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Description of document: Final Reports of Selected Pension Benefit Guaranty Corporation (PBGC) Inspector General (OIG) Investigations Closed in 2023-2024

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Washington, D.C. 20024-2101
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FOIA.gov

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Via Email

July 24, 2025

Re: FOIA Case no. PBGC-2025-002184

I am responding to your request, received in the Disclosure Division of the Pension Benefit Guaranty Corporation (PBGC) on May 8, 2025. You requested:

A copy of the Report of Investigation, and final report, and closing report, and closing memo, and referral letter for each of the following closed PBGC OIG Investigations: 24-0012-I, 24-0010-I, 24-0009-I, 24-0008-I, 24-0003-I, 24-0001-I, 23-0007-I, 23-0006-I, 23-0004-I, 23-0003-I, 23-0001-I, 22-0006-I, 22-0003-I, 22-0002-I, 22-0001-I, 21-0012-I, 21-0006-I, 21-0004-I, 20-0013-I, 20-0011-I, 20-0005-I, 19-0008-I, 19-0002-I, 17-0039-I, and 15-0028-I. You may if you wish omit the final reports from investigations that concluded entirely with unsubstantiated allegations.

We processed your request in accordance with the Freedom of Information Act (FOIA), and the Pension Benefit Guaranty Corporation's (PBGC) implementing regulation.

Pursuant to your request, the Office of the Inspector General conducted a search of agency records for the above referenced report. The search yielded 83 pages of responsive records. The Closeout memorandum dated October 9, 2024, and located on page 25 of the record set contains a minor typo. It is incorrectly marked as OIG Case Number: 23-0003-I and the correct case number is 23-0001-I.

It was necessary to redact portions of the above-referenced documents and entirely withhold 35 pages consisting of inter/intra-agency memoranda, and/or pre-decisional and/or deliberative process, and personal contact information. PBGC reasonably foresees that disclosure of this information would harm an interest protected by the FOIA. I have relied on three FOIA Exemptions to withhold this information.

The first applicable exemption, 5 U.S.C. § 552(b)(5), permits the exemption from disclosure of internal documents: inter-agency or intra-agency memoranda or letters consisting of judgments, opinions, advice, or recommendations which would not be available by law to a party other than an agency in litigation with the PBGC and as such are not required to be disclosed under 5

U.S.C. § 552(b)(5). Attorney client communications and information including the agency's deliberative processes are protected by this exemption. The Disclosure Officer has determined the disclosure of this material would not further the public interest at this time and would impede the operations of the PBGC.

The second applicable FOIA exemption, 5 U.S.C. § 552(b)(6), exempts from required public disclosure, "personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy." Some of the records you requested contain "similar files" within the meaning of the above cited statutory language and PBGC's implementing regulation, 29 C.F.R. § 4901.21(b)(4)). The FOIA requires agencies to conduct a balancing test. In applying Exemption 6, the Disclosure Officer conducted a balancing test, weighing the privacy interests of the individuals named in a document against the public interest in disclosure of the information. The public interest in disclosure is one that will "shed light on an agency's performance of its statutory duties." *Dep't of Justice v. Reporters Comm. for Freedom of the Press*, 489 U.S. 749, 773 (1989). The Disclosure Officer has determined disclosure of this information would constitute a clearly unwarranted invasion of an individual's personal privacy.

The third applicable exemption, 5 U.S.C. § 552(b)(7), permits the exemption from disclosure of "records compiled for law enforcement purposes" when disclosure would be detrimental to such purposes. Accordingly, § 552(b)(7)(C), protects records or information compiled for law enforcement purposes, the release of which could reasonably be expected to constitute an unwarranted invasion of personal privacy. Some of the records responsive to your request contain information which falls within the meaning of the above-cited statutory language and PBGC's implementing regulation at 29 C.F.R. § 4901.21(b)(5) and therefore, would be exempt from disclosure. The Disclosure Officer has determined disclosure of the information would constitute an unwarranted invasion of personal privacy.

Appeal Rights

Since this response constitutes a partial denial of records, I am providing you with the FOIA appeal rights. PBGC's FOIA regulation provides that if a disclosure request is denied in whole or in part by the disclosure officer, the requester may file a written appeal within 90 days from the date of the denial or, if later (in the case of a partial denial), 90 days from the date the requester receives the disclosed material. The appeal shall state the grounds for appeal and any supporting statements or arguments. To file your administrative appeal, you may email it to disclosure@pbgc.gov, file it electronically at [Public Access Link](#), or mail it to:

Office of the General Counsel
Disclosure Division
Pension Benefit Guaranty Corporation
445 12th Street SW
Washington, D.C. 20024-2101
Attn: FOIA Appeal

In the alternative, you may contact the Disclosure Division's Public Liaison on 202-229-4040 for further assistance and to discuss any aspect of your request.

You also have the option to contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, Maryland 20740-6001
Email: ogis@nara.gov
Telephone: 202-741-5770
Toll free: 1-877-684-6448
Facsimile: 202-741-5769.

If you have any questions regarding this determination letter or your FOIA request, please contact me at weth.patricia@pbgc.gov or (202) 229-3510.

Sincerely,



Patricia A. Weth
Deputy Disclosure Officer
Office of General Counsel
General Law and Operations Department

Enclosures



November 28, 2023

CLOSEOUT MEMORANDUM

TITLE:

(b)(6) / (b)(6)

INVESTIGATOR:

(b)(6); (b)(7)(C), Special Agent

OIG CASE NUMBER: 20-0013-I

Investigative Initiation

On May 4, 2020, PBGC's Office of Benefits Administration (OBA) reported to the PBGC, Office of Inspector General (OIG) they had attempted a standard reclamation regarding PBGC participant, (b)(6), benefit overpayments of \$34,124.80. OBA had just recently learned of (b)(6) death in March 2020 and attempted a reclamation for the benefit payments made after his death in July 2011. OBA reported that most of the reclamation failed due to insufficient funds in the account, as they could only recover nine months of benefits, totaling \$4,798.80. PBGC-OIG, therefore, began investigating the identity of the person(s) who took physical possession of the benefit overpayments.

Details of Investigation

PBGC-OIG obtained a copy of the death certificate for (b)(6) from the State of Pennsylvania, Division of Vital Records, which confirmed he died on July 14, 2011. Unaware of (b)(6) death, from August 2011 to January 2013, PBGC continued to mail monthly checks to (b)(6) to his home address on file. However, it was discovered that on December 19, 2012, after (b)(6) death, the method of monthly pension disbursement was changed from a mailed check to direct deposit. This change was made online via (b)(6) MyPBA account. Because of the change of payment method, from February 2013 to December 2019, PBGC made monthly electronic deposits of \$533.20 into a MetaBank checking account.

MetaBank Account

Since (b)(6) death, PBGC had made check payments totaling \$9,627.60, and direct deposit payments in to a MetaBank account totaling \$44,255.60.

PBGC-OIG subpoenaed MetaBank for the financial records associated with the account where the PBGC benefits were being deposited. The records confirmed that, from February 1, 2013 to December 1, 2019, PBGC had deposited \$533.20 per month into (b)(6) account, totaling \$44,255.60. The financial statements also revealed that this account was created on October 12, 2012, after (b)(6) death, and was jointly owned by (b)(6) and (b)(6). Additionally, the records also disclosed that, from February 2013 to December 2019, PBGC deposits were withdrawn from ATMs or expended via debit transactions at various businesses or services in the Philadelphia, PA area.

MyPBA

Upon researching (b)(6) PBGC MyPBA account, it was discovered that the email registered with the account was (b)(6). According to Accurint and Google records, this email is owned by (b)(6) [DOB: (b)(6)], of (b)(6), (b)(6) and the (b)(6).

(b)(6)

While investigating the current whereabouts of (b)(6), it was discovered that he died on July 20, 2016. However, according to MetaBank documents, after (b)(6)'s death in July 2016, there were 576 debit transactions from the MetaBank account, totaling \$16,463.19. It is believed that (b)(6), also had control over the MetaBank account and converted the deposited PBGC benefits in the account for her personal use.

After it was discovered that (b)(6) had died in July 2016, PBGC-OIG specifically analyzed all MetaBank debit transactions after his date of death. The analysis revealed there were three main companies that debited funds from the account over \$1,000: Lyft, Metro PCS, and Comcast.

- The Lyft records showed that for the account registered to (b)(6), (registered phone number: (b)(6) registered email: (b)(6) from March 4, 2017 to September 11, 2018, there were 336 completed trips that totaled \$3,564.03. This money was debited from the MetaBank account for payment on those trips. According to AT&T records the phone number of (b)(6) is owned by

(b)(6). Additionally, the email address of (b)(6) is owned by (b)(6), according to Google data.

- The Metro PCS records revealed that for the account registered to (b)(6), from November 20, 2018 to February 23, 2019, there were four bill pay transactions debited from the MetaBank account totaling \$272.00. Additionally, from March 2017 to February 2019, there was a total of \$2,693.17 debited from the MetaBank account for bill payments on two other Metro PCS accounts.
- The Comcast documentation disclosed that a total of \$1,081.19 was paid to Comcast from the MetaBank account for internet and phone service connection to the address of (b)(6). The Comcast subscriber's name for this account is (b)(6) (b)(6) and subscriber's phone number is (b)(6). According to open-source records, "(b)(6) (b)(6) is an AKA for (b)(6). Additionally, according to AT&T documentation the phone number of (b)(6) is owned by (b)(6).

Interview of (b)(6)

On April 19, 2021, Special Agent (SA) (b)(6); (b)(7)(C) and SA (b)(6); (b)(7)(C) of the Social Security Administration OIG, interviewed (b)(6) at her residence located at (b)(6). After being advised as to the nature of the interview, (b)(6) provided the following information, in substance:

(b)(6) goes by "(b)(6)" with family, (b)(6)" with friends and "(b)(6)" as her religious name. (b)(6) (b)(6) is (b)(6). (b)(6) assisted (b)(6) with his finances and recalled him using a Metabank debit card. (b)(6) worked at the airport and confirmed (b)(6) was receiving a pension.

(b)(6) stated that (b)(6) died in 2016. (b)(6) believes that her son used (b)(6) debit card from 2012 until 2016. (b)(6) did not recall having access to (b)(6) MetaBank debit card number after (b)(6) death. (b)(6); reiterated that the only money being deposited into the MetaBank checking account was (b)(6) PBGC benefits. (b)(6); (b)(7)(C) explained that, since her (b)(6) died in 2016, approximately \$21,000 in PBGC benefits, intended for (b)(6) were deposited into the MetaBank account and that approximately \$21,000 were expended. (b)(6) denied knowing how the money was debited from the account. (b)(6) could not explain how (b)(6) benefits continued to be used after (b)(6) death in 2016.

November 28, 2023

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Upon conclusion of the interview, (b)(6) stated she did not want to go to jail and that she would be willing to pay back PBGC through a payment plan should she be found liable for using the PBGC benefits intended for her father.

Criminal Referral and Disposition

On October 9, 2020, the case was presented for prosecution to the United States Attorney's Office (USAO) for the Eastern District of Pennsylvania and was subsequently accepted. On February 14, 2023, (b)(6) was formally charged by the USAO, via criminal information, with one count of Title 18 U.S.C. § 641, conversion of government funds.

Conclusion

On March 17, 2023, (b)(6) pleaded guilty in the United States District Court, Eastern District of Pennsylvania to one count of Title 18 U.S.C. § 641 for the theft of the \$21,861.20 in PBGC benefits.

Disposition

Pursuant to (b)(6) guilty plea, on November 21, 2023, she was sentenced to two years of supervised probation. Additionally, (b)(6) was ordered to pay full restitution to PBGC, in the amount of \$21,861.20.

Notification was made to OBA regarding the pending restitution payments.

This investigation is closed.

(b)(6); (b)(7)(C)

11/28/2023

(b)(6); (b)(7)(C)

Date

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Date

Assistant Inspector General for Investigations



September 20, 2024

CLOSEOUT MEMORANDUM

TITLE:

(b)(6) (b)(6)

INVESTIGATOR:

(b)(6); (b)(7)(C)
Assistant Inspector General for Investigations

OIG CASE NUMBER: 20-0005-I

Investigative Initiation

As part of our proactive data matching project to identify participants who may be deceased and are still receiving PBGC benefits, the PBGC-OIG Office of Investigations discovered that PBGC participant (b)(6) died on (b)(6). However, (b)(6) PBGC benefits of \$518.97 per month continued to be disbursed into her bank account from November 1, 2018 to December 1, 2019.

Details of Investigation

The investigation revealed that (b)(6) of (b)(6), took possession of \$7,265.58 in PBGC benefits intended for (b)(6).

A review of subpoenaed financial records from SunTrust bank revealed that (b)(6) expended the PBGC benefits indented for her deceased (b)(6).

- Since date of death ((b)(6)) there was account activity that spans to 11/19/2019 (last day of bank statements). The account is solely in the name of (b)(6), there is no one else listed on the account.
- From 10/31/2018 to around mid-May 2019, (b)(6) was exclusively using an ATM/check card in the Ann Arbor, MI area, totaling about \$13,800 in debits/ATM withdrawals/rent payments.

- From mid-May 2019 to 11/19/2019, (b)(6) moved to (b)(6) and has been exclusively using the debit card in that area, totaling about \$8,300.
- In addition to using the account for daily purchases and ATM withdraws, (b)(6) was using the account to pay herself via Square. (b)(6) created a number of business entities and used Square to pay the entity larger sums of money (\$1000-\$3000).
- The business entities include the following: (b)(6)"
(b)(6); (b)(6); (b)(6)"
(b)(6); (b)(6).
- (b)(6) also used this SunTrust account to pay rent to J. Keller Properties (<https://www.jkellerproperties.com/>) while she was living in (b)(6). From August 2018 to September 2019 the subject leased (b)(6) (b)(6). This property is confirmed to be managed by J. Keller Properties.
- In total, from 11/01/2018 to 11/19/2019, the entirety of the post date of death PBGC payments were personally used by (b)(6)

Criminal Referral and Disposition

(b)(5)-DPP

Conclusion

On March 31, 2020, OIG referred the matter to PSD for recovery of the \$7,265.58 in PBGC benefits paid to (b)(6) after her death. (b)(6) (b)(6) was deemed the responsible party for PBGC recovery action. On September 18, 2024, PSD notified the OIG that the debt was repaid in full as of July 30, 2024.

Disposition

This investigation is closed.

(b)(6); (b)(7)(C)

9/20/2024

(b)(6); (b)(7)(C)

Date

Assistant Inspector General for Investigations

APPROVED:

(b)(6); (b)(7)(C)

9/20/2024

(b)(6); (b)(7)(C)

Date

Deputy Inspector General



February 14, 2023

CLOSEOUT MEMORANDUM

TITLE: (b)(6) / (b)(6)
INVESTIGATOR: (b)(6); (b)(7)(C) Special Agent
OIG CASE NUMBER: 21-0012-I

Investigative Initiation

(b)(6) was a participant in the Techneglas, Inc. Hourly Reinterment Plan (Plan), a terminated defined benefit pension plan trusted by the Pension Benefit Guaranty Corporation (PBGC). PBGC paid (b)(6) a monthly pension benefit in the amount of \$785.89, this money was deposited electronically into a MetaBank checking account in (b)(6) name.

(b)(6) died on (b)(6). Under the Plan, (b)(6) benefit payments should have ceased on the date of death. However, because the death was not reported in a timely manner to PBGC, the agency continued to deposit benefit payments into the bank account through March 1, 2020, resulting in an overpayment of 12-months, totaling \$8,950.68.

On April 12, 2021, PBGC's Office of Benefits Administration (PBGC-OBA) reported to the PBGC, Office of Inspector General (OIG) they had attempted a standard reclamation for the total overpayment. However, PBGC-OBA notified the OIG that the reclamation failed due to insufficient funds in the account.

Therefore, PBGC-OIG began investigating the identity of the person(s) who took physical possession of the benefit overpayments from the account.

Details of Investigation

Pennsylvania Death Certificate

PBGC-OIG obtained a copy of the death certificate for (b)(6) from the State of Pennsylvania Department of Health which confirmed he died on (b)(6)

MetaBank Account Records

PBGC-OIG obtained and reviewed (b)(6) MetaBank account records. The records confirmed that, from April 1, 2019 to March 1, 2020, PBGC had deposited \$785.89 per month into (b)(6) account, totaling \$8,950.68. The PBGC monthly disbursement was the only source of money funding the account.

The records also disclosed, every month from April 2019 to March 2020, the PBGC deposits were withdrawn through PNC Bank ATMs in the Wilkes-Barre, Pennsylvania area. When the PBGC benefits were deposited, the entirety of the \$785.89 was withdrawn within hours of the deposit clearing the account.

