



## Office of Inspector General

December 20, 2021

**TO:** David Foley  
Chief of Benefits Administration

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

**SUBJECT:** Evaluation of Hotline Complaints Regarding A PBGC Contract (Project EV-22-162)

We received two confidential hotline complaints alleging a contractor billed PBGC for work not completed, and potentially overbilling by a contractor employee that was not properly addressed by the contractor. Thus, our office is initiating an engagement to review the allegations.

Please see the enclosure for more specific details on the engagement and for topics we plan to discuss at the entrance conference. We will begin work on this engagement immediately, so we would appreciate you notifying the appropriate staff.

The next step will be to conduct an entrance conference which we will coordinate with the Corporate Controls and Reviews Department. At the entrance conference, we request PBGC provide any feedback on the planned engagement.

Thank you in advance for your time and consideration.

cc: Russ Dempsey, General Counsel  
Frank Pace, Director, CCRD  
Latrece Wade, Risk Management Officer  
Kristin Chapman, Chief of Staff  
Alice Maroni, Chief Management Officer, OMA  
Juliet Felent, Director, PD

## **Overview of Evaluation of Hotline Complaints (Project EV-22-162)**

Subject: Overbilling by the contractor for an incomplete product.

Source for the Work: Hotline Complaints

Objective: To evaluate whether allegations contained in two Hotline complaints related to services that PBGC purchased under the subject contract have merit and determine whether the allegations warrant further management attention.

### Issues Under Review/Key Questions:

1. To evaluate the labor charging and timekeeping practices of the contractor.
2. To evaluate PBGC's oversight over the deliverables and the billings under this contract.
3. To review any previous audits, attestation engagements, or other studies related to the subject contract and plan asset evaluations and participant data reviews.

### Entrance Conference Discussion Topics:

1. Overview of the allegations, evaluation objective and issues under review
2. Confirmation of the contract details and the related task orders.
3. OBA's Points of contact (POC)

### Documentation Requested for the Entrance Conference:

1. Complete COR contract files for the subject contract and related task orders.
2. List of all invoices, weekly and monthly status meeting agendas/ minutes.
3. PBGC reviews of deliverables, labor hour charges and invoices.
4. Original PAE Processing Manual, technical manual, related templates, training materials and deliverables completed by the contractor thus far.
5. Contractor's organizational chart

### Points of Contact Requested:

1. Office of Benefits Administration
2. Contracting Officer(s) and Contracting Officer Representative(s) for the related contracts/task orders.

Estimated Report Issuance: June 30, 2022

### OIG Contacts:

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