

Office of Inspector General
Pension Benefit Guaranty Corporation

Semiannual Report to Congress

For the Period April 1, 2019 to September 30, 2019



SARC #61

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 April 1, 2019 through September 30, 2019.

We continued our work addressing top risks facing the Corporation, including data protection and contractor oversight. Our auditors issued a report on PBGC’s efforts to reduce the use of social security numbers that will aid management in reducing its data protection risk, and our criminal investigators identified another former PBGC contractor who stole participant data to commit identify theft. Our multi-discipline approach to data protection was recently recognized with a 2019 Award for Excellence from the Council of the Inspectors General on Integrity and Efficiency. We attribute our impact in this area to our philosophy of “independent, positive engagement.” In addition to final audit reports and formal criminal charges, the OIG and management work closely on matters of mutual concern such as program fraud and insider threats. At the same time, we hold management to high standards.

We continue to enhance our oversight capabilities in our three areas of emphasis for the benefit of the Congress, the Board of Directors, PBGC management, plan participants, and plan sponsors. These three areas are: data analytics and visualization, contractor oversight, and integrity and compliance. Earlier in the fiscal year, we articulated a long-term strategy and developed a capability, or maturity, model to assess our success. This reporting period we have matured our capabilities in all three areas. We initiated three new data matching projects, two contract oversight projects, and identified 88 additional instances of deceased participants in pay status. We once again thank the Board and Board staff for your support and commend Director Hartogensis for establishing and maintaining a strong tone at the top.

Respectfully submitted,

Robert A. Westbrooks

Robert A. Westbrooks
Inspector General

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Statement Regarding Plain Writing

We strive to follow the Plain Writing Act of 2010. The Act requires that government documents be clear, concise, well-organized, and follow other best practices appropriate to the subject or field and intended audience. The abbreviations we use in this report are listed below.

Abbreviations

BAPD	Benefits Administration and Payment Department
BCV	Benefit Calculation and Valuation
CCRD	Corporate Controls and Reviews Department
C.F.R.	Code of Federal Regulations
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CLA	CliftonLarsonAllen, LLP
CRM	Customer Relationship Management System
ERISA	Employee Retirement Income Security Act of 1974
ERM	Enterprise Risk Management
FDIC	Federal Deposit Insurance Corporation
FHFA	Federal Housing Finance Agency
FISMA	Federal Information Security Modernization Act
FOD	Financial Operations Department
FY	Fiscal Year
GAO	Government Accountability Office
HHS	Department of Health and Human Services
ICC	Internal Control Committee
IPA	Independent Public Accounting Firm
IPIA	Improper Payment Information Act
IPVFB	Integrated Present Value of Future Benefits
IT	Information Technology
ITIOD	IT Infrastructure Operations Department
MAP-21	Moving Ahead for Progress in the 21 st Century Act
ME	Multiemployer
MEPD	Multiemployer Program Division
NIST	National Institute of Standards and Technology
OBA	Office of Benefits Administration
OPM	Office of Personnel Management
OGC	Office of General Counsel
OIG	Office of Inspector General
OIT	Office of Information Technology
OMB	Office of Management and Budget
OSDBU	Office of Small and Disadvantaged Business Utilization

PAE	Plan Asset Evaluation
PBGC	Pension Benefit Guaranty Corporation
PD	Procurement Department
PDR	Participant Data Review
PII	Personally Identifiable Information
PMP	Participant Management Program
PRAD	Policy Research and Analysis Department
QAP	Quality Assurance Plan
SARC	Semiannual Report to Congress
SEC	Securities and Exchange Commission
SSA	Social Security Administration
SSN	Social Security Number
STCD	Standard Terminations Compliance Division
TEP	Technical Evaluation Panel
U.S.C.	United States Code
WSD	Workplace Solutions Department

Executive Summary

During the period April 1, 2019 through September 30, 2019, we:

- Closed 4 recommendations and issued 13 new recommendations. The total number of open audit recommendations is 84. (Page 17)

- Issued the following reports:
 - **PBGC’s Fiscal Year 2018 Compliance with the Improper Payments Elimination and Recovery Act.** We found PBGC complied with improper payment requirements and payments were not susceptible to significant improper payments. (Page 17)

 - **Use of the Women-Owned Small Business Federal Contracting Set-Aside Program.** We found that while PBGC complied with the Small Business Act requirement of appointing an Office of Small and Disadvantaged Business Utilization (OSDBU) Director, the Corporation had not complied with the requirements for aligning the OSDBU Director within the reporting hierarchy of the Corporation, and PBGC had not provided training to contracting officers for the various small business programs. (Page 17)

 - **PBGC’s Telework Program.** We found PBGC has opportunities to improve the effectiveness of its internal controls by updating telework guidance, improving telework timekeeping responsibilities, and improving the accuracy of information reported to the Office of Personnel Management (OPM). (Page 18)

 - **PBGC’s Efforts to Reduce the Collection, Maintenance, and Use of Social Security Numbers.** We found additional steps are necessary given the volume of legacy documents containing Social Security Numbers (SSNs), the Corporation’s continued acquisition of trustee plan documents containing SSNs, and known risks and limitations in PBGC information systems. (Page 18)

 - **PBGC’s Property Management Program.** We found PBGC could reduce the risk of property loss or theft by strengthening its internal controls related to receiving property and annual inventory follow-up. (Page 19)

 - **PBGC’s Compliance with the Digital Accountability and Transparency Act.** Overall, we rated PBGC data to be of “higher” quality based on established standards. However, we observed some inconsistencies, variances and errors that might have

impacted PBGC's reporting of reliable and consistent federal spending data for public use. (Page 19)

- Continued work on our **Deceased Participants Program**. In February 2017, our Office of Investigations initiated a computer matching program to identify PBGC benefits being paid to deceased participants. During this reporting period, we expanded this initiative to include the multiemployer program as well. During this reporting period, we identified 88 deceased participant cases, which we referred to management for coordination to terminate benefits and seek recoupment. To date, we have identified 178 instances of improper payment or fraud relating to deceased participants in the single-employer and multiemployer programs. (Page 22)

Background

The Pension Benefit Guaranty Corporation

The Employee Retirement Income Security Act of 1974 (ERISA) established the Pension Benefit Guaranty Corporation (PBGC) 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 nearly 37 million American workers in more than 25,000 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 FY 2018 PBGC paid \$5.8 billion in monthly retirement benefits to more than 861,000 retirees in over 4,900 single-employer plans. It also paid \$153 million in financial assistance to 81 multiemployer plans.¹

PBGC faces significant, long-standing, and well-known risks. With the premium base declining as fewer employers offer defined benefit plans, both pension insurance programs face long-term funding challenges; but the financial condition of the multiemployer program is particularly dire. In 2003, the Government Accountability Office (GAO) 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 2018, PBGC's net deficit in the combined programs was \$51.5 billion. PBGC's estimate of the reasonably possible exposure to loss in the single-employer program is \$175.4 billion; the reasonably possible exposure in the multiemployer program is \$9.4 billion. According to the PBGC's FY 2018 Projections Report, the multiemployer pension insurance program shows a very high likelihood of insolvency during FY 2025 and that insolvency is a near certainty by the end of FY 2026.