Consecutive cash withdrawals were made within minutes of each other that brought the account close to a \$0 balance, this trend repeated monthly from April 2019 to March 2020. The person withdrawing the funds had specific knowledge of the date and time of the PBGC deposits and intended on gaining possession of the money nearly simultaneously of when the money was deposited. In totality from March 8, 2019 to February 28, 2020, there were 42 ATM withdrawals, totaling \$9,390.00.

(b)(6) MetaBank account profile revealed that the email registered to the account was (b)(6) and the main phone number registered to the account was (b)(6). A law enforcement sensitive search was conducted on both this email and phone number, it was discovered that both were registered and owned by a (b)(6).

The financial documents also disclosed that on October 19, 2019, after (b)(6) death, a new MetaBank debit card for this account (card #: (b)(6)) was mailed to (b)(6). A law enforcement sensitive search revealed that this was a previous address for (b)(6).

On December 3, 2020, the account was closed because PBGC notified MetaBank of (b)(6) death via service of a November 6, 2020 subpoena.

PBGC Internal Records

On April 30, 2019, (b)(6) called the PBGC Customer Contact Center and attempted to change the mailing address for (b)(6). The PBGC representative explained there was no power of attorney on file with PBGC, therefore, (b)(6) was not allowed to make any changes to (b)(6) PBGC account. PBGC was not aware of (b)(6) death when this call occurred. Additionally, (b)(6) positively identified herself to the PBGC representative during this phone call.

Additionally, (b)(6) called PBGC in October 2017 to check on the status of (b)(6) monthly payment and identified herself as a “caregiver” for (b)(6).

On April 8, 2020, after PBGC discovered (b)(6) death and ceased payments into the MetaBank account, an unknown person impersonating (b)(6) contacted the PBGC Customer Contact Center and attempted to obtain (b)(6) benefit payment information. The unknown person could not verify (b)(6) personal identifiable information; therefore, the call was terminated with no information given to the caller.

Interview with (b)(6)

On July 22, 2021, PBGC-OIG Special Agent (SA) (b)(6), (b)(7)(C) conducted an in-person interview with (b)(6). SA (b)(6), (b)(7)(C) explained the purpose of the interview was to determine the whereabouts of PBGC benefits that were disbursed into (b)(6) (b)(6) MetaBank account after his death in March 2019.

(b)(6) detailed that she and (b)(6) lived together for years prior to his death, however, clarified they only had a platonic relationship, and were never married. (b)(6) confirmed (b)(6) died from cardiac arrest in March 2019. (b)(6) acknowledged she was aware (b)(6) was receiving pension benefits from PBGC, she knew this because she and (b)(6) pooled their finances together to pay for things such as rent and food.

(b)(6) was asked if she had access to (b)(6) MetaBank account where the PBGC funds were deposited; she confirmed she had access to the account through (b)(6) "control card." (b)(6) stated she was not in possession of the "control card" associated with (b)(6) MetaBank account because it was "discontinued."

(b)(6) explained that, after (b)(6) death, she contacted PBGC to report that he had died. However, she was told she needed to send in (b)(6) death certificate in order to make an official death report to PBGC; (b)(6) replied that she did not have the death certificate to provide. (b)(6) pointed out that even after she contacted PBGC, the PBGC benefits were still deposited onto (b)(6) "control card;" she admitted she "used it for [us] to move, which I know I shouldn't have."

(b)(6) was asked how she obtained the PBGC benefits from the card; she explained she withdrew the funds from different MAC machines located inside Turkey Hill Markets in the Wilkes-Barre area. However, she expressed that she was willing to pay back the money if she had to.

(b)(6) was presented with the MetaBank transactions reports from March 2019 to February 2020; she reviewed the documents and confirmed she conducted the numerous withdrawal transactions from four different Turkey Hill

February 14, 2023

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Markets around the Wilkes-Barre area. (b)(6) stated, "I'd be willing to pay it [the PBGC money] back, I'm not going to lie, I did it."

Criminal Referral and Disposition

On May 28, 2021, the case was presented to the U.S. Attorney's Office (USAO) in the Middle District of Pennsylvania, the matter was subsequently accepted for prosecution. On March 20, 2022, (b)(6) was charged, via criminal information, with 18 U.S. Code § 641, theft of government money.

On April 4, 2022, (b)(6) pleaded guilty to one felony count of 18 U.S. Code § 641, theft of government money.

Pursuant to (b)(6) guilty plea, on February 10, 2023, the Court ordered (b)(6) to 2-years of probation, restitution to PBGC in the amount of \$8,950.68, and a \$100 special assessment fee.

Conclusion

The PBGC Office of Benefits Administration was notified of the restitution order.

This investigation is closed, and the case had been fully adjudicated with the U.S. District Court.

(b)(6); (b)(7)(C)

2/14/2023

(b)(6); (b)(7)(C)

Date

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Date

Assistant Inspector General for Investigations



April 11, 2023

CLOSEOUT MEMORANDUM

TITLE:

(b)(6) / (b)(6)

INVESTIGATOR:

(b)(6); (b)(7)(C), Special Agent

OIG CASE NUMBER: 22-0002-I

Investigative Initiation

In November 2017, the PBGC Office of Inspector General (OIG) discovered that PBGC beneficiary recipient (b)(6) had died on (b)(6) the discovery was made through a proactive data matching project. The loss to PBGC was under \$10,000, therefore, the OIG referred the matter to the Office of Benefits Administration (OBA) for administrative recovery of the overpayments.

In November 2020, OPM Retirement Services referred the case of retirement annuitant (b)(6) to OPM-OIG's Investigations Support Operations. (b)(6) death was not timely reported to OPM and he continued to receive monthly annuity payments through September 2019, resulting in an overpayment of \$408,183.41. OPM recovered \$76,500.98 through the reclamation process and \$1,399.41 in internal crediting, leaving a balance due of \$330,283.02. During the OPM-OIG investigation, it was discovered the target of thier investigation may have also defrauded PBGC, therefore OPM-OIG referred the matter to PBGC-OIG in October 2021, and a joint investigation ensued.

Background Information

(b)(6) was a PBGC participant in the Grand Union Company Associates Retirement Plan (Plan), a terminated defined benefit pension plan trusted by PBGC. (b)(6) died on (b)(6) PBGC was notified of (b)(6) death on January 26, 2005, by the Social Security Administration (SSA) Death Master File.

(b)(6) selected a 50% Joint and Contingent Option form of annuity; therefore, her surviving spouse was entitled to 50% of her monthly benefits that was payable until the spouse's death. As the surviving spouse/beneficiary of (b)(6) pension benefits, on June 1, 2005, (b)(6)

began receiving a monthly pension payment of \$61.83 in the form of a Straight Life Annuity. Therefore, after the death of (b)(6), there were no benefits payable to an estate or surviving relative.

(b)(6) died on (b)(6) however, PBGC did not learn of his death until November 2017. The death was discovered through a data matching project that PBGC-OIG conducted with the Department of Health and Human Services (HHS), OIG. A review of PBGC internal records revealed there were no attempts made, by any party, to report (b)(6) death to PBGC in (b)(6) or any date thereafter.

Details of Investigation

PBGC Payments Made After Date of Death

Under the Plan, (b)(6) PBGC benefit payments should have ceased on his date of death. However, because the death was not reported to PBGC, the agency continued to deposit benefit payments into his PNC bank account ending in (b)(6) through November 1, 2017. This resulted in 143 months of errant payments, totaling \$8,813.09. Any pension benefits paid in (b)(6) name, after his death, is considered the property of the United States Government.

PBGC Recovery Action

On November 7, 2017, OBA attempted a reclamation on the PNC bank account for the total outstanding amount of \$8,813.09; however, only \$2,834.98 was successfully reclaimed. On January 18, 2018, PBGC attempted a second reclamation for the remaining overpayment balance of \$5,935.68, this reclamation failed, and no money was recovered.

PNC Bank Account Records – Account ending in (b)(6)

In June 2018, OBA obtained (b)(6) financial records for his PNC Bank account ending in (b)(6). The records showed additional account holders were (b)(6) (deceased wife) and (b)(6). The records also confirmed PBGC deposited \$61.63 into (b)(6) account on a monthly basis. Additionally, the PBGC monthly disbursements were the only source of income funding the account. The financial statements also disclosed that the PBGC deposits were withdrawn, every month, via electronic debit mainly for payments to Traveler's Insurance Company and Assurity Life Insurance Company.

Assurity Life Insurance Records

In September 2003, (b)(6) enrolled in a \$10,000 life insurance policy with Assurity and made her daughter the beneficiary. Assurity audit records showed payments were made from the (b)(6) account from 2003 until 2019. The errant PBGC benefits for (b)(6) by way of the PNC account, were used to pay the life insurance premiums for (b)(6) life insurance policy.

PBGC Collection Action

In 2018, OBA determined that (b)(6) was the responsible party for PBGC recovery action. On January 26, 2018, PBGC sent a demand letter to (b)(6) to the address of (b)(6), requesting the remaining balance of \$5,935.68 be reimbursed to PBGC; this letter went unanswered. After all reclamation and demand letter attempts to recover the \$5,935.68 had failed, on August 30, 2018, PBGC referred the debt to the U.S. Treasury Department's Centralized Receivables Service (CRS) for collection action against (b)(6).

As of January 2022, CRS had recovered the additional outstanding amount of \$5,935.68. Therefore, by January 2022, the full amount (\$8,813.09), of the principal balance of the overpayments for (b)(6) were recuperated by PBGC.

Interview of (b)(6)

On May 26, 2022, PBGC-OIG Special Agent (SA) (b)(6); (b)(7)(C) and OPM-OIG SA (b)(6); (b)(7)(C) conducted an in-person interview with (b)(6) inside of her daughter's residence located at (b)(6).

Both agents explained the purpose of the interview was to determine the whereabouts of OPM and PBGC benefits that were disbursed to her father, (b)(6) after his death in December 2005. (b)(6) was advised she was the listed as the joint account owner for two separate bank accounts, which received the U.S. Government funds that were intended for her deceased father, and both those accounts showed extensive withdrawal activity after his death through 2019.

(b)(6) admitted to the investigators she expended the OPM and PBGC benefits, however, she explained she thought they were retirement benefits left to her by her mother and father after they passed away.

April 11, 2023

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At the conclusion of the interview, (b)(6) was served with a letter dated May 25, 2022, from the U.S. Attorney's Office, Eastern District of North Carolina. The letter notified (b)(6) that she was the subject of a federal criminal investigation concerning violations of Title 18 U.S. Code § 641, Theft of Government Funds.

Criminal Referral and Disposition

On August 31, 2021, the case was presented to the U.S. Attorney's Office (USAO) in the Eastern District of North Carolina, the matter was subsequently accepted for prosecution. On August 23, 2022, (b)(6) was charged, via criminal information, with 18 U.S. Code § 641, theft of government money.

On November 2, 2022, (b)(6) pleaded guilty to one felony count of 18 U.S. Code § 641, theft of government money.

Pursuant to (b)(6) guilty plea, on April 10, 2023, the Court ordered (b)(6) to 3-years of probation, restitution to OPM in the amount of \$ \$330,283.02, and a \$100 special assessment fee.

Conclusion

PBGC was previously made whole, via reclamations and garnishments, for the \$8,813.09 in errant benefits.

This investigation is closed, the case has been fully adjudicated with the U.S. District Court, Eastern District of North Carolina.

(b)(6); (b)(7)(C)

4/11/2023

(b)(6); (b)(7)(C)

Date

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

(b)(6)

Date

Assistant Inspector General for Investigations



October 4, 2023

CLOSEOUT MEMORANDUM

TITLE:

(b)(6) / (b)(6)

INVESTIGATOR:

(b)(6); (b)(7)(C) Special Agent

OIG CASE NUMBER: 22-0006-I

Investigative Initiation

In September 2021, (b)(6) became the subject of investigation with regard to alleged aggravated identity theft involving (b)(6). (b)(6) a deceased pension plan participant receiving PBGC benefits. (b)(6) was a participant in the Kemper Retirement Plan (Plan), a terminated defined benefit pension plan trusted by PBGC. PBGC paid (b)(6) a monthly pension benefit in the amount of \$149.59. On the first of each month, from July 2016 to June 2021, this money was deposited, via electronic fund transfer, into an American Express checking account ((b)(6)).

On June 16, 2021, PBGC was notified, via the Social Security Administration (SSA) Death Master File, that (b)(6) had died on (b)(6). After the notification of her death, beginning July 2021, PBGC ceased depositing (b)(6) pension benefits into the aforementioned American Express bank account. A review of PBGC internal records revealed there were no attempts made, by any party, to report (b)(6) death to PBGC in August 2015, or any date thereafter.

On September 10, 2021, the PBGC Participant Problem Resolution Officer received an email from (b)(6). The email stated: "I have not received any benefits checks for 3 months. They are set up as automatic deposits. I am not sure why there have been no deposits. Please send any info to (b)(6)." (b)(6)

Due to the above email, and the awareness of (b)(6) death, the PBGC Problem Resolution Office notified the PBGC Office of Inspector General (OIG) of potential fraud related to (b)(6) account and benefits. PBGC OIG began investigating the identity of the person allegedly impersonating (b)(6) and the whereabouts of the PBGC benefit payments made after her death from September 2015 to June 2021.

October 4, 2023

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Details of Investigation

Preliminary investigation revealed that, in April 2016, (b)(6) created the American Express checking account ((b)(6)) in (b)(6) name, by using her social security number, and then proceeded to divert (b)(6) PBGC pension benefits into this account, thereby committing identity theft, bank fraud and embezzlement of U.S. government funds.

American Express Financial Records

PBGC-OIG conducted a review of (b)(6) American Express financial records provided from a subpoena issued in October 2021.

Analysis of American Express Checking Account (b)(6)

The account was created on April 8, 2016, under the name (b)(6) (b)(6) personally identifiable information, including date of birth and social security number, were used to open the account. The account was created online through the IP address of (b)(6) [ISP: Optimum Online, Location: Litchfield, CT]. The customer profile information, as of March 2022, was as follows;
Address: (b)(6) Email:

(b)(6) Phone: (b)(6) A law enforcement sensitive query revealed that the address and phone number belong to (b)(6)

From July 1, 2016 to June 1, 2021, (b)(6) monthly PBGC pension benefits were electronically deposited into this account. Additionally, there were four PBGC paper checks negotiated and deposited for the months of February 2016 to May 2016, all four checks had the signature endorsement of (b)(6)

In totality, from April 2016 to June 2021, \$9,381.76 of (b)(6) PBGC benefits were deposited into this account. Once the PBGC benefits were deposited, the money was expended via point-of-sale transactions, ATM withdrawals, or transfers to a Union Savings Bank account [Routing: 22117224, Account:

(b)(6)].

PBGC Internal Documents

Written Communication from (b)(6)

On April 3, 2016, (b)(6) sent a change of address form to PBGC requesting her address be changed to the following: (b)(6)

(b)(6), Phone: (b)(6) According to a law enforcement sensitive search, this phone number is owned by (b)(6) (b)(6) The form was also signed as (b)(6)

October 4, 2023

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PBGC Self-Service Online Portal – MyPBA

On April 24, 2016, (b)(6) MyPBA account was accessed. An address change and payment destination change were made via the MyPBA online portal. The new payment destination information for benefit disbursement was changed to American Express, account: (b)(6).

On May 28, 2016 (b)(6) MyPBA account was accessed and a PBGC Form 707 [Designation of Beneficiary for Benefits Owed at Death] was completed and submitted online. This form changed (b)(6) beneficiary to (b)(6) (b)(6) Phone: (b)(6) SSN: (b)(6) DOB: (b)(6) Relationship: (b)(6). This form was submitted, and attested to, under Title 18 U.S. Code § 1001.

Google Records -

(b)(6)
A subpoena issued to Google revealed that the email address of (b)(6) was created on April 9, 2016, with the IP address of (b)(6) (Note: this is the same IP address as the account creation for the American Express bank account). The recovery email and phone number were (b)(6) and (b)(6). Both this email and phone number were owned/associated with (b)(6).

Interview with

On October 28, 2022, PBGC-OIG, Torrington Police Department Detective (b)(6); (b)(7)(C) and Social Security Administration (SSA) OIG SA (b)(6); (b)(7)(C) (b)(6); conducted an in-person interview with (b)(6) at a Starbucks located at 1111 S. Willow Street, Manchester, NH 03103.

(b)(6) admitted to being a family friend of (b)(6). However, when asked pointed questions regarding (b)(6) PBGC benefits and the American Express bank account, (b)(6) discontinued the interview with investigators and requested to speak to her lawyer. The interview was subsequently terminated, and (b)(6) left the location.

