



Office of Inspector General

June 30, 2025

TO: Karen Morris
General Counsel

Ari Etheridge
Acting Chief Management Officer

Lisa Carter
Acting Chief Financial Officer

Bob Scherer
Chief Information Officer

FROM: John Seger
Assistant Inspector General for Audit, Evaluation, and Inspection

SUBJECT: Federal Debt Verification of PBGC Employees (Project No. IN-25-192)

The Office of the Inspector General is initiating an engagement on whether PBGC has federal employees who have delinquent federal debt. 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 and would appreciate it if you notify the appropriate staff.

The next step will be to conduct an entrance conference which we will coordinate with the Corporate Controls and Reviews Department. If PBGC would like to waive the entrance conference, please just let our office know and provide the requested documentation. At the entrance conference, we request PBGC provide any feedback on the planned engagement.

Thank you in advance for your time and consideration.

cc: Alice Maroni, Acting Director
Paul Chalmers, Deputy General Counsel
Valerie Young, Corporate Controls and Reviews Department
Latreece Wade, Risk Management Officer

Overview of Federal Debt Verification of PBGC Employees (Project No. IN-25-192)

Subject: Federal Debt Verification of PBGC Employees

Source for the Work: OIG Initiated

Issue(s) Under Review/Objective(s)/Key Question(s):

1. Do any PBGC employees currently have outstanding federal debt?

Entrance Conference Discussion Topics:

2. Overview of the Inspection:

- a. Debt Identification

- i. Does PBGC have a standard process for identifying if employees owe federal debt?
 - ii. What data sources or systems are used to verify this information? (e.g., Personnel Security Background Checks, Treasury Offset Program, Credit Bureau checks, etc.)
 - iii. What databases are searched regarding debt at time of hire and when clearances are renewed

- b. Recoup Process

- iv. If debt is identified, what is PBGC's internal process for recoupment?
 - v. Is there a formal notification or due process procedure for the employee?
 - vi. Does PBGC coordinate with the Department of the Treasury or another agency for wage garnishment?

- c. Legal or Policy Guidance

- vii. Are there any governing policies or legal constraints (e.g., from OPM, Treasury, or DOL) that PBGC follows when collecting federal debt from employees?

Documentation Requested for the Entrance Conference:

1. Listing of all PBGC employees as of June 1, 2025, with Social Security Numbers.
2. Listing of all PBGC employees with a wage garnishment in process as of June 1, 2025.

Points of Contact Requested:

1. CCRD, Human Resources, and any other responsible departments

Estimated Report Issuance: September 30, 2025 (or earlier). If there are no findings resulting from our review, we will proceed with issuing the report without management comments, consistent with our approach in prior years. This aligns with our standard reporting protocol for clean audits, evaluation, or assessments where no deficiencies, control weaknesses, or compliance issues are identified. In such cases, management comments are not required, as there are no recommendations or corrective actions to address.

OIG Contacts:

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