. For FY 2010, we contracted with Clifton Gunderson to audit PBGC's financial statements and to complete several related audits and evaluations. Audit coverage includes an assessment of internal controls across the Corporation, to include all financially significant systems. Audit planning began in early March, with much of the field work occurring during the summer and fall.

### Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2010 and 2009 Financial Statements (Project FA-10-69)

At the end of the six month period covered by this report, our financial statement audit was in progress but drawing to a close. During November 2010, the OIG issued opinions and reports relating to the audit of PBGC's financial statements. The opinion on PBGC's financial statements is unqualified, while the opinion on internal control is not favorable, based on continuing significant IT weaknesses as discussed above.

*Opinion on the Financial Statements* – The objectives of our financial statements audit are to provide: (1) an opinion of reasonable assurance as to whether the agency's financial statements are presented fairly in all material respects; (2) an opinion on internal control over financial reporting including the safeguarding of assets; and (3) an assessment of compliance with applicable laws and regulations.

*Opinion on the Special-Purpose Financial Statements* – We also provided an opinion on the Corporation's special-purpose financial statements, which directly link PBGC's audited financial statements to the Financial Report of the United States Government prepared by the Department of the Treasury and audited by the Government Accountability Office.

*Sensitive Payments Testing* – In conjunction with the financial statement audit, Clifton Gunderson LLP performed testing of sensitive payments, including senior level management activities and expenses, such as compensation, travel, perquisites, preparation of required financial disclosure forms, and PBGC vehicle usage. Results of this testing are incorporated into financial statements audit reports, as appropriate.

*Penetration Testing* – In connection with the FY 2010 financial statements audit, we contracted with Clifton Gunderson LLP to perform a vulnerability assessment and penetration testing, which included internal vulnerability assessments to discover possible weaknesses in PBGC's logical security controls and to exploit discovered vulnerabilities. The goal of our assessment was to determine the degree of control PBGC could expect an attacker to achieve after a successful penetration. During our assessment, we discovered live hosts residing on external and internal PBGC networks. We conducted overt and covert vulnerability assessments on IP addresses in use. We obtained approval prior to exploitation of discovered vulnerabilities to attempt to gain access to sensitive data.

*Continuing IT weaknesses affect the opinion on PBGC's internal control.*

After September 30 but before this report to Congress was submitted, we briefed the Corporation on its most serious IT security vulnerabilities and provided details of the testing results for development of appropriate corrective action. Because of the sensitivity of the issues, we will issue a restricted disclosure report to PBGC management with appropriate recommendations.

## Assessment of PBGC compliance with FISMA

In conjunction with the IT vulnerability testing, Clifton Gunderson is also conducting the annual assessment of PBGC's compliance with the Federal Information Security Management Act (FISMA). FISMA requires each federal agency to develop, document, and implement an agency-wide program to provide IT security for the information and information systems that support the operations and assets of the agency. FISMA also requires the agency to report in ten specific areas relating to the state of its IT security, and the OIG independently to assess the agency's IT security assessment. OMB has developed a mandatory template report for consistent reporting across the government.

An effective information security program should include accurate Certification and Accreditation (C&A) documentation, effective security awareness training, adequate contingency plan testing, periodic evaluations of IT controls and effective hardware and software. At the time of this report, FISMA testing was still on-going, though we had reported to PBGC numerous IT weaknesses. Some, like the deficiencies in the C&A process, were reported last year and remain virtually unchanged. Others were new.

Subsequent to the reporting period for this semiannual report, during November, 2010, OIG filed a joint report with PBGC on the current status of PBGC's IT security to OMB by November 15, 2010. Additionally, in early 2011 we will issue a narrative report to PBGC with details about the findings and recommendations for corrective action.

## Review of PBGC's Proposed Investment Policy Implementation Guidance

### Evaluation of Major Asset Allocation Transition Guidance

In September, the Chief Investment Officer (CIO) requested our office review a draft document created by PBGC entitled Major Asset Allocation Transitions. After our review of this transition document, we met with the Chief Financial Officer, CIO, and Deputy CIO to share our observations and suggestions. Based on our review, there are opportunities for PBGC to leverage both the OIG's and PBGC's prior work in this area. For example, the Major Asset Allocation Transition document did not include the 14-point transition risk matrix developed earlier by PBGC and their consultants, nor did the transition document contain the six additional critical risks and associated mitigating measures OIG recommended PBGC add to its 14-point matrix. Additionally, we suggested PBGC leverage the transition guidelines and principles outlined in PBGC's 2009 publication, The PBGC Standard: Investment Transition Management Guidelines.

