



# Pension Benefit Guaranty Corporation

Office of Inspector General  
1200 K Street, N.W., Washington, D.C. 20005-4026

March 27, 2015

## VIA EMAIL

The Honorable Ron Johnson  
Chairman  
U.S. Senate Committee on Homeland Security and Governmental Affairs

The Honorable Charles E. Grassley  
Chairman  
U.S. Senate Judiciary Committee

Dear Chairman Johnson and Chairman Grassley:

This letter is in response to your February 27, 2015, request that the Pension Benefit Guaranty Corporation (PBGC; the Corporation) Office of Inspector General (OIG) provide to the Committee on Homeland Security and Governmental Affairs, and the Senate Committee on the Judiciary, enhanced semiannual reporting in addition to the 2010 request of “all closed investigations, evaluations, and audits conducted by the IG offices that were not disclosed to the public.” Thank you for your continued support of the independent oversight of the Inspectors General and the critical role we play in protecting taxpayers from waste, fraud and abuse.

We share your overall concern that timely implementation of corrective actions to address OIG recommendations is essential to ensuring that PBGC fulfills its important role of economically, efficiently, and effectively protecting America’s pensions. While PBGC has made progress in some areas evaluated by the OIG, as of your requested reporting date of September 30, 2014, the Corporation had a very high number of open recommendations for an agency of PBGC’s small size – 138. I note that number has increased dramatically to almost 200 as of today. In brief, the Corporation has been slow to complete corrective actions concerning essential functions. Notably, a large number of open recommendations relate to the integrity and security of Information Technology (IT) controls.

Unimplemented OIG recommendations critically affect each of the three overarching strategic goals identified in PBGC’s 2014-2018 Strategic Plan: 1) preserve plans and protect pensioners, 2) pay pension benefits on time and accurately, and 3) maintain high standards of stewardship and accountability. In many instances, PBGC has not completed corrective action when they said they would, resulting in multiple extended target dates for recommendation completion. Timely achievement of PBGC’s strategic goals is essential to ensuring sustainable retirement security for 41 million American workers and retirees in

nearly 45,000 voluntary pension plans. Since the establishment of PBGC in 1974, the Corporation has become responsible for the pension benefits of more than 1.5 million people in nearly 4,700 failed plans, making guaranteed payments of \$5.6 billion in FY 2014 alone.

Our access issues, with one notable exception, have typically related to requested documents and information that should be routinely available in the ordinary course of PBGC's business, but were produced by PBGC only after significant delays. The OIG has not encountered absolute denial of access to information. As discussed more fully below in response to Question 6, many instances of delayed production of documents or information are related to ineffective internal controls in PBGC programs. Compliance with OIG requests for documents and information has sometimes occurred only after we requested intervention by a senior leader.

I have spoken directly with PBGC Executives about the access issues and continue to have those conversations. The Acting Director and other PBGC Executives have assured me that they are fully committed to complete and timely cooperation with OIG oversight and understand that the Inspector General Act of 1978 requires timely, unfettered OIG access to documents and information. This commitment and understanding must be shared broadly and deeply within PBGC, and then modeled.

To positively influence the control environment and engrain the access message throughout PBGC, the OIG has launched several initiatives. In response to my recommendation, the Chief Financial Officer has scheduled mandatory training for all management staff to ensure they understand government-wide internal control requirements. As a result of specific conversations, the Acting Director has begun emphasizing that internal controls are important for all in PBGC, not just for areas related to the financial statement preparation. I am also pleased to report that two PBGC components – the Office of Information Technology (OIT) and the Benefits Administration and Payment Department (BAPD) – already demonstrated understanding and support by implementing “best practices” for maintaining effective OIG relationships. Both of these departments have regularly scheduled meetings with OIG to provide updates on corrective action progress on their open recommendations. OIT also schedules *ad hoc* meetings with us to outline issues they've identified, how they're addressing them, and to engage us in robust collaborative dialog. For the past three years, after each financial statement audit, BAPD has conducted training for staff to understand the findings and recommendations they must address. The OIG has been invited to speak at the 2015 training sessions and the upcoming Town Hall. In PBGC's senior staff meetings, I have reported on these best practices and encouraged other leaders to engage in similar activities.