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 under ERISA 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

¹ Unless otherwise cited, the figures contained in this section are based on PBGC's 2018 Annual Report.

Corporation from different perspectives. Oversight by the PBGC Board, PBGC management, and OIG is critical to effective corporate governance.

The Office of Inspector General

The PBGC Office of Inspector General was created under the 1988 amendments to the Inspector General Act of 1978 (IG Act). 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, Deputy Inspector General, the Chief Counsel, and the Assistant Inspectors General. An Assistant Inspector General for Audits leads our audit staff, an Assistant Inspector General for Investigations leads our investigative staff, and an Assistant Inspector General for Management leads office operations.

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 sensible solutions through independent, positive engagement. We focus our available resources on high-risk areas and continuously seek ways to increase value to our stakeholders. During FY 2019, we updated our risk assessment of PBGC programs and operations. We also created an OIG capability model to measure long-term progress in our three oversight imperatives: Contracting, Data Analytics and Visualization, and Compliance and Integrity.

We also actively participate in and support OIG community activities. The Inspector General serves as chair for the Professional Development Committee of the Council of the Inspectors General for Integrity and Efficiency and serves on the CIGIE Executive Council. Our Assistant Inspector General for Audits represents our office on the CIGIE Inspections and Evaluations Committee. Our Deputy IG represents our office on the CIGIE Enterprise Risk Management

Working Group. Our Chief Counsel represents our office on the Chief Counsels of Inspectors General Employment Law Working Group.

Lastly, several of our staff have been awarded a 2019 CIGIE Award for Excellence in recognition of their outstanding achievements in improving the effectiveness of PBGC's data protection practices and enhancing the integrity of the benefit payment program.

Management Challenges

Information Security

As stated in PBGC's Strategic Plan for 2018-2022, protecting retiree income by paying benefits on time and accurately is a statutory requirement and one of the fundamental reasons PBGC exists. In FY 2018, the Corporation paid \$5.8 billion to more than 861,000 retirees in single-employer plans. PBGC relies on information systems and electronic data to carry out operations and to process, maintain and report essential information. Many of PBGC's systems contain vast amounts of personally identifiable information (PII), including approximately two million Social Security Numbers for active customers. It is PBGC's responsibility to protect the confidentiality, integrity and availability of this information.

GAO has identified information security as a government-wide high-risk since 1997 and expanded the risk in 2015 to include protecting the privacy of PII. Protecting PBGC networks, systems, and data is a long-standing and continuing management challenge.

Management has made some progress in information security and identifies maintaining effective IT security as a strategic objective within their Strategic Goal to maintain a High Standard of Stewardship and Accountability. In 2009, we found PBGC had a material weakness with their entity-wide security program planning and management, and access control and configuration management. In our FY 2015 internal controls report, IT conditions we previously reported as material weaknesses resulting in an adverse opinion on internal control were downgraded to significant deficiencies. In FY 2017, management took corrective actions regarding entity-wide security program planning and management. As a result, this area is no longer a reportable condition.

However, as noted in our FY 2018 financial statement audit report, access control and configuration management remain long-standing concerns and significant deficiencies. Two of our oldest open audit recommendations date back to FY 2007 and relate to remedying vulnerabilities identified in key databases, and implementing a logging and monitoring process

for major applications. In June 2019, PBGC submitted these recommendations for closure and we are reviewing whether PBGC has made sufficient progress to close the recommendations.

Office of Management and Budget memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information* states, “The unprecedented volume of PII maintained by the Federal Government today, coupled with the rapidly evolving threat and risk landscape, necessitate that agencies take an aggressive approach to protecting Federal information resources.” Our office has noted PII concerns beginning with our FY 2010 report, *PBGC Needs to Improve Controls to Better Protect Participant Personally Identifiable Information (PII)*, and in a limited distribution Risk Advisory, *Personally Identifiable Information and Data Loss Prevention Control Weaknesses*, issued in 2017.

Our FY 2018 Federal Information Security Modernization Act (FISMA) audit found that PBGC improved its information security program, completing corrective actions to close 12 of 24 recommendations reported in the FY 2017 FISMA audit. No weaknesses were identified in the areas of incident response and contingency planning; however, weaknesses were observed in risk management, configuration management, identity and access management, data protection and privacy, security training, and information security continuous monitoring.

During FY 2019, we issued an evaluation report, *PBGC’s Data Protection at Contractor-Operated Facilities*. Our report found that while controls relating to data protection at the contractor-operated facilities are, for the most part, suitably designed, PBGC has opportunities to improve the operational effectiveness of some of these controls. We also recently issued a risk advisory to management that highlighted the need for additional safeguards to protect sensitive participant data from insider threats.

In March 2018, the Administration issued the *President’s Management Agenda* which laid out a new Cross-Agency Priority (CAP) Goal, *Leveraging Data as a Strategic Asset*, to develop and implement a comprehensive Federal Data Strategy. The mission of the strategy is to guide the Federal Government to use ethical governance, conscious design, and learning culture to leverage the value of federal data. Our evaluation of *PBGC’s Efforts to Reduce the Collection, Maintenance, and Use of Social Security Numbers*, issued in September 2019, identified several PBGC offices that have responsibilities involving the collection, maintenance, or use of SSNs. The types of work vary by office and individual, but include access to SSNs of federal employees, contractors, pension plan participants, or beneficiaries. While OIT has made efforts in controlling access to PII, including SSNs, continued progress is needed across the organization to more narrowly grant access based on individual employee’s duties in accordance with the principle of least privilege. Currently, the limits of PBGC’s technology affect both its ability to conceal SSNs when not needed and to secure SSNs and other PII. As PBGC plans and continues modernizing its systems, limiting access to SSNs with the latest IT technology should be considered.

Further improvements in PBGC's information security posture are needed so that the Corporation can remain agile in the rapidly changing threat environment. The Corporation also must swiftly implement the latest NIST federal security standards and OMB requirements.

Modernization of PBGC's Key Benefits-Related Information Technology Systems

The modernization of legacy systems challenges agencies to prioritize IT spending to deliver better service to the public while enhancing mission effectiveness, reducing cybersecurity risks, and building a modern IT workforce. Along with infrastructure modernization projects, PBGC also needs to prioritize program office modernization projects to ensure they are strategically aligned, transparent, synchronized, and driven by performance-based data.

