



OFFICE OF INSPECTOR GENERAL AUDIT REPORT

Fiscal Year 2025 Financial Statement Audit Management Letter Report

RESTRICTED DISCLOSURE

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Report No. AUD-2026-04
January 16, 2026



January 16, 2026

MEMORANDUM

TO: Lisa Carter
Acting Chief Financial Officer

Robert Scherer
Chief Information Officer

FROM: Nicholas J. Novak
Inspector General *Nicholas J. Novak*

SUBJECT: Fiscal Year 2025 Financial Statement Audit Management Letter Report
(AUD-2026-04)

The Office of Inspector General contracted with KPMG LLP (KPMG), an independent certified public accounting firm, to audit the financial statements of the Single-Employer and Multiemployer Program Funds administered by the Pension Benefit Guaranty Corporation (PBGC) as of September 30, 2025, and for the year then ended. KPMG also audited the Single-Employer and Multiemployer Program Funds' internal control over financial reporting. KPMG conducted the audits in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*.

In accordance with Government Auditing Standards, KPMG issued the *Independent Auditors' Report* dated January 16, 2026 in which KPMG communicated certain deficiencies in internal control that KPMG considered to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. During their audit work KPMG became aware of deficiencies in internal control, other than a material weakness or significant deficiency that are opportunities to strengthen PBGC's operations. This management letter summarizes these deficiencies and recommendations. The issues noted in this report are not significant; and therefore, the deficiencies were not required to be reported in the *Independent Auditors' Report*. In

fiscal year 2025, KPMG issued six new recommendations, closed five prior year recommendations and one current year recommendation leaving a total of five open recommendations at fiscal year-end. PBGC management agreed with the recommendations and provided planned corrective actions with estimated completion dates in their response.

KPMG is responsible for the management letter dated January 16, 2026 and the *Independent Auditors' Report* issued January 16, 2026. We do not express opinions on PBGC's financial statements, internal control, or conclusions with laws and regulations. Due to the sensitive nature of the findings and recommendations in this report, its disclosure has been restricted.

Lastly, we would like to express our appreciation for the cooperation received during the performance of these audits.

cc: Janet Dhillon, Director
Alice Maroni, Chief Management Officer
David Foley, Chief of Benefits Administration
Karen Morris, General Counsel
John Hanley, Chief of Negotiations and Restructuring
Michael Rae, Deputy Chief Policy Officer
Steven Young, Financial Operations Department Director
Charlie Bolton, Senior Policy Advisor
LaTasha Thomas, Special Advisor to the Director