Your areas of concern are quoted and italicized below, respectively followed by our responsive information **for the period April 1, 2014 through September 30, 2014**, as you requested. Our numbering tracks the numbering in your request:

- 1. An accounting of all outstanding unimplemented recommendations as well as the aggregate potential cost savings of these open recommendations including:*
  - a. The current number of open and unimplemented recommendations*
  - b. The dates on which the open and implemented recommendations were initially made;*
  - c. Whether agency management has agreed or disagreed with the recommendations; and*
  - d. The total potential cost savings to the agency of the current open and unimplemented recommendations.*

Attachment 1 is a table summarizing 138 open OIG recommendations as of September 30, 2014. The agency disagreed with four recommendations and did not propose effective alternate corrective actions that would address the OIG finding by the end of the reporting period.

Our office has no open recommendations associated with a specific cost savings, i.e., questioned costs or funds to be put to better use. However, we believe that the process improvements identified by our recommendations would ultimately result in significant cost savings within PBGC's operations, through decreased duplication of efforts, documentation of processes and improved controls to provide management with increased assurance that business processes are functioning as designed.

- 2. A narrative description of all audits, evaluations, and investigations provided to the agency for comment but not responded to within 60 days.*

We have no audits, evaluations or investigations where the agency has not responded within 60 days.

- 3. A report on each investigation involving GS-15 level or above employees, or, other Federal pay scale equivalent employees, at a Federal agency or department where misconduct was found, but no prosecution resulted, including:*
  - a. A detailed description of the facts and circumstances of the investigation; and,*

- b. A detailed description of the status and disposition of the matter, including whether there was a referral to the Department of Justice, the date of any such referral, whether there was a declination from the Department, the date of any such declination, and an explanation of the reasons for any such declination.*

We have no investigations involving PBGC GS-15 level or above employees, or, other Federal pay scale equivalent employees, where misconduct was found but no prosecution resulted.

- 4. Detailed descriptions of any instances of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any consequences, the agency imposed to hold that official accountable. However, please seek whistleblower consent before revealing any whistleblower's personally identifiable information to Congress.*

We have no responsive records.

- 5. Detailed descriptions of any attempts to interfere with IG independence, including:*
- a. Restricting communications between the IG office and Congress; and*
  - b. Budgetary constraints designed to limit the capabilities of the IG office.*

We have no instances of attempts to interfere with IG independence by restricting communication with Congress or imposition of budgetary constraints.

- 6. A detailed description of any incident where the Federal agency or department, as applicable, has resisted or objected to oversight activities of the IG office or restricted or significantly delayed access to information, including the justification of the Federal agency or department for such action.*

In a letter dated October 31, 2014, to Senators Grassley and Coburn, I expressed concerns regarding our access to information at PBGC.<sup>1</sup> I subsequently sent a similar letter to one of PBGC's oversight committees, Senate Health, Education, Labor and Pensions, in response to an on-going request to keep them informed of issues.<sup>2</sup> Prior to those letters, in addition to trying to resolve the issues at the staff/manager level, I spoke directly with PBGC Executives about the access issues. We have continued to have follow-up conversations.

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<sup>1</sup> Bi-annual letter to Senators Grassley and Coburn: <http://oig.pbgc.gov/pdfs/LTR-10-31-14.pdf> .

<sup>2</sup> Letters to Senate HELP: to then-Chair Harkin, <http://oig.pbgc.gov/pdfs/LTR12-2-14-L2.pdf> and then-Ranking Member Alexander, <http://oig.pbgc.gov/pdfs/LTR-12-2-14.pdf>.