PBGC relies on legacy information systems to perform its essential service of ensuring retirees receive their correct pension amount. The Participant Management Program provides the capability to administer benefits to approximately 1.5 million participants in PBGC trustee plans and facilitates payments to more than 861,000 retirees or their beneficiaries, with benefits totaling \$5.8 billion. The program is the consolidation of the Integrated Present Value of Future Benefits (IPVFB); Benefits Administration, Benefit Calculation and Valuation (BCV); Spectrum; and other related IT systems. Benefits Administration includes systems to pay benefits, provide customer service, and manage user access functions such as its Customer Relationship Management (CRM) system.

Management has made some progress in modernizing IT systems, which was reflected in the condition being downgraded in severity from a material weakness in the FY 2015 financial statement audit. PBGC completed the last phase of its modernization projects for IPVFB in FY 2018. However, we continue to identify the Office of Benefits Administration's (OBA's) controls over the present value of future benefit liability as a significant deficiency in our FY 2018 financial statement audit. PBGC management implemented certain corrective actions during FY 2018, which included enhancing the valuation tool to calculate its single largest liability, developing targeted financial analysis processes to mitigate financial reporting risks, and implementing IT solutions to mitigate system weaknesses. Nonetheless, testing of the PVFB liability reported at June 30, 2018 and September 30, 2018 continued to reveal errors caused by system limitations or programming flaws, data entry errors and inaccurate use of plan data provisions, and inconsistent valuation of mortality adjustments.

Additionally, our limited scope review of the acquisition and performance of Spectrum 4 in FY 2018 found that its deployment resulted in increased errors/variances and slower day-to-day functioning of the system. Spectrum is the web-based application that allows the Benefit Payment Division (BPD) to manage customer pension payments and data. BPD's goal was to eliminate legacy systems and consolidate payment data from other systems in order to send payment information to PBGC's paying agent. The OIG review team also identified concerns relating to a lack of overall understanding of the needs of the system at the time of solicitation, an increased reliance on contract support as the project progressed, and a lack of transparency

regarding cost and deliverables. In FY 2019, PBGC provided an update to the OIG on Spectrum and based on continuing updates to the system, variances/errors continue to decrease in frequency. Additionally, system performance has improved with total time to run transactions decreasing and availability of the system nearing 100 percent.

In FY 2019, the Corporation will begin multi-year projects to modernize BCV and CRM. BCV is PBGC's pension calculation and valuation solution used by plan actuaries to determine participant benefits and calculate corporate liabilities for plans PBGC will trustee. The actuarial calculations that the systems perform are essential in determining eligibility and the correct benefit amount for participants entering pay status. The BCV modernization aims to close performance gaps, retire antiquated technology, reduce security issues, incorporate re-engineered processes, and integrate with other corporate systems while aligning with IT infrastructure. CRM is the central repository for all PBGC participant interactions. Customer service representatives use data pulled from the repository to answer questions for plan participants, beneficiaries, and plan managers. The CRM project seeks to provide new functionality and security enhancements that will improve customer interaction.

Since 2015, GAO has identified "Improving the Management of IT Acquisitions and Operations" as a high risk since "federal IT investments too frequently fail or incur cost overruns and schedule slippages while contributing little to mission-related outcomes. These investments often suffered from a lack of disciplined and effective management, such as project planning, requirements definition and program oversight and governance." Technology modernization was also identified by PBGC as one of its top risks in FY 2018. With PBGC embarking on critical legacy system modernization, we continue to identify PBGC's modernization efforts as a top management challenge and will provide oversight in light of the critical nature of the systems, PBGC's history of challenges in integrating its systems, and its reliance on professional services contract support.

Transparency and Accountability of Professional Services Contracting

PBGC is highly dependent on contract staff to conduct its work, which includes providing IT support, developing and assessing internal controls, and calculating and paying pension benefits. OBA has approximately 250 federal employees supported by almost 700 contractor staff. Within these totals, OBA's four field offices, which oversee benefit administration activities for terminated defined benefit plans, are staffed with about 430 contractor employees. OIT has approximately 110 federal employees supported by roughly 330 contract staff to operate, maintain and secure PBGC's network, systems, and services. This staffing model has raised concerns in the past regarding inherently governmental functions and the technical ability of a sufficient number of federal employees to effectively oversee contract deliverables.

PBGC's workload influx plan in the event of a dramatic increase in plan failures depends on scalable contractor support to perform critical plan asset evaluations (PAE), participant data reviews (PDR), actuarial valuations services, and data collection. In February 2019, PBGC experienced a significant influx when it took responsibility as trustee for Sears Holding Corporation's two defined benefit plans. Together, these plans cover about 90,000 workers and retirees.

Our office has raised concerns for many years about PBGC management's oversight of professional services contracts. Recently, we reported on PBGC's data protection at contractor-operated facilities and protecting sensitive participant data from insider threats. Previously, we reported on concerns over contracts that include closely aligned firm-fixed-price and labor-hour type tasks, and concerns regarding over-reliance on contractors for IT system modernization efforts. Sufficient and effective oversight is a shared responsibility, though, and this remains a top management challenge.

In Focus

Internal Control Committee: Making a Difference

To meet its mission to protect the retirement income of millions of American workers and to protect the millions of records of personal information in its possession, PBGC needs effective internal control coordinated across multiple offices and systems. Internal control helps organizations operate efficiently and effectively, report reliable information about their operations and finances, and comply with laws and regulations. PBGC must comply with federal requirements on internal control, including the Office of Management and Budget (OMB) *Circular No. A-123: Management's Responsibility for Enterprise Risk Management and Internal Control* and the Government Accountability Office's *Standards for Internal Control in the Federal Government* (The Green Book).

To meet these requirements, PBGC relies on the Internal Control Committee (ICC) to coordinate internal control across the Corporation. Chief Financial Officer Patricia Kelly chairs the ICC and Frank Pace, Director of the Corporate Controls and Reviews Department (CCRD), plays a key role in coordinating its activities. The ICC includes representatives from across the Corporation, including the Office of Management and Administration, Office of Information Technology, and Office of Benefits Administration. An OIG representative is a non-voting member.

Internal Control Responsibilities

Management is also responsible for establishing and maintaining internal controls to achieve specific internal control objectives related to operations, reporting, and compliance. Management must consistently apply these internal control standards to meet the internal control principles and related components outlined in this circular and to assess and report on internal control effectiveness at least annually.

-OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control

In the past few years, the ICC has made a difference strengthening internal control at PBGC. For example, the ICC helped PBGC respond to new mandates from the Fraud Reduction and Data Analytics Act of 2015 regarding controls to assess fraud risks and to prevent, detect, and respond to fraud. The ICC also assesses proposed changes to controls and coordinates with the Risk Management Council on risks and controls. In addition, the ICC helps coordinate PBGC's statement of assurance on internal control to meet the requirements of the Federal Managers' Financial Integrity Act. Finally, the ICC has worked to reduce the number of open audit recommendations.

These efforts by the ICC followed the 2016 OIG report *Audit of the Effectiveness of PBGC's Governance of Internal Control* (AUD-2016-8). This audit recommended PBGC clarify ICC responsibilities and update PBGC policy regarding areas of authority. Consequently, PBGC

updated the ICC Charter and ICC met more frequently, helping PBGC rise to the challenges of today’s rapidly changing internal control requirements.

Audits, Evaluations, and Reviews

Management Decisions	
Open Recommendations	
Beginning of Period	75
Opened This Period	13
Closed This Period	4
Open Recommendations End of Period	84
Reports with Open Recommendations End of Period	28

Performance Audits, Evaluations, and Related Work

PBGC’s Fiscal Year 2018 Compliance with the Improper Payments Elimination and Recovery Act

(EVAL-2019-10/PA-19-133, issued April 11, 2019)

<https://oig.pbqc.gov/pdfs/EVAL-2019-10.pdf>

In accordance with the Improper Payment Information Act (IPIA) (P.L. 107-300), as amended, we reviewed PBGC's compliance with the IPIA’s requirements. PBGC has taken actions to comply with all applicable requirements established in OMB Circular A-123, Appendix C. For FY 2018, PBGC assessed Benefit Payments and Premium Refunds and determined neither payment streams were susceptible to significant improper payments. We determined that PBGC is compliant with the improper payment requirements.

PBGC’s Use of the Women-Owned Small Business Federal Contracting Set-Aside Program

(AUD-2019-11/PA-18-130, issued July 2, 2019)

<https://oig.pbqc.gov/pdfs/AUD-2019-11.pdf>

We found that PBGC awarded just one Women-Owned Small Business (WOSB) set-aside in FY 2018. This award was performed properly but limited our assessment of PBGC’s

compliance. We also reviewed the organizational alignment and duties of the PBGC's Office of Small and Disadvantaged Business Utilization (OSDBU) Director. While PBGC complied with the Small Business Act requirement of appointing an OSDBU Director, the Corporation has not complied with the requirements for aligning the OSDBU Director within the reporting hierarchy of the Corporation. Furthermore, the OSDBU Director has not provided training to contracting officers for the various small business programs. As a result, firms in SBA's contracting assistance programs may not receive federal contract opportunities through exclusive set-aside and sole-source contracts meant to ensure small businesses receive a fair share of federal contracting dollars. The report contained two recommendations related to the organizational alignment of the OSDBU and training of staff on the current WOSB program. PBGC management agreed with the recommendations.

PBGC's Telework Program

(IN-2019-12/IN-19-131, issued July 30, 2019)

<https://oig.pbqc.gov/pdfs/IN-19-131.pdf>

We found PBGC has established internal controls over the telework program and administers the program consistent with statutory and regulatory requirements. However, PBGC has opportunities to improve the effectiveness of its internal controls; specifically, performance of telework timekeeping responsibility needs improvement, telework information should be accurately reported to OPM, and the effectiveness of the telework program must be assessed. Based on this analysis, we recommended PBGC provide additional guidance on telework codes for timesheets, clarify telework timesheet codes in its guidance, ensure the Agency Telework Coordinator fulfills all required tasks, and update telework guidance as required by federal regulation.

PBGC's Efforts to Reduce the Collection, Maintenance, and Use of Social Security Numbers

(EVAL-2019-13/RV-19-136, issued September 25, 2019)

<https://oig.pbqc.gov/pdfs/EVAL-2019-13.pdf>

We found PBGC has made progress in eliminating the unnecessary collection, maintenance, and use of customer Social Security Numbers (SSNs). However, additional steps are necessary given the volume of legacy documents containing SSNs, the Corporation's continued acquisition of trusted plan documents containing SSNs, and known risks and limitations in PBGC information systems. For example, we found federal employees and contractors continue to have broad access to systems housing full SSNs, and PBGC does not have a corporate-wide approach to the collection, maintenance, and use of SSNs. We recommended that management (1) develop a plan to ensure benefit payment systems incorporate the principle of least privilege and minimize SSN usage; (2) periodically assess data protection risks across the Corporation to assist in modernization planning; (3) develop a corporate-wide plan to reduce the collection and

usage of SSNs; and (4) finalize a policy regarding Privacy Office review for any new collection or use of SSNs. PBGC management agreed with these recommendations.

PBGC's Property Management Program

(EVAL-2019-14/RV-19-132, issued September 27, 2019)

<https://oig.pbqc.gov/pdfs/EVAL-2019-14.pdf>

We determined PBGC could reduce the risk of property loss or theft by strengthening its internal controls. PBGC does not ensure that bar-coded inventory labels are consistently affixed to newly received property within a reasonable time and does not ensure accountable property is entered into the property management system in a timely manner after property is received. PBGC does not require any follow-up to locate accountable property not found during the annual inventory process. Such property is simply written off after two or three years. We made two recommendations related to receiving new inventory and follow-up on items not located during the annual inventory. PBGC management agreed with the recommendations.

PBGC's Compliance with the Digital Accountability and Transparency Act

(AUD-2019-15/PA-19-135, issued September 30, 2019)

<https://oig.pbqc.gov/pdfs/AUD-2019-15.pdf>

We found PBGC generally complied with the requirements for completeness, timeliness, quality, and accuracy of the data, and implementation and use of the government-wide financial data standards established by OMB and the Department of the Treasury. Overall, we rated PBGC data to be of "higher" quality based on established standards. However, we observed some inconsistencies, variances and errors that might have impacted PBGC's reporting of reliable and consistent federal spending data for public use. The report recommended that PBGC develop and implement procedures to ensure a quality control review before each quarterly data submission and review the Broker's Warning reports for indications of errors and incompleteness. PBGC management agreed with the recommendations.

On-Going Performance Audits and Related Work

PBGC's Incurred Costs for Contract No. PBGC-D-15-0001

(Project No. PA-19-138, announced May 8, 2019)

<https://oig.pbgc.gov/pdfs/Ann-PA-19-138.pdf>

We are conducting this engagement to determine whether the costs claimed for contract PBGC01-D-15-0001 from February 1, 2015 through July 31, 2018 were allowable, allocable and reasonable in accordance with the terms of the contract, applicable cost principles, laws, and regulations.

