

**PENSION BENEFIT GUARANTY CORPORATION
OFFICE OF INSPECTOR GENERAL**

SEMIANNUAL REPORT TO CONGRESS

For the Period October 1, 2016 to March 31, 2017



SARC No. 56

Our Value Framework

Principles

Integrity – Respect – Excellence

Vision

Providing deep knowledge and sensible solutions through independent, positive engagement

Mission

Conduct independent and objective audits and investigations of PBGC programs and operations

Provide leadership to promote efficiency and effectiveness

Prevent and detect fraud and abuse in PBGC programs and operations

Keep the Board and Congress fully and currently informed about problems and deficiencies

Report immediately to the Board whenever the Inspector General becomes aware of any particularly serious or flagrant problems

Report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of federal criminal law

Pillars

People Focused – Process Oriented – Performance Driven

From the Inspector General



Robert A. Westbrooks

The Board of Directors
Pension Benefit Guaranty Corporation

I am pleased to present this Semiannual Report summarizing the activities of our office for the period October 1, 2016 through March 31, 2017.

Our office's oversight efforts continued to focus on high-risk areas. In carrying out our responsibilities, we oversaw the completion of the financial statements audit, FISMA evaluation, and penetration testing and vulnerability assessment. We continue our efforts to elevate risks to the Corporation through Risk Advisories. Our investigative activities resulted in the sentencing of two defendants in connection with theft of pension benefits and charges against two others for financial abuse of vulnerable participants.

We observed some continued improvements in the Corporation's system of internal control. We commend the Corporation for its first unqualified opinion on internal control in seven years, and we recognize management's attention to audit follow-up to resolve long-standing material weaknesses. We are proud of our work and that of the Corporation's to reduce the number of outstanding audit recommendations, which is down from about 187 when I started in 2015 to now just 86. We continue to apply rigorous scrutiny and appropriate professional skepticism to audit recommendation closure packages. In FY 2016, we reviewed 127 audit recommendation closure packages, rejecting about 19 percent, which required more evidence from management. We are emphasizing to management the importance of closing long-standing recommendations.

I once again thank our hardworking team, and I thank the Board, Board staff, and PBGC Director Tom Reeder for the ongoing support of our efforts.

Respectfully submitted,

A handwritten signature in black ink that reads "Robert A. Westbrooks". The signature is written in a cursive, flowing style.

Robert A. Westbrooks
Inspector General

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Abbreviations

Below is a list of the abbreviations we use in this report.

AUP	Agreed-Upon Procedures
BAPD	Benefits Administration and Payment Department
CCRD	Corporate Controls and Reviews Department
CFR	Code of Federal Regulations
CFS	Consolidated Financial System
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CLA	CliftonLarsonAllen, LLP
CSAM	Cyber Security Asset Management
DOJ	U.S. Department of Justice
EA	Enrolled Actuary
EMP	Employee
EMTB	Employee Mass Transit Benefit
ERISA	Employee Retirement Income Security Act of 1974
ERM	Enterprise Risk Management
FHFA	Federal Housing Finance Agency
FISMA	Federal Information Security Modernization Act
FOD	Financial Operations Department
FY	Fiscal Year
GAO	Government Accountability Office
GS	General Schedule
IPA	Independent Public Accounting Firm
IPVFB	Integrated Present Value of Future Benefits
IT	Information Technology
MAP-21	Moving Ahead for Progress in the 21 st Century Act
ME	Multiemployer
NIST	National Institute of Standards and Technology
OBA	Office of Benefits Administration
OIG	Office of Inspector General
OIT	Office of Information Technology
OMB	Office of Management and Budget
ONR	Office of Negotiations and Restructuring
OPM	Office of Personnel Management
PBGC	Pension Benefit Guaranty Corporation
PII	Personally Identifiable Information
PIV	Personal Identity Verification
PRAD	Policy, Research, and Analysis Department
PTAB	Processing and Technical Assistance Branch
PVFB	Present Value of Future Benefits
RMC	Risk Management Council

RMF	Risk Management Framework
RMO	Risk Management Officer
SARC	Semiannual Report to Congress
SIEM	Security Information and Event Manager
SSA	Social Security Administration
STCD	Standard Terminations Compliance Division
TEP	Technical Evaluation Panel
TFM	Treasury Financial Manual
U.S.C.	United States Code
VA	Department of Veterans Affairs
WSD	Workplace Solutions Department

Executive Summary

During the period October 1, 2016 through March 31, 2017, we:

- Closed 43 audit recommendations and issued 43 new audit recommendations. The total number of pending audit recommendations is 86. (Pages 30 and 33)
- Issued the following reports:
 - **FY 2016 and 2015 Financial Statements Audit.** PBGC’s financial statements were presented fairly, in all material respects, in conformity with accounting principles generally accepted in the U.S. However, we reported four significant deficiencies in internal control. We observed overall improvements to internal control, which led to a change in classification of a previously reported material weakness. (Page 10)
 - **FY 2016 Federal Information Security Modernization Act Independent Evaluation.** PBGC made progress refining its information security program by publishing its Information Security Risk Management Framework Process and requiring the use of PIV for authentication; however, improvements are still needed in the implementation of NIST controls over access control. (Page 13)
 - **FY 2016 IT Vulnerability Assessment and Penetration Testing Evaluation.** We tested PBGC’s information security infrastructure for technical weaknesses. PBGC has made some improvements to its vulnerability management program, leading to an increase in the number of critical and high severity vulnerabilities detected. Based on our findings, we made three recommendations. (Page 13)
 - **Agreed-Upon Procedures Report on the Pension Benefit Guaranty Corporation Multiemployer Insurance Program.** We contracted with an independent public accounting firm to analyze three multiemployer plans receiving financial assistance from PBGC. The IPA tested benefit calculations from 48 participants across the 3 plans. Several exceptions were identified and we made a recommendation for corrective action to determine if the exceptions require benefit adjustments. (Page 14)
 - **Inspection of PBGC’s Employee Mass Transit Benefit Program.** We conducted an inspection of PBGC’s Employee Mass Transit Benefit Program identifying several opportunities for improvement and based on our findings issued two recommendations. (Page 17)
 - **OIG Risk Advisory: Required Disclosures by Technical Evaluation Panel.** We issued this Risk Advisory to report our observations related to a Technical

Evaluation Panel member's failure to disclose information creating a potential lack of impartiality, or the appearance thereof, in performing his duties. Based on our observations, we made one suggestion to mitigate this risk. Management implemented this suggestion. (Page 18)

- In response to suggestions we made in our July 2016 Special Report *Review of the Office of Participant and Plan Sponsor Advocate - Safeguards to Prevent and Detect Conflicts of Interest*, on November 17, 2016, the Board of Directors adopted PBGC Resolution 2017-01 binding the PBGC Participant and Plan Sponsor Advocate to all Federal and PBGC ethics laws, regulations, policies, and procedures and encouraging the Advocate to continue to proactively identify potential conflicts of interest and consult with PBGC ethics officials. (Page 17)
- We conducted 2 pension benefit fraud investigations, 1 of which resulted in a 12-month sentence of home detention and \$10,980 in restitution to PBGC. We also investigated two cases of financial abuse of vulnerable participants; those investigations resulted in state charges. Finally, PBGC debarred a former contract actuary based on our case work. (Pages 19-21)

Background

The Pension Benefit Guaranty Corporation

The Employee Retirement Income Security Act of 1974 established the Pension Benefit Guaranty Corporation as a corporation within the U.S. Department of Labor to administer the pension insurance program. ERISA requires that PBGC: (1) encourage the continuation and maintenance of voluntary private pension plans, (2) provide for the timely and uninterrupted payment of pension benefits to participants and beneficiaries, and (3) maintain premiums at the lowest level consistent with carrying out PBGC's obligations.

PBGC is responsible for protecting the pensions of more than 40 million American workers in nearly 24,000 private sector defined benefit plans. The Corporation receives no general tax revenues. It manages about \$100 billion in assets financed by insurance premiums from its single-employer and multiemployer pension insurance programs, investment income, and the assets of terminated plans. In 2016, PBGC paid \$5.7 billion in monthly retirement benefits to nearly 898,000 retirees in some 4,800 single-employer plans. It also paid \$113 million in financial assistance to 65 multiemployer plans.¹

PBGC faces significant, long-standing, and well-known risks. Both pension insurance programs face serious, long-term funding challenges with the premium base declining as fewer employers offer defined benefit plans. In 2003, the Government Accountability Office designated the single-employer pension insurance program as high risk, and GAO added the multiemployer pension insurance program to its high risk list in 2009. At the end of FY 2016, PBGC's net deficit in the combined programs was \$79 billion. Future underfunded plans are projected to total \$243 billion. According to PBGC projections, it is more likely than not that the multiemployer pension insurance program will run out of money by 2025.¹

PBGC's governance structure is comprised of the Board of Directors, their Board Representatives, the Advisory Committee, a Presidentially-appointed and Senate-confirmed Director, and PBGC Executives. PBGC is also subject to Congressional oversight. Other elements of governance include PBGC's system of internal control, its clearly articulated authority to act, and PBGC's operational policies and procedures. PBGC governance is complex and requires those who are charged with its oversight to view the Corporation from different perspectives. Oversight by the PBGC Board, PBGC management, and OIG is critical to effective corporate governance.