Unlike some other OIGs, PBGC has not absolutely denied our office access to information. With one significant exception, the access issues have typically related to requested documents and information that should be routinely available in the ordinary course of PBGC's business but were produced by PBGC only after significant delays – sometimes even after the OIG had completed audit fieldwork and issued draft findings or a draft report. Most recently, in the financial statement audit, we had several issues for which the auditors attempted to obtain information for months; the issues were only resolved after we requested intervention from PBGC's Chief Financial Officer.

Ineffective internal controls within the program being reviewed – that is, the program officials either have not developed a control or are not aware of or following the control – account for many instances of delayed production of information or documents. While we are making substantial progress in establishing and maintaining more cooperative oversight relationships within PBGC, the access issue warrants on-going attention. The OIG has effectively reached out to PBGC Executives to ensure PBGC understands OIG access authority and PBGC's responsibility for complete and timely compliance with all pertinent requirements of the Inspector General Act of 1978.

The agency's explanations for delayed access have varied. In one instance the agency asserted that the documents existed in departments other than the one responsible for the program, and that OIG "didn't speak to the right people." This was disconcerting, because the responsible department provided OIG no notice that potentially relevant documents existed elsewhere. In other instances, significant delays in responding to documentation requests ultimately resulted in program officials admitting months later that the documentation did not exist. Sometimes the program office has created documentation that should have been readily available as part of their program oversight, which frequently led to subsequent revisions to correct inconsistencies and inaccuracies in the documentation. In a particularly egregious example of non-cooperation, we reported concerns about a PBGC manager who did not disclose that he was actively collecting missing records that were the subject of our audit work. When initially confronted with the omission, PBGC expressed disbelief that the information had been withheld from OIG. Upon our confirmation of the omission, PBGC asserted that we had exaggerated the significance of PBGC's noncompliance. We recognize that omissions can be inadvertent or the result of routine human error; however, omissions should be few if records documenting PBGC's business activities are routinely created and maintained as part of an effective system of internal controls.

Delays in providing information to the OIG result in delays in completing our work and, ultimately, PBGC's corrective actions. Further, costs of projects increase as additional PBGC and OIG staff time must be diverted to collect and evaluate late arriving information. In addition to requiring time consuming edits at the OIG staff level, resolution of PBGC's information omissions predictably requires the involvement of PBGC and OIG senior leaders. In brief, applying our limited resources to remediate unacceptable information production by PBGC undermines our ability to efficiently and effectively conduct our work.

***7. A detailed description of any investigation, evaluation, audit or report that is closed and was not disclosed to the public.***

Audit/Evaluation Reports. With limited exceptions, we post all audit and evaluation reports on our website within three days of issuing the final report to PBGC. We would not provide or post on our website the full text of reports that would disclose specific vulnerabilities that could be exploited; typically, such reports are IT-related. We also limit disclosure of those reports within PBGC.

I note that we do “disclose” the few restricted disclosure and other non-public audit/evaluation reports that are not posted in full text by posting a high-level summary on our website and summarizing each in our Semiannual Reports to Congress.

Attachment 2 is a table summarizing the one restricted-disclosure report issued during the reporting period that is not in full text on our website:

Investigative Reports. We do not post any investigative reports on our website due to privacy concerns. To provide necessary information for the agency to consider appropriate corrective actions, the reports contain significant personally-identifiable and other sensitive information. Posting these reports would require significant redactions. However, we do summarize each significant investigation in our Semiannual Reports to Congress, each of which is posted on our website.

Attachment 3 provides a table with the requested data concerning closed investigations

I strongly believe in the importance of reducing waste and increasing efficiency in the government. Our office has worked diligently to improve PBGC, as well as prevent waste, fraud and abuse. I would be happy to discuss our efforts with you and answer any additional questions at your convenience. You may also read our reports at our website: <http://oig.pbgc.gov/index.html>.