PBGC's FY2018 Annual Performance Report

(Project No. IN-19-139, announced May 30, 2019)

<https://oig.pbgc.gov/pdfs/Ann-IN-19-139.pdf>

We are conducting this engagement to determine: (1) whether the facts and figures reported in the Annual Performance Report are accurate, and (2) whether there are controls in place for ensuring the completeness, reliability, and quality of performance data reported in the Annual Performance Report.

PBGC's Agreed-Upon Procedures for Contract Close-Outs

(Project No. PA-19-140, announced July 2, 2019)

<https://oig.pbgc.gov/pdfs/Ann-PA-19-140.pdf>

While conducting the Incurred Cost Audit of contract PBGC01-DO-15-0001 (Project No. PA-19-138), we became aware that, in Fiscal Years 2017 and 2018, PBGC contracted out close-out services on 32 contracts completed between September 2011 and October 2015. We are initiating a separate evaluation of the contractor's deliverables under the contract and PBGC efforts related to these agreed-upon procedures.

Investigative Activities

Summary of Performance

Criminal Actions	Federal	State
Indictments	1	0
Informations	0	0
Convictions	0	0
Nolo Contendere	0	1
Sentencings	1	1

During this reporting period, we focused investigative attention on theft of pension benefits and deceased participant fraud issues.

Former PBGC Contractor Sentenced for Stealing PBGC Pension Benefits

On August 2, the former Miami PBGC contractor who misused sensitive participant data and stole pension benefits in early 2018 was sentenced to 15 months in prison and ordered to pay approximately \$45,000 in restitution. This individual attempted to divert over \$107,000, but swift action by the OIG and management prevented additional financial losses. As a result, only 21 accounts were compromised, and temporary financial losses were limited to 10 participants.

Former PBGC Contractor Arrested for Theft of Pension Benefits

We identified a Miami, Florida female, who previously worked as a PBGC contractor at the Miami Field Benefit Administration office, for theft of pension benefits. In November 2018, the defendant contacted the PBGC call center, falsely represented herself to be a PBGC participant, and requested PBGC update the participant's direct deposit bank information to a bank account she controlled. The defendant then unlawfully received a PBGC direct deposit in the amount of \$4,763.75. The defendant also used the participant's personally identifiable information to apply for and obtain lines of credit in the defendant's name, then obtained funds from the lines of credit. In August 2019, the defendant was arrested based on a federal indictment charging her with three counts of wire fraud and three counts of aggravated identity theft.

Florida Man Pleads Nolo Contendere to Theft of PBGC and SSA Payments

In November 2018, the State Attorney's Office in Daytona Beach, Florida filed an information, charging a Port Orange, Florida man with two counts of organized fraud and two counts of grand theft. After a PBGC participant died in October 2015, the defendant continued to receive and use funds deposited into the deceased participant's bank account by PBGC and SSA. The

defendant was arrested by the Port Orange Police Department in Volusia County in December 2018. On June 18, 2019, the defendant entered a plea of *nolo contendere* to one count of grand theft. The defendant was sentenced to one day imprisonment and received credit for time served. He also received a *withhold of adjudication*. The defendant provided a cashier's check for \$1,328.25 payable to PBGC. The loss amount for SSA was approximately \$11,000. This case was a result of the computer matching initiative.

Deceased Participants Program

We continued our efforts under the fraud detection/computer matching initiative to identify deceased participants in the single-employer program. In addition, we expanded this initiative to include the multiemployer program. During this reporting period, we identified 88 deceased participant cases, which we referred to management for termination of benefits and recoupment. To date, we have identified 178 instances of improper payment or fraud relating to deceased participants in the single-employer and multiemployer programs and referred those cases to PBGC for coordination to terminate benefit payments and seek recoupment.

In instances where another federal agency, such as the Social Security Administration, may have also made payments to the deceased PBGC participant's account, we contact the appropriate agency to conduct a joint investigation or initiate an administrative recovery. For instance, we identified a PBGC participant in Illinois who died in May 2016 and, as a result of our referral to the Social Security Administration's OIG, that office recovered approximately \$20,460 from the deceased participant's bank account.

Senior Government Employee Substantiated Misconduct Investigations

During this reporting period, we did not complete any investigation involving a senior Government employee² where we substantiated an allegation of misconduct.

Instances of Whistleblower Retaliation

We did not complete any investigations of whistleblower retaliation during this reporting period.

² “[A]n officer or employee in the executive branch (including a special Government employee as defined in section 202 of title 18, United States Code) who occupies a position classified at or above GS-15 of the General Schedule or, in the case of positions not under the General Schedule, for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule[.]”
5 U.S.C. App. 3, § 5(f)(7).

Congressional Requests

We did not receive any Congressional requests during this reporting period.

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 significant revised management decisions and no management decisions of a material nature with which we did not agree.

Compliance with Federal Financial Management Improvement Act

PBGC is in compliance with the Federal Financial Management Improvement Act.

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 Inspections Division. Our most recent peer review by the Securities and Exchange Commission Office of Inspector General was completed on January 31, 2019. The Securities and Exchange Commission 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, 2018 had 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*. There are no outstanding recommendations from this review. A copy of this peer review is on our website at <https://oig.pbgc.gov/pdfs/PeerReview.pdf>

The peer review of our evaluations and inspections work is scheduled for January 2020. The next peer review of our audit work is scheduled for Fall 2021.

Previously, our audit organization completed an external peer review of the U.S. Railroad Retirement Board (RRB) Office of Inspector General (OIG) and we issued our report on August 29, 2018. RRB 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.

During this period, we did not issue any restricted access audit, inspection or evaluation reports.

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.	24
Section 5(a)(1)	Significant problems, abuses, and deficiencies.	11-23
Section 5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies.	11-23
Section 5(a)(3)	Prior significant recommendations on which corrective action has not been completed.	30-31
Section 5(a)(4)	Matters referred to prosecutorial authorities.	21-22, 28-29
Section 5(a)(5)	Summary of instances in which information was refused.	23
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.	11-19
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)	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)(13)	Compliance with Federal Financial Management Improvement Act.	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)	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, and • Number of criminal indictments and criminal informations resulting from any prior referrals to prospective authorities. 	28-29
Section 5(a)(18)	A description of the metrics used to develop the data for the statistical tables in (a)(17).	29

Section 5(a)(19)	<p>A detailed description of each investigation involving a senior Government employee where allegations of misconduct were substantiated, including:</p> <ul style="list-style-type: none"> • A detailed description of the facts and circumstances of the investigation; and • 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. 	22
Section 5(a)(20)	<p>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>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>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 September 30, 2019

Audits/Inspections/Evaluations Issued	
Number of Reports	6
Number of Recommendations	13