¹ Unless otherwise cited, the figures contained in this paragraph are based on PBGC's 2016 Annual Report.

The Office of Inspector General

The PBGC Office of Inspector General was created under the 1988 amendments to the Inspector General Act of 1978. We provide independent and objective audits, inspections, evaluations, and investigations to help Congress, the Board of Directors, and PBGC protect the pension benefits of American workers.

We are organizationally independent from the Corporation, with the Inspector General reporting to the Board of Directors. Under Public Law 112-141, the Inspector General must attend at least two Board meetings per year “to provide a report on the activities and findings of the Inspector General, including with respect to monitoring and review of the operations of the corporation.”

The OIG executive leadership team consists of the Inspector General, Chief of Staff, and Chief Counsel. An Assistant Inspector General for Audits leads our audit staff, and an Assistant Inspector General for Investigations leads our investigative staff. An Administrative Officer supports the entire office.

Our office operates in compliance with the *Quality Standards for Federal Offices of Inspector General* issued by the Council of the Inspectors General on Integrity and Efficiency. Our audits are performed in compliance with *Generally Accepted Government Auditing Standards* issued by the Comptroller General of the United States. Our evaluations and inspections work are performed in compliance with the *CIGIE Quality Standards for Inspection and Evaluation* and investigations are conducted in compliance with the *CIGIE Quality Standards for Investigations*.

We strive to provide deep knowledge and offer sensible solutions through independent, positive engagement. We focus our available resources on high-risk areas and continuously seek ways to provide value to our stakeholders.

In Focus

PBGC OIG's Efforts to Combat Financial Exploitation of Vulnerable Participants

During this reporting period, we reorganized our investigative work to ensure that we give a high priority to cases involving the financial exploitation of vulnerable participants receiving PBGC pension benefits. These cases involve a relative, caregiver, friend, or someone else depriving the participants of their hard-earned PBGC pension benefits.

In a recent investigation we obtained the assistance of the Iowa Medicaid Fraud Control Unit after we learned a family physically and financially abandoned their 83-year-old father, who suffered from cognitive issues, at a nursing home. The man's daughter-in-law allegedly stole and cashed \$12,543 in PBGC pension and Social Security funds from her father-in-law. On February 28, 2017, the State of Iowa filed felony theft charges against her.

In another case, we worked jointly with the Dothan, Alabama Police to bring charges against a local woman for identity theft and theft in connection with her scheme to steal \$1,067 from a PBGC participant who suffers from dementia. The woman, who was the girlfriend of the participant's son, cashed the participant's benefit check, keeping the money for herself.

Preventing Financial Abuse of Vulnerable Participants

Financial exploitation is a form of elder abuse. Signs to look for:

- You or your elderly family member or friend thinks money or property is missing.
- You notice sudden changes in spending or savings.
- Your elderly family member or friend is no longer able to pay her bills.
- Your elderly family member or friend says she is afraid or seems afraid of a relative, caregiver or friend.
- A relative, caregiver, friend, or someone else keeps your elderly family member or friend from having visitors or phone calls, does not let her speak for herself, or seems to be controlling her decisions.

Who to call if you suspect financial exploitation or elder abuse?

In most cases, contact your local Adult Protective Services, generally a part of your county or state department of social services. You can find contact information at www.eldercare.gov, a public service provided by the U.S. Administration on Aging.

For identity theft, contact your local police and the Federal Trade Commission (www.ftc.gov/complaint). If the loss involves funds held in a financial institution, such as a bank or credit union, report the problem to the institution immediately.

If you suspect someone has stolen a PBGC participant's pension, please contact our Hotline (<https://oig.pbgc.gov/hotline.html>).

In addition to our traditional case work, our investigators also provide assistance to individuals who contact our Hotline to resolve pension issues. Our inquiries in these matters often result in non-traditional outcomes. For example, we recently reviewed information from a 59-year-old participant who claimed he had not received his pension checks for 2 years. He alleged that a cousin was impersonating him and accepting his checks. We looked into this complaint and learned that, beginning in 2014, PBGC electronically deposited his pension checks into accounts he directed. He later requested PBGC mail, instead of direct deposit, his checks to him. When we spoke with the participant and his family, we learned he had cognitive issues and forgotten he asked PBGC to mail his checks to him. Unfortunately, the first check PBGC mailed went to an address it had on file for the participant that was no longer correct. PBGC found the mistake, however. It cancelled the check and mailed a replacement to the correct address. We shared the results of our inquiry with the participant, who was appreciative.

Because of our limited resources, we frequently partner with other federal, state, and local law enforcement agencies to help us bring to justice those who exploit our vulnerable participants. We have recently partnered with the Federal Trade Commission's Consumer Sentinel Network, which should allow us to boost our success in this area by expanding our network of law enforcement agencies, including other OIGs that focus on investigations of identity theft, impersonation or imposter scams, and redirection of government benefits.

OIG Work to Address Management Challenges and Strengthen Internal Controls

Monitoring and Review of PBGC Operations

In addition to our responsibilities under the Inspector General Act, the Moving Ahead for Progress in the 21st Century Act (commonly known as MAP-21) requires that we provide “monitoring and review of the operations of the Corporation” and report our activities and findings at no less than two Board meetings a year. In practice, we attend quarterly Board meetings and report our observations in both open and executive sessions. In addition, we communicate with the Board Representatives during monthly conference calls and at other times as needed. In order to meet our unique obligation to keep the Board informed, members of our leadership team meet regularly (typically monthly) with “C” suite leaders to monitor and review operations, obtain the status of corrective actions to address open audit recommendations, and receive periodic briefings on significant operational changes or program developments.

Tone at the Top

The Inspector General Empowerment Act of 2016, which became law on December 16, 2016, strengthened the independence of Inspectors General by ensuring full and prompt access to agency documents. On February 2, 2017, Director Reeder issued a reminder email to all PBGC employees to “fully cooperate with OIG requests for information.” He pointed out the essential role we play in helping PBGC to effectively and efficiently conduct its mission of protecting the retirement incomes of American workers.

During the reporting period, the Chief Financial Officer sent an email to all supervisors and managers reiterating the importance of maintaining a strong internal control environment and outlining key agency internal control initiatives for FY 2017.

PBGC’s Permanent Risk Management Officer Selected

The permanent PBGC Risk Management Officer started on January 8, 2017, fulfilling Congress’ 2012 mandate that PBGC appoint an RMO to coordinate the risk management efforts of the Corporation and explain risks and controls to management and the Board of Directors.

The new RMO chairs PBGC’s Risk Management Council, which coordinates the Corporate ERM program and acts as an advisory council to the Director and Executive Management Committee on strategic, operational, compliance and reporting risks.

Under the RMO's leadership, the RMC will train key personnel in Departments that have not adopted a risk management process and develop and provide training on risk lexicon to ensure uniformity across the Corporation when it comes to ERM and the conduct of assessments. The Office of Negotiations and Restructuring will participate in the first risk assessment under the guidance of the RMO. ONR's risk assessment will serve as a pilot before rolling out a risk assessment process to other PBGC offices that might not have one, and help those offices with a process roll up their risk data.

As the RMO settles into the role and ERM continues to mature at PBGC, it is important for the Corporation to ensure that formal processes will allow the RMO to have access to the Board for full compliance with MAP-21.

Workforce Planning: Surge Capacity for Increasing Customer Call Volume

PBGC's front line for customer service is its Customer Contact Center, staffed by contractor employees. Federal employees from PBGC's Office of Benefits Administration, Participant Services Department, oversee the contractor. The Customer Contact Center handles Tier I customer support, including helping customers who need individual attention or assistance.

In early March 2017, PBGC reported that the CCC was having difficulty responding to an unusually high call volume. CCC attributed the volume to it being tax season. The call volume is typically highest from January through April each year. However, in January and February 2017, the CCC call volume was 50,540 and 60,000, respectively. Those figures

The screenshot shows the PBGC website's "Retirement Matters" page. The main heading is "Unusually Long Wait Times at Customer Contact Center" dated March 2, 2017. The text explains that phone traffic has increased, leading to long wait times, and that PBGC is taking steps to improve service, such as expanding hours to Saturdays and adding staff. A list of actions includes: expanding hours to Saturdays, adding staff, and working on MyPBA portal enhancements. A "Tag Cloud" on the right side of the page lists various topics like "Benefits", "ERISA", and "Retirement".

PBGC's notice to customers

represent a 5-year high for those months. February's calls were a 119 percent increase from the prior year and a 127 percent increase from 5 years ago.