Criminal Referral and Disposition

(b)(5)-DPP

October 4, 2023

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On August 10, 2022, the case was presented to the Litchfield Judicial District, Connecticut State's Attorney and was accepted for prosecution for Connecticut state criminal violations. On December 1, 2022, (b)(6) was formally charged, via criminal complaint, with Forgery 1st Degree, in violation of CGS/PA No: 53a-138; Identity Theft - 1st Degree, in violation of CGS/PA No: 53a-129b; and Larceny 1st Degree - Defrauding Public Community, in violation of CGS/PA No: 53a-122(a)(4).

An extraditable arrest warrant was issued in conjunction with the complaint, and the defendant was arrested on January 1, 2023, by the Manchester (New Hampshire) Police Department.

Conclusion

On September 13, 2023, in lieu of a guilty plea, (b)(6) requested to be placed in Accelerated Rehabilitation (pretrial diversion) program. The Connecticut State's Attorney's Office agreed to the request, and the State District Court judge found good cause to place (b)(6) into this program. The Accelerated Rehabilitation program will span from September 2023 to September 2025.

Disposition

As part of the conditions of the program, (b)(6) was ordered to repay \$10,109.71 in restitution to PBGC.

The PBGC Office of Benefits Administration was notified of the restitution order.

This investigation is closed.

(b)(6); (b)(7)(C)

10/04/2023

(b)(6); (b)(7)(C)

Date

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Date

Assistant Inspector General for Investigations



March 29, 2023

CLOSEOUT MEMORANDUM

TITLE: (b)(6)

INVESTIGATOR: (b)(6); (b)(7)(C) Assistant Inspector General for Investigations

OIG CASE NUMBER: 22-0003-I

Investigative Initiation

On November 18, 2021, the PBGC Office of General Counsel (OGC) informed the PBGC Office of Inspector General (OIG) of the following information concerning (b)(6)

On November 1, 2021, the OGC General Law and Ethics Division submitted a Report of Investigation to the PBGC Harassment Investigation Committee. The report addressed harassment allegations concerning (b)(6) and another PBGC employee. The final disposition of the investigation determined there was no unlawful harassment against either complainant.

However, during this investigation, (b)(6) produced to investigators a "transcript" of a conversation she had with her subordinate, (b)(6); (b)(7)(C) on June 1, 2021. It was later discovered, this transcript was created based on a recording of the June 1, 2021 conversation with (b)(6); (b)(7)(C). Additionally, the recording was made while in performance of (b)(6) official duties as a PBGC employee.

Also, during the investigation of the above-mentioned harassment complaint, (b)(6) provided a witness statement on October 19, 2021 to investigators. In that written statement, (b)(6) admitted, under penalty of perjury, that she recorded the June 1, 2021 conversation without (b)(6); (b)(7)(C) knowledge or consent by using her personal phone while located in the state of Maryland. (b)(6)

(b)(6); (b)(7)(C) was located in Virginia when the recorded meeting took place.

Details of Investigation

OIG Interview of (b)(6)

March 29, 2023

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On November 18, 2021, PBGC-OIG, Office of Investigations interviewed (b)(6) via phone. Upon commencing the telephonic interview, and prior to asking questions, (b)(6) was verbally advised of Title 18 U.S. Code Section 1001 (knowingly falsifying or concealing a material fact in connection with a federal investigation) and PBGC Directive 30-1 (falsification or omission of material fact in connection with an official PBGC investigation). Additionally, (b)(6) orally affirmed to the investigator that the information she was going to provide would be true and complete to the best of her knowledge and belief.

(b)(6) confirmed that, on June 1, 2021, she recorded (b)(6); (b)(7)(C) without her consent by using a recording application on her personal cell phone. The recording was done while in the course of her official PBGC duties, more specifically, while conducting a performance appraisal review with (b)(6); (b)(7)(C). This performance appraisal review was conducted through a PBGC Microsoft Teams platform, (b)(6) was located in Maryland and (b)(6); (b)(7)(C) was located in Virginia during this virtual conversation.

(b)(6) explained the conversation was recorded without (b)(6); (b)(7)(C) permission because she was previously verbally threatened by (b)(6); (b)(7)(C). (b)(6) detailed that she did not obtain (b)(6); (b)(7)(C) consent to record the conversation because she reasonably expected to be threatened again during this virtual meeting. (b)(6) pointed out that, according to Maryland law and Title 18 of the U.S. Code, a victim of threats does not need consent from the perpetrator to record evidence of the crime (i.e., another verbal threat).

(b)(6) was asked if she had recorded any other PBGC employees without their consent; (b)(6) admitted to the investigator that she previously recorded her supervisor, (b)(6); (b)(7)(C) without her knowledge. (b)(6) affirmed she recorded (b)(6); (b)(7)(C) also due to previous verbal threats from her, and because she wanted to obtain evidence of those threats. (b)(6) stated she had two recordings of (b)(6); (b)(7)(C) both from the same conversation that occurred on June 16, 2021, while (b)(6) was at her residence in Maryland and while in the course of her official duties with PBGC.

(b)(6) reiterated she only recorded (b)(6); (b)(7)(C) and (b)(6); (b)(7)(C) due to previous verbal threats and to obtain physical evidence of these threats. The recordings were done to protect herself because she feared physical harm from (b)(6); (b)(7)(C) and (b)(6); (b)(7)(C). (b)(6) surmised the reason for the verbal threats were because (b)(6); (b)(7)(C) and (b)(6); (b)(7)(C) were threatened by (b)(6) professional credentials. Additionally, she believed (b)(6); (b)(7)(C) and (b)(6); (b)(7)(C) verbally threatened her because (b)(6); (b)(7)(C) would not let (b)(6) hold (b)(6); (b)(7)(C) accountable for her poor work performance.

March 29, 2023

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Recordings Made by (b)(6)

Post OIG interview with (b)(6) on November 18, 2021, PBGC was subsequently only aware of three non-consensual recordings made by (b)(6) one on June 1, 2021 with (b)(6); (b)(7)(C) and two on June 16, 2021 with (b)(7)(A); (b)(7)(C) (b)(6); (b)(7)(C)

The OIG later discovered that (b)(6) had made, at minimum, six additional recordings from July 2021 to September 2021 and one on January 31, 2022, of (b)(6); (b)(7)(C) and (b)(6); (b)(7)(C) and other PBGC federal employees, without their knowledge or consent.

The below list encompasses the entirety of the recordings that the OIG has been made aware.

1. June 1, 2021 – (b)(6); (b)(7)(C) subordinate)
2. June 16, 2021 – (b)(6); (b)(7)(C) supervisor)
3. June 16, 2021 – (b)(6); (b)(7)(C)
4. July 30, 2021 – (b)(6); (b)(7)(C)
5. August 12, 2021 – (b)(6); (b)(7)(C) and (b)(6); (b)(7)(C)
6. September 10, 2021 – (b)(6); (b)(7)(C) (b)(6) 2nd Level Supervisor)
7. September 17, 2021 – (b)(6); (b)(7)(C)
8. September 20, 2021 – (b)(6); (b)(7)(C)
9. September 23, 2021 – (b)(6); (b)(7)(C)
10. January 31, 2022 – (b)(6); (b)(7)(C) (occurred after the November 2021 OIG Interview)

Discovery of Additional Recordings

During the OIG interview of (b)(6) in November 2021, she was asked if she had recorded any other PBGC employees without their consent; (b)(6) admitted to the investigator that she recorded (b)(6); (b)(7)(C) without her knowledge two times on June 16, 2021. Therefore, in November 2021, PBGC-OIG was only aware of three recordings admitted to by (b)(6). However, in July 2022 and August 2022, PBGC OGC was made aware of an additional six non-consensual recordings made by (b)(6) of PBGC personnel from July 2021 to September 2021. (b)(6) did not disclose the existence of these recordings to the OIG in the November 2021 interview.

These recordings were discovered because (b)(6) has a Merit Systems Protection Board (MSPB) appeal case (Docket #: (b)(6)) and EEO complaint against PBGC regarding personnel actions against her and other various grievances. During the case and complaint discovery processes, PBGC OGC attorneys, representing the agency, were made aware of and received an

additional six recordings that (b)(6) made of PBGC personnel without their consent.

The OIG reviewed the recordings, and in all of them, there was no mention of consent to record, and it appeared the parties involved did not know they were being recorded. Additionally, all recordings discussed official PBGC/government business.

It should be noted, the September 20, 2021 recording of (b)(6); (b)(7)(C) was reviewed in detail. (b)(6); explicitly stated to (b)(6) that she knew (b)(6) was recording the conversation that she did not consent to (b)(6) recording the discussion. However, (b)(6) continued to record until the conclusion of their conversation.

Location of (b)(6) During Recordings

PBGC-OIG requested geolocation data from PBGC's Information Technology Infrastructure Operations Department (ITIOD) regarding the physical location of (b)(6) PBGC issued laptop. ITIOD confirmed that (b)(6) laptop was located in Brandywine, Maryland during the dates of at least eight of the abovementioned recordings.

This geolocation data was derived from ITIOD internal Virtual Private Network (VPN) and Internal Protocol (IP) address records. ITIOD provided the OIG with the VPN logs for each date in question that showed (b)(6) username, connection date and time, IP address, and city and state of the laptop location.

Criminal Referral

(b)(6); (b)(5)-DPP

March 29, 2023

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Conclusion

In summation, in November 2021, (b)(6) admitted to the OIG to recording PBGC employees on three occasions, when in fact, at that time, she had recorded PBGC personnel in nine different instances. Additionally, the Maryland State's Attorney's Office concluded, based on that facts and circumstances of the investigation, that (b)(6) did violate the Maryland's Wiretapping and Electronic Surveillance Act, however, because (b)(6) did not use the recordings for illicit activities (i.e., blackmail, extortion, bribery, etc.) the Maryland State's Attorney's Office declined to prosecute the matter.

On March 29, 2023, the Investigative Memorandum was disseminated to Robert Scherer (Chief Information Officer), Karen Morris (General Counsel), and Paul Chalmers (Deputy General Counsel, General Law and Operations).

Disposition

This investigation is closed. The Investigative Memorandum was provided to PBGC management and OGC for whatever action they deem appropriate.

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Assistant Inspector General for Investigations

Date



October 9, 2024

CLOSEOUT MEMORANDUM

TITLE:

(b)(6)

INVESTIGATOR:

(b)(6); (b)(7)(C)

Assistant Inspector General for Investigations

OIG CASE NUMBER: 23-0003-I

Investigative Initiation

On June 22, 2022, the Federal Bureau of Investigations (FBI) contacted the PBGC-OIG regarding potential fraud concerning the (b)(6)

(b)(6). The alleged fraud stated that one of the plans participants never earned income nor worked for the Plan sponsor, (b)(6)

The FBI was made aware, that in February 2020, there was a sworn declaration authored by participant, (b)(6) (b)(6), that was evidence in the U.S. District Court civil case where the Tucson Police Department is the defendant. In the declaration, (b)(6) provided her work history, during her recounting, she never mentioned she worked for (b)(6). For the years the Plan claimed she worked for (b)(6) (1995 – 2011), she was employed with the Catalina Foothills Unified School District (Tucson, AZ) as the (b)(6)

(b)(6). Furthermore, in July 2020, there was a sworn deposition, conducted by the Tucson Police Department, where (b)(6) verbally confirmed her work history from the aforementioned sworn declaration, and once again, she never stated she worked for (b)(6)

The July 2020 deposition with Tucson Police Department was conducted because they discovered a (b)(6) "Payroll History" document for (b)(6). This document detailed her yearly salary with (b)(6) for many years, however, due to her previous declaration in February 2020, the Tucson Police Department knew she never worked for (b)(6)

Primary basis for investigation: If (b)(6) never worked for (b)(6) she would not be entitled to a PBGC benefit. To date, she has collected over \$353,000 in PBGC benefits.

(b)(6)

Plan Summary

The Plan was initiated on (b)(6). The Plan Sponsor was (b)(6). Per Arizona Corporation Commission and Plan documents, (b)(6) was the President, and the 100% sole owner was (b)(6). The Plan Administrator was the (b)(6). The Plan was set up through an Adoption Agreement with the (b)(6) for a Regional Prototype Non-Standardized Non-Integrated Defined Benefit Pension Plan. The Plan Trustee and Statutory Agent was (b)(6).

Bankruptcy and PBGC Notice of Termination Filings

The Plan Sponsor (b)(6) filed for Chapter 7 bankruptcy on October 20, 2017, with the U.S. Bankruptcy Court. On November 17, 2017, (b)(6) as the (b)(6) President and the Plan Administrator, submitted a PBGC Form 600 (Distressed Termination, Notice of Intent to Terminate) and a PBGC Form 601 (Distressed Termination Notice, Single-Employer Plan Termination) with the agency. Both forms indicated November 1, 2017, as the proposed Plan termination date.

On the PBGC Form 601, (b)(6) the Plan Enrolled Actuary, stated that “Plan benefits were paid until plan funds were exhausted. The company anticipated new business sufficient to start funding the Plan. This new business did not materialize. Ultimately, the company had to file bankruptcy.”

PBGC determined that October 21, 2017, was the most appropriate Plan termination date. PBGC trustee the Plan on March 19, 2018. From Plan inception, there have only been two plan participants, (b)(6) and (b)(6). According to the previous Plan Actuary calculations, the monthly PBGC benefits for (b)(6) totaled \$5,308.25, and (b)(6) totaled \$4,589.52, these benefit amounts were paid to the participants prior to PBGC’s trusteeship.

Premium Payments and Filings

The 1995 to 2007 PBGC premium filings and all associated documents, were signed on the same date, February 5, 2009. It was discovered that from 1995 to 2007, the annual Plan premiums were not paid, and IRS Form 5500s could not be located prior to 2009. In 2009, the first filed IRS Form 5500 was discovered. This form indicated that the plans assets were valued at \$1,414,000, however, the entirety of this value was loaned from the Plan, but the loans were not to any

participants. In February 2009, the Plan sent a check to PBGC for \$540.00, which represented the missed premium payment from 1995 to 2007. Prior to the date of Plan termination (DOPT), the Plan was current on the premium payments (2008 to 2017).

PBGC confirmed that the agency was not aware of the Plan until 2009, when all the premium filings, dated February 5, 2009, and the \$540 check, was sent to PBGC.

Change of Plan Sponsor

In the PBGC premium filing for 2007, the (b)(6) changed Plan sponsors from (b)(6) to (b)(6) (EIN (b)(6)). However, (b)(6) provided an addendum in 2009 Premium filing that stated the (b)(6) Plan "sponsorship was inadvertently changed."

IRS Form 5500s

The IRS Form 5500s showed that from October 1, 2015 to September 30, 2017, Plan assets dropped from \$1,323,500 to \$1,753. The 2015 Schedule I shows a \$598,000 investment loss, and the 2016 Form 5500-SF showed a \$723,247 investment loss. Furthermore, no participants were cashed out in a lump sum to account for these losses.

The 2016 Schedule SB shows there were no unpaid minimum required contribution for prior years. However, the PBGC Negotiations & Restructuring Actuarial Department believes that was incorrect because the 2015 Schedule SB showed that the 2015 minimum required contributions were never paid.

Investigative Activity on the (b)(6) Plan

Due to the usually high dollar amount of monthly PBGC benefits calculated for both participants, PBGC-OIG conducted research on the benefit calculations. It was discovered that, upon trusteeship, PBGC did not calculate or recalculate the benefits for either participant. Based on the information PBGC received from prior Plan administration/actuary ((b)(6))), the agency indicated that there was insufficient data to "test" the accrued monthly benefit calculations (See 23244900 SPDCA.pdf, page 12 under "participant issues").

Therefore, the accrued monthly benefits calculations, ((b)(6)), \$5,308.25, and (b)(6), \$4,589.52) available in previous plan documents, were accepted by PBGC. In general, it was discovered that, in some cases, the Actuarial Services and Technology Department (ASTD) will simply accept the previous plan administrations accrued monthly benefit calculations when earnings data is not available.

Participant Benefit Calculations Issues

According to Plan documents, the Plan's benefit formula was calculated as 10% of the average monthly compensation multiplied by years of service, with a maximum 10 years (See page (b)(6)).

(b)(6) The Average Monthly Compensation was defined as the monthly compensation averaged over the three highest consecutive plan years. Credited Service was defined as being equal to participation service, which was computed based on 250 hours per plan year. Plan documents confirmed that the service can only be counted when the participant is paid by (b)(6) (See (b)(6)).

Since (b)(6) and (b)(6) showed more than 10 years of participation, they were entitled to 100% of their three highest consecutive plan years (Retirees DOPT listing.pdf). Since all participants retired more than one year prior to Bankruptcy Petition Date, no recalculation was required for tolerance testing; therefore, ASTD did not recalculate the monthly benefits. (See (b)(6)).