Special Reports Issued	
Number of Reports	0
Number of Recommendations	0

Investigative Reports Issued	
Number of Reports	0
Number of Recommendations	0

Management Decisions	
Open Recommendations Beginning of Period	75
Opened This Period	13
Closed This Period	4
Open Recommendations End of Period	84
Reports with Open Recommendations End of Period	28

Investigative Workload	
Investigations Opened	52
Investigations Closed	51

Persons Referred for Prosecution	Federal Prosecutions	State or Local Prosecutions
Presented	6	0
Accepted	5	0
Declined	1	0

Criminal Actions	Federal Prosecutions	State or Local Prosecutions
Indictments	1	0
Informations	0	0
Convictions	0	0
Nolo Contenderes	0	1
Sentencings	1	1

Financial Recoveries	Federal Prosecutions	State or Local Prosecutions
Court Ordered Fines, Penalties, and Restitution	\$44,299.44	\$1,946.25
Administrative Recoveries	\$113,454.33	\$0
Administrative Actions		
Action Referrals	1	

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

- The number of investigative reports issued is based on those 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 the U.S. Department of Justice, state, or local authorities for consideration of criminal prosecution.
- The number of criminal actions includes indictments, informations, convictions, nolo contendere, 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 Taken

For the Six-Month Period Ending September 30, 2019

Report Number, Report Title, and Date Issued	Number of Significant Recommendations	Significant Problems and Deficiencies	Summary of Significant Recommendations
2008-02/FA-0034-2 Limited Disclosure Report on Internal Controls- PBGC's Fiscal Year 2007 and 2006 Financial Statements 11/15/2007	2	Access controls and configuration management.	Mitigate weaknesses related to configuration, access and systems monitoring.
2016-7/FA-15-108-07 Fiscal Year 2015 Federal Information Security Modernization Act Final Report 02/19/2016	2	Access controls and configuration management.	Implement recommendations related to solutions for continuous monitoring.
2017-03/FA-16-110-2 Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2016 and 2015 Financial Statements 11/15/2016	2	Access controls and configuration management.	PBGC needs to mitigate the systemic issues related to information access controls.
2018-06/FA-17-119-3 Report on the Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2017 and 2016 Financial Statements 11/17/2017	1	Access controls and configuration management.	PBGC needs to mitigate the systemic issues related to information access controls.
2019-01/FA-18-127-1 Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements 11/15/2018	2	Access controls and configuration management.	PBGC needs to update plans and processes for completing system upgrades and satisfying recommendations identified in its

			encryption risk assessment.
2019-01/FA-18-127-1 Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements 11/15/2018	2	Access controls and configuration management.	PBGC needs to implement improved processes and training procedures to ensure separation requests are timely submitted and physical access removed.
2017-03/FA-16-110-2 Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2016 and 2015 Financial Statements 11/15/2016	1	Present Value of Nonrecoverable Future Financial Assistance.	PBGC needs to use the most current, relevant and error free data to update actuarial assumptions.
2018-06/FA-17-119-3 Report on the Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2017 and 2016 Financial Statements 11/17/2017	1	Controls over the Present Value of Future Benefit. (PVFB) Liability.	PBGC should develop and implement improvements to the IPVFB system and ensure that adequate documentation is maintained.
2019-01/FA-18-127-1 Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements 11/15/2018	4	Controls over the Present Value of Future Benefit. (PVFB) Liability.	PBGC should improve controls over PVFB calculations, including implementing a consistent methodology for valuing a mortality adjustment.
2019-01/FA-18-127-1 Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements 11/15/2018	4	Present Value of Nonrecoverable Future Financial Assistance (PV NRFFA).	PBGC should improve testing and documentation procedures to ensure accurate estimates of future benefit obligations for certain multiemployer plans.

Results of Reports Issued

For the Six-Month Period Ending September 30, 2019

Results	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	\$0	\$0	\$0
B. Which were issued during the reporting period.	6			
PBGC's Fiscal Year 2018 Compliance with the Improper Payments Elimination and Recovery Act.		\$0	\$0	\$0
PBGC's Use of the Women-Owned Small Business Federal Contracting Program.		\$0	\$0	\$0
PBGC's Telework Program.		\$0	\$0	\$0
PBGC's Efforts to Reduce the Collection, Maintenance, and Use of Social Security Numbers.		\$0	\$0	\$0
PBGC's Property Management Program.		\$0	\$0	\$0
PBGC's Compliance with the Data Act.		\$0	\$0	\$0
Total (Add A. & B.)	6			
C. For which a management decision was made during the reporting period.	0			
(i) dollar value of disallowed costs.		\$0	\$0	\$0
(ii) dollar value of costs not disallowed.		\$0	\$0	\$0
D. For which no management decision had been made by the end of the reporting period.	0	\$0	\$0	\$0
E. For which no management decision was made within six months of issuance.	0	\$0	\$0	\$0

Summary of PBGC Open Recommendations

As of September 30, 2019

	Recommendation Number	Date Issued	Report Title and Recommendation
1	BD-04	2/2/2017	Fiscal Year 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.
2	BD-05	2/2/2017	Fiscal Year 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 (CFS) by other departments. The log should be reviewed and reconciled to the realignment of funds requests entered into CFS.
3	BD-06	2/2/2017	Fiscal Year 2016 Financial Statement Audit Management Letter Report. Develop a procedures manual detailing the process for authorizing realignment of funds requests. The procedures manual should be reviewed and approved by the Budget Director.
4	BD-07	1/16/2018	Fiscal Year 2017 Financial Statement Audit Management Letter Report. Perform a comprehensive review of all operating lease arrangements to determine whether they comply with the Antideficiency Act provisions, including voluntary services, as provided for in OMB Circular A-11 and report all potential violations to OMB immediately.
5	BD-08	1/16/2018	Fiscal Year 2017 Financial Statement Audit Management Letter Report. PBGC management should develop and implement a remediation plan to resolve any current and future potential funding deficiencies related to operating lease arrangements.
6	FOD-406	9/30/2019	PBGC's Compliance with the Digital Accountability and Transparency Act. Develop and implement procedures to ensure a quality control review of Files A, B, C, D1 and D2 is completed before each quarterly data submission and review the Broker's Warning reports for indications of errors and incompleteness.
7	FISMA-14-15	5/6/2015	Fiscal Year 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.
8	FISMA-15-01	2/19/2016	Fiscal Year 2015 Federal Information Security Modernization Act Final Report. Fully implement Splunk Enterprise in PBGC, including its Security Information and Event Management (SIEM) capability.