To meet this challenge, OBA developed an action plan that included, among other things, modifying its CCC contract to increase the number of contract employees by 20, bringing the total number to 90.

PBGC believes its use of contractor employees for customer support positions allows it greater employment flexibility during periods of high demand. During surges in customer demand, PBGC and OBA, in particular, need to remain diligent in providing contractor oversight.

Cybersecurity: Risk Management Activities

The Corporation continues to take proactive steps to address evolving cybersecurity threats. In October 2016, OIT participated in a global, insurance industry simulated cyber-attack on insurance companies, and incorporated lessons learned into its planning activities. PBGC also obtained an independent assessment of its network and systems for indications of existing attacker activity and to perform a simulated malicious attack on PBGC cyber assets. This assessment is in addition to the vulnerability assessment that is performed on our behalf. OIT incorporated lessons learned into its planning activities. Further, we meet quarterly with OIT to discuss the results of its in-house vulnerability scanning and mitigation.

We have not independently audited the above activities; therefore, we offer no opinion on their adequacy or level of improvement to PBGC's cybersecurity posture. We nevertheless commend the Corporation for its continued proactive efforts.

Performance Audits, Evaluations and Reviews

Financial Audit and Related Work

Summary of Performance

Management Decisions	
Open Recommendations	
Beginning of Period	86
Opened This Period	43
Closed This Period	43
Open Recommendations End of Period	86
Reports with Open Recommendations End of Period	22

Our office contracted with CliftonLarsonAllen LLP, an IPA, to perform the annual audit of the financial statements and related work, including information technology audit and evaluation work to respond to the annual Federal Information Security Modernization Act requirements and to conduct a vulnerability assessment and penetration test of PBGC's IT systems. We provided oversight of CLA's work and the reports described below.

Audit of the Pension Benefit Guaranty Corporation's FY 2016 and 2015 Financial Statements

(AUD-2017-2 /FA-16-110-1, issued November 15, 2016)

<https://oig.pbqc.gov/pdfs/FA-16-110-1.pdf>

We issued the audit of PBGC's financial statements of the single-employer and multiemployer program funds as of and for the years ended September 30, 2016 and 2015. We found that:

- The financial statements were presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. This is the 24th consecutive unmodified financial statement audit opinion.
- PBGC maintained, in all material respects, effective internal control over financial reporting as of September 30, 2016.
 - Serious internal control weaknesses in PBGC's programs and operations include four significant deficiencies: (1) Controls over the Present Value of Future Benefit Liability, (2) Present Value of Non-recoverable Future Financial Assistance, (3) Entity-Wide Security Program Planning and Management, and (4) Access Controls and Configuration Management.

- During FY 2016, we observed improvements to the internal controls within PBGC operations that impacted long-standing control deficiencies reported in previous years. These improvements led to a change in classification of a previously reported material weakness in controls over the PVFB liability to a significant deficiency.
- Instances of noncompliance or other matters that are required to be reported in accordance with *Government Auditing Standards*.
 - Antideficiency Violation: On August 23, 2016, PBGC reported a violation of 31 U.S.C. § 1342 in connection with voluntary services of an independent subcontractor.
 - Potential Antideficiency Violation: PBGC maintains operating leases for all office locations and its Continuity of Operations Plan site. However, PBGC did not record its full contractual obligation under its current multiyear lease arrangements.

Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2016 and 2015 Financial Statements Audit (AUD-2017-3/FA-16-110-2, issued November 15, 2016)
<https://oig.pbgc.gov/pdfs/FA-16-110-2.pdf>

We issued an audit of the internal controls over financial operations for the single-employer and multiemployer program funds administered by PBGC.

This report provides a more detailed discussion of the specifics underlying the unqualified opinion on internal control over financial reporting described in the internal control deficiencies section of the combined Independent Auditors' Report dated November 15, 2016 (AUD-2017-2/FA-16-110-1). We reported:

- Serious internal control weaknesses in PBGC's programs and operations include four significant deficiencies: (1) Controls over the Present Value of Future Benefit Liability, (2) Present Value of Nonrecoverable Future Financial Assistance, (3) Entity-Wide Security Program Planning and Management, and (4) Access Controls and Configuration Management.
- During FY 2016, we observed improvements to the internal controls within PBGC operations that impacted long-standing control deficiencies reported in previous years. These improvements led to a change in classification of a previously reported material weakness in controls over the PVFB liability to a significant deficiency.

Pension Benefit Guaranty Corporation's FY 2016 Financial Statement Audit Management Letter Report

(AUD-2017-6/FA-16-110-5, issued February 02, 2017)

<https://oig.pbgc.gov/pdfs/AUD-2017-6.pdf>

During the audit, CLA identified certain matters related to PBGC's internal control and operations that while significant were not of sufficient magnitude to impact the financial statement opinion and were not included in the report on internal control. The management letter summarizes CLA's findings and recommendations regarding these matters and includes the status of prior years' management letter recommendations. This year's report highlighted a PBGC reported Antideficiency Act violation relating to voluntary services of an independent contractor. The report also included information about a potential Antideficiency Act violation in connection with PBGC not recording the full contractual obligation under its current multiyear lease arrangements.

PBGC made significant progress in completing corrective actions that resulted in closure of 16 prior year recommendations. We issued 9 new recommendations, resulting in 14 open management letter audit recommendations. PBGC management agreed with the recommendations and provided planned corrective actions and estimated completion dates.

Audit of Pension Benefit Guaranty Corporation's Financial Statement Closing Package for FY 2016 and 2015

(AUD 2017-5/FA-16-110-4, issued November 16, 2016)

<https://oig.pbgc.gov/pdfs/FA-16-110-4.pdf>

The Office of Inspector General issued the audit of PBGC's Financial Statement Closing Package for Fiscal Year 2016 and 2015.

The financial statements and accompanying notes contained in the closing package were prepared for the purpose of complying with the requirements of the U.S. Department of the Treasury's Financial Manual Volume I, Part 2, Chapter 4700 and the Treasury's Supplemental Guidance to TFM Volume I, Part 2, Chapter 4700, dated October 17, 2016, for the purpose of providing financial information to the U.S. Department of the Treasury and GAO to use in preparing and auditing the Financial Report of the U.S. Government, and are not intended to be a complete presentation of PBGC's financial statements.

We reported that the financial statements and accompanying notes presented fairly, in all material respects, the financial position of PBGC as of September 30, 2016 and 2015, and its net costs and changes in net position for the years ended in conformity with accounting principles generally accepted in the United States of America and the presentation pursuant to the requirements of the TFM Volume I, Part 2 Chapter 4700.

FY 2016 Federal Information Security Modernization Act Submission to the Office of Management and Budget

(LTR 2017-04/ FA-16-110-3, issued November 10, 2016)

<https://oig.pbgc.gov/pdfs/FA-16-110-3.pdf>

Under OIG oversight, CLA performed an evaluation of PBGC's information security program and practices to determine compliance with FISMA. We submitted the mandated template report to OMB, noting that for FY 2016, PBGC made progress refining its information security program by publishing its Information Security Risk Management Framework Process and requiring the use of PIV for authentication; however, improvements are still needed. More specifically, PBGC needed to permanently fill its risk executive position and ensure current NIST controls are fully and consistently implemented including controls over access control. The Corporation also needed to fully implement its information system continuous monitoring program. The OIG's Report on Internal Controls Related to the PBGC's FY 2016 and 2015 Financial Statements Audit presents additional details on the Corporation's progress in mitigating IT control weaknesses identified in: (1) PBGC's entity-wide security program and (2) access controls and configuration management.

The letter forwarding our template assessment is publicly available; the IT assessment is not.

FY 2016 Vulnerability Assessment and Penetration Testing

(EVAL-2017-8/FA-16-110-6, issued February 22, 2017)

<https://oig.pbgc.gov/pdfs/FA-16-110-6.pdf>

During the financial statement audit, we contracted with CLA to assess PBGC's information security infrastructure for technical weaknesses that may allow employees or outsiders to cause harm to, and/or impact, PBGC's business processes and information. We found PBGC has made improvements to its vulnerability management program; however, work is still needed to ensure that vulnerability scans are complete. The improvement in PBGC's vulnerability management program also increased the number of Critical and High severity vulnerabilities detected. This report includes three new recommendations.

We have determined that this report is for official use only. The report detailing the vulnerability assessment has been redacted in its entirety because it contains sensitive information.

FY 2016 Federal Information Security Modernization Act Independent Evaluation

(EVAL 2017-09/ FA-16-110-7, issued March 22, 2017)

<https://oig.pbgc.gov/pdfs/FA-16-110-7.pdf>

This narrative report is a follow-up to our FY 2016 FISMA Submission to OMB (LTR 2017-04/FA-16-110-3) to provide findings and recommendations related to PBGC's information security program.