The Plan froze benefit accruals effective October 1, 2010 (b)(6). (b)(6). PBGC was unable to obtain the 204(h) notices or a signed copy of the freeze amendment. There was also no evidence that the freeze wasn't adopted properly; therefore, PBGC accepted the freeze as valid.

Based on (b)(6) benefits of \$4,589.52, her average annual pay needed to be approximately \$55,074. For (b)(6), with \$5,308.25 in monthly benefits, his average annual income should have been roughly \$63,699. However, according to the benefit statements (b)(6), (b)(6) only earnings record showed \$14,950 in 2010 and (b)(6) data showed earnings of \$42,000 in 2005, \$20,000 in 2008, and \$10,000 in 2009. There was no other information provided by (b)(6) or (b)(6) that showed historical hours worked or earnings records for all years back to date of hire. This information would have been needed to determine the accuracy of the (b)(6) accrued monthly benefit calculations.

Note: These earnings documents and calculations were provided by the plan administrator, at the time of DOPT, PBGC did not have independent information to verify the income and credible service for either participant. PBGC would have needed to obtain historical hours worked and W-2s for all years back to the participant's date of hire in order to determine the accuracy of their PBGC benefits.

Proof of Employment and Earnings Issues

(b)(6) provided "Participant Certificates" for the Plan year ending September 30, 2017. This document showed that (b)(6) Plan participation date began on October 1, 1995, and she had 11 years of vested service. Compensation for the Plan years of 2003-2009, and 2011 to 2017 showed \$0 in earnings, Plan year 2010 showed \$14,590 in earnings. The document also revealed that (b)(6) Plan participation date began on October 1, 1995, and he had 5 years of vested service. Compensation for the Plan years of 2003-2004, 2006-2007, and 2010-2017 showed \$0 in earnings, Plan year 2005 showed \$42,000, 2008 displayed \$20,000, and 2009 disclosed \$10,000 in earnings.

After reviewing the entirety of the Plan file, PBGC-OIG could not locate documents, either provided from previous plan administration or requested by PBGC, that proved (b)(6) or (b)(6) were truly employed by and earned sufficient income from (b)(6) to justify their monthly benefits. Historical W-2 and SSA earning records would have been needed to confirm the validity of the (b)(6) employment with (b)(6)

(b)(6) Plan Issues

2017 Annual Report

In the Plan's 2017 Annual Report authored by (b)(6) he stated: "The value of plan assets, after subtracting the liabilities of the plan was \$1,753 as of September 20, 2017, compared to \$725,000 as of October 1, 2016. During the plan year the Plan experienced a decrease in net assets of \$723,247. This decrease includes, unrealized appreciated and depreciated in the value of plan assets at the end of the year, and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The Plan had a total income of (\$723,247) including earnings from investments of (\$723,247)." Additionally, (b)(6) notated that not enough money was contributed to the Plan to keep it funded in accordance with the minimum funding standards of ERISA; this deficit amount was \$227,241.

In June 2021, the PBGC Recovery Valuation Team concluded this Plan was a "zero-recovery" case because no monies or assets were recoverable. Also, the PBGC Office of the General Counsel (OGC) determined that no future recoveries were likely because during the Chapter 7 bankruptcy, no assets were identified for unsecured creditors, such as PBGC.

October 9, 2024

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(b)(6) Bankruptcy

On October 20, 2017, (b)(6) filed for Chapter 7 bankruptcy in the Arizona U.S. Bankruptcy Court. During the bankruptcy proceedings, the Chapter 7 Trustee notified PBGC OGC that the Plan assets had been significantly depleted from 2016 to 2017, and that there were concerns about (b)(6) Plan sponsor, (b)(6)

According to the (b)(6) bankruptcy documents, (b)(6) was listed at the President, Chief Executive Officer, and Director of (b)(6) with 0% interest in the company. (b)(6) was listed at the Secretary, Treasurer, and Director of (b)(6) with 100% interest in the company.

The (b)(6) Plan was listed as a nonpriority creditor for \$1,418,432. Additionally, PBGC was listed as a nonpriority creditor for an “unknown” amount.

EIN Discrepancy

Furthermore, under question 32 in the bankruptcy filing (Official Form 207), the Debtor (b)(6) was asked, “Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?” (b)(6) provided the answer as the (b)(6) however, the EIN for the parent corporation associated with the Plan was listed as (b)(6). The correct EIN for (b)(6) is (b)(6). After conducting research on EIN (b)(6), it appears this EIN does not exist.

(b)(6)

It was further discovered that (b)(6) EIN: (b)(6), and (b)(6) EIN: (b)(6), were listed in bankruptcy documents as connected business to (b)(6) (b)(6) as the “President” of (b)(6) (b)(6) attested that he was a 1% “general partner” in both (b)(6) and (b)(6)

Bankruptcy Discharge

On October 17, 2017, (b)(6) certified the Official Form 207 (Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy) under the premise and warning that “Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.”

The bankruptcy was subsequently discharged on July 23, 2019, for \$1,428,076.79, of which the Plan’s estimate market value encompassed \$1,418,432 (99.32%).

October 9, 2024

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Bankruptcy Reopening

On or around May 8, 2020, (b)(6) and (b)(6) sent a demand letter to (b)(6) seeking payment for losses related to a pre-petition construction project. The bankruptcy case was then reopened on May 19, 2020.

On August 5, 2020, (b)(6) (Plaintiff) filed a complaint that alleged the actions of (b)(6) and (b)(6) (Defendants) constituted a violation of court orders provided under 11 U.S.C. § 105. (b)(6) contended that (b)(6) and (b)(6) continued unlawful collection efforts was in violation of court orders and caused (b)(6) harm. As a result, (b)(6) claimed that (b)(6) and (b)(6) were both jointly and severally liable for actual damages, punitive damages and legal fees. However, on April 27, 2021, (b)(6) agreed to dismiss the court action against (b)(6) and (b)(6).

Arizona Secretary of State – (b)(6)

(b)(6)

According to Arizona Secretary of State documents, (b)(7)(A) filed for a business partnership with (b)(6). On March 11, 2003, the partnership remained intact until April 19, 2021. On February 1, 2022, a second business partnership with (b)(6) was registered with the state. The agent for service of process is listed as (b)(6) (b)(6)

(b)(6)

Additionally, (b)(6) filed for a business partnership with (b)(6) on (b)(6) the partnership remained intact until (b)(6). On February 1, 2022, a second business partnership with (b)(6) was registered with the state. The agent for service of process is listed as (b)(6) (b)(6) (b)(6)

(b)(6) Fiduciary Breach

On November 29, 2017, the PBGC OGC attorney representing the agency in the (b)(6) bankruptcy proceedings, was made aware of a possible fiduciary breach with the Plan. On November 28, 2017, the Chapter 7 Trustee notified OGC that the Plan assets were significantly depleted, and there were concerns about the Plan sponsor (b)(6).

On November 30, 2017, PBGC received documents from (b)(6) in response to an information request; the documents included a 2016 Annual Valuation Report (AVR) and Form 5500. The AVR and 5500 both indicated, that as of

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October 1, 2016, the Plans assets totaled \$1,753. The only explanation provided from the Plan for this “loss” was as follows:

“The value of plan assets, after subtracting the liabilities of the plan was \$1,753 as of September 20, 2017, compared to \$725,000 as of October 1, 2016. During the plan year the plan experienced a decrease in net assets of \$723,247. This decrease includes, unrealized appreciated and depreciated in the value of plan assets at the end of the year, and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had a total income of (\$723,247) including earnings from investments of (\$723,247).”

(b)(6) communicated to PBGC that there were no Participant or Plan loans for this plan (See (b)(6)). Additionally, based on the review of the IRS Form 5500 for the years 2009 through 2014 and AVR data for the October 1, 2016, plan year (IPS Doc Type (b)(6)), there is was no evidence of any Participant loans.

PBGC did not have any information suggesting that the depletion of assets was attributable to the payment of retiree benefits, therefore, in December 2017, OGC sent another information request (b)(6) asking for additional information on the Plan asset depletion. In January 2018, (b)(6) provided PBGC OGC with detailed information on the asset depletion, which was attributed to loans disbursed from the Plan.

From February 22, 2005 to January 26, 2007, a total of \$675,000 (\$725,000 total with estimated interest) was loaned from the Plan to (b)(6). There were seven loans in that time period that ranged from \$60,000 to \$140,000

Loans to AEI:

1. 2/22/2005 - \$140,000
2. 1/31/2006 - \$125,000
3. 3/08/2006 - \$75,000
4. 3/31/2006 - \$85,000
5. 6/26/2006 - \$90,000
6. 12/20/2006 - \$60,000
7. 1/26/2007 - \$100,000

According to documents provided by (b)(6) on December 22, 2015, (b)(6) repaid the June 26, 2006, loan for \$90,000 (plus \$30,753.34 interest) to the Plan. This money was deposited into BBVA Compass Bank account (b)(6). The funds were then subsequently used to make back payment distributions to the two plan participants (b)(6) and (b)(6) for July 2015 to December 2015, and then normal payment disbursements from January 2016 to June 2016. After

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June 2016, the \$120,753.34 from the (b)(6) loan repayment was exhausted. The additional six loans were not repaid.

After review of the documents provided from (b)(6), OGC determined the loans constituted a fiduciary breach under ERISA. As trustee, PBGC had the power to “collect for the plan any amounts due the plan,” and to “commence, prosecute, or defend on behalf of the plan any suit or proceeding involving the plan.” See 29 U.S.C. § 1342(d)(1)(B)(ii), (iv). PBGC has three years from the date it becomes trustee to bring an action to recover amounts due the plan. See 29 U.S.C. § 1303(e)(6)(B)(ii).

The PBGC Negotiations & Restructuring Actuarial Department (NRAD) conducted a present value calculation of Plan Assets as of DOPT. It was determined the six outstanding, non-repaid, loans cost the Plan approximately **\$1,006,941**.

Fiduciary Breach Settlements

(b)(6) *Agreement*

On January 14, 2022, (b)(6) entered into a fiduciary breach settlement agreement with PBGC. PBGC alleged that (b)(6) was a fiduciary of the Plan when the seven loan were disbursed to AEI. The loans were deemed to be contrary to (b)(6)'s fiduciary duties under 29 U.S.C. §§ 1104, 1105, and 1106, and therefore resulted in losses to the Plan for which he was personally liable under 29 U.S.C. § 1109(a). (b)(6) denied the allegations, nonetheless, he entered into the settlement agreement for actuarial equivalent of \$642,000, of which would be deducted from his future PBGC benefits since he as a Plan participant.

(b)(6) *False Statement – January 14, 2022, (b)(6) Settlement Agreement*

Additionally, (b)(6) as the “spouse” of (b)(6), was required to consent to the reduction of any survivor benefit she may be entitled to receive with respect to the benefit of (b)(6). (b)(6) attested in the settlement agreement she was (effective (b)(6) date of execution, January 14, 2022) married to (b)(6). (b)(6) The PBGC-OIG discovered the case of (b)(6) (Petitioner) vs. (b)(6) Respondent), Case: (b)(6) in which a marital settlement agreement dated December 9, 2019, was executed, making the (b)(6) legally divorced.

(b)(6) *Agreement*

On January 5, 2022, (b)(6) entered into a fiduciary breach settlement agreement with PBGC. (b)(6) was the Plan's sole trustee

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and a fiduciary when the seven loan were disbursed to (b)(6) (b)(6) denied that he breached any fiduciary duties owed to the Plan, nevertheless, he agreed to pay PBGC, on behalf of the Plan, the sum of \$1,000.

(b)(6) *Agreement*

On January 6, 2022, (b)(6) entered into a fiduciary breach settlement agreement with PBGC. PBGC alleged that (b)(6) filed a complaint in the Arizona Superior Court on behalf of itself and several pension plans, including the (b)(6). The parties to this complaint entered into a settlement agreement dated October 19, 2015. (b)(6) signed the 2015 Settlement Agreement for the (b)(6)

(b)(6) as “special Court appointed trustee.” This 2015 Agreement purportedly released (b)(6) and (b)(6) from any liability owed to the (b)(6) Plan in connection with the (b)(6) Loans.

PBGC alleged that, at all relevant times, (b)(6) was a fiduciary of the (b)(6) Plan, as defined by 29 U.S.C. § 1002(21)(A). PBGC contended that (b)(6) breached fiduciary duties under ERISA by entering into the 2015 Agreement on behalf of the (b)(6). (b)(6) and the (b)(6) (b)(6) denied that they breached any fiduciary duties owed to the Plan, nonetheless, they agreed to jointly pay PBGC, on behalf of the Plan, the sum of \$5,000.

2015 Arizona Superior Court Civil Case - (b)(6) on behalf of the (b)(6)

In September 2014, (b)(6) filed a civil complaint in Arizona Superior Court on behalf of the (b)(6) and four other plans (b)(6)

(b)(6)
(b)(6). The complaint stated that (b)(6) and (b)(6) committed a Breach of Contract and engaged in Unjust Enrichment while acting for (b)(6) Australian Equity Investors, and (b)(6). A portion of the complaint detailed that (b)(6) and (b)(6) loaned money from the (b)(6) (and the other plans) to which they were default on the loan repayments.

In the complaint, (b)(6) was seeking three judgements; recovery of damages for the principal amount of the unpaid balance of the Company's fees, the cost of the Company's attorney's fees, and the recovery of damages for the principal amount of the unpaid loan balance that was due to the pension Plans (including the (b)(6)).

The case was never adjudicated in court because on October 19, 2015, a Settlement Agreement was executed, and the associated Complaint was

withdrawn and dismissed. The agreement stated that (b)(6) was allowed to liquidate part of the plan's assets (including the (b)(6)) to pay himself of what was owed by (b)(6) and (b)(6). Most importantly, all loans disbursed from all the plans were discharged and forgiven, to include the (b)(6) loans to (b)(6). (b)(6) signed this settlement agreement as the "President" of (b)(6), the "General Partner" and "President" of Australian Equity Investors, and the "General Partner" and "President" of The (b)(6).

It is suspected that all parties conspired to obtain loan forgiveness that would be documented in Court record, which would imply a Fraud on the Court.

(b)(6) **1099-R Review (2015 and 2016) - Disability Fraud/Tax Fraud**

2015 1099-R

(b)(6) 2015 1099-R, showed a total pension distribution of \$31,849.50, however, the Distribution Code (Box 7) was entered as "3." The distribution code of "3" indicated that the entirety of the \$31,849.50 for CY2015 was disbursed under a disability provision, meaning the total taxable amount was only 10% of the gross distributions (\$3,184.95).

In order to claim *Disability* on the 1099-R, proof of disability must be provided at the time of distribution. An individual claiming disability, to avoid the early distribution penalty tax, must qualify as disabled within the meaning of Internal Revenue Code Section (IRC Sec.) 72(m)(7).

According to Internal Revenue Code Section 72(m)(7), the meaning of disabled is as follows:

For purposes of this section, an individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long continued and indefinite duration. An individual shall not be considered to be disabled unless he furnishes proof of the existence thereof in such form and manner as the Secretary may require.

Disabled individuals typically file IRS Schedule R, Credit for the Elderly or the Disabled, with their tax return. The Schedule R includes a physician's statement that may be used by financial organizations to verify that the individual is permanently and totally disabled. Verification is not required by the IRS but is highly recommended. Financial organizations may ask IRA owners and pension plan participants for a copy of the signed physician's statement, or an equivalent statement signed by a physician before using code 3.

EIN Discrepancy on 2015 1099-R

Lastly, on the 2015 1099-R for (b)(6) the PAYER's Federal Identification Number is listed as (b)(6) for (b)(6) (b)(6). This EIN was also used on the bankruptcy filing document from October 2017. The correct EIN for (b)(6) is (b)(6).

2016 1099-R

(b)(6) 2016 1099-R shows the exact amounts as the 2015 1099-R, a total pension distribution of \$31,849.50, and a total taxable amount of \$3,184.95. Also, once again, on the 2016 1099-R displays the PAYER's Federal Identification Number as (b)(6) for (b)(6) (b)(6) however the address for (b)(6) was changed to (b)(6). Note: This is the business address for the (b)(6).

(b)(6) Contact with PBGC Regarding the 1099-R/Disability Disbursements

On October 10, 2018, (b)(6) contacted PBGC regarding the agency's request for additional documentation proving his retirement benefit through the prior Plan was a "disability" benefit. During the call, (b)(6) stated he did not have any other documentation besides a 2015 1099-R showing that in Box 7, Code 3 is entered, indicating "Disability Distribution" (PBGC was already in possession of the 2016 1099-R). PBGC then requested an application for benefits from the Plan or any other plan documents that would confirm his disability coding.