If you have any questions about this response or about any of our OIG work, please contact me at 202 326-4000 extension 3877 or have a member of your staff contact Rashmi Bartlett, Assistant Inspector General for Audit, at 202 326-4000 extension 4634.

Respectfully submitted,

A handwritten signature in blue ink that reads "Deborah Stover-Springer". The signature is written in a cursive style with a horizontal line underneath it.

Deborah Stover-Springer  
Acting Inspector General

Cc:

The Honorable Thomas R. Carper  
Ranking Minority Member  
Committee on Homeland Security and Governmental Affairs

The Honorable Patrick J. Leahy  
Ranking Minority Member  
Committee on the Judiciary

		Savings	
asked with the calculation and review of benefit determinations.	FY 2011 Financial Statement Audit Management Letter	\$0	Yes
es and strengthen them to prevent recurrence of the data errors and ies.	FY 2011 Financial Statement Audit Management Letter	\$0	Yes
identify the root cause of the recurring PICS systems access and on to restrict access to PICS files to all PBGC/FBA employees.	FY 2012 Financial Statement Audit Management Letter	\$0	Yes
oyees' or contractors' access to their relatives' information for the PACS, and SPECTRUM.	FY 2012 Financial Statement Audit Management Letter	\$0	Yes
identifying all systems where relatives can review family records.	FY 2012 Financial Statement Audit Management Letter	\$0	Yes
ppropriate departments such as BAPD and OIT to develop a systems used to record, process or store participant benefit data.	FY 2012 Financial Statement Audit Management Letter	\$0	Yes
plan for the PICS process. The monitoring plan should include a ers' files on a sample basis to verify compliance with PBGC PICS	FY 2012 Financial Statement Audit Management Letter	\$0	Yes
lish and implement adequate procedures to ensure that all pending eased participants are compiled, tracked, monitored, and y manner (monthly, at minimum).	FY 2012 Financial Statement Audit Management Letter	\$0	Yes
re their monitoring procedures within the PDR process to ensure e staff selects the appropriate sample size in accordance with their	FY 2012 Financial Statement Audit Management Letter	\$0	Yes
ify in their procedures whether BAPD has the option of ege plan under the small plan process and, and if so, BAPD should a plan must meet to allow a change in their procedures and e violation.	FY 2012 Financial Statement Audit Management Letter	\$0	Yes
ernal controls to ensure appropriate actions have been taken on osing the Customer Relationship Management service request. For checklist that lists specific procedures to be completed prior to Management (CRM) service request. It may also require Project i requests.	Fiscal Year 2013 Financial Statement Audit Management Letter Report	\$0	Yes
ng procedures of the Field Benefit Administration and Post ty Control Review to ensure that independent assessments are hich should include evidence of the testing perform by the COR and document samples used to perform the assessments.	Fiscal Year 2013 Financial Statement Audit Management Letter Report	\$0	Yes
cedures to ensure that the ACR Checklist is reviewed in a timely ctuary or higher.	Fiscal Year 2013 Financial Statement Audit Management Letter Report	\$0	Yes
l staff the importance of the ACR Checklist reviews, so that they procedures. In addition, BAPD should train actuaries who perform verify that they understand their respective roles and e evidence a secondary review.	Fiscal Year 2013 Financial Statement Audit Management Letter Report	\$0	Yes