*OIG conducted its annual assessment of PBGC's compliance with FISMA.*

## Development of Written Guidelines for the Securities Lending Program

During the summer of 2009, when we issued our report, written policies regarding the securities lending program were virtually non-existent. PBGC has now begun the arduous process of drafting written policy guidance regarding the investment objectives, risk tolerance, and measurement standards and operations of the securities lending program. We have worked closely with PBGC, reviewing several iterations of PBGC's draft documents and offering suggestions and edits. Because the PBGC Board has the authority and responsibility for establishing and overseeing the investment policy and its implementation, the securities lending guidelines proposed in our report should be submitted to the Board and Board Representatives for review. Final action on our recommendations for guidance will not be considered complete until this has been done.

We continue to work closely with PBGC management as guidance relating to major asset allocation transition and securities lending is being developed. The Corporation has been responsive to our feedback; we look forward to the resulting enhancements.

## Other OIG Reporting

### Access to Information

The Inspector General Act permits the Inspector General to have unfettered 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.

### Management Decisions

The Inspector General is required to report the following about management decisions on audit reports that occurred during this six-month period:

- There is 1 audit report for which management decision is pending (see Appendix, page 26).
- There were no significantly revised management decisions.
- There were no management decisions of a material nature with which the Inspector General did not agree.

*OIG works closely with PBGC management as the agency develops guidance relating to major asset allocation transition and securities lending.*

## Audit Peer Review Results

In an external peer review of the PBGC OIG's audit program for the year ended September 30, 2009, we received the highest possible peer review rating, a rating of "pass." The "pass" rating means that the external reviewer determined that our system of quality control was suitably designed and our adherence to this system provided reasonable assurance that we performed work and reported results in accordance with professional standards.

*PBGC OIG's audit program received the highest possible rating from an external peer review.*

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 addition, under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Inspector General is required to report the results of its peer review in its semiannual report to Congress.

The peer review was conducted by the Federal Communications Commission (FCC) during the first quarter of FY 2010, with the opinion issued on January 26, 2010. A copy of this peer review is found at our website: [http://oig.pbgc.gov/audit/2010/pdf/PBGC\\_Peer\\_Review\\_Report\\_2009.pdf](http://oig.pbgc.gov/audit/2010/pdf/PBGC_Peer_Review_Report_2009.pdf).

# Other Office of Inspector General Activities

## Review of Proposed Statutory and Regulatory Changes

A major responsibility of the OIG under the Inspector General Act is the independent review of PBGC-proposed changes to laws and regulations. There were no significant PBGC statutory proposals this period, and OIG did not review any new proposed regulations.

## Participation in CIGIE Training Efforts

Senior OIG leaders participated in multiple Council of Inspectors General for Integrity and Efficiency training efforts, including:

- The IG and AIGI participated as guest speakers in three sessions of the Executive Leadership Training sponsored by CIGIE. This course is taught by the American University, and is attended by GS-13s and GS-14s from throughout the IG community. Our segment focused on the value of networking within the OIG community to achieve mission goals and objectives.
- The IG was the guest speaker at the September commencement ceremony for graduating criminal investigators from the Criminal Investigator Training Program (CITP) at the Federal Law Enforcement Training Center. In her message, Ms. Batts challenged the graduates to go beyond their specialized technical training and develop strong professional networks. The CITP provides basic and fundamental training in the techniques, concepts, and methodologies of conducting criminal investigations. The OIG had one of its own graduate from the CITP in September.
- The Special Agent-in-Charge participated on a curriculum review committee to revamp the Undercover Operations Program at the Inspector General Academy. Based on feedback and recommendations from a series of meetings, revisions were made to the training content and methodology for implementation in FY 2011.

## OIG Hires New Staff

During this period, the OIG recruited and hired eight new staff members: 5 auditors, 1 information technology specialist, and 2 criminal investigators. This large number of recruitments stemmed from new positions, retirements, and staff replacement. In the early part of FY 2011, we anticipate completing additional recruitments. Filling these positions will allow our office to operate with a full complement of professional staff for the first time in more than two years.