9	FISMA-15-02	2/19/2016	Fiscal Year 2015 Federal Information Security Modernization Act Final Report. System owners should conduct and document an analysis of major applications' critical auditable events and business transactions to identify audit logging needs and requirements.
10	FISMA-15-05	2/19/2016	Fiscal Year 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.
11	FISMA-16-14	3/22/2017	Fiscal Year 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.
12	FISMA-17-01	12/20/2017	Fiscal Year 2017 Federal Information Security Modernization Act Independent Evaluation Report. Revise the processes and procedures of the continuous monitoring program to consistently enforce the review, update, and uploading of all required security assessment and authorization documentation for each system before the documentation expires.
13	FISMA-17-02	12/20/2017	Fiscal Year 2017 Federal Information Security Modernization Act Independent Evaluation Report. Complete the update of control implementation statements to reflect NIST SP 800-53, Revision 4; revise the inheritance of common controls; and conduct an assessment of all controls in accordance with assessment schedules using NIST SP 800-53, Revision 4.
14	FISMA-17-03	12/20/2017	Fiscal Year 2017 Federal Information Security Modernization Act Independent Evaluation Report. Document and implement enhanced process and procedures to effectively track and remediate known vulnerabilities in a timely manner.
15	FISMA-17-04	12/20/2017	Fiscal Year 2017 Federal Information Security Modernization Act Independent Evaluation Report. PBGC should implement effective process and procedures to ensure the secure configuration of web servers in accordance with the established configuration baselines and document deviations to the established baselines on an as needed basis.
16	FISMA-18-01	12/20/2018	Fiscal Year 2018 Compliance with the Federal Information Security Modernization Act of 2014. PBGC OBA should review and update their system inventories in accordance with PBGC Office of Information Technology Interconnection Security Agreement Guidance.
17	FISMA-18-02	12/20/2018	Fiscal Year 2018 Compliance with the Federal Information Security Modernization Act of 2014. PBGC OIT should develop and implement procedures for the documentation of corrective actions within risk assessments.
18	FISMA-18-03	12/20/2018	Fiscal Year 2018 Compliance with the Federal Information Security Modernization Act of 2014. PBGC OIT should update the Information Technology Infrastructure Services General Support System Risk Assessment to document corrective action plans.

19	FISMA-18-04	12/20/2018	Fiscal Year 2018 Compliance with the Federal Information Security Modernization Act of 2014. Control owners should ensure the creation of plans of action and milestones, and risks within the Risk Assessment for all controls not fully implemented to mitigate risks. The appropriate control provider should be identified to correct/mitigate the identified weakness.
20	FISMA-18-05	12/20/2018	Fiscal Year 2018 Compliance with the Federal Information Security Modernization Act of 2014. Develop, document, and implement new hire policies and procedures to reflect the current operating environment at PBGC headquarters, Field Benefit Administration sites and other PBGC locations.
21	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, including weaknesses in configuration, roles, privileges, auditing, file permissions, and operating systems access.
22	FS-07-17	11/15/2007	Limited Disclosure Report on Internal Controls-PBGC's FY 2007 and 2006 Financial Statements Audit. System Owners should develop and implement plans to fully implement Splunk Enterprise for their major applications.
23	FS-14-12	3/21/2014	Fiscal Year 2013 Federal Information Security Management Act Final Report. 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.
24	FS-15-04	11/13/2015	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2015 and 2014 Financial Statement Audit. 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.
25	FS-16-06	11/15/2016	Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2016 and 2015 Financial Statements. Refine current quality control review procedures to effectively minimize data input errors.
26	FS-16-07	11/15/2016	Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2016 and 2015 Financial Statements. Fully implement controls to plan, remove and decommission unsupported systems and databases.
27	FS-16-08	11/15/2016	Report on Internal Controls Related to the Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2016 and 2015 Financial Statements. Develop and implement plan of action for addressing known security weaknesses.

28	FS-17-01	11/17/2017	Report on Internal Control Related to the Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2017 and 2016 Financial Statements. Promptly correct the errors in its calculations identified by the auditors during the FY 2017 audit.
29	FS-17-05	11/17/2017	Report on Internal Control Related to the Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2017 and 2016 Financial Statements. OBA should document enhanced account management procedures to ensure a thorough review of accounts is performed during the annual account recertification and that necessary accounts are recertified, and implement compensating controls to verify inactive accounts are deactivated in accordance with PBGC policy.
30	FS-18-01	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Promptly correct the errors in its calculations identified by the auditors during the FY 2018 audit.
31	FS-18-02	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Review the Horizon Natural Resources Plan to ensure that other participants' benefits do not have both an early and late retirement factor applied.
32	FS-18-03	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Develop and document a consistent methodology for valuing the mortality adjustment.
33	FS-18-04	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Adjust the IPVFB valuation software to implement the new expense load approach.
34	FS-18-05	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Promptly correct the errors identified in FY 2018 PV NRFFA testing.
35	FS-18-06	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Include a provision in Multiemployer procedures to require decisions made using actuarial judgment to be documented within the supporting file.
36	FS-18-07	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Review its process for testing changes in assumptions for calculating estimates to ensure impact in future years is considered in the testing.
37	FS-18-08	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Develop and implement a process to work with appropriate stakeholders in developing test scenarios.

38	FS-18-09	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Develop and implement plans for completing system technology upgrades or replacements to be compliant with FIPS 140-2 and OMB A-130.
39	FS-18-10	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Develop and implement project plans for satisfying the recommendations that were made in the PBGC IT Infrastructure Operations Department Risk Based Encryption Assessment, dated June 29, 2018, version 1.0.
40	FS-18-12	11/15/2018	Audit of the Pension Benefit Guaranty Corporation's Fiscal Year 2018 and 2017 Financial Statements. Implement improved processes and provide training to ensure PBGC Federal Managers/CORs submit and approve separation requests prior (when applicable) to the effective separation date, as well as the collection of IT assets by the effective separation date.
41	FS-18-13	11/15/2018	Report on Internal Controls Related to the Pension Benefit Guaranty Corporation's Fiscal Year 2017 and 2018 Financial Statements Audit. Implement improved processes and provide training to ensure PBGC Workplace Solutions Department removes physical access by the effective separation date.
42	NRAD-07	2/2/2017	Fiscal Year 2016 Financial Statement Audit Management Letter Report. NRAD should strengthen its quality control review process to verify that all key data is properly entered and the liability is properly calculated.
43	OBA-04	1/31/2019	PBGC's Data Protection at Contractor-Operated Facilities. Develop a process to ensure compliance with PBGC data protection policies and procedures at contractor-operated facilities, including the identified opportunities to improve physical security PII practices.
44	OBA-05	1/31/2019	PBGC's Data Protection at Contractor-Operated Facilities. Assess physical clearance access listings at contractor-operated offices based upon individual official duties and monitor physical access clearance listings, as appropriate.
45	OBA-06	9/25/2019	PBGC's Efforts to Reduce the Collection, Maintenance, and Use of Social Security Numbers. Develop a plan that ensures Office of Benefits Administration systems comply with the principle of least privilege and minimize Social Security Number usage.
46	OGC-43	9/25/2019	PBGC's Efforts to Reduce the Collection, Maintenance, and Use of Social Security Numbers. Develop and maintain a Corporate-wide plan to eliminate unnecessary collection, maintenance, and use of SSNs.
47	OGC-44	9/25/2019	PBGC's Efforts to Reduce the Collection, Maintenance, and Use of Social Security Numbers. Finalize a policy regarding the Privacy Office's review of the new collection and use of SSNs.