should be revised to (1) reflect who is required to review and reconciliations and (2) include a timeframe for completing the	Fiscal Year 2013 Financial Statement Audit Management Letter Report	\$0	Yes
controls assessment of SSC's vendors or obtain documentation to assessment.	Fiscal Year 2013 Financial Statement Audit Management Letter Report	\$0	Yes
annual to emphasize the importance of timely processing of the long specific timeframes and due dates for completion of individual BAPD Operations Manual to ensure Participant Data Audits are CU prior to the completion of the valuation calculations.	FY 2008 Financial Statement Management Letter	\$0	Yes
BAPD Manual and restricts access to PIC files, when appropriate,	FY 2009 Financial Statements Audit Management Letter	\$0	Yes
ments are written-off in accordance with the BAPD Operations	FY 2009 Financial Statements Audit Management Letter	\$0	Yes
00 made to deceased participants' estates are recouped in Operations Manual TP 6.	FY 2009 Financial Statements Audit Management Letter	\$0	Yes
annual to include a specific time period for which the write off ments should be produced and imaged into IPS.	FY 2009 Financial Statements Audit Management Letter	\$0	Yes
PD Operations Manual Process 9.5A.	FY 2010 Financial Statement Audit Management Letter	\$0	Yes
this case and determine if established procedures are adequate to n recurring.	FY 2010 Financial Statement Audit Management Letter	\$0	Yes
efforts for auditors to better guide them on appropriate planning, procedures to be performed as part of the audit program. Further, estments, fiduciary breaches, and other special situations should be	PBGC's Plan Asset Audit of National Steel Pension Plans was Seriously Flawed	\$0	Yes
to share "lessons learned" and best practices in a formal and all appropriate personnel become aware of best practices and are	PBGC's Plan Asset Audit of National Steel Pension Plans was Seriously Flawed	\$0	Yes
's process by identifying all systems/applications where relatives PBGC should restrict relative's access to the identifiable PECTRUM and ARIEL.	FY 2011 Financial Statement Audit Management Letter	\$0	Yes
orporate guidelines to promote transparency for publicly reporting funding agreements, including criteria for when agreements, information will be included in press releases.	Increased Oversight, Internal Controls and Performance Accountability Needed for PBGC's Monitoring, Enforcing and Modifying Negotiated Funding Agreements	\$0	Yes
on scenario in which to test the COOP, including conducting an ite.	FY 2009 Financial Statements Audit Management Letter	\$0	Yes
PBGC's entity-wide plan of action and milestones, at least on a ludes all entity-wide security deficiencies noted.	FY 2009 FISMA Independent Evaluation Report	\$0	Yes
POA & Memorandum with recommendations for mitigation	FY 2009 FISMA Independent Evaluation Report	\$0	Yes



to protect exploitation of vulnerability; report is limited	Audit		
to protect exploitation of vulnerability; report is limited	<b>Limited Disclosure</b> Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit	\$0	Yes
...n, implementation, and operating effectiveness of all 65 common	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2008 and 2007 Financial Statements Audit	\$0	Yes
...rocess to validate the completion of the certification and major applications and general support systems. The review should not be associated with the performance or an individual that could not be held responsible. This review should be completed for all components of the work and documentation is available that supports and validates the results	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2008 and 2007 Financial Statements Audit	\$0	Yes
...effective review process to validate the completion fo the A&A process.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2008 and 2007 Financial Statements Audit	\$0	Yes
...decision makers the state of PBGC's IT infrastructure and the rationalization of resources to address fundamental weaknesses.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
...validate reported progress on the implementation of the common strategy to test and document the effectiveness of each new control	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
...designed security management program that will provide security to all systems that support the operations and assets of the Corporation, including contractors or other Federal agencies.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
...implementation of the redesign of PBGC's IT infrastructure, and the adoption of technologies to support a more coherent approach to IT and information system management controls.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
...tion is maintained which supports, substantiates, and validates all activities in the C&A process.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
...prehensive procedures and document the roles and responsibilities of all participants in the certification and review process. Retain evidence of all activities to address erroneous or unsupported reports of progress.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
...ative inventory list of major applications and general support systems is maintained and communicated to responsible staff and used consistently throughout the process.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
...ent strategy for correcting IT infrastructure deficiencies and a comprehensive strategy for common security controls, and mitigating the systemic issues related to IT system configurations and user account management for all of	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes

production databases can be implemented.	2008 Financial Statements Audit		
lacking segregation of duties, password management, and overall . Discuss risk with system owners and implement compensating compensating controls cannot be implemented the system owner acceptance.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
process whereby OIT periodically reviews systems for compliance	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
weaknesses in the deployment of servers, applications, and databases production environments.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2009 and 2008 Financial Statements Audit	\$0	Yes
duction.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statement	\$0	Yes
that does not rely on the TeamConnect's developers reviewing the	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statement	\$0	Yes
is for log and review of changes made by powerful shared	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statement	\$0	Yes
that future contracts for plan asset valuations clearly outline the statement of work.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statement	\$0	Yes
program aimed to ensure that plan asset valuations meet the regulatory market value based on the method that most accurately reflects fair	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statement	\$0	Yes
potentially have a pervasive misstatement to the financial statements annually misstated. Management should then re-evaluate the DOPT plans and consider the impact of any known differences on the	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statement	\$0	Yes
is maintained, which supports, substantiates, and validates benefit enting proper monitoring and enforcement measures in compliance edures.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statement	\$0	Yes
asked with the calculation and review of benefit determinations to with the complexities of the tasks assigned.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statement	\$0	Yes
to identify and document the risks associated with PBGC countries, ensure appropriate management review, and take identified risks.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2011 and 2010 Financial Statement	\$0	Yes
ment a comprehensive documentation retrieval system that clearly	Report on Internal Controls Related to the Pension	\$0	Yes

ent annuity forms; Record and value anticipated future benefit by joint and survivorship (J&S) benefits.	Financial Statements Audit		
ent controls to consistently secure information embedded in spreadsheets to those with business needs.	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal 2012 and 2011 Financial Statements Audit	\$0	Yes
y event categorization procedures and decision process to better rity events are categorized as suspicious and are recorded in a or escalation and further analysis.	Fiscal Year 2013 Federal Information Security Management Act Final Report	\$0	Yes
ast quarterly) process for contractor's compliance, including the ent categorization procedures and decision process, review of ) logs, and other continuous monitoring activity.	Fiscal Year 2013 Federal Information Security Management Act Final Report	\$0	Yes
e documented, investigated, reported to federal management, and o remediate security vulnerabilities.	Fiscal Year 2013 Federal Information Security Management Act Final Report	\$0	Yes
idents such as the functional impact of the incident (e.g., current t to business functions), the information impact of the incident y, integrity, and availability of PBGC's information), and the (e.g., the time and types of resources that must be spent on	Fiscal Year 2013 Federal Information Security Management Act Final Report	\$0	Yes
cy of PBGC's current data loss prevention controls in place and are needed based on cost and risk.	Fiscal Year 2013 Federal Information Security Management Act Final Report	\$0	Yes
to enhance PBGC's ability to identify inappropriate or unusual vulnerability scanning information, performance data, network ord (log) information.	Fiscal Year 2013 Federal Information Security Management Act Final Report	\$0	Yes
ective IM 10-03, Protecting Sensitive Information.	Fiscal Year 2013 Federal Information Security Management Act Final Report	\$0	Yes
OPM policy, establish written requirements for determining benefits.	Audit Incentive Related to Recruitment, Relocation and Retention	\$0	No
to PBGC managers on 3Rs incentives and SLR including the ng justifications, and required supporting documentation.	Audit Incentive Related to Recruitment, Relocation and Retention	\$0	No
nd 3Rs service agreements more closely to the CFR and OPM contract language and provisions for similar types of agreements.	Audit Incentive Related to Recruitment, Relocation and Retention	\$0	No
D's review and approval process for 3Rs and SLR incentives more	Audit Incentive Related to Recruitment, Relocation and Retention	\$0	No
procedures or other controls to ensure that reconciling items noted orrected to prevent them from recurring in future periods.	Fiscal Year 2004 Financial Statement Audit - Management Letter (Financial)	\$0	Yes
re are configured in accordance with PBGC policy and industry information resources.	FY 2009 Financial Statements Audit Management Letter	\$0	Yes
ware are supported and maintained according to the industry best	FY 2009 Financial Statements Audit Management Letter	\$0	Yes
wnership and provides oversight of the remediation process and	Authorization to Operate PBGC Information	\$0	Yes