*Strong professional networking was the theme of our presentations to the IG community.*

## External and Internal Professional Activities

Various staff members participated in external and internal professional activities. Examples include:

*OIG staff members actively participate in internal and external professional activities.*

- The IG participates in the Council of Inspectors General for Integrity and Efficiency (CIGIE) that promotes collaboration on integrity, economy, and efficiency issues that transcend individual agencies. Ms. Batts serves as the co-chair of the CIGIE Information Technology Committee and as a member of the Audit Committee. She also serves as the CIGIE delegate to the Chief Financial Officer's Council. In the Federal Financial Regulatory Inspectors General group, she joins with other IGs to discuss common financial concerns and the work each is doing.
- The Assistant IG for Audits serves on the Accounting and Audit Policy Committee (AAPC) which is a permanent committee established by the Federal Accounting Standards Advisory Board. Federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable. The AAPC issues technical releases related to existing Federal accounting standards. AAPC's technical releases are a form of authoritative guidance for generally accepted accounting principles for Federal entities.
- The Assistant IG for Investigations continues to serve as a non-voting member of PBGC's Internal Control Committee, providing insight gained through his experience as a criminal investigator to those responsible for oversight and accountability of PBGC internal controls. Effective control systems may detect fraud or deliberate non-compliance with policies, regulations, or laws.
- The Special Agent-in-Charge participates in the Financial Fraud Enforcement Task Force sponsored by the U.S. Department of Justice.
- OIG special agents conducted fraud awareness briefings for several PBGC departments and Field Benefit Administration (FBA) offices. The briefings are designed to educate PBGC employees and contractors about fraud indicators, and the OIG's authority and responsibilities in combating fraud, waste and abuse within the programs and operations of PBGC.
- Senior OIG leaders assisted several OIG's, including those at the Department of Agriculture, National Science Foundation, and the Postal Regulatory Commission, in the evaluation and interviews of candidates for their senior leadership positions.

# Appendix

## CROSS-REFERENCE TO REPORTING REQUIREMENTS OF THE INSPECTOR GENERAL ACT

The table below cross-references the reporting requirements prescribed by the Inspector General Act of 1978, as amended, to the specific pages in the report where they are addressed.

Inspector General Act Reference	Reporting Requirements	Page
Section 4(a)(2)	Review of legislation and regulations.	21
Section 5(a)(1)	Significant problems, abuses, and deficiencies.	5-19
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies.	5-19
Section 5(a)(3)	Prior significant recommendations on which corrective action has not been completed.	26-27
Section 5(a)(4)	Matters referred to prosecutorial authorities.	24
Section 5(a)(5)	Summary of instances in which information was refused.	19
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.	25
Section 5(a)(7)	Summary of each particularly significant report.	5-18
Section 5(a)(8)	Statistical table showing number of reports and dollar value of questioned costs.	25
Section 5(a)(9)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use.	25
Section 5(a)(10)	Summary of each audit report issued before this reporting period for which no management decision was made by end of the reporting period.	28
Section 5(a)(11)	Significant revised management decisions.	19
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees.	19

## SUMMARY OF AUDIT AND INVESTIGATIVE ACTIVITIES

For the Six-Month Period Ending September 30, 2010

### Audit Reports Issued

Number of Reports	2
Number of Recommendations	9

### Management Decisions

Open Recommendations Beginning of Period	201
Opened this Period	9
Closed This Period	47
Open Recommendations End of Period	163
Reports with Open Recommendations End of Period	38

### Investigations

Pending Beginning of Period	7
Opened	1
Closed	2
Pending End of Period	6

### Complaints<sup>1</sup>

Pending Beginning of Period	9
Opened	47
Closed	45
Pending End of Period	11

### Financial Recoveries<sup>2</sup>

Theft of Funds Recovered	\$0
Court Ordered Fines, Penalties, and Restitution	\$0
U.S. Government Property Recovered	\$0

### Criminal Actions<sup>2</sup>

Arrests	0
Indictments	0
Convictions	0

### Administrative Actions<sup>2</sup>

0

### Referrals

For Prosecution:	
Department of Justice	1
Various States' Attorney Offices	
Declined	1
For Other Action:	
PBGC Management for Corrective Action	0

<sup>1</sup>Complaints include allegations received through the hotline operation and issues resulting from proactive investigative efforts.

<sup>2</sup>Results reported for Financial Recoveries, Criminal, and Administrative Actions include both open and closed cases.

## RESULTS OF REPORTS ISSUED

For the Six-Month Period Ending September 30, 2010

	Number of Reports	Questioned Costs	Unsupported Costs	Funds Put to Better Use
A. For which no management decision had been made by the commencement of the reporting period.	10	\$441,244	\$0	\$0
B. Which were issued during the reporting period.	2			
Authorization to Operate PBGC Information Systems (08/18/10) AUD-2010-8 /IT-09-70		\$0	\$0	\$0
PBGC Needs to Improve Controls to Better Protect Participant Personally Identifiable Information (09/16/10) AUD-2010-09/ IT-09-67		\$0	\$0	\$0
Subtotal (Add A. & B.)	12	\$441,244	\$0	\$0
C. For which a management decision was made during the reporting period.	11	\$343,663	\$0	\$0
(i) dollar value of disallowed costs		\$37,562	\$0	\$0
(ii) dollar value of costs not disallowed		\$306,101	\$0	\$0
D. For which no management decision had been made by the end of the reporting period.	1	\$97,581	\$0	\$0
E. For which no management decision was made within six months of issuance.	1	\$97,581	\$0	\$0

<sup>1</sup> Unsupported costs are a subset of questioned costs.

