



March 2, 2026

## MEMORANDUM REPORT

**TO:** Lisa Carter, Acting CFO/Director CCRD  
Karen Morris, General Counsel

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

**SUBJECT:** Inspection of PBGC Employees with Delinquent Federal Debt  
INSP-2026-05

This memorandum report presents the results of our Inspection of Pension Benefit Guaranty Corporation (PBGC) Employees with federal debt. The objective of this inspection was to determine if any PBGC employees have outstanding federal debt. We conducted our work in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspector General on Integrity and Efficiency (**Appendix I**).

We appreciate the cooperation you and your staff extended to the Office of Inspector General (OIG) during this project, in particular the Information Technology Infrastructure Operations Department (ITIOD) Personnel Security office was especially responsive to our requests. We made no recommendations in this report, and we thank you for your commitment to reducing risk and improving the effectiveness and efficiency of PBGC programs and operations.

This report contains public information and will be posted in its entirety on our website and provided to the Board and Congress in accordance with the Inspector General Act.

### Summary

We concluded that PBGC employees with federal debt identified through Do Not Pay (DNP) data included cases involving unpaid debt, some of which were attributable to administrative errors. Through timely validation, documentation, and coordination between our office and ITIOD, all cases were appropriately addressed, with matters either resolved or placed under active monitoring in accordance with federal suitability

requirements. There was no evidence of deliberate noncompliance by PBGC employees. Overall, existing internal controls and interoffice coordination are effective, and no additional corrective actions or recommendations are warranted.

## **Background**

PBGC, established under the Employee Retirement Income Security Act of 1974, safeguards the retirement security of approximately 30 million workers, retirees, and beneficiaries across private-sector pension plans. In Fiscal Year 2025, PBGC paid over \$6.4 billion in benefits to 926,000 participants.

One of PBGC's strategic goals is to maintain high standards of stewardship and accountability. PBGC employs 886 federal workers.<sup>1</sup> Federal employees are expected to satisfy their financial obligations in good faith.<sup>2</sup>

### *Role of ITIOD*

ITIOD administers PBGC's Personnel Security, Suitability, and Fitness Program, which requires employees to disclose delinquent federal debts, tax liens, wage garnishments, or defaults on government-backed loans, via Standard Form-85 or Standard Form-86 forms. PBGC's Personnel Security, within ITIOD, assesses PBGC employees' conduct, integrity, judgment, loyalty, reliability, and stability to ensure suitability for federal employment.

The Personnel Security team collects additional information as needed, including through interviews and document reviews, to verify suitability and fitness. The team also ensures that financial discrepancies are verified and properly documented.

### *Verification of Eligibility for Federal Payments*

Federal suitability standards, PBGC personnel security policies, and U.S. Office of Government Ethics Principle 12 require employees to act in good faith in satisfying financial obligations and to disclose delinquent federal debt. The Payment and Integrity Information Act of 2019 and subsequent OMB memoranda and circulars require agencies to use the Treasury Working Systems, including DNP and the Treasury Offset Program, to reduce improper payments.

---

<sup>1</sup> As of June 1, 2025, and provided by PBGC.

<sup>2</sup> Federal employees are expected to satisfy their financial obligations in good faith as required by 5 C.F.R. § 2635.101(b)12.

The DNP working system is a centralized resource that provides federal agencies with access to relevant databases to verify the eligibility of vendors, grantees, loan recipients, or beneficiaries before payments are issued. Agencies can search for single entities, perform batch searches, or set up continuous monitoring.

The Treasury Offset Program also is a detection system used before a federal payment is made. The System checks the intended payee against a database of those who owe overdue debt to government agencies and intercepts (offsets) the payment to satisfy the debt where legally permitted. At PBGC, as part of the pay cycle, employees' data is compared to the Treasury Offset Program to identify any potential delinquent federal debt.

## Details

Our review of DNP data identified 11 PBGC employees with potentially delinquent federal debt requiring validation for suitability purposes. Federal suitability standards, PBGC personnel security policies, and U.S. Office of Government Ethics Principle 12 require employees to act in good faith in satisfying financial obligations and to disclose delinquent federal debt and DNP data serve as verification tools to identify potential issues that may affect suitability determinations.