	<b>(RESTRICTED DISCLOSURE)</b>		
to protect exploitation of vulnerability; report is restricted	FY-2012 Vulnerability Assessment and Penetration Testing Report <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	FY-2012 Vulnerability Assessment and Penetration Testing Report <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	FY-2012 Vulnerability Assessment and Penetration Testing Report <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	FY-2012 Vulnerability Assessment and Penetration Testing Report <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	Fiscal Year 2013 Vulnerability Assessment and Penetration Testing Report <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	Fiscal Year 2013 Vulnerability Assessment and Penetration Testing Report <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	Fiscal Year 2013 Vulnerability Assessment and Penetration Testing Report <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	Fiscal Year 2013 Vulnerability Assessment and Penetration Testing Report <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	Security Evaluation of the Pension Benefit Guaranty Corporation Information Technology Environment <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	Security Evaluation of the Pension Benefit Guaranty Corporation Information Technology Environment <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	Security Evaluation of the Pension Benefit Guaranty Corporation Information Technology Environment <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
to protect exploitation of vulnerability; report is restricted	Security Evaluation of the Pension Benefit Guaranty Corporation Information Technology Environment <b>(RESTRICTED DISCLOSURE)</b>	\$0	Yes
a consistently managed program with documented and assigned managers, including key controls such as supervisory review and to ensure agreements are consistently monitored, enforced, and suitable guidelines.	Increased Oversight, Internal Controls and Performance Accountability Needed for PBGC's Monitoring, Enforcing and Modifying Negotiated Funding Agreements	\$0	Yes

<p>which reflect the effectiveness of the program and reevaluate data elements in order to determine differences between EWP and 4062€ track the amount of protections achieved through the agreements, identify required documentation. Performance measures should include standards, PBGC policy, and provide for transparent communication to participants.</p>	<p>Increased Oversight, Internal Controls and Performance Accountability Needed for PBGC's Monitoring, Enforcing and Modifying Negotiated Funding Agreements</p>	<p>\$0</p>	<p>Yes</p>
<p>Procedures adequately incorporate federal guidance and PBGC policies and management, so that staff consistently store, maintain and dispose of records</p>	<p>Increased Oversight, Internal Controls and Performance Accountability Needed for PBGC's Monitoring, Enforcing and Modifying Negotiated Funding Agreements</p>	<p>\$0</p>	<p>Yes</p>
<p>Records management reviews in compliance with Federal standards and file plan to ensure all federal records have been identified.</p>	<p>Increased Oversight, Internal Controls and Performance Accountability Needed for PBGC's Monitoring, Enforcing and Modifying Negotiated Funding Agreements</p>	<p>\$0</p>	<p>Yes</p>
<p>Restrict and limit access to the TeamConnect application on a need-to-know basis, consistent with NIST standards and PBGC security standards.</p>	<p>Increased Oversight, Internal Controls and Performance Accountability Needed for PBGC's Monitoring, Enforcing and Modifying Negotiated Funding Agreements</p>	<p>\$0</p>	<p>Yes</p>
<p>Strategy should be developed to address gaps in numbers, deployment, and alignment of contract workforce through contracts. This strategy, which might incorporate aspects of a contract workforce strategy, should reflect the importance of the contract workforce to the organization's staffing and contracting decisions at the corporate level.</p>	<p>Evaluation of PBGC's Strategic Preparations for a Potential Workload Influx</p>	<p>\$0</p>	<p>Yes</p>
<p>Procedures, and protocols consistently require plan assets to be valued and the valuation accurately reflects fair market value.</p>	<p>PBGC Processing of Terminated United Airlines Pension Plans was Seriously Deficient</p>	<p>\$0</p>	<p>Yes</p>
<p>Procedures for very large plans, plans with significant valuation challenges, and plans exceeding allowable thresholds, ensure that a member of senior leadership responsible for valuation issues is briefed on audit or valuation results and findings, if any, from established protocols.</p>	<p>PBGC Processing of Terminated United Airlines Pension Plans was Seriously Deficient</p>	<p>\$0</p>	<p>Yes</p>
<p>Procedures require documentation of the resolution of variances identified as part of post-termination participant audits.</p>	<p>PBGC Processing of Terminated United Airlines Pension Plans was Seriously Deficient</p>	<p>\$0</p>	<p>Yes</p>
<p>Procedures establish controls to ensure that conclusions are not based on non-quantitative data</p>	<p>PBGC Processing of Terminated United Airlines Pension Plans was Seriously Deficient</p>	<p>\$0</p>	<p>Yes</p>
<p>Procedures to hire and contract personnel who conduct and review post-termination audits possess the necessary knowledge, skills, and abilities by requiring continuing education and that at least some team leaders and managers have enhanced contract workforce management or credible audit experience gained outside of BAPD.</p>	<p>PBGC Processing of Terminated United Airlines Pension Plans was Seriously Deficient</p>	<p>\$0</p>	<p>Yes</p>
<p>Procedures to develop a tool to address the risk that training needs are being overlooked, or unaddressed, and that performance issues are unaddressed. The tool should include the number of the issue, population affected, root cause analysis of why the issue occurred, and appropriate remedial action to limit or reduce the risk.</p>	<p>PBGC Processing of Terminated United Airlines Pension Plans was Seriously Deficient</p>	<p>\$0</p>	<p>Yes</p>