We contracted with CLA to perform an evaluation of PBGC's information security program as required by FISMA. In FY 2016, PBGC made progress improving its information security program by publishing its Information Security Risk Management Framework Process and requiring the use of PIV for authentication; however, additional action is needed. More specifically, PBGC needed to permanently fill its risk executive position and ensure it fully and consistently implements current NIST access controls. The Corporation also needs to complete implementation of its information system continuous monitoring program. We reported 20 new recommendations based on the results of our FY 2016 independent evaluation. In addition to the recommendations in this report, there were 8 FISMA-related recommendations reported in the Corporation's FY 2016 internal control report AUD-2017-3/FA-16-110-2.

***Agreed-Upon Procedures Report on the Pension Benefit Guaranty Corporation
Multiemployer Insurance Program***

(AUP 2017-7/PA-13-94B, Issued January 27, 2017)

https://oig.pbgc.gov/pdfs/AUP_2017_7.pdf

We hired an IPA to analyze three multiemployer plans receiving financial assistance from PBGC. The IPA completed the following agreed-upon procedures:

1. Verified the accuracy of the original benefit computations performed by the plan's actuary.
2. Verified the benefit payments are being made to eligible participants.
3. Verified the benefits were properly cutback to the PBGC guaranteed level in accordance with Section 4022A of ERISA.

The IPA actuaries evaluated 48 test lives across the 3 plans, and they noted a number of exceptions. The exceptions do not necessarily denote overpayments requiring recoupment, but they do warrant PBGC's further examination.

The OIG recommended PBGC take corrective action to determine which exceptions require benefit adjustments from plan sponsors and to seek recoupment if necessary.

On-Going Performance Audits

Audit of Insolvent Multiemployer Pension Plans' Administrative Expenses (Project No. PA-16-113, announced March 29, 2016)

<https://oig.pbgc.gov/pdfs/ANNAUDITMEAdminExp20160329.pdf>

We are conducting this audit to determine if the Multiemployer Program Division ensures administrative expenses paid to insolvent multiemployer plans receiving financial assistance are reasonable, necessary and adequately supported.

Audit of Anti-Fraud Controls within the MyPBA Online Service (Project No. PA-16-115, announced July 14, 2016)

<http://oig.pbgc.gov/pdfs/ANN-PA-16-115.pdf>

We are conducting this audit to assess the effectiveness of internal controls to prevent and detect unauthorized MyPBA transactions.

Announcement of Audit of the Standard Termination Compliance Division and Audit of Premium Coverage Determination (Project Nos. PA-16-112 and PA-17-116, announced November 1, 2016)

<https://oig.pbgc.gov/pdfs/Ann-STCD.pdf>

On March 31, 2016, we announced the initiation of an audit survey on the Standard Termination Compliance Division (Project No. PA-16-112) with the objective to determine if PBGC's STCD ensures participants receive the full protection of the law when their pension plan enters into the standard termination process. During the survey phase, we focused our analysis on the Compliance Audit Branch and the Processing and Technical Assistance Branch within STCD. After performing limited testing, we decided to narrow the scope to the processes and procedures within PTAB. As a result, we split our initial audit into two audits with the following objectives:

- Audit of Standard Termination Filing with an objective to determine if STCD efficiently and effectively processes standard termination filings (PA-16-112).
- Audit of Premium Coverage Determination with an objective to determine if STCD accurately reviews and approves exemptions from premium coverage (PA-17-116).

We plan to issue a final report on PA-17-116 in May 2017. We have indefinitely suspended PA-16-112 due to higher priority projects.

Announcement of Evaluation of PBGC's FY 2016 Compliance with the Improper Payments Information Act

(Project No. PA-17-117, announced January 5, 2017)

<https://oig.pbgc.gov/pdfs/PA-17-117-20170105.pdf>

We announced our annual evaluation of PBGC's compliance with OMB Circular A-123, Appendix C, *Management's Responsibility for Internal Control: Requirements for Effective Measurement and Remediation of Improper Payments*. We will be conducting an evaluation to determine PBGC's FY 2016 compliance with the *Improper Payments Information Act of 2002*, as amended and expanded by the *Improper Payments Elimination and Recovery Act of 2010* and the *Improper Payments Elimination and Recovery Improvement Act of 2014*.

Announcement of Financial Statements Audit

(Project No. FA-17-119, announced March 22, 2017)

<https://oig.pbgc.gov/pdfs/LTR-Ann-3-22-17.pdf>

We announced the annual PBGC financial statements audit. The *Chief Financial Officer's Act of 1990* mandates that our office conduct this audit or hire an IPA. We contract with CLA to conduct this work under our general oversight. As in past years, this audit work will include issuing opinions regarding fair presentation of the financial statements and on internal control. This audit work will also include a report on compliance with laws and regulations, a report on internal controls, FISMA template and narrative reports, and an IT vulnerability assessment and penetration testing report.

Special Reports and Inspections

FY 2016 Employee Mass Transit Benefit Program Inspection

(Issued November 2, 2016)

<https://oig.pbgc.gov/pdfs/Ins-EMTB20161102.pdf>

We conducted this inspection of PBGC's Employee Mass Transit Benefit Program to assess whether there were adequate internal controls in place, and to determine compliance with PBGC policies for the program. During the course of our inspection, we found that the Payroll/Travel Office: (a) did not ensure that only current employees received transit benefits, (b) processed incomplete transit benefits applications and/or failed to document its approval on applications it processed, (c) did not ensure that transit benefits participants were commuting via mass transit at least 75 percent of the time, and (d) failed to identify one executive who was participating in the transit benefit program and received free parking benefits. During our inspection, we learned that the executive had obtained and relied upon a legal opinion from the Office of General Counsel which concluded that it was permissible for this executive to utilize a free parking space provided under the lease.

We issued two recommendations based on our findings. PBGC should: (1) update EMTB policies, procedures, and related control activities to address the compliance risks identified in this inspection and (2) recover EMTB funds paid to ineligible participants where possible. Management agreed with our recommendations. In addition, during our inspection, the executive voluntarily agreed to withdraw from and reimburse the transit benefit program.

Board Resolution Adopted in Response to Special Report on the Office of Participant and Plan Sponsor Advocate

(Issued November 17, 2016)

The Board of Directors adopted PBGC Resolution 2017-01 binding the PBGC Participant and Plan Sponsor Advocate to all Federal and PBGC ethics laws, regulations, policies, and procedures and encouraging the Advocate to continue to proactively identify potential conflicts of interest and to otherwise consult with PBGC ethics officials. The Board implemented this resolution in response to suggestions we made in our July 2016 Special Report on our *Review of the Office of Participant and Plan Sponsor Advocate - Safeguards to Prevent and Detect Conflicts of Interest*. We conducted the review based on a confidential hotline contact regarding the implementation of the role of the Advocate and the potential for conflicts of interest or other ethical violations. In that report we determined common safeguards are in place to detect conflicts of interest or other ethical conduct violations by the Advocate. Notwithstanding these safeguards, we suggested the Board consider the above resolution to prevent future conflicts and to demonstrate "tone at the top."

Special Report: OIG Risk Advisory: Required Disclosures by Technical Evaluation Panel

(Issued December 9, 2016)

<https://oig.pbgc.gov/pdfs/RA-20161209.pdf>

We issued this Risk Advisory to report our observations related to a technical evaluation panel — a panel of federal employees selected to evaluate proposals received in response to a specific contract solicitation — member’s failure to disclose information of a potential lack of impartiality, or the appearance thereof, in performing his duties. We identified that the current PBGC Procurement Department Conflict of Interest Certification Form does not expressly require TEP members to identify prior employment, which may result in management failing to identify and consider issues relating to a potential lack of impartiality.

In March 2016, an Enterprise Architecture Department employee was selected to serve on a TEP for contractors submitting bid proposals. Before being allowed to serve on the panel, the employee, like all panel members, was required to sign a Conflict of Interest Certification form, certifying he had read and was familiar with the *Standards of Ethical Conduct*. The standards require an employee to act impartially and to avoid the appearance of violating the ethical standards. The employee failed to disclose that he was employed from 2011 through 2013 by one of the contractors who submitted a bid proposal. In 2013, he left employment with the contractor and began work as a PBGC federal employee.

To mitigate the risk we suggested that the Procurement Department modify the Conflict of Interest Certification form to require disclosure of prior employment and provide future TEP members with the example during training sessions. Though the suggestion did not require a management response, management agreed with the suggestion and made changes to the form and future training.

Investigative Activities

Summary of Performance

Criminal Actions	Federal Prosecutors	State or Local Prosecutors
Indictments	0	2
Information	0	0
Convictions	1	0
Sentencings	2	0

We presented five investigations for prosecution during the reporting period: one was declined, two were accepted, and we are awaiting a decision from the United States Attorney’s Office on the other two cases. As described below, we conducted 2 pension benefit fraud investigations, one of which resulted in 12 months of home detention and \$10,980 in restitution to PBGC. We also investigated two cases of financial abuse of vulnerable participants; those investigations resulted in state charges. Finally, PBGC debarred a former contract actuary based on our finding that the individual falsely represented himself as an “enrolled actuary” by using another person’s EA number.