48	OIT-121R	5/16/2013	Fiscal Year 2012 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
49	OIT-128R	1/9/2014	Fiscal Year 2013 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
50	OIT-133R	3/30/2015	OIT's Fiscal Year 2014 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
51	OIT-139R	3/30/2015	OIT's Fiscal Year 2014 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
52	OIT-154R	12/11/2015	Fiscal Year 2015 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
53	OIT-155R	12/11/2015	Fiscal Year 2015 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
54	OIT-157R	2/22/2017	Fiscal Year 2016 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
55	OIT-158R	2/22/2017	Fiscal Year 2016 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
56	OIT-159R	2/22/2017	Fiscal Year 2016 Vulnerability Assessment and Penetration Testing Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
57	OIT-160R	11/13/2017	Fiscal Year 2017 Vulnerability Assessment and Penetration Test Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.

58	OIT-161R	11/13/2017	Fiscal Year 2017 Vulnerability Assessment and Penetration Test Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
59	OIT-162R	11/13/2017	Fiscal Year 2017 Vulnerability Assessment and Penetration Test Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
60	OIT-164R	11/13/2017	Fiscal Year 2017 Vulnerability Assessment and Penetration Test Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
61	OIT-165R	11/13/2017	Fiscal Year 2017 Vulnerability Assessment and Penetration Test Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
62	OIT-166R	11/13/2017	Fiscal Year 2017 Vulnerability Assessment and Penetration Test Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
63	OIT-167R	11/29/18	Fiscal Year 2018 Vulnerability Assessment and Penetration Test Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
64	OIT-168R	11/29/18	Fiscal Year 2018 Vulnerability Assessment and Penetration Test Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
65	OIT-169R	11/29/18	Fiscal Year 2018 Vulnerability Assessment and Penetration Test Report. (RESTRICTED DISCLOSURE) Recommendation text omitted to protect exploitation of vulnerability; report is restricted disclosure.
66	OIT-170	1/31/2019	Evaluation of PBGC's Data Protection at Contractor-Operated Facilities. Develop a process ensuring CORs are completing separation requests through GetIT in a timely manner, as required (previously OMA-06).
67	OIT-171	1/31/2019	Evaluation of PBGC's Data Protection at Contractor-Operated Facilities. Develop a tracking mechanism to ensure GetIT requirements are fulfilled for separated employees (previously OMA-07).

68	OIT-172	9/25/2019	PBGC's Efforts to Reduce the Collection, Maintenance, and Use of Social Security Numbers. Develop a plan, in conjunction with the Privacy Office, to periodically assess data protection risks within information systems across the Corporation to assist in modernization planning.
69	OIT-173	9/27/2019	PBGC's Property Management Program. Update procedures to require new property bar coding within a specified timeframe.
70	OIT-174	9/27/2019	PBGC's Property Management Program. Perform a risk assessment on assets not located during the annual inventory and follow-up on assets that are deemed high risk.
71	OMA-02	1/31/2019	Evaluation of PBGC's Data Protection at Contractor-Operated Facilities. Evaluate the effectiveness of the current Personnel Security Investigation Solution system and enhance the system functionality as necessary to ensure compliance with the PBGC policies.
72	OMA-03	1/31/2019	Evaluation of PBGC's Data Protection at Contractor-Operated Facilities. Evaluate the existing employees vetting and security policies to ensure the policies and procedures reflect realistic deadlines.
73	OMA-04	1/31/2019	Evaluation of PBGC's Data Protection at Contractor-Operated Facilities. Develop and deliver training for personnel using Personnel Security Investigation Solution application to enhance understanding of the existing policy and requirements.
74	OMA-05	1/31/2019	Evaluation of PBGC's Data Protection at Contractor-Operated Facilities. Develop a control to ensure PSIS information is complete, accurate, and timely.
75	OMA-08	3/4/2019	FY2018 Purchase Card Risk Assessments. Require the Agency Program Coordinator to update the included template (for Merchant Category Codes) at least yearly and use additional Rules Management functionality of U.S. Bank Payment Analytics, as appropriate.
76	OMA-09	7/2/2019	PBGC's Use of the Women-Owned Small Business Federal Contracting Set-Aside Program. Assess the organizational alignment of the OSDBU Director within the Corporation, taking into consideration the importance of the Federal Government's philosophy of small business contract programs and the requirements of the Small Business Act.
77	OMA-10	7/2/2019	PBGC's Use of the Women-Owned Small Business Federal Contracting Set-Aside Program. Provide updated training to the Procurement Department that reflects the current WOSB Federal Contracting Program.

78	OMA-11	7/30/2019	<p>PBGC's Telework Program. Provide guidance to employees, including those who approve timesheets, to ensure an understanding of the telework codes and that those codes are consistent with the type of telework elected by an employee in the employee's telework agreement.</p>
79	OMA-12	7/30/2019	<p>PBGC's Telework Program. Update PBGC guidance on telework definitions to ensure the definitions are aligned with OPM guidance and webTA coding.</p>
80	OMA-13	7/30/2019	<p>PBGC's Telework Program. Ensure the Agency Telework Coordinator performs all duties as required by PBGC's Telework Program Directive, including assessing the effectiveness of the telework program.</p>
81	OMA-14	7/30/2019	<p>PBGC's Telework Program. Update the PBGC's Telework Program policies and procedures, and telework agreements, as required by 5 CFR Part 630, Subpart P § 630.1605, and detailed in OPM's Government-wide Dismissal and Closure Procedures guide.</p>
82	ONR-12	1/17/2019	<p>Evaluation of the Early Warning Report. Evaluate the effectiveness of the current Early Warning Program case initiation communication procedure and update as necessary to ensure companies are sufficiently and consistently informed about the program.</p>
83	ONR-13	1/17/2019	<p>Evaluation of the Early Warning Report. Design and implement additional controls to ensure close out letters are provided when an Early Warning Program case is closed.</p>
84	ONR-14	1/17/2019	<p>Evaluation of the Early Warning Report. Ensure TeamConnect business rules are corrected to accurately report Early Warning Program case inventory.</p>

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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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