As a result of an email phishing attempt and PBGC's delayed and inadequate response to the incident, the Office of Inspector General (OIG) conducted a follow-up. In response to the incident, the Office of Inspector General (OIG) contracted with Mandiant – a world-leading provider of advanced incident response solutions – to conduct a comprehensive assessment to evaluate the presence of malicious activity across the PBGC's information systems. As of the date of the assessment, Mandiant determined that the PBGC's information environment did not display evidence of attacker activity. However, several issues were observed within the incident response program which align with the Office of Inspector General's (OIG) observations of weaknesses previously reported in the FY 13 report. A full report was provided to appropriate PBGC executives and staff responsible for corrective action.

ective initiative (not an allegation of misconduct) was to review procurement to identify fraud in PBGC programs.

did not lead to the development of any investigative leads associated with the control weaknesses in this program area. The matter was closed.

t dated August 29, 2011 alleged fraud in awarding an information technology alleged that a senior IT (1) "steered and influenced key Technical Evaluation select a vendor who is probably the most expensive (at least by 25-40%); and (2) The Chief Architect constantly threatened and abused the current The complaint also alleged this procurement had eight (8) amendments that vague and unclear guidance "to limit the open competition and restrict any new provider best value services."

ted allegations were investigated, proved to be unsubstantiated as no credible in support of the allegation(s), and the matter was closed.

mployee provided a written statement to PBGC that he/she had been verbally advisor and felt threatened for his/her safety.

igated, proved to be unsubstantiated as no credible evidence was developed in and deemed by Management as a false report filed by the employee against nt proposed and implemented termination action against the employee. The

408 -  
Theft/Embezzlement -  
PBGC Funds or  
Property

\*Closed - Final 07Apr2014  
\*No leads  
developed

499 - Financial Fraud –  
Other

\*Closed - Final 24Apr2014  
\*Unsubstantiated

999 - Non-Criminal

\*Closed – Final 18Sep2014  
\*Unsubstantiated  
\*Employee  
Termination

[Type text]