Of the 11 individuals identified, it was determined that the debt of seven individuals were inaccurately reported to DNP, three individuals were in various phases of repayment and one was appealing the debt. All were handled in compliance with federal standards. Discrepancies were largely attributable to administrative error and financial obligations resolved by our Office and ITIOD. No evidence of deliberate noncompliance was identified.

cc: Janet Dhillon, Director  
LaTasha Thomas, Special Advisor to the Director, OD  
Charlie Bolton, Senior Policy Advisor, OD  
Michael Sinacore, Chief Policy Officer  
Josh Kossoy, ITIOD Director  
Bob Scherer, Chief Information Officer  
Alice Maroni, Chief Management Officer  
Latrece Wade, Risk Management Officer  
Department of Labor Board staff  
Department of Treasury Board staff  
Department of Commerce Board staff  
House committee staff (Education and Workforce, Ways and Means, HOCR)  
Senate committee staff (HELP, Finance, HSGAC)

## **Appendix I: Objective, Scope, Methodology, and Standards**

### **Objective**

To determine if any PBGC employees have outstanding federal debt.

### **Scope and Methodology**

Our inspection was limited to reviewing PBGC employees for delinquent federal, non-tax debt.

PBGC provided us a list of 886 employees (as of June 01, 2025), excluding the OIG, Advisory Board Committee members, and consultants in the Office of the Director. Using the list, we performed a batch match query through the U.S. Department of the Treasury's DNP system. We then compared the DNP results against payroll garnishment data of PBGC employees as provided by PBGC's contracted payroll office, Department of Interior Business Center.

Our approach also included conducting interviews with key personnel from the Federal Operations Department/Payroll Travel Office and the ITIOD Personnel Security, Suitability, and Fitness Program Team. In addition, we reviewed applicable federal laws and regulations, and PBGC policies and procedures related to delinquent federal debt.

### **Applicable Professional Standards**

We conducted the inspection under the authority of the Inspector General Act of 1978, as amended, and in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we plan and perform the engagement to obtain sufficient and appropriate evidence to provide a reasonable basis for our conclusions. We believe the evidence obtained provided a reasonable basis for our conclusions and observations based on our inspection objective.

Accordingly, the inspection included a review of PBGC's compliance with applicable laws and regulations to the extent necessary to meet the inspection objective. Because our review was limited in scope, it may not have identified all internal control deficiencies that existed at the time of our inspection.

We also partially relied on computer-processed data to achieve our inspection objective. To assess its reliability, we compared the data with supporting information and determined that it was sufficiently reliable for our purposes.

The DNP and other derived data were also evaluated for reliability. While deemed sufficiently reliable for identifying potential discrepancies and initiating further review, this data should not be used as the sole basis for determining debt status or payment eligibility. We could not fully verify completeness or accuracy because we did not have access to underlying source records from the Treasury Offset Program or perform a full evaluation of system controls. Therefore, additional verification from the originating agencies or source documentation is required before taking any administrative or disciplinary action.

## Appendix II: Acronyms

<b>Acronym</b>	<b>Meaning</b>
DNP	Do Not Pay
ITIOD	Information Technology Infrastructure Operation Department
OMB	Office of Management and Budget
OIG	Office of Inspector General
PBGC	Pension Benefit Guaranty Corporation

### **Appendix III: Staff Acknowledgments**

PBGC OIG Contact

John Seger, (202) 229-3315 or  
seger.john@pbgc.gov

Staff Acknowledgments

In addition to the contact above, David Reynolds, Audit Manager; Bryan Beardsley, Senior Auditor; and Yolanda Young, Senior Auditor, made key contributions to this report.

## **Appendix IV: Feedback**

Please send your comments, suggestions, and feedback to *OIGFeedback@pbgc.gov* and include your name, contact information, and the report number. You may also mail comments to us at:

Office of Inspector General  
Pension Benefit Guaranty Corporation  
445 12th Street SW  
Washington, DC 20024

If you want to discuss this report or your comments with a member of the Office of Inspector General staff, please contact our office at (202) 326-4030.