(b)(6) stated he was not considered "disabled" with the Social Security Administration, and only defined as disabled under the terms of the Plan. Under Section G4 of the Plan, Disability Retirement Benefits: "...the disability of Participant shall be determined by a physician appointed by the Administrator..." A disability related determination was not discovered after a review of all available Plan documents.

On October 18, 2018, (b)(6) provided no further disability documentation and only provided an additional 1099-R from 2015.

Additional Suspicious Plans Insured by PBGC

Due to the highly suspicious activity with the (b)(6) Plan, PBGC-OIG conducted a query to determine if (b)(6), or (b)(6) (b)(6) were involved with any other plans insured by PBGC. It was subsequently determined that three other plans existed: (b)(6)

(b)(6)

- This is an ongoing plan as of (b)(6) and has only 1 active participant since 2009.
- The effective date for this plan is (b)(6)
- There was a \$185,000 “other income” in 2010.
- The plans assets have been loaned out since 2009.
 - The loan amount started with total assets in 2009 and remain to be very high percentage of plan assets.
 - Note: This may be a violation of fiduciary responsibilities and would be a definite violation if this is a party-in-interest transaction.
- There were 2 large “other income” of -\$185,800 in 2018 and -\$104,880 in 2020.
 - Note: These seem to be write-offs of an unpaid loan.
- There has been no loan repayment since 2009.
- The plan never has any investment earnings.

(b)(6)

- This plan closed out in 2017 and had only 1 active participant since 2009.
- The effective date for this plan is (b)(6)
- Similar to above (b)(6), the entire plan assets were always loaned out.
 - Note: This is a possible fiduciary violation.
- The liabilities calculations appear to be incorrect from year to year.
- The benefits paid were 60% higher than the liability and payout were divided equally into 2 plan years.
- The interest rates used to determine liabilities for 2011 – 2013 are incorrect.

(b)(6)

- This is an ongoing plan as of 2020 and has only 1 active participant since 2009.
- The effective date for this plan is (b)(6)
- Similar to above (b)(6), the entire plan assets were always loaned out.
 - Note: This is a possible fiduciary violation.
- The liabilities calculations seem to be off from year to year.

- The interest rates used to determine liabilities for 2011 is the same high rates used for the Contractor Inc. plan.

In summary, the three plans appear irregular, as the plan assets have always been loaned out, similar to the (b)(6) and there has been no loan repayment. The calculations of liabilities also seem questionable. (b)(6) was listed as representative of the plan sponsors and plan administrators at some point for all three plans. All Form 5500s were signed by (b)(6) who is also the plan actuary for all three plans. (b)(6) was also listed as representative for (b)(6) and (b)(6) was the (b)(6) actuary. In addition, all three Plan Sponsors use the same address, which is the business address for (b)(6).

Summary of Potential Criminal Activity

(b)(6) (b)(6) (b)(6)

18 U.S. Code § 664 - Theft or embezzlement from employee benefit plan

From February 22, 2005 to January 26, 2007, a total of \$675,000 was loaned from the Plan to Australian Equity Investors. There were seven loans in that period that ranged from \$60,000 to \$140,000. Per bankruptcy documents and Arizona Superior Court records, (b)(6) identified himself as a “general partner” and the “President” of (b)(6), converted these loans for his own use and the use of (b)(6) of which he controlled. The (b)(6) is an employee benefit plan subject to the provisions of title I of the Employee Retirement Income Security Act of 1974 (ERISA). Since the (b)(6) is subject to the provisions ERISA, the actions of (b)(6) can be considered violations of 18 U.S. Code § 664; Theft or embezzlement from employee benefit plan. (b)(6) was both a fiduciary and a participant of the Plan, and he was a party-in-interest in (b)(6) therefore, the loans are deemed to be contrary to (b)(6) fiduciary duties and embezzlement from the Plan.

18 U.S. Code § 371— Conspiracy to Defraud the United States; 18 U.S. Code § 1341 - Frauds and Swindles

Additionally (b)(6) in conjunction with (b)(6) and (b)(6) further attempted to defraud the Plan when (b)(6) filed a civil complaint in Arizona Superior Court in September 2014 on behalf of the (b)(6) (and four other plans). The complaint stated that (b)(6) and (b)(6) committed a Breach of Contract and engaged in Unjust Enrichment while acting for (b)(6), (b)(6) and (b)(6). A portion of the complaint detailed that (b)(6) and (b)(6) loaned money from the (b)(6) (and other plans) to which they were default on the payments.

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In the complaint, (b)(6) was seeking three judgements, recovery of damages for the principal amount of the unpaid balance of the Company's fees, cost of the Company's attorney's fees, and recovery of damages for the principal amount of the unpaid loan balance that was due to the pension Plans (including the (b)(6)). It is believed that (b)(6) never intended to actually go forth with court adjudication of this complaint, as the complaint was filed simply so a settlement agreement could be executed in court records.

On October 19, 2015, a Settlement Agreement was executed, and the associated Complaint was withdrawn and dismissed. The agreement stated that (b)(6) was allowed to liquidate part of all the plans assets (including the (b)(6)) to pay himself of what was owed by (b)(6) and (b)(6). Most importantly, all loans from all the plans were discharged and forgiven, to include the (b)(6) loans to (b)(6). (b)(6) signed this settlement agreement as the "President" of (b)(6), the "General Partner" and "President" of Australian Equity Investors, and the "General Partner" and "President" of (b)(6).

It was later discovered that (b)(6) breached his fiduciary duties in provision under ERISA by entering into the 2015 Agreement on behalf of the (b)(6).

T (b)(6), (b)(6) and (b)(6) were involved in a conspiracy to attempt to circumvent laws under ERISA by filing a fictitious complaint in Arizona superior court. The complaint appeared to be filed with the intent to obtain a settlement agreement, that would be documented in court, absolving all parties from the loans taken from the plans under which (b)(6) was the Administrator. It appears that (b)(6), (b)(6) and (b)(6) made misrepresentations to the court and used the Arizona court system to perpetrate their scheme to defraud the Plan and eventually PBGC.

Beginning in October 2015, after the Settlement Agreement, (b)(6) and (b)(6) began writing off the (b)(6) loans as uncollectible. As of September 30, 2017, all of the (b)(6) loans, with the exception of the repaid loan for \$90,000, had been written off as uncollectible, leaving the Plan with significantly reduced assets. According to the Plan's asset statements for the plan year ending in 2015, the Plan had assets of over \$1.3 million. By the plan year ending in 2017, the Plan's assets declined to \$1,700.

By authorizing these loans and transfers, (b)(6) engaged in prohibited transactions under 29 U.S.C. § 1106 and breached his fiduciary duties to the Plan under 29 U.S.C. § 1104(a)(1)(A), (B). More specifically, because (b)(6) authorized multiple loans to (b)(6) which he was a "general partner" and

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“president,” he is in violation of federal laws, specifically, 18 U.S. Code § 664; Theft or embezzlement from employee benefit plan, because he enriched himself through the Plan loans to (b)(6).

Also of note, after the execution of the settlement agreement, absolving all loans from the Plans, (b)(6) paid back the (b)(6) \$90,000 (plus \$30,753.34 interest) on December 22, 2015. The entirety of the \$120,753.34 was used for pension payments distributions to (b)(6) and (b)(6), which was exhausted in June 2016. It is believed that (b)(6) used this money intentionally to get himself and (b)(6) into “pay status” and establish a monthly benefit in order to file a distress termination notice with PBGC to have the agency take over and trustee the Plan, thus guaranteeing the (b)(6) pension benefits for life.

(b)(6)

18 U.S. Code § 641 – Theft of U.S. Government Funds

If (b)(6) never earned income and worked for (b)(6) then she received unentitled PBGC benefits from June 2018 to October 2024, totaling over **\$353,000**. This money is property of the U.S. government.

18 U.S. Code § 664 - Theft or Embezzlement from Employee Benefit Plan

If (b)(6) never earned income and worked for (b)(6) then she received unentitled Plan benefits from December 2015 to June 2016, totaling **\$55,074.24**.

18 U.S. Code § 1001 – False Statements to an Executive Agency

(b)(6) attested in the PBGC settlement agreement she is (effective January 14, 2022) she was married to (b)(6). The PBGC-OIG discovered the case of (b)(6) (Petitioner) vs. (b)(6) (Respondent), Case: (b)(6) in which a marital settlement agreement dated December 9, 2019, was executed, making the (b)(6) legally divorced.

(b)(6)

Plan Appeal to PBGC

In February 2022, (b)(6) appealed to PBGC that the \$642,000 agreed upon in (b)(6) January 2022 fiduciary breach settlement should be considered a Plan “asset” towards “Pre-termination liability”, meaning the \$642,000 should be considered a Plan “asset” prior to DOPT. Since he is contesting the \$642,000 is a plan “asset” prior to pre-termination liability he, therefore, contested that he and (b)(6) should be paid that money for unpaid monthly benefits from July 2015 to June 2016. (b)(6) is ultimately disputing that PBGC is required to satisfy unpaid pre-termination payments under the Plan.

The Appeals Board decided that the agency would not pay the unpaid pre-termination benefits because the fiduciary breach settlement took the form of a benefit offset/waiver rather than a cash payment. Therefore, PBGC would not consider assigning the value of the benefit waiver (\$642k), any loan Arrangements, or a reduction to the \$642,000 offset.

Appeals Board Recalculation with SSA Earnings Data

Upon trusteeship, PBGC did not re-calculate the benefits for either of the (b)(6). Based on the information/data PBGC received from prior Plan administration ((b)(5)), PBGC's ASTD indicated that there was insufficient data to "test" the accrued monthly benefit calculations. Also, because both participants were in pay status on 07/01/2015, which is over a year before the Plan's 10/20/2017 Bankruptcy Petition Date, the benefits in pay status were accepted as accurate. Therefore, the accrued monthly benefits calculation used in previous plan documents were simply accepted by PBGC as valid ((b)(6)). ((b)(6)) \$5,308.25 and ((b)(6)) \$4,589.52).

However, during the Appeal process, the ((b)(6)) consented for PBGC to acquire their SSA earnings records (data which PBGC never had), the Appeals Board Actuary calculated the vested monthly benefits for each of the ((b)(6)) to confirm their benefit amounts were correctly being paid by PBGC.

In April 2024, the Appeal Board Actuary concluded the following based on the new SSA earnings data:

- ((b)(6)) did not appear to be vested based on SSA Earning Data and Plan Documents.
 - PBGC does not have the exact hours data for ((b)(6)) but assuming he worked a full 250 hours for the years he received income from ((b)(6)) he would only have four years of vesting service (5 years needed for vesting).
- Even if ((b)(6)) were vested, his accrued monthly benefit would be \$1,374.98, which is significantly lower than the \$5,308.25 he was receiving prior to DOPT.
- ((b)(6)) new accrued monthly benefit calculation was \$3,958.34, which is substantially lower than the \$4,589.52 she was receiving prior to DOPT.

PBGC does not have any data/info that ever supported \$5,308.25/\$4,589.52 monthly payments to the ((b)(6)) and PBGC does not know how those figures were calculated by ((b)(6)) & Company. In order to conduct a true and correct benefit calculation, PBGC would need to obtain detailed hourly

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employment data from the (b)(6) or the plan sponsor (b)(6).

In June 2024, the Appeals Board referred the new benefits calculations to ASTD for their opinion and calculation.

The ASTD Director opined that the agency did not have sufficient information to recalculate the benefits for (b)(6) and (b)(6) the (b)(6) benefit should remain unchanged; and therefore, PBGC did not sustain a loss or theft of benefits. The matter was then referred back from ASTD to the Appeals Board for a final decision. In October 2024, the PBGC Appeals Board indicated they had concurred with the opinion of the ASTD. Therefore, the (b)(6) benefit will remain unchanged and PBGC claimed they have not sustained a loss by the (b)(6).

Criminal Referral and Disposition

(b)(5)-DPP

Conclusion

The ASTD Director opined that the PBGC did not have sufficient information to recalculate the benefits for (b)(6) and (b)(6), the (b)(6) benefit should remain unchanged; therefore, PBGC had not sustained a loss. The PBGC Appeals Board concurred with the opinion of the ASTD. Therefore, the (b)(6) benefit remained unchanged and PBGC claimed the agency did not sustain a loss.

Disposition

This investigation is closed.

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(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Assistant Inspector General for Investigations

Date

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Deputy Inspector General

Date



January 13, 2023

CLOSEOUT MEMORANDUM

TITLE:

(b)(6) (b)(6)

INVESTIGATOR:

(b)(6); (b)(7)(C) Special Agent

OIG CASE NUMBER: 23-0003-I

Investigative Initiation

In December 2022, the PBGC Office of Inspector General (OIG) received a referral from PBGC's Multi Employer Program Division, Plan Compliance Department. The fund administrator for the Printing Industry of Western Pennsylvania, Union Pension Fund (Fund) reported to PBGC the Fund recently discovered that participant (b)(6) had passed away on (b)(6). However, the Fund was not made aware of his death until October 2022.

The death was uncovered because (b)(6) surviving spouse, (b)(6) (b)(6) contacted the Fund in October 2022, via written correspondence. In this letter, (b)(6) questioned the Fund as to why her late husband's pension checks had ceased. Additionally, (b)(6) claimed she had previously notified the Fund of (b)(6) death and was inquiring why she did not receive any correspondence back from the Fund.

Details of Investigation

A review of the Fund's internal records revealed there were no attempts made, by any party, to report (b)(6) death in April 2016, or any date thereafter.

The Fund paid (b)(6) his monthly pension benefits via paper check that were mailed to his residence located at (b)(6)

(b)(6) In his application for pension benefits, completed in 1994, (b)(6) (b)(6) selected a Straight Life Annuity; meaning there were no benefits payable to any person after his death. (b)(6) pension payments should have ceased on his date of death. However, because the death was not reported to the Fund, they continued to send paper checks to his residence under the assumption he was still living.

A sample review of the checks negotiated after April 2016, showed that (b)(6) (b)(6) ame was used to endorse these checks, and the signatures all compared favorable to one another.

Fund Recovery Actions

The Fund attorney started the legal process of recouping the errant payments disbursed after April 2016 and has been trying to contact (b)(6) since October 2022, however, all attempts were unsuccessful. A certified letter was sent to (b)(6) and returned as unclaimed. In an additional attempt to contact (b)(6) this letter was sent via FedEx and was delivered to the front door of her residence. To date, the Fund has not received any response on its contact/collection attempts.

Criminal Referral and Disposition

(b)(6); (b)(5)-DPP

Conclusion

On January 13, 2023, the OIG notified the Fund attorney of the prosecution declination and advised the attorney to seek civil remedies for recovery of the errant payments.

Disposition

This investigation is closed.

(b)(6); (b)(7)(C)

01/23/2023

(b)(6); (b)(7)(C)

Date

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Date

Assistant Inspector General for Investigations



March 20, 2023

CLOSEOUT MEMORANDUM

TITLE: (b)(6)

INVESTIGATOR: (b)(6); (b)(7)(C), Special Agent

OIG CASE NUMBER: 23-0004-I

Investigative Initiation

On February 13, 2023, the PBGC Information Technology Infrastructure Management Division reported that (b)(6) Federal Manager in the Financial Operations Division, had been unsuccessful, for several weeks, in getting former PBGC employee, (b)(6) to respond and return a PBGC laptop as required for each separated employee. Therefore, PBGC-OIG, Office of Investigations conducted an inquiry into the matter.

Investigative Activity

Pennsylvania Criminal Intelligence Center (PaCIC)

Since (b)(6) current residence and location were unknown to PBGC-OIG, we contacted the PaCIC for assistance in locating (b)(6) as it was suspected that (b)(6) had potentially moved back to Philadelphia, PA.

On March 1, 2023, the PaCIC provided PBGC-OIG with an Information Report on (b)(6). The report detailed that (b)(6) reported address with the Pennsylvania Department of Motor Vehicles was (b)(6) (b)(6)

Attempted Contact with (b)(6) - (b)(6)

On March 6, 2023, PBGC-OIG Special Agent (SA) (b)(6); attempted to make contact with (b)(6) at (b)(6).

SA (b)(6); knocked on the door of (b)(6), an older female resident came to the window on the side of the door and asked what the purpose

of the visit was. SA (b)(6) identified himself, via badge and credentials, as a federal agent and asked to speak with (b)(6). The unidentified women stated that (b)(6) was not there at that time. SA (b)(6) asked the unknown female to have (b)(6) call him and a business card was left at the door.

Email from (b)(6) – March 7, 2023

After numerous attempts to contact (b)(6) via phone, email, and in-person, at 7:38 hours on March 7, 2023, (b)(6) emailed SA (b)(6) and stated, “The laptop is still in my possession and I plan on returning it in person on Friday, March 10th to PBGC.”