Michigan Woman Sentenced for Theft of Pension Benefits from Deceased Participant

The Department of Veterans Affairs OIG contacted our office in 2014 concerning the deposit of PBGC benefits into a Michigan woman’s bank account after her death. Before contacting us, the VA OIG first noticed that VA benefits were deposited into her account. On November 9, 2016, a Michigan Center, Michigan woman pleaded guilty in U.S. District Court in Detroit, Michigan to a misdemeanor charge of Theft of Government Property, in connection with her having stolen and converting for her own use \$930 in PBGC benefits paid to her deceased mother. On February 27, 2017, the woman was sentenced to 1 day in jail, with credit for time served, and 12 months of supervised release. Additionally, she was ordered to pay \$114,048 in restitution to the VA and \$2,948 to PBGC.

New Jersey Man Sentenced for Theft of His Deceased Father’s PBGC and Social Security Benefits

On January 4, 2017, an Essex County, New Jersey man was sentenced in U.S. District Court in Newark, New Jersey to 2 years of probation for fraudulently obtaining \$8,033 in PBGC pension benefits and \$131,198 in SSA benefits. The court also sentenced him to 1 year of home detention with electronic monitoring and ordered him to pay \$139,230 in restitution to PBGC and SSA. In September 2016, the defendant had pleaded guilty, admitting to the theft when he

continued to collect SSA and PBGC pension benefits after his father's April 2006 death. The father's death went unreported until 2013. PBGC stopped making pension payments in January 2010 after non-receipt of a Payee Information Form. As part of the plea agreement, the man agreed to make full restitution to PBGC.

Alabama Woman Charged with Theft of Benefits from Vulnerable PBGC Participant

On October 18, 2016, a Dothan, Alabama woman was arrested on state charges of identity theft and theft in connection with her scheme to steal \$1,067 from a PBGC participant suffering from dementia. The woman, who was the girlfriend of the participant's son, assumed the identity of her minor daughter to cash the participant's benefit check, depositing it in a bank account she opened in her minor daughter's name. The participant's son (who is not alleged to be part of the scheme) then attempted to cash the check at a check cashing service on behalf of his mother, but it was rejected as it had already cleared the first bank. Dothan, Alabama Police obtained the warrant and charged the defendant after our office reached out to them. Judicial proceedings are pending.

Former Contract Actuary Debarred

On November 29, 2016, based on information we supplied, PBGC's Suspending and Debarring Official debarred a former PBGC contract actuary who, on numerous occasions, falsely represented himself as an Enrolled Actuary to the federal government. Our investigation revealed that the former contractor perpetrated this scheme by stealing the enrollment number of another actuary and forging a Notice of Active Status letter. He signed 68 Comprehensive Premium Filings with PBGC, signed a Standard Termination Certification of Sufficiency, and signed a written declaration in a civil case with PBGC, while falsely representing himself as an EA. He has been debarred from all federal procurement and non-procurement related activities for three years.

Missouri Woman Faces Charges for Financial Abuse of Her Father-In-Law

On February 28, 2017, the State of Iowa filed felony theft charges against a Bolivar, Missouri woman in connection with her alleged theft of \$12,543 in Social Security and PBGC benefits from her father-in-law, an 83-year-old vulnerable PBGC participant. The participant, who suffers from cognitive issues, was abandoned at a nursing home in Cascade, Iowa in November 2014. The investigation revealed that from November 2014 through May 2016, the woman endorsed and cashed her father-in-law's pension checks and kept the funds for herself. Further, she did not pay any of her father-in-law's expenses at the nursing home. We are working this investigation jointly with the Iowa Department of Inspections and Appeals Medicaid Fraud Control Unit.

Contractor Reimburses PBGC for Unallowable Costs

In December 2016, we received an allegation that a PBGC contractor held meetings with its employees at PBGC’s CCC on 2 days in November 2016 to dissuade them from organizing with a union. Pursuant to Executive Order 13494, those costs are unallowable “costs of ... activities undertaken to persuade employees ... not to exercise ... their right to organize.” We referred the matter to the Procurement Department, who substantiated the allegation. PD verified 6.9 hours that were inappropriately billed to PBGC. The contractor reimbursed PBGC \$274 for the hours.

Senior Government Employee Substantiated Misconduct Investigations

During this reporting period, we did not complete any investigations involving senior government employees² where we substantiated allegations of misconduct.

Closed Investigations

We generally do not post detailed descriptions of investigations or investigative reports on our website due to privacy concerns. To provide necessary information for a prosecutor (criminal) or the agency (administrative) to consider appropriate action, 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 the Investigative Activities section of our SARC, each of which is posted on our website.

The table below contains a list of closed investigations we did not disclose publically. The list includes a column (yes or no) to indicate whether the investigation involved a senior Government employee (“Sr Gov’t Emp”).

Investigation Number	Disposition	Allegation Summary	Date Closed	Sr Gov’t Emp
15-0043-I	Closed - Final	Conflict of Interest	03/29/2017	Yes
17-0001-C	Closed - Complaint to File - No Referral	Non-Criminal	10/05/2016	No
17-0003-C	Closed Complaint - Investigation Initiated	Fraud/Theft	10/17/2016	No

² An officer or employee in the executive branch (including a special Government employee as defined in 18 U.S.C. § 202) who occupies a position classified at or above GS-15 of the General Schedule or, in the case of positions not under the GS, for which the rate of basic pay is equal to or greater than 120 per cent of the minimum rate of basic pay payable for GS-15 of the GS; and any commissioned officer in the Armed Forces in pay grades O-6 and above.

17-0004-C	Closed - Complaint to File - No Referral	Non-Criminal	10/20/2016	No
17-0005-C	Closed - Complaint to File - No Referral	Non-Criminal	10/20/2016	No
17-0005-H	Hotline Closed No Action	Other	02/01/2017	No
17-0009-C	Closed - Complaint to File - No Referral	[N/A]	12/12/2016	No
17-0009-H	Hotline Closed No Action	Participant Benefit Irregularities	02/22/2017	No
17-0010-C	Closed - Complaint to File - No Referral	Participant Benefit Irregularities	02/08/2017	No
17-0011-C	Closed - Complaint to File - No Referral	Other Criminal	02/22/2017	No
17-0012-C	Closed - Complaint to File - No Referral	Pension Benefit Theft - Vulnerable Participant	01/25/2017	No
17-0013-H	Hotline Closed No Action	Participant Benefit Irregularities	03/28/2017	No
17-0018-C	Closed - Complaint to File - No Referral	Other	02/07/2017	No
16-0130-C	Closed - Complaint to File - No Referral	Non-Criminal	10/12/2016	No
16-0131-C	Closed Complaint - Investigation Initiated	Conflict of Interest	12/01/2016	No

Instances of Whistleblower Retaliation

During this reporting period we did not complete any investigations of whistleblower retaliation.

Congressional Request

During this reporting period we did not receive a Congressional request.

Other OIG Statutory Reporting

Access to Information

Section 6(a) of the Inspector General Act grants the Inspector General access to all agency records, information, or assistance when engaged in an investigation or audit. Whenever access to requested records, information or assistance is unreasonably refused or not provided, the Inspector General must promptly report the denial to the agency head.

We have not been denied access nor has assistance been unreasonably refused during this reporting period.

Interference with Independence

During the reporting period, PBGC did not attempt to or actually interfere with our independence by creating budget constraints to limit our capabilities nor were there any incidents where PBGC resisted our oversight or delayed our access to information, including the justification of the establishment for such action.

Outstanding Management Comment and Unimplemented Recommendations

There were no audit, inspection, or evaluation reports issued (1) for which no management comment was returned within 60 days of being provided with the report and (2) for which there were outstanding unimplemented recommendations.

Management Decisions

There were no management decisions of a material nature with which we did not agree.

Review of Proposed Statutory and Regulatory Changes

Under the IG Act, the OIG is responsible for reviewing PBGC proposed changes to laws and regulations. During this reporting period, we did not review or provide comment on any proposed changes to laws or regulatory actions.

Peer Review

Audit: *Generally Accepted Government Auditing Standards* require each audit organization to obtain an external review of its system of quality control every three years and make the results publicly available.

During this period, there were no peer reviews of our Audits, Evaluations and Reviews Division. On June 29, 2016, the National Science Foundation Office of Inspector General issued a report of its External Peer Review of our audit organization and opined that our system of quality control for the year ending September 30, 2015 has been “suitably designed and complied with to provide our office with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.” Audit organizations can receive a rating of pass, pass with deficiencies, or fail. We received an External Peer Review rating of pass. A copy of this peer review is on our website at <http://oig.pbgc.gov/pdfs/PeerReview2016.pdf>.

Our audit organization completed an external peer review of the Federal Housing Finance Agency Office of Inspector General and we issued our report on February 28, 2017. FHFA OIG received a peer review rating of pass.