**PREVIOUSLY REPORTED SIGNIFICANT RECOMMENDATIONS  
FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED**

Report Number, Report Title and Date Issued	Number of Significant Recommendations	Significant Problems and Deficiencies	Summary of Significant Recommendations
<p><b>96-4/23093-2</b> Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 1995 Financial Statements 03/13/1996 and <b>AUD-2008-2/ FA-09-0034-2</b> Report on Internal Control - PBGC's FY 2007 and 2006 Financial Statements Audit 11/15/2007</p>	1	<p><b>Significant Deficiency:</b> Integrating Financial Management Systems</p>	<p>PBGC needs to complete the integration of its financial management systems.  PBGC estimated completion: 11/01/2013</p>
<p><b>2003-3/23168-2</b> Audit of the Pension Benefit Guaranty Corporation's Fiscal Years 2002 - 2001 Financial Statements 01/30/2003 and <b>AUD-2008-2/ FA-09-0034-2</b> Report on Internal Control - PBGC's FY 2007 and 2006 Financial Statements Audit 11/15/2007</p>	2	<p><b>Significant Deficiency:</b> Entity-Wide Information Security Program Planning &amp; Management</p>	<p>PBGC needs to complete its efforts to fully implement and enforce an effective information security program.  PBGC estimated completion: 2/28/2015</p>
<p><b>2003-10/23177-2</b> Review of PBGC's Premium Accounting System 10/10/2003</p>	3	<p>Control weaknesses undermine the quality and integrity of reported premium revenues.</p>	<p>PBGC needs to ensure that its automated system produces accurate and verifiable premium accounting data.  PBGC estimated completion: 11/01/2013</p>

**PREVIOUSLY REPORTED SIGNIFICANT RECOMMENDATIONS  
FOR WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED**

Report Number, Report Title and Date Issued	Number of Significant Recommendations	Significant Problems and Deficiencies	Summary of Significant Recommendations
<p><b>2008-1/FA-0034-1</b> Audit of the Pension Benefit Guaranty Corporation’s Fiscal Years 2007 - 2006 Financial Statements 11/15/2007 and <b>AUD-2008-2/ FA-09-0034-2</b> Report on Internal Control - PBGC’s FY 2007 and 2006 Financial Statements Audit 11/15/2007</p>	11	<p><b>Significant Deficiency:</b> Access Contols</p>	<p>PBGC needs to mitigate the systemic issues related to information access controls.</p> <p>PBGC estimated completion: 10/31/2013</p>
<p><b>AUD-2009-01/FA-08-49-1</b> Audit of the Pension Benefit Guaranty Corporation’s Fiscal Years 2008 and 2007 Financial Statements 11/13/2008 and <b>AUD-2009-02/FA-08-49-2</b> Report on Internal Controls – PBGC’s FY 2008 and 2007 Financial Statements 11/13/09</p>	5	<p><b>Significant Deficiency:</b> Entity-Wide Information Security Program &amp; Planning Management</p>	<p>PBGC needs to complete the design, implementation and testing of security controls, implement an effective certification and review process, and correct identified access control vulnerabilities.</p> <p>PBGC estimated completion: 2/28/2015</p>

This chart complies with Section 5(a)(1), (2) and (3) of the Inspector General Act of 1978, as amended.

SUMMARY OF REPORTS OLDER THAN SIX MONTHS FOR WHICH  
MANAGEMENT DECISION HAS NOT BEEN ACHIEVED

Report and Summary	Reason For No Management Decision	Anticipated Management Decision
<p><b>Incurred Cost Audit, 2008-09/CA-0054 (9/30/2008)</b></p> <p>Questioned Costs of \$97,581 for unallowable costs associated with the use of unaudited indirect cost rates.</p>	<p>Management decision is pending DCAA's completion of its incurred cost audit and settlement of indirect cost rates.</p>	<p>12/30/2010</p>



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

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

The deaf or hard of hearing, dial FRS (800) 877-8339 and give the Hotline number to the relay operator.

Web:  
<http://oig.pbgc.gov/investigation/details.html>

Or Write:  
Pension Benefit Guaranty Corporation  
Office of Inspector General  
PO Box 34177  
Washington, DC 20043-4177