(b)(6) did not return her laptop to PBGC on March 10, 2023.

No Response from (b)(6)

Since (b)(6) separated from PBGC on January 28, 2023, PBGC management and PBGC-OIG had made multiple attempts to have her to return her PBGC issued laptop back to the agency. Because all attempts failed, on March 20, 2023, PBGC-OIG presented the matter for prosecution to the U.S. Attorney’s Office (USAO) for the District of Columbia.

Criminal Referral and Disposition

The Office of Investigations had reasonable grounds to believe that a violation of federal criminal law occurred. Therefore, we presented the matter to the USAO for the District of Columbia.

The intake Assistant U.S. Attorney (AUSA) requested a final attempt be made by the agency to contact and retrieve the laptop from (b)(6) before the case would be accepted for prosecution. Therefore, on March 20, 2023, at 10:53 hours, PBGC-OIG SA (b)(6) emailed (b)(6) and informed her that she had until March 24, 2023, to return the laptop, and if not returned, PBGC-OIG would be obligated to report the matter to the USAO as theft of government property.

Conclusion

On March 20, 2023, at 11:38 hours, (b)(6) emailed SA (b)(6) and advised that she had returned the laptop to PBGC on March 20, 2023, at 11:15 hours. PBGC IT Asset Management team confirmed the receipt of the laptop.

Disposition

This investigation is closed.

(b)(6); (b)(7)(C)

3/20/2023

(b)(6); (b)(7)(C)

Date

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

Date

(b)(6); (b)(7)(C)

Assistant Inspector General for Investigations



April 5, 2024

CLOSEOUT MEMORANDUM

TITLE: (b)(6)

INVESTIGATOR: (b)(6); (b)(7)(C) Special Agent

OIG CASE NUMBER: 23-0007-I

Investigative Initiation

The Graphic Communications Union Local No. 51, Bindery Employers Pension Fund is a multiemployer plan that receives financial assistance from PBGC.

(b)(6) was a participant in the Graphic Communications Union Local 51, Bindery Employers Pension Fund (Fund) and was receiving \$168.88 per month in pension benefits.

In Fall 2021, through independent research, the Fund administration discovered that (b)(6) had died on September 17, 2015. A review of the Fund's internal records revealed there were no attempts made, by any party, to report (b)(6) death in September 2015, or any date thereafter.

Furthermore, the Fund administration sends annual affidavits to payees to verify the payee is still appropriately receiving their monthly benefits. The Fund requires each Pensioner, Surviving Spouse, Alternate Payee or Beneficiary receiving pension benefits to submit an affidavit which provides a signature as proof that he/she is the one receiving his/her pension benefit check each month. The Fund mailed this affidavit to (b)(6) on October 15, 2018, it was returned completed and notarized, signed by (b)(6) (SSN: (b)(6)) on December 3, 2018. On June 9, 2021, the Fund mailed this affidavit again to (b)(6) it was returned completed and notarized, signed by (b)(6) (SSN: (b)(6)) on July 26, 2021.

The Fund administration became suspicious that a member aged 109 years at the time, would be able to write so clearly to complete the affidavit. A call was made to the telephone number listed on the 2018 affidavit (b)(6). A person by the name of (b)(6) answered the phone. When asked if he

was the Fund participant who was 109 years old, the person disconnected the call.

From October 2015 to July 2021, unentitled pension payments were sent to (b)(6) via check, totaling \$11,821.60. The monthly checks from, at least, April to July 2021 were endorsed by (b)(6) and deposited into a JPMorgan Chase bank account.

In an attempt to recover the overpayments, the Fund administration sent repayment demand letters to (b)(6) the son of (b)(6). The letters were sent to (b)(6) residence located at (b)(6) on October 21, 2021, January 2, 2022, and September 28, 2022. All correspondence went unanswered, therefore, the Fund administration notified PBGC's Multi Employer Program Division, Plan Compliance Department of the potential theft of pension funds and identity theft of (b)(6).

Investigation Details

Our office, in conjunction with the U.S. Department of Labor, Employee Benefit Security Administration (EBSA), conducted an investigation involving potential identity theft, forgery, and theft from the Fund.

PBGC-OIG reviewed the 2018 and 2021 affidavits, based on the documents, it is reasonable to conclude that the payee's son or grandson, with the same name, had impersonated (b)(6) by signing and notarizing these affidavits. It is believed they engaged in this illicit behavior in order to conceal (b)(6) death from the Fund and to retain his monthly pension benefit.

The two signatures on the 2018 and 2021 affidavits, and the checks negotiated after October 2015 compared favorably to three March 2020 signatures known to be of (b)(6). The (b)(6) March 2020 signatures were on various real estate documents which included the deed to (b)(6) (b)(6) a property that (b)(6) formerly owned. Of note, this was the address to where (b)(6) pension checks were being mailed.

Additionally, a law enforcement sensitive search was conducted on the phone number listed in the 2018 affidavit: the phone number of (b)(6) was revealed to be owned by (b)(6) /SSN: (b)(6) DOB: (b)(6) currently of (b)(6). The address of (b)(6) is confirmed to be owned by (b)(6) (b)(6) III (b)(6) of (b)(6).

JPMorgan Chase Bank Records – Post Date of Death Fund Checks

The Financial Crimes Unit for the Monmouth County Prosecutor's Office subpoenaed the bank records to where the Fund checks were deposited after (b)(6) death. It was discovered that the JPMorgan Chase bank account was owned by (b)(6) of (b)(6)

(b)(6)

Noncooperation from Graphic Communications Union Local No. 51, Bindery Employers Pension Fund

In an effort to prosecute the matter, the Financial Crimes Unit of the Monmouth County Prosecutor's Office asked for a witness statement from the Fund. Since February 2024, the Fund has ceased contact with the prosecutor's office and refused to provide a statement.

Criminal Referral and Disposition

(b)(5)-DPP

Conclusion

The Fund (victim) refused to cooperate with the investigation/prosecution, therefore, the investigation is closed. On April 5, 2024, PBGC's Multi Employer Program Division, Plan Compliance Department was notified of the disposition.

Disposition

This investigation is closed.

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Acting Assistant Inspector General for Investigations

Date

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Deputy Inspector General

Date



Office of Inspector General
Pension Benefit Guaranty Corporation

March 15, 2023

Social Security Administration
Office of the Inspector General
Office of Investigations

New York Field Office Duty Agent:

I am a Special Agent with the Office of Inspector General (OIG) for the Pension Benefit Guaranty Corporation (PBGC), a federal agency. I'm currently investigating an allegation that involves potential identity theft, theft of government funds, and embezzlement from an employee benefit plan. PBGC-OIG suspects that a known individual is also fraudulently obtaining benefits from the Social Security Administration (SSA).

(b)(6) (DOB: (b)(6) SSN: (b)(6) was a participant in the Graphic Communications Union Local 51, Bindery Employers Pension Fund (Fund) and was receiving \$168.88/month in pension benefits. In Fall 2021, through independent research, the Fund administration discovered that (b)(6) had died on September 17, 2015, the Fund subsequently reported the death to PBGC in 2022.

The Fund administration sends annual affidavits to payees to prove the payee is still alive. The payees are required sign and notarized these affidavits attesting they are still alive. PBGC-OIG reviewed the affidavits completed after 2016, it was discovered the payee's son, with the same name, was impersonating his deceased father by signing and notarizing these affidavits. It is believed he engaged in this illicit behavior in order to conceal his father's death and to retain his father's monthly pension benefit.

A death search was conducted on (b)(6) and it appears his SSN/name is not on the SSA Death Master File (DMF). Since (b)(6) is not on the DMF, there is a potential that (b)(6) is receiving unentitled SSA benefits intended for his father.

NAME OF DECEDENT:

(b)(6)

DATE OF BIRTH:

(b)(6)

SOCIAL SECURITY NUMBER:

DATE OF DEATH:

NAME OF OFFENDER:

(b)(6)

DATE OF BIRTH:

(b)(6)

CURRENT PHYSICAL ADDRESS:

SOCIAL SECURITY NUMBER:

DATES OF OFFENSE: October 2015 to July 2021

LOCATION OF OFFENSES: New York, NY and Holmdel, NJ

NATURE OF OFFENSE(S): Title 18 U.S.C. § 641 – Theft of Government Funds
Title 18 U.S.C. § 1028A – Aggravated Identity Theft
Title 18 U.S.C. § 664 – Embezzlement, Employee Benefits Plan
Title 18 U.S.C. § 1342 – Use of Fictitious Name
Title 42 U.S.C. § 408(a)(8) – Misuse of SSN

From October 2015 to July 2021, unentitled pension payments were sent to (b)(6) after his death because his son concealed his death to the Fund. Additionally, his death was never reported on the DMF. Therefore, PBGC-OIG suspects that (b)(6) may have also defrauded SSA in the same manner.

Please advise if SSA-OIG has a nexus and/or interest in this investigation.

If you need additional information or have any questions, please contact me at (b)(6); (b)(7)(C).

Sincerely,

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Special Agent
Office of Investigations
Office of Inspector General
Pension Benefit Guaranty Corporation



April 1, 2024

CLOSEOUT MEMORANDUM

TITLE: (b)(6) / (b)(6)

INVESTIGATOR: (b)(6); (b)(7)(C) Special Agent

OIG CASE NUMBER: 24-0001-I

Investigative Initiation

(b)(6) was a participant in the Lehman Brother Holdings Inc. Retirement Plan (Plan), a terminated defined benefit pension plan trustee by PBGC. PBGC paid (b)(6) a monthly pension benefit in the amount of \$785.80; this money was disbursed, via mailed checks, to (b)(6) address on file with PBGC.

In July 2023, via the Social Security Administration (SSA) Death Master File, PBGC was notified that (b)(6) had died on November 1, 2013. Under the Plan, (b)(6) benefit payments should have ceased on his date of death. However, because his death was not reported to PBGC in or around November 2013, or any date thereafter, the agency continued to send benefit payments, via check, to his listed address, through July 1, 2023. This resulted in an overpayment of 116-months, totaling \$91,152.80. All checks from December 2013 to July 2023, were confirmed to have been endorsed and negotiated.

PBGC-OIG began investigating the identity of the person allegedly impersonating (b)(6) and the whereabouts of the PBGC benefit payments made after his death. It was subsequently discovered that from January 2021 to July 2023 all the monthly pension checks were deposited into JPMorgan Chase (JPMC) account (b)(6)

Details of Investigation

Our office, in conjunction with the Social Security Administration, Office of Inspector General (SSA OIG), conducted an investigation pertaining to potential violations of New York state law regarding conspiracy, identity theft, misuse of a social security number, forgery, and theft of government funds.

As summarized below, we believed that (b)(6) (b)(6) and (b)(6) (b)(6) engaged in, at minimum, a conspiracy to defraud the United States government and theft of U.S. government funds, that has caused a \$91,152 loss to PBGC.

PBGC Customer Contact Center

The OIG obtained all available records documenting calls into the PBGC Customer Contact Center (CCC) regarding (b)(6) account. We discovered at least 153 calls that were made after (b)(6) death, through July 2023.

More recent records, with available call recordings, show that 40 calls were made to the CCC from February 2021 to July 2023 with the phone number (b)(6) (b)(6). On each call, the caller represented themselves to be (b)(6). After reviewing the available recordings, it was reasonable to conclude, the same person had been calling the CCC. On all the calls, the impersonator used (b)(6) (b)(6) personal identifiable information (PII), to include social security number and date of birth, to gain access to (b)(6) PBGC account. In general, on the majority of calls, the impersonator was simply confirming the monthly check mailing date. However, on four occasions, they made mailing address changes to the pension check destination.

CCC Calls of Significance

On July 28, 2023, the imposter contacted the CCC to confirm when the August 1, 2023, check was being sent. However, the PBGC representative advised the caller that (b)(6) was reported as deceased in SSA records and, because of this, his PBGC pension payments had ceased. The caller stated, "I'm not passed away." The PBGC representative advised the caller to contact SSA and to obtain written verification that he was, in fact, still alive.

On July 21, 2016, the impersonator contacted the CCC and inquired about the process to transfer (b)(6) pension payments to his son (b)(6) (b)(6). The PBGC representative notified the caller that (b)(6) form of benefits was being paid as Straight Life Annuity with no survivor benefits, therefore no benefits were payable to anyone else.

(b)(6) Call to CCC

On March 1, 2017, (b)(6) directly contacted the CCC (via phone number (b)(6)) and identified himself as the son of and Power of Attorney for (b)(6). During this call, (b)(6) explained that his father did not receive his monthly PBGC check and asked that the check be reissued and mailed, overnight, to his father's new mailing address of (b)(6).

(b)(6)

T-Mobile - (b)(6)

The phone number of (b)(6) was used on, at minimum, 40 occasions, to call the PBGC CCC from February 2021 to July 2023. The person on these phone calls represented themselves to be (b)(6) and used his PII to gain access to his PBGC account. Therefore, a subpoena was issued to T-Mobile in an effort to obtain records identifying the account owner.

Analysis of (b)(6)

From account activation on March 21, 2017, until at least, August 22, 2023, the subscriber of the number was (b)(6) and the billing address was (b)(6)

PBGC Benefit Records

A review of PBGC internal records revealed there were no attempts made, by any party, to report (b)(6) death to PBGC in November 2013, or any date thereafter. Under (b)(6) Plan, he opted for a Single Life Annuity coverage, therefore, there were no benefits payable to anyone after his death. This information was also directly communicated to (b)(6) during his March 1, 2017 call to the CCC.

PBGC Pension Checks

Unaware of (b)(6) death, from December 1, 2013 to July 1, 2023, PBGC issued 116 monthly checks in (b)(6) name. From at least 2014, the person purporting to be (b)(6) changed the address of the check destination on four occasions. Below are the addresses and dates to where the PBGC checks were sent from January 2014 to July 2023.

- January 2014 to March 2017: (b)(6)
- April to May 2017: (b)(6)
- June to August 2017: (b)(6)
- November 2017 to October 2019: (b)(6)
- November 2019 to July 2023: (b)(6)

Open source and law enforcement sensitive searches revealed that (b)(6) in (b)(6), and (b)(6) are residential addresses associated with (b)(6)

From March 2021 to November 2022, there were seven checks signed over to (b)(6). A query of (b)(6) revealed that the business operates out of (b)(6)

(b)(6) is listed as the owner of the business and is also a resident of the address. Lastly, internal records revealed that the PBGC checks from January 2021 to July 2023 were deposited into JPMC account (b)(6).

JP Morgan Chase Bank Records – Account (b)(6)

This is a business account titled to (b)(6) with an address of (b)(6) (Note: This is the same address to where (b)(6) PBGC checks were being sent from November 2019 to July 2023). There were three signers authorized on the account: (b)(6)
(b)(6)

An examination of the financial statements confirmed that 28 months of (b)(6) (b)(6) PBGC pension checks, from January 2021 to July 2023, were deposited into this account, totaling **\$22,002**. A review of the checks showed that there were two endorsements; first endorsed by (b)(6) and a second endorsement, of what appears to be the signature of (b)(6). The second endorsement on the checks compared favorably to the signature cards and other checks known to have been signed by (b)(6).

The overwhelming majority of account withdrawals were made with the debit card ending in 0751 via ATM and point-of-sale transactions in or around the Nassau County, New York area. The debit card ending in (b)(6) is titled (b)(6). In addition to the PBGC checks, the account was mainly funded through a multitude of checks made out to (b)(6) and/or (b)(6). The ending balance on this account, as of August 31, 2023, was \$2,627.41.

Surveillance Footage

JPMC also provided CCTV footage taken from the JPMC branch located at 925 Hempstead Turnpike, Franklin Square, NY 11010 on July 5, 2023, from 16:02 to 16:12 hours. The video footage shows, what appears to be, (b)(6) depositing the July 1, 2023, PBGC pension check (131834698), titled to (b)(6) (b)(6).

(b)(6) and (b)(6) Connection

JP Morgan Chase Bank Records – Account (b)(6)

On November 20, 2017, an international check from Lutron Electronics CO INC., made payable to (b)(6) in the amount of \$6,942.89, was deposited into JPMC account (b)(6). This JPMC account is titled to (b)(6). The check was deposited via an over-the-counter transaction at the JPMC branch located at 3737 Hempstead Turnpike, Levittown, NY 11756. The check was restricted, as the deposit was not within the normal pattern of the customer;

JPMC identified the check as fraudulent, and it was ultimately deemed to be a counterfeit.

Western Park Drive, West Hempstead, NY

A law enforcement sensitive search revealed that (b)(6) primary residence, from 1991 to 2024, is (b)(6) and (b)(6) primary residence, from 1990 to 2003, was (b)(6). These addresses are approximately seven houses apart. Therefore, we believe (b)(6) and (b)(6) were acquaintances or friends, since they were neighbors for at least 13 years.