Investigations: During this period, there were no peer reviews of our Investigations Division. Further, the Investigations Division did not conduct an external peer review or issue any report on an external peer review.

Restricted Access Audit, Inspection or Evaluation Reports

With limited exceptions, we post all audit, inspection and evaluation reports on our website within three days of issuing the final report to PBGC. We generally do 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 use restricted disclosure and other non-public audit, inspection or evaluation reports to disclose that we have conducted work on sensitive subject matters. However, in lieu of posting full text reports, we post a high-level summary or redacted version, and summarize sensitive matters in our Semiannual Reports to Congress.

The table below contains information on reports that we did not fully disclose to the public.

Report Number	Report Title	Issue Date	Summary
LTR 2017-04 / FA-16-110-3	FY 2016 FISMA Submission to OMB	11/10/2016 Restricted Disclosure	We submitted the mandated template report to OMB on the evaluation of PBGC's information security program and practices to determine compliance with FISMA.
EVAL-2017-8 / FA-16-110-6	FY 2016 Vulnerability Assessment and Penetration Testing	02/22/2017 Restricted Disclosure	Assessment of PBGC's information security infrastructure for technical weaknesses that may allow employees or outsiders to cause harm to, and/or impact, PBGC's business processes and information.

APPENDICES

Cross-Reference to Reporting Requirements of the Inspector General Act

Inspector General Act Reference	Reporting Requirements	Page(s)
Section 4(a)(2)	Review of legislation and regulations.	23
Section 5(a)(1)	Significant problems, abuses, and deficiencies.	7-22
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies.	7-22
Section 5(a)(3)	Prior significant recommendations on which corrective action has not been completed.	30
Section 5(a)(4)	Matters referred to prosecutorial authorities.	19, 28
Section 5(a)(5)	Summary of instances in which information was refused.	None
Section 5(a)(6)	List of audit reports by subject matter, showing dollar value of questioned costs and recommendations that funds be put to better use.	32
Section 5(a)(7)	Summary of each particularly significant report.	10-22
Section 5(a)(8)	Statistical table showing number of reports and dollar value of questioned costs.	32
Section 5(a)(9)	Statistical table showing number of reports and dollar value of recommendations that funds be put to better use.	32
Section 5(a)(10)	**NEW** Summaries of each audit, inspection, and evaluation report issued (1) for which no management comment was returned within 60 days of being provided with the report and (2) for which there are outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations.	23
Section 5(a)(11)	Significant revised management decisions.	23
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees.	23
Section 5(a)(14)	Results of peer review.	24
Section 5(a)(15)	Outstanding recommendations from any peer review conducted by another OIG.	24
Section 5(a)(16)	Any peer reviews performed of another OIG.	24
Section 5(a)(17)	**NEW** Statistical table showing, during that reporting period, the: <ul style="list-style-type: none"> • Number of investigative reports issued, • Number of persons referred to DOJ for criminal prosecution, • Number of persons referred to State and Local authorities for criminal prosecution, • Number of criminal indictments and criminal informations resulting from any prior referrals to prospective authorities. 	28-29
Section 5(a)(18)	**NEW** A description of the metrics used to develop the data for the statistical tables in (a)(17).	29
Section 5(a)(19)	**NEW** A detailed description of each investigation involving a senior Government employee where allegations of misconduct were substantiated, including: <ul style="list-style-type: none"> • A detailed description of the facts and circumstances of the investigation; and 	21

	<ul style="list-style-type: none"> • A detailed description of the status and disposition of the matter, including, if referred to DOJ, the date of referral and, if declined by DOJ, the date of declination. 	
Section 5(a)(20)	<p>**NEW** A detailed description of any instance of whistleblower retaliation, including</p> <ul style="list-style-type: none"> • Information about the official found to have engaged in retaliation, and • The consequences the agency imposed to hold the official accountable. 	22
Section 5(a)(21)	<p>**NEW** A detailed description of any attempt by the establishment to interfere with the independence of the OIG, including:</p> <ul style="list-style-type: none"> • With budget constraints designed to limit OIG capabilities; and • Incidents where the establishment has resisted OIG oversight or delayed OIG access to information, including the justification of the establishment for such action. 	23
Section 5(a)(22)	<p>**NEW** A detailed description of the particular circumstances of each:</p> <ul style="list-style-type: none"> • Inspection, evaluation, and audit conducted by the OIG that is closed and was not publicly disclosed, and • Investigation conducted by the OIG involving a senior Government employee that is closed and was not disclosed to the public. 	24-25

STATISTICAL SUMMARY OF AUDIT AND INVESTIGATIVE ACTIVITIES

For the Six-Month Period Ending March 31, 2017

Audits/Inspections/Evaluations Issued	
Number of Reports	8
Number of Recommendations	43

Special Reports Issued	
Number of Reports	1
Number of Recommendations	0

Investigative Reports Issued	
Number of Reports	1
Number of Recommendations	0

Management Decisions	
Open Recommendations Beginning of Period	86
Opened This Period	43
Closed This Period	43
Open Recommendations End of Period	86
Reports with Open Recommendations End of Period	22

Investigative Workload	Investigations
Opened	62
Closed	47

Persons Referred for Prosecution	Federal Prosecutors	State or Local Prosecutors
Presented	6	2
Accepted	4	2
Declined	1	0

Criminal Actions	Federal Prosecutors	State or Local Prosecutors
Indictments	0	2
Information	0	0
Convictions	1	0
Sentencings	2	0

Financial Recoveries	Federal Prosecutors	State / Local Prosecutors
Court Ordered Fines, Penalties, and Restitution and Administrative Recoveries	\$11,257	\$0
Administrative Actions		
Action Referrals	3	

We used the following metrics to develop the data for the statistical tables above.

- The number of investigative reports issued is based on investigative reports we issued to management for action. This number does not include any investigations that were closed without a referral to management for action.
- The number of persons referred for prosecution includes any person or corporation that was referred to DOJ, state, or local authorities for consideration of criminal prosecution.
- The number of criminal actions includes indictments, informations, convictions, and sentencings brought against a person or corporation based on prior referrals to prospective authorities.

PREVIOUSLY REPORTED SIGNIFICANT RECOMMENDATIONS FOR WHICH CORRECTIVE ACTION HAS NOT BEEN TAKEN³

For the Six-Month Period Ending March 31, 2017

Report Number, Report Title and Date Issued	Number of Significant Recommendations ⁴	Significant Problems and Deficiencies	Summary of Significant Recommendations
2014-03/FA-13-92-2 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2013 and 2012 Financial Statements Audit 11/15/2013 and 2015-03/FA-14-101-3 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2014 and 2013 Financial Statements Audit 11/14/2014 and 2016-3/FA-15-108-3 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2015 and 2014 Financial Statements Audit 11/13/2015	2 1 1	Controls over the Present Value of Future Benefit Liability	The calculation and documentation of the Present Value of Future Benefits and the valuation of plan assets.
2016-3/FA-15-108-3 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2015 and 2014 Financial Statements Audit 11/13/2015	3	Entity-Wide Security Program Planning & Management	PBGC needs to complete its efforts to fully implement and enforce an effective information security program. They need to complete the design, implementation and testing of security

³ Includes recommendations for which management submitted a request for closure prior to March 31, 2017, but such request had not been reviewed and closed by OIG prior to the end of this reporting period.

⁴ Includes all Material Weaknesses and Significant Deficiencies in the [2016-3/FA-15-108-3 Report](#).

			controls, implement an effective certification and review process, and correct identified access control vulnerabilities.
2008-02/FA-0034-2 Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit 11/5/2007	2	Access Controls and Configuration Management	PBGC needs to mitigate the systemic issues related to information access controls.
2015-03/FA-14-101-3 Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2014 and 2013 Financial Statements Audit 11/14/2014	1	Controls over Premium Income	PBGC needs to operate effective control activities over the recording of premium income.
2016-08/PA-15-107 Audit of the Effectiveness of PBGC's Governance of Internal Control	1	Risk Assessment	PBGC needs to require participation in the entity-wide risk assessment for all significant program areas.