(b)(6) Death

During the investigation, in late February 2024, the OIG was notified by the Nassau County District Attorney's Office that (b)(6) had died on (b)(6) (b)(6) from an overdose of Oxycodone.

Interview of (b)(6)

On March 5, 2024, PBGC-OIG conducted a telephonic interview with (b)(6) (b)(6)

(b)(6) explained that (b)(6) had his father's (b)(6) PBGC pension checks sent to (b)(6) address of (b)(6). (b)(6) further detailed that (b)(6) asked (b)(6) to cash (b)(6) pension checks because (b)(6) did not have a bank account and was unable to negotiate the checks himself. As a favor to (b)(6), (b)(6) agreed to his request. (b)(6) did not recall how many checks he cashed for (b)(6) as he "didn't pay attention, since it wasn't my money."

(b)(6) described the typical monthly process; when the check arrived at (b)(6) address, he would call (b)(6) who would pick up the check and then return with the check endorsed as (b)(6). (b)(6) stated he never saw (b)(6) sign a PBGC check in front of him. After the check was endorsed by (b)(6), (b)(6) himself would sign the check under (b)(6) signature and deposit the check into his JPMorgan Chase account titled to his business, (b)(6). After the check deposit cleared, (b)(6) would take out the exact amount of money of the check and give (b)(6) the cash. (b)(6) reiterated he did this as a favor to (b)(6) because they were old friends of over 20 years.

(b)(6) maintained that had no knowledge of who was actually signing the checks as (b)(6) also had no knowledge of the legality and entitlement of the pension checks, as he was simply doing (b)(6) a favor by depositing the check and giving him the cash.

(b)(6) stated that he had known (b)(6) but had not seen him for a long period of time. Additionally, (b)(6) did not know (b)(6) was reported missing in 2005, nor that he was declared deceased in 2013. (b)(6) reiterated that he never derived an economic benefit from the PBGC checks intended for (b)(6) and that the cash from the checks were always given to (b)(6)

Criminal Referral and Disposition

(b)(6); (b)(5)-DPP

Conclusion

On April 1, 2024, the OIG referred the matter to the Office of Benefits Administration, Participant Services Department to initiate their standard recovery of the outstanding balance of \$91,152.80 in PBGC benefits.

Disposition

This investigation is closed.

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Acting Assistant Inspector General for Investigations

Date

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Deputy Inspector General

Date



05/28/2024

CLOSEOUT MEMORANDUM

TITLE: (b)(6) - Illegal Wiretapping

INVESTIGATOR: (b)(6); (b)(7)(C) Special Agent

OIG CASE NUMBER: 24-0003-I / 23-0016-C

Investigative Initiation

On May 5, 2023, the Office of General Counsel (OGC) reported to OIG that PBGC Supervisory Benefits Specialist (b)(6) (b)(6) potentially violated the federal Electronic Communications Privacy Act of 1986 (18 U.S.C. §§ 2510-2523), as well as Maryland's Wiretapping and Electronic Surveillance Act (Md. Code Ann., Cts. & Jud. Proc. § 10-402). The allegation stated (b)(6) recorded a telephone conversation with a subordinate employee, without their consent or knowledge, involving official PBGC business.

Details of Investigation

HRD reported to OGC that (b)(6) contacted them to discuss an interaction she had with her subordinate, (b)(6) (b)(6) (b)(6) apparently stated that she routinely records her work conversations with PBGC employees as she has a recording system in her house. (b)(6) further reported that she lives in Maryland and volunteered that she was aware that Maryland requires two-party consent to record a conversation and that she "messed up."

Separately, on or around April 5, 2023, (b)(6) reported that she was being harassed by (b)(6). Although OGC immediately reached out to (b)(6) on behalf of the Harassment Inquiry Committee (HIC) she did not provide any details until she filed an intake form on May 2, 2023. In that form (b)(6) alleged the following:

(b)(6) received on different occasions calls from (b)(6) yelling and becoming confrontational in a very unprofessional manner which resolved in hanging up the phone when (b)(6) asked nicely to end the conversation. (b)(6) discovered she was being recorded because during one of the phone confrontations (b)(6) told (b)(6) that there was no point in arguing with

May 28, 2024

Page 2

her because she had the recordings to prove what was said, at which point (b)(6) terminated the call.

OGC, therefore, reported this matter to the OIG because there were reasonable grounds to believe that (b)(6) may have violated federal and state criminal law.

Based on the above allegations of non-consensual recording, our office conducted an investigation involving this matter.

OIG Interview of (b)(6)

On November 14, 2023, PBGC-OIG, Office of Investigations interviewed (b)(6) was asked if she had recorded any other PBGC employees without their consent. (b)(6) explained that she has a personal security system in her home that records when activated by motion. (b)(6) stated she has never intended nor knowingly recorded any of PBGC coworkers without consent. (b)(6) affirmed that her home system did capture a part of (b)(6) conversation with (b)(6)

The OIG did not obtain possession to review the recording.

Criminal Referral and Disposition

(b)(5)-DPP

Conclusion

An Investigative memorandum was provided to OGC senior management, and the matter was returned to them for action. The DOJ declined to prosecute the matter; therefore, we consider this matter to be closed.

Disposition

This investigation is closed. The Office of Investigations notified OGC of the disposition of the investigation.

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Date

May 28, 2024

Page 3

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Date

Acting Assistant Inspector General for Investigations



08/05/2024

CLOSEOUT MEMORANDUM

TITLE: (b)(6) - Post Date of Death Payments

INVESTIGATOR: (b)(6); (b)(7)(C) Special Agent

OIG CASE NUMBER: 24-0012-I

Investigative Initiation

On August 15, 2023, the PBGC, Participant Services Department (PSD), Recovery Team reported to the Office of Inspector General (OIG) that participant, (b)(6) passed away on July 31, 2022, upon her death, PBGC payments should have stopped. However, since PBGC was not notified of (b)(6) death, the agency continued to issue 2-months of benefit payments after her death.

Details of Investigation

(b)(6) was a participant in the Delphi Pension Plan (Plan), a terminated defined benefit pension plan trusted by PBGC. PBGC paid (b)(6) a monthly pension benefit in the amount of \$ 1,665.36 and the benefit payments were deposited directly into (b)(6) bank account. Under the Plan, (b)(6) PBGC benefit payments should have been ceased upon her death. However, (b)(6) death was not reported in a timely manner, therefore, PBGC continued making benefits payments for the months of August and September 2022, which totaled \$3,330.72.

After a review of additional records, we determined the agency mailed repayment notices for the overpayments to (b)(6)'s address on November 14, 2022.

PBGC subpoenaed (b)(6)'s bank, Financial Plus Credit Union, to identify a joint account holder/depositor. After a review of the banking transactions, we discovered the PBGC funds were all withdrawn, transferred into an unknown account, and/or expensed through various point of sale transactions. However, (b)(6)'s bank account did not list a depositor/joint account holder.

Criminal Referral and Disposition

(b)(5)-DPP

Conclusion

Based on evidence gathered and examined during the investigation, PBGC-OIG concluded that the participant's benefits were expensed by an unknown individual after her death. We referred this matter to the PSD Recovery Department to reclaim the \$3,330.72. for overpayment of benefits.

Disposition

This investigation is closed. The Office of Investigations notified PSD of the disposition of the investigation.

(b)(6); (b)(7)(C)

08/05/2024

(b)(6); (b)(7)(C)

Date

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Date

Assistant Inspector General for Investigations



September 20, 2024

CLOSEOUT MEMORANDUM

TITLE:

(b)(6) / (b)(6)

INVESTIGATOR:

(b)(6); (b)(7)(C)

Assistant Inspector General for Investigations

OIG CASE NUMBER: 20-0011-I

Investigative Initiation

On March 30, 2020, the Participant Services Department (PSD). PSD contacted the OIG Office of Investigations regarding potential fraud related to deceased PBGC participant (b)(6)

The OIG discovered that (b)(6) died on (b)(6). However, because her death was not reported in a timely manner to PBGC, the agency continued to deposit benefit payments into her Bank of Hawaii account through January 1, 2020. This resulted in an 83-month overpayment, totaling \$23,635.91.

Details of Investigation

On May 4, 2020, PBGC-OIG Special Agent (SA) (b)(6); (b)(7)(C) conducted a phone interview with (b)(6) a daughter of participant (b)(6) (b)(6).

The following is a summary of the interview:

(b)(6) stated that she had contacted PBGC's Customer Contact Center on January 22, 2020, to report that her mother had died in (b)(6). (b)(6) explained that she had called PBGC because, in early January 2020, she received a mail correspondence from PBGC in her mother's name sent to her personal P.O. Box in Daly City, California. (b)(6) thought it was strange that she was receiving mail correspondence in her mother's name from PBGC and therefore wanted to verify that her mother was documented as deceased in PBGC records.

SA (b)(6); (b)(7)(C) asked (b)(6) if she knew how her mother was receiving PBGC benefits; she stated that, when she was alive, her mother's benefits were electronically deposited into her Bank of Hawaii account located in American Samoa. She added that the local Bank of Hawaii's American Samoa branch had since closed, and she was unaware of the status of her mother's account. (b)(6) clarified that she did not have access to her mother's Bank of Hawaii account and that neither did any of her six siblings.

(b)(6) informed SA (b)(6); (b)(7)(C) that her mother had died in American Samoa and her caretaker and estate coordinator in 2013 was (b)(6). (b)(6) was the only immediate family member living in American Samoa at the time (b)(6) was nearing the end of her life. (b)(6) added that (b)(6) is her niece and still currently resides in American Samoa.

(b)(6) went on to explain that after she contacted PBGC in January 2020, she specifically asked her six siblings and (b)(6) if they had access to the Bank of Hawaii account in question and/or if any of them withdrew money from the account. She raised these questions with her family members because during her January 2020 contact with PBGC she was informed by a Benefits Analyst that PBGC was going to reclaim the seven years of overpayments from the Bank of Hawaii account, and therefore, she wanted to make sure the PBGC overpayments were still in the account. All six siblings and (b)(6) indicated that they did not have access and did not withdraw money from the account. Additionally, (b)(6) also confirmed that her mother was receiving Social Security Administration (SSA) benefits at the time of her death, and she was unsure if anyone in her family had appropriately reported her mother's death to the SSA.

On May 12, 2020, PBGC-OIG subpoenaed the Bank of Hawaii for (b)(6) financial records. The following is a summary of the record analysis:

The records confirmed that, from March 1, 2013 to January 1, 2020, PBGC had deposited \$284.77 per month into (b)(6)'s account. The PBGC monthly disbursement was one of three sources of funds that were deposited into the account via EFT. The two additional sources of funds were SSA benefits of approximately \$1,500 per month; and the "Ret Plan for HOS Plan Pmt 505835," an unknown retirement payment of \$146.12 per month.

The primary owner of the account was (b)(6) and the secondary owner is (b)(6). A law enforcement sensitive search was conducted on (b)(6) which revealed that he has lived in the Las Vegas, Nevada area since at least 2009, and is a relative of (b)(6). The financial statements showed no withdraw or debt activity from the account in or around the Las Vegas, Nevada area from 2013 to 2020.

Lastly, the records also disclosed that, every month from March 2013 to April 2020, the PBGC and SSA deposits were withdrawn via ATM or expended via point-of-sale transactions at various ATM machines and retail establishments in the Pago Pago, American Samoa area. Most transactions consisted of ATM withdraws of \$200 to \$300 from the 1st to the 5th of each month. On average, the account had close to a \$0 balance after the 5th of every month because the funds were withdrawn immediately after the PBGC and SSA deposits had cleared the account. As of April 21, 2020, there was a balance of \$2.28 in the account.

In May 2020, PBGC-OIG notified SSA-OIG of potential fraud concerning the SSA benefits of (b)(6). SSA-OIG determined that (b)(6) death was also not reported to SSA, and that from March 2013 to May 2020, a total of **\$130,878** in unentitled SSA benefits were deposited into the same Bank of Hawaii account. SSA-OIG also provided PBGC-OIG with the death certificate for (b)(6) which confirmed that she died on (b)(6) at the local hospital in Faga'alu, American Samoa. The death certificate also revealed that the informant of the death was (b)(6), the mother of (b)(6).

Criminal Referral and Disposition

(b)(5)-DPP

Conclusion

On January 26, 2021, OIG referred the matter to PSD for recovery of the \$23,635.91 in PBGC benefits paid to (b)(6) after her death. (b)(6) was deemed the responsible party for PBGC recovery action. On September 18, 2024, PSD notified the OIG that the debt was repaid in full as of July 29, 2024.

Disposition

This investigation is closed.

(b)(6); (b)(7)(C)

9/20/2024

(b)(6); (b)(7)(C)

Date

Assistant Inspector General for Investigations

APPROVED:

(b)(6); (b)(7)(C)

9/20/2024

(b)(6); (b)(7)(C)

Date

Deputy Inspector General



August 2, 2023

CLOSEOUT MEMORANDUM

TITLE: (b)(6) (b)(6)

INVESTIGATOR: (b)(6); (b)(7)(C) Special Agent

OIG CASE NUMBER: 23-0006-I

Investigative Initiation

On December 26, 2022, the PBGC Office of Inspector General (OIG) received an anonymous complaint into the OIG hotline, that stated, *"I am submitting a confidential complaint about one of your Deloitte (Deloitte & Touche LLP) contractors, (b)(6) (b)(6) is currently employed full-time by both Deloitte and another federal contractor named Log Apps. She manages both of these jobs by subcontracting the data entry work she is doing for the PBGC to friends and family. This scheme exposes PBGC retiree data and sensitive information. I believe a desk audit of (b)(6) s work will reveal that she is committing both wage fraud and abuse."*

Details of Investigation

(b)(6) **Employment History – August 2022 to May 2023**

Deloitte & Touche LLP – PBGC Contract

From August 1, 2022 to May 25, 2023, (b)(6) was working on a PBGC labor-hour contract ((b)(6)) as an employee of Deloitte. Her job title was Senior Data Specialist, and her duties were collecting, reviewing, and analyzing data in support of a Participant Data Review project. The contract stipulated that all related work must be completed on a PBGC issued laptop and while connected to the PBGC network.

Data Networks Corporation / ASRC Federal – National Oceanic and Atmospheric Administration (NOAA), U.S. Government Contract

We discovered that (b)(6) was also employed full-time with Data Networks Corporation (a subsidiary of ASRC Federal) from November 2021 to October 2022. Subpoenaed employment records revealed she was concurrently claiming full-time hours worked for both Data Networks Corporation (NOAA contract) and Deloitte (PBGC contract), from August 1, 2022 to October 15, 2022.

Her employment with Data Networks Corporation involved working on a U.S. government contract for NOAA. According to NOAA records, from August 1 to October 15, 2022, (b)(6) submitted a total of 355 billable hours (32 hours/week on average) under the NOAA contract. During the same timeframe, she submitted 426 hours (39 hours/week on average) on the PBGC contract.

On June 8, 2023, PBGC-OIG and Department of Commerce OIG conducted a joint interview with (b)(6) direct supervisor at Data Network Corporation, (b)(6) indicated that (b)(6) worked fully remote and would typically work 9:00 AM to 9:00 PM with a few hours “flexed” in the middle of the day. Data Networks Corporation/ASRC Federal did not track the actual times of the day employees worked, as they only accounted for the number of hours worked per day.

Both Deloitte and Data Networks Corporation (ASRC Federal) confirmed that, per each company’s policies, (b)(6) was mandated to disclose other employment activity. Deloitte and Data Networks Corporation verified she did not notify them of any additional/outside employment.

ICF Incorporated – Consulting Employment

Additionally, we also uncovered that (b)(6) was employed with ICF Incorporated while also concurrently working on the PBGC contract. According to subpoenaed employment records, from January 3, 2023 to at least June 2, 2023, (b)(6) was a full-time employee with ICF Incorporated with the job title of (b)(6).

We confirmed that (b)(6) was submitting 40 hours per week, Monday through Friday, on her ICF Incorporated timecards while she was concurrently billing 40 hours per week, Monday through Friday, with (b)(6) on the PBGC contract. This instance of dual employments occurred from January 3, 2023 to at least May 25, 2023.

ICF Incorporated confirmed that, per their policy, (b)(6) was mandated to disclose other employment activity. ICF Incorporated verified she did not notify the company of any additional/outside employment.

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(b)(6)

PBGC-OIG discovered that (b)(6) opened a business called (b)(6) the (b)(6) was operational effective October 1, 2022. According to the Maryland Department of Assessments & Taxation, (b)(6) is the owner of (b)(6) located at (b)(6) (b)(6). (b)(6) offers "preventative care for people of all ages, in the form of...dietary supplement and vitamin injections."