RESULTS OF REPORTS ISSUED

For the Six-Month Period Ending March 31, 2017

	Number of Reports	Questioned Costs	Unsupported Costs	Funds Put to Better use
A. For which no management decision had been made by the commencement of the reporting period.	0	\$-	\$-	\$-
B. Which were issued during the reporting period.	8			
FY 2016 Federal Information Security Modernization Act Independent Evaluation Report		\$-	\$-	\$-
Fiscal Year (FY) 2016 Vulnerability Assessment and Penetration Testing Report		\$-	\$-	\$-
Pension Benefit Guaranty Corporation's FY 2016 Financial Statement Audit Management Letter		\$-	\$-	\$-
Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2016 and 2015 Financial Statements Audit		\$-	\$-	\$-
Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2016 and 2015 Financial Statements		\$-	\$-	\$-
Audit of Pension Benefit Guaranty Corporation's Financial Statement Closing Package for Fiscal Years 2016 and 2015		\$-	\$-	\$-
Inspection of PBGC's Employee Mass Transit Benefit Program-Fiscal Year 2016		\$-	\$-	\$-
Agreed-Upon Procedures Report on the Pension Benefit Guaranty Corporation's Multiemployer Insurance Program		\$-	\$-	\$-
Total (Add A. & B.)	8			
C. For which a management decision was made during the reporting period	8			
(i) dollar value of disallowed costs	0	\$-	\$-	\$-
(ii) dollar value of costs not disallowed	0	\$-	\$-	\$-
D. For which no management decision had been made by the end of the reporting period	0	\$-	\$-	\$-
E. For which no management decision was made within six months of issuance	0	\$-	\$-	\$-

Summary of PBGC Open Recommendations

as of March 31, 2017

	Rec. Number	Date Issued	Report Title Recommendation
1	BAPD-116	5/14/2013	FY 2012 Financial Statement Audit Management Letter BAPD management should refine their monitoring procedures within the Participant Data Review process to ensure that each reviewer verifies that the staff selects the appropriate sample size in accordance with their prescribed procedures.
2	BD-04	2/2/2017	FY 2016 Financial Statement Audit Management Letter Report Draft and submit for OMB approval funds control regulations that incorporate the required elements as described in OMB A-11, Appendix H.
3	BD-05	2/2/2017	FY 2016 Financial Statement Audit Management Letter Report Develop and maintain a log to record and monitor all realignment of funds requests entered into the Consolidated Financial System by other departments. The log should be reviewed and reconciled to the realignment of funds requests entered into CFS.
4	BD-06	2/2/2017	FY 2016 Financial Statement Audit Management Letter Report Develop a procedures manual detailing the process for processing authorizing realignment of funds requests. The procedures manual should be reviewed and approved by the Budget Director.
5	CCRD-14	2/27/2015	FY 2014 Management Letter PBGC should update their A-123 Internal Control Assessment Procedures to include: (a) Thorough explanation of the criteria and selection process used to determine controls selected for testing on the three-year rotational basis. The rotation plan should allow for management to revise their selections based on changing environment and/or processes and (b) A testing procedure to verify the completeness of the populations' files is performed prior to sampling. If not applicable, CCRD should document its rationale/approach for not verifying the completeness of the population.
6	FISMA-14-15	5/6/2015	FY 2014 Federal Information Security Management Act Independent Evaluation Report Develop, document and implement a process for the timely assessment of employees and contractors transferred or promoted to a new position or role to determine whether the risk-level has changed.
7	FISMA-15-01	2/19/2016	FY 2015 Federal Information Security Modernization Act Final Report Fully implement Splunk Enterprise in PBGC, including its SIEM capability.
8	FISMA-15-02	2/19/2016	FY 2015 Federal Information Security Modernization Act Final Report Require system owners to fully implement Splunk Enterprise for PBGC major applications.

9	FISMA-15-03	2/19/2016	FY 2015 Federal Information Security Modernization Act Final Report Ensure the consistent use of the Event Analysis Checklist as part of the event analysis process.
10	FISMA-15-04	2/19/2016	FY 2015 Federal Information Security Modernization Act Final Report PBGC should remove native file transfer protocol from any remaining systems.
11	FISMA-15-05	2/19/2016	FY 2015 Federal Information Security Modernization Act Final Report Perform scheduled credentialed scans to include all the systems and update PBGC policies and procedures to require regular credentialed scans.
12	FISMA-15-07	2/19/2016	FY 2015 Federal Information Security Modernization Act Final Report Evaluate existing controls and determine effectiveness to ensure annual security control assessments are timely completed for all major applications and general support systems.
13	FISMA-15-08	2/19/2016	FY 2015 Federal Information Security Modernization Act Final Report PBGC should increase records management controls and monitoring to ensure all required personnel timely complete role-based training.
14	FISMA-16-01	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report Complete research on whether 4,100 Oracle service accounts can be made compliant with the new FY 2016 password and lockout standards, while continuing to implement procedures to consistently apply password and account lockout settings for databases.
15	FISMA-16-02	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should ensure that adequate time is provided to complete the account recertification by the deadline.
16	FISMA-16-03	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report Implement quarterly reviews of the "Status and Archive" to verify system authorization artifacts and information are stored within CSAM.
17	FISMA-16-04	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report Update PBGC policy to clarify the requirements for maintaining the plan of action and milestone and security assessment report generated for the authorization to operate package.

18	FISMA-16-05	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report Update the RMF Process to clearly state where system security documentation and artifacts are required to be loaded into CSAM.
19	FISMA-16-06	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should establish its organizational risk tolerance and integrate all organizational processes, procedures, and risks with this risk tolerance.
20	FISMA-16-07	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should ensure adequate staffing for the annual review of major applications and general support systems risk assessments.
21	FISMA-16-08	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report Update the Information Security Risk Management Framework Process to refer to the Cybersecurity and Privacy Catalog for the requirements for a risk assessment.
22	FISMA-16-09	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should develop and implement a secondary review process between the Human Resource Department and Workplace Solutions Department to ensure completion of Form I-9, Employment Eligibility Verification.
23	FISMA-16-10	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should enhance the review process to ensure the completion of the PBGC Separation Form 169/C and annotate when completion is not required.
24	FISMA-16-11	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should provide training to Federal Managers and contracting officer's representatives to ensure adherence to PBGC policy during the separation process for timely completion of the Separation Form 169/C and initiation of separation requests in the GetIT system.
25	FISMA-16-12	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should enhance the process for removing separated and inactive accounts to include applications, not just Active Directory.
26	FISMA-16-13	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should develop and implement process and procedures and require all users with access to PBGC systems or information complete security awareness training.

27	FISMA-16-14	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should assign a senior organizational official, and develop and implement an insider threat detection and prevention program.
28	FISMA-16-15	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report As required by FISMA, PBGC should complete a Business Impact Analysis in accordance with NIST guidance.
29	FISMA-16-16	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should use its Business Impact Analysis in determining the categorization and recovery time objective of the PLUS application.
30	FISMA-16-17	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should ensure that security definitions across its systems and documentation are consistent.
31	FISMA-16-18	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should ensure that security documentation do not contradict each other and are consistent with its policy.
32	FISMA-16-19	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should develop and implement processes and procedures for effective communication of its security policies and processes.
33	FISMA-16-20	3/22/2017	FY 2016 Federal Information Security Modernization Act Independent Evaluation Report PBGC should improve its process of communicating continuity of operations plan test plans and test results to ensure errors in documentation is eliminated for effective reporting to its stakeholders.
34	FOD-401	2/2/2017	FY 2016 Financial Statement Audit Management Letter Report FOD management should acknowledge that they are aware of the roles and responsibilities in the Premium Practitioner System release process, which could be done by having management sign the training slides.
35	FOD-402	2/2/2017	FY 2016 Financial Statement Audit Management Letter Report PBGC should immediately implement controls to separate the duties of the Certifying Officer and Data Entry Officer.
36	FS-07-08	11/15/2007	Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit Remove unnecessary user and/or generic accounts.
37	FS-07-14	11/15/2007	Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit Implement controls to remedy vulnerabilities noted in key databases and applications include weaknesses in configuration, roles, privileges, auditing, file permissions, and operating systems access.

38	FS-07-17	11/15/2007	<p>Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit</p> <p>Implement a logging and monitoring process for application security related events and critical system modifications (i.e. CFS, PAS, TAS, PRISM, and IPVFB).</p>
39	FS-13-01	11/15/2013	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporations' Fiscal 2013 and 2012 Financial Statements Audit</p> <p>PBGC should promptly correct the errors in its calculations identified by the auditors.</p>
40	FS-13-02	11/15/2013	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2013 and 2012 Financial Statements Audit</p> <p>PBGC should develop and implement improvements to the BAPD Systems (SPECTRUM and the Integrated Present Value of Future Benefits) systems to: Record and value separate benefit components payable under different annuity forms; Record and value anticipated future benefit amount changes; Value temporary joint and survivorship benefits.</p>
41	FS-14-06	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>Expand modernization efforts to Spectrum and the Integrated Present Value of Future Benefits systems to: (1) Value the actual popup benefit for Joint and Survivor Popup annuity forms. (2) Value non-level and surviving spouse benefits without the need for supplemental tables.</p>
42	FS-14-12	3/21/2014	<p>FY 2013 Federal Information Security Management Act Final Report</p> <p>Assess and document the adequacy of PBGC's current data loss prevention controls in place and determine if additional controls are needed based on cost and risk.</p>
43	FS-14-15	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>FOD should perform a comprehensive analysis of key data inputs (e.g., participant count, market value, etc.) between Form 5500 and Comprehensive Premium Filing to identify significant variances. In addition, management should develop a risk analysis that focuses on evaluating the underlying causes of the significant variances identified from the comprehensive analysis and assess the potential impact to the completeness assertion for premiums.</p>
44	FS-14-41	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>The Actuarial Services Division/BAPD should undertake a consolidation and codification of its technical procedures and actuarial practices into a single documentation source for single-employer plan valuations.</p>
45	FS-14-42	11/14/2014	<p>Report of Internal Controls related to the PBGC's Reporting for FY 2014 and FY 2013 Financial Statements Audit</p> <p>The Actuarial Services Division/BAPD should undertake a consolidation and codification of its technical procedures and actuarial practices into a single documentation source for multiemployer plan valuations.</p>

46	FS-15-01	11/13/2015	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2015 and 2014 Financial Statement Audit</p> <p>Investigate the cause underlying the Integrated Present Value Futures Benefit valuation of the terminated recoupment and include the correction of that flaw to the Integrated Present Value Futures Benefit system modernization project.</p>
47	FS-15-02	11/13/2015	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2015 and 2014 Financial Statement Audit</p> <p>Complete the PBGC RMF transition, fully implement the entity-wide information security risk management program and provide periodic updates to stakeholders.</p>
48	FS-15-03	11/13/2015	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2015 and 2014 Financial Statement Audit</p> <p>Complete the migration to NIST SP 800-53, Revision 4, Security and Privacy Controls for Federal Information Systems and Organizations and provide periodic updates to stakeholders.</p>
49	FS-15-04	11/13/2015	<p>Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's FY 2015 and 2014 Financial Statement Audit</p> <p>Complete the implementation of NIST SP 800-53, Revision 4 controls for common controls, remediation of common controls weaknesses, and make available to system owners in Cyber Security Assessment and Management for appropriate inclusion in their system security plans.</p>
50	FS-16-01	11/15/2016	<p>Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's FY 2016 and 2015 Financial Statements</p> <p>Develop and/or implement improvements to the OBA systems used to calculate benefits and liabilities (Integrated Present Value Futures Benefit and SPECTRUM) to: (1) Value annuities starting before the age of 15. (2) Value joint survivor to same-sex beneficiaries.</p>
51	FS-16-02	11/15/2016	<p>Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's FY 2016 and 2015 Financial Statements</p> <p>Perform risk assessment to identify primary cause of data entry and inaccurate use of plan data provision errors.</p>
52	FS-16-03	11/15/2016	<p>Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2016 and 2015 Financial Statements</p> <p>Implement corrective action to address root cause of data entry and inaccurate use of plan data provisions.</p>

53	FS-16-04	11/15/2016	<p>Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's FY 2016 and 2015 Financial Statements</p> <p>Prepare separate annual assumption memos for the multiemployer and single-employer programs, with each assumption memo incorporating more refined key assumptions applicable to each program.</p>
54	FS-16-05	11/15/2016	<p>Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's FY 2016 and 2015 Financial Statements</p> <p>Consider methods of calculating, reviewing, and documenting plan level adjustments to the Integrated Present Value Futures Benefit inputs in order to take individual plan conditions into account.</p>
55	FS-16-06	11/15/2016	<p>Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's FY 2016 and 2015 Financial Statements</p> <p>Refine current quality control review procedures to effectively minimize data input errors.</p>
56	FS-16-07	11/15/2016	<p>Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's FY 2016 and 2015 Financial Statements</p> <p>Fully implement controls to plan, remove and decommission unsupported systems and databases.</p>
57	FS-16-08	11/15/2016	<p>Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's FY 2016 and 2015 Financial Statements</p> <p>Develop and implement plan of action for addressing known security weaknesses.</p>
58	HRD-17	9/30/2014	<p>Audit Incentives Related to Recruitment, Retention and Relocation</p> <p>In accordance with the CFR and OPM policy, establish written requirements for determining proposed incentive rates for student loan repayment program benefits.</p>
59	HRD-18	9/30/2014	<p>Audit Incentives Related to Recruitment, Retention and Relocation</p> <p>Periodically provide information to PBGC managers on Recruitment, Retention and Relocation incentives and student loan repayment program including the procedures for nomination, writing justifications, and required supporting documentation.</p>
60	MEPD-01	1/27/2017	<p>Agreed-Upon Procedures Report on the PBGC Multiemployer Insurance Program</p> <p>Review the exceptions identified in the Agreed-Upon Procedures Report on the Pension Benefit Guaranty Corporation Multiemployer Insurance Program, determine which exceptions require benefit adjustments from plan sponsors, and seek recoupment if necessary.</p>
61	NRAD-06	2/2/2017	<p>FY 2016 Financial Statement Audit Management Letter Report</p> <p>Office of Negotiations and Restructuring Actuarial Division update the total funding target for sample 37 (Thyssen Krupp AG).</p>

62	NRAD-07	2/2/2017	FY 2016 Financial Statement Audit Management Letter Report Office of Negotiations and Restructuring Actuarial Division should strengthen its quality control review process to verify that all key data is properly entered and the liability is properly calculated.
63	OBA-01	2/2/2017	FY 2016 Financial Statement Audit Management Letter Report Include a written policy for timely submission of the required Plan Close Completion documentation for submission into IPS.
64	OBA-02	2/2/2017	FY 2016 Financial Statement Audit Management Letter Report Perform on a monthly basis, a documented independent verification of the benefit payment controls to confirm that management's objectives are accomplished.
65	OIT-117R	5/16/2013	FY 2012 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
66	OIT-121R	5/16/2013	FY 2012 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
67	OIT-123R	1/9/2014	FY 2013 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
68	OIT-128R	1/9/2014	FY 2013 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
69	OIT-133R	3/30/2015	OITs FY 2014 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
70	OIT-139R	3/30/2015	OITs FY 2014 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
71	OIT-153R	12/11/2015	FY 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
72	OIT-154R	12/11/2015	FY 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.

73	OIT-155R	12/11/2015	FY 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
74	OIT-156R	12/11/2015	FY 2015 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
75	OIT-157R	2/22/2017	FY 2016 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
76	OIT-158R	2/22/2017	FY 2016 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
77	OIT-159R	2/22/2017	FY 2016 Vulnerability Assessment and Penetration Testing Report (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
78	PBGC-03	11/16/2010	Evaluation of PBGC's Strategic Preparations for a Potential Workload Influx Develop a workforce strategy tailored to address gaps in numbers, deployment, and alignment of the human capital to be obtained through contracts. This strategy, which might incorporate aspects of PBGC's Human Capital Strategy, should reflect the importance of the contract workforce to PBGC and support linkage of staffing and contracting decisions at the corporate level.
79	PRAD-02	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress Conduct a strategic review of PRAD's business process, observing and documenting work for all actuarial work products developed by PRAD staff and contractors. PRAD should use the results of the review as a foundation for the Quality Assurance Procedures Manual, identifying critical control points, which can be used by management to ensure procedures which promote standard application of work and effective quality review, and which ensure identification of all federal records.
80	PRAD-03	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress Once business processes are reviewed to identify control points, augment the PRAD Quality Assurance Procedures Manual and associated documentation to detail steps used in the performance of all modeling and actuarial work, so that actuarial work products can be reproduced and undergo effective and well-documented quality review. The Quality Assurance Procedures Manual should include review and oversight methods for consistent use and enforcement of procedures, appropriate approval, and escalation of issues identified.

81	PRAD-04	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress Provide training to PRAD staff on the use of the Manual and its relationship to any additional procedural documents maintained in the department.
82	PRAD-05	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress Modify the PRAD Manual to require that all actuarial work and modeling products are completed in accordance with actuarial standards, internal PBGC policies, and federal records management and internal control requirements.
83	PRAD-06	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress PRAD should complete documentation of all records management procedures. The procedures should include clear control points for record retention procedures, identify all storage areas used in the creation, identification and formalization of records, ensure File Plan integration, and establish supervisory quality checks. All staff and contractors should receive training on finalized procedures, and annually thereafter.
84	PRAD-07	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress To manage ad hoc requests, PRAD should develop, implement and monitor documented procedures that designate responsibility for a centralized repository, which at minimum documents the incoming request, date received, to whom assigned, requestor, resolution of response, supervisory review, and completion date.
85	PRAD-08	1/30/2015	PBGC Compliance with MAP-21 Still a Work in Progress PRAD should work with WSD and OIT to assess and implement access controls for actuarial information throughout the entire actuarial reporting process, and incorporate where actuarial records are created, developed and identified, in accordance with federal regulations and PBGC policies and procedures.
86	RMO-01	6/9/2016	Audit of the Effectiveness of PBGC's Governance of Internal Control Require participation in the entity-wide risk assessment for all significant program areas, and update and align risk assessment policy and guidance so that risks which are distinctive to PBGC's program areas are identified and analyzed and substantively discussed among PBGC leaders.

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If you want to confidentially report or discuss any instance of misconduct, fraud, waste, abuse, or mismanagement involving PBGC programs and operations, please contact the PBGC Office of Inspector General.

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Or Write:

Pension Benefit Guaranty Corporation

Office of Inspector General

1200 K Street NW, Suite 480

Washington, DC 20005