We believe from August 2022 to May 2023, (b)(6) engaged in a significant number of hours into the (b)(6) business operations, and therefore, was essentially employed with three full-time jobs during this period.

Additionally, during a PBGC-OIG operation on April 27, 2023, (b)(6) was observed running (b)(6) while her PBGC laptop was not in her possession. After the operation, it was subsequently discovered that (b)(6) billed hours for time worked on the PBGC contract during the period (b)(6) was observed operating the (b)(6) and not in possession of her laptop.

Unauthorized Access to PBGC Laptop and Network

Surveillance – April 27, 2023

On April 27, 2023, PBGC-OIG conducted a surveillance operation at (b)(6) (b)(6) inside the (b)(6). The purpose of the operation was to confirm (b)(6) location during normal business hours and to ascertain if (b)(6) was managing (b)(6) while concurrently working on PBGC official business or having someone complete PBGC assignments on her behalf.

Upon arrival, (b)(6) was positively identified, and she was the sole employee in the (b)(6). In total, on April 27, 2023, from 10:40 AM to 1:15 PM, (b)(6) was confirmed to have been working at and operating (b)(6) (b)(6) as the only employee.

Virtual Private Network (VPN) and Laptop Analysis – April 27, 2023

PBGC internal records showed that from 8:51 AM until 2:40 PM, (b)(6) PBGC laptop was connected, via VPN, to Internet Protocol (IP) address of (b)(6). The IP address (b)(6) was confirmed to be owned by Comcast Cable Communications. According to Comcast subpoenaed records, the subscriber to this IP address is (b)(6) and the location of the router for the IP address was (b)(6) (b)(6). Further investigation revealed (b)(6) to be the boyfriend of (b)(6). Additionally, (b)(6) was confirmed to have no affiliation with PBGC.

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(b)(6) laptop was actively being used and connected to this IP address at the same time she was confirmed to be located at, and operating, (b)(6). Therefore, it is reasonable to conclude that someone, presumably (b)(6) was logged into (b)(6) PBGC laptop and accessing the PBGC network and confidential data while (b)(6) was not present. The confidential data accessed was determined to be census data for a PBGC trusted pension plan, which included Personal Identifiable Information for thousands of pension plan participants.

From 2:40 PM to 3:39 PM hours, there was no VPN connection and no laptop activity, it was suspected the laptop was in transit during this time.

At 3:39 PM, (b)(6) laptop was connected, via VPN, to the IP address of (b)(6). The IP address (b)(6) was confirmed to be owned by Comcast Cable Communications. According to Comcast subpoenaed records, the subscriber to this IP address was (b)(6) located at (b)(6). The laptop was connected to this IP address until 3:52 PM hours. We presume the laptop was connected for this brief 13-minute period in order for (b)(6) to submit her daily timecard to (b)(6).

PBGC Laptop Connections to IP address (b)(6) – (b)(6)
(b)(6)

Due to the potential of an insider threat risk, and a breach of privileged information, we conducted an analysis of available data regarding laptop/VPN connection to the IP address of (b)(6) ((b)(6) apartment).

For a 30-day period, we obtained surveillance footage from the (b)(6) (b)(6) that showed (b)(6) entering the mall; we compared the footage to when the laptop was connected to this IP address and there was also laptop/network activity (i.e., when we knew someone was physically operating the laptop and accessing files). Please note, the mall security surveillance system only holds 30 days of footage, therefore, our sample size was limited to April 19 - May 18, 2023.

We found that, on at least eight days (April 21, 26, 27, May 1, 8, 9, 11, 12), (b)(6) was captured entering the mall while, at the same time, her PBGC laptop was connected to (b)(6) IP address and there was network activity (i.e., files were being accessed and/or modified). More specifically, these files were in SharePoint and was Plan data for the Remington Arms Company Inc. Pension and Retirement Plan (23902700).

In summary, on these eight days, (b)(6) was located at the mall, while (b)(6) laptop was physically located at (b)(6) apartment, and was being accessed by someone besides (b)(6) presumably (b)(6)

PBGC Laptop Connections to IP address (b)(6) - (b)(6)

From February 17 to May 16, 2023, there were 28 days in which (b)(6) PBGC laptop was connected to (b)(6) IP address via VPN. The connections were also during normal business hours. Therefore, is it reasonable to conclude that, (b)(6) was operating the (b)(6) while she had her PBGC laptop connected to the VPN in an effort to make it appear as if she was working on PBGC business, when in actuality, she was managing (b)(6)

False Claims of Hours Worked

We conducted a full examination of Microsoft login/logoff data, VPN, SharePoint, Microsoft Teams, and OneDrive activity in conjunction with (b)(6) invoiced hours on the PBGC contract. From August 1, 2022 to April 1, 2023, PBGC-OIG concluded there were potentially 578 hours invoiced for which (b)(6) did not work.

Data Analysis – PBGC Network Activity vs. Invoiced Hours

The PBGC Contracting Officer's Representative confirmed that, per the terms of the contract, all PBGC related work must be performed within the PBGC network; Deloitte contractors could not bill for hours of work not performed within the PBGC network.

PBGC-OIG conducted an analysis of (b)(6) login/logoff data for her PBGC issued laptop, PBGC network activity (VPN, SharePoint, Microsoft Teams, OneDrive), and hours invoiced. We ultimately concluded there was a potential of 578 hours from August 1, 2022, to April 1, 2023, where (b)(6) did not work due to lack of any laptop/network activity. The 578 hours represents a total of \$83,832 billed by Deloitte. Deloitte billed PBGC based on the hours (b)(6) certified she worked on official PBGC business.

Of most concern, in the subset of the 578 hours, we found for the entire period of September 19, 2022 to October 14, 2022, there were zero PBGC laptop logins and no PBGC network activity. However, during this timeframe, there were 168 hours billed by Deloitte based on (b)(6) certification that she had worked those hours.

Deloitte invoiced PBGC solely based on Daily Sign-in forms, these forms were required to be completed by each Deloitte employee per the terms on the

contract. The Daily Sign-in form was completed by (b)(6) on a daily basis, which reflected the exact hours she worked on the PBGC contract for each day she produced work. According to (b)(6) self-certified Daily Sign-in forms, from August 1, 2022 to April 1, 2023, her typical work schedule, on average, was 8:30 AM to 4:30 PM.

Interview of (b)(6) and (b)(6)

On May 24, 2023, PBGC-OIG conducted an in-person interview with (b)(6) and (b)(6). The interview was conducted at the Westfield Montgomery Mall, inside (b)(6).

We explained that the main purpose of the visit was to discuss discrepancies and irregularities we found with (b)(6). PBGC issued laptop and allegations that she was employed full-time by both Deloitte and other companies. (b)(6) was advised the interview was voluntary.

Suspicious PBGC Laptop and Network Activity

(b)(6) was informed there were numerous occasions we found that her laptop was logged in and connected to an IP address registered to (b)(6) at the address of (b)(6), while she was simultaneously physically located at (b)(6) inside the (b)(6).

(b)(6) was confronted with a photo of surveillance footage obtained from mall security, which showed that on April 27, 2023 at 9:53 AM, she entered the Westfield Montgomery Mall. Investigators explained that at this same time (9:53 AM), her PBGC laptop was logged in and connected to the IP address (b)(6) registered to (b)(6) meaning she was physically located at the mall, while her laptop was signed in an active at (b)(6).

(b)(6) detailed that (b)(6) was her boyfriend and they lived together at the aforementioned address. As an explanation of the above presented evidence, (b)(6) stated "if you want me to be honest, I put something on the mouse pad to keep the computer from shutting down." (b)(6) informed investigators that she would regularly sign into her laptop at (b)(6) apartment in the morning, and then place an identification sized card (license, PIV card) in between the mouse touchpad and the casing of the laptop, thus keeping the left and right mouse button always depressed. (b)(6) affirmed she did this to keep her laptop active to appear as if she was physically at the laptop.

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(b)(6) specified that she “leaves the computer unlocked at (b)(6) house,” mainly in the living room area, and ~~unsecured while she would drop her daughter off at school, and then go to the (b)(6) to open~~ (b)(6) added that she would only open the store but would quickly return back to (b)(6) to either work on her laptop there or return back to (b)(6). On occasion, when (b)(6) would be operating (b)(6) herself, she would have (b)(6) close the laptop and bring it with him to the mall.

Concerning PBGC assigned work while concurrently operating (b)(6) (b)(6) further stated “I have never logged in or did any (PBGC) work from the (b)(6).” When (b)(6) denied ever conducting PBGC work while operating (b)(6), we explained that her laptop was logged into the (b)(6) (b)(6) IP address (b)(6) at least 13 times between February 17 and May 1, 2023, for periods ranging from 2 to 10 hours. (b)(6) recanted and affirmed, “sometimes I do PBGC work when I’m at (b)(6).”

Investigators then directly asked (b)(6) if he ever accessed (b)(6) PBGC laptop, he stated “No.” (b)(6) interjected and pointed out, (b)(6) isn’t capable of doing my work.” She added (b)(6) doesn’t know any of my passwords.” Investigators pointedly questioned (b)(6) if she ever allowed anyone to access her PBGC issued laptop or had anyone ever conduct PBGC work on her behalf; (b)(6) replied that she has never had anyone complete assignments on her behalf and stated, “I never allowed anyone to sign into the (PBGC) computer.”

False Claims – Time and Attendance / Invoice Discrepancies

(b)(6) was questioned if she had any other employment, besides operating (b)(6) and Deloitte (PBGC contract); (b)(6) answered that she currently did “consulting work” for ICF Incorporated which equated to around 30 hours per week. (b)(6) was asked how she manages three full-time jobs; she replied, “I manage my time well.” (b)(6) was then asked if she ever simultaneously worked on ICF Incorporated business and PBGC contractual work (Deloitte); (b)(6) detailed that she conducted ICF work mainly on the weekends and at night, thus there was no overlapping of work and hours claimed.

(b)(6) added that she also previously worked for Data Networks Corporation on a NOAA contract. (b)(6) was asked if she ever concurrently conducted NOAA and PBGC business; (b)(6) expressed that she managed her time where she would complete contractual work for both agencies separately and independently.

Investigators explained to (b)(6) that PBGC-OIG conducted an audit where we compared the total time she worked on her PBGC laptop and within the network, with the total hours claimed on her daily sign-in forms and hours invoiced by Deloitte, for August 2022 to February 2023. We disclosed the audit revealed that the total hours billed by Deloitte for (b)(6) was about 860 hours and the total time worked on (b)(6) PBGC-issued computer was around 380 hours. Therefore, we found a net discrepancy of approximately 480 hours that were invoiced where we could not find any network or login activity on (b)(6) PBGC laptop. Investigators asked (b)(6) if she could perform PBGC assignments or work on any laptop or other method; (b)(6) stated “No, I have to use the PBGC issued laptop.”

We showed (b)(6) her daily sign-in sheets for the period September 2022 to October 2022. She was questioned if she inputted the time entries herself; (b)(6) replied “I complete the time entries.” Investigators then disclosed that from September 19, 2022 to October 15, 2022, there was zero windows logins or network activity on her laptop; yet Deloitte had invoiced 168 hours (\$24,324.40) of time worked for (b)(6) additionally, her daily sign-in forms showed full-time hours worked in those weeks.

(b)(6) explained that her father had passed away during that period and stated, “I didn’t work for 2 ½ to 3 weeks.” She advised during this time, while she was grieving, she had her mother complete her required PBGC daily sign-in forms on her Deloitte issued laptop. (b)(6) confirmed she gave her mother access to the Deloitte computer to complete the daily sign-in forms for about 3 weeks of work in September/October 2022. (b)(6) confessed that during these 3 weeks she was not actually working on PBGC business, because she was grieving from the loss of her father. Nonetheless, she still had her mother sign into her Deloitte computer to complete the daily sign-in forms as if she actually worked those hours.

(b)(6) commented that her Deloitte manager had approached her about not working the above-mentioned weeks in September/October 2022, (b)(6) subsequently admitted to him that she did not actually work those hours. She added that Deloitte management allowed her to amend her timecard to reflect “PTO” for those weeks, instead of hours worked. (b)(6) was asked if PBGC was reimbursed for the false claims of her hours worked; she was unsure.

After the interview, investigators confirmed with Deloitte attorneys that (b)(6) manager did confront her regarding the above-mentioned hours and instructed her to amend her timecard from hours worked to PTO. However, (b)(6) disregarded this order, and never amended her Deloitte timecard.

Criminal Referral and Disposition

(b)(6); (b)(5)-DPP

Conclusion

We believe that (b)(6) had been operating (b)(6) and working full-time at Data Networks Corporation (August to October 2022) and ICF Incorporated (January to May 2023) while simultaneously claiming she was working full-time on official PBGC business via her employment with Deloitte. This has caused, at minimum, a 578-hour overbilling, totaling approximately a \$83,800 loss to PBGC.

We also believe that (b)(6) intentionally allowed (b)(6) to access the PBGC computer network without authorization through her login credentials. Specifically, so (b)(6) could complete contractual work assigned to (b)(6) while she was operating (b)(6) and working for the above-mentioned companies. Based on the facts presented above, it is reasonable to conclude that (b)(6) willingly gave (b)(6) access to the PBGC network, and therefore access to confidential data, so he could complete her assigned tasks, and she could consequently claim those hours as time worked on the PBGC contract.

Lastly, PBGC-OIG was in communication with Deloitte's Office of General Counsel; they advised that Deloitte conducted their own internal investigation on the matter and confirmed (b)(6) was separated from the firm due to integrity, policy, and code of conduct violations. During their investigation, Deloitte was not able to reliably determine what portion of (b)(6) invoiced time reflected actual hours she worked; therefore, Deloitte was amenable to reimbursing PBGC the full amount invoiced for (b)(6) on the entirety of the contract.

On August 2, 2023, the Investigative Memorandum was disseminated to David Foley (Chief of Benefits Administration), Shawn Hartley (Chief Privacy Officer), Karen Morris (General Counsel), Paul Chalmers (Deputy General Counsel, General Law and Operations), and Joshua Kossoy (Director, Information Technology Infrastructure Operations Department).

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Disposition

This investigation is closed. The Investigative Memorandum was provided to PBGC management in OBA, OGC, ITIOD, and the Privacy Office for whatever action they deemed appropriate.

(b)(6); (b)(7)(C)

8/02/2023

(b)(6); (b)(7)(C)

Date

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

(b)(6); (b)(7)(C)

Date

Assistant Inspector General for Investigations



October 13, 2021

CLOSEOUT MEMORANDUM

TITLE: (b)(6) / (b)(6)

INVESTIGATOR: (b)(6); (b)(7)(C) Special Agent

OIG CASE NUMBER: 22-0001-I

Investigative Initiation

In February 2017, Pension Benefit Guaranty Corporation (PBGC), Office of Inspector General (OIG) Assistant Inspector General for Investigations (AIGI) launched a data matching initiative to identify deceased PBGC participants that were still in active pay status. PBGC participant data was cross-referenced with U.S. Department of Health and Human Services (HHS) data to identify potential matches. PBGC-OIG then searched state death records in instances where the suspected PBGC participant had died. One of the participants identified from this data matching project was (b)(6) who died on November 29, 2002.

Under (b)(6) pension plan, benefit payments should have ceased on the date of death. However, because the death was not reported in a timely manner to PBGC, the agency continued to electronically deposit into (b)(6) bank account \$362.25 per month through December 1, 2017. This ultimately resulted in an overpayment of 179-months, totaling \$64,842.75.

Additionally, in February 2019, PBGC Office of Benefits Administration attempted a standard reclamation for the overpayments, however, this reclamation failed due to insufficient funds in the account. Therefore, PBGC-OIG began investigating the identity of the person(s) who took physical possession of the benefit overpayments.

Details of Investigation

Death Certificate – San Bernardino County

PBGC-OIG obtained a copy of the death certificate for (b)(6) from the San Bernardino County Vital Records, which confirmed he died on (b)(6), (b)(6).

PBGC Benefit Records

A review of PBGC internal records revealed there were no attempts made, by any party, to report (b)(6) death to PBGC in November 2002 or any date thereafter.

Under (b)(6) pension plan, he opted for a Single Life Annuity coverage, therefore, there were no benefits payable to anyone after his death.

Community Bank Records

PBGC-OIG obtained and reviewed (b)(6) records for his Community Bank account ending in (b)(6). The record showed (b)(6) was named as the trustee and had full access to the account.

The records also confirmed PBGC deposited \$362.25 into (b)(6) account on a monthly basis. Additionally, the PBGC monthly disbursements were the only source of income funding the account.

The financial statements also disclosed the PBGC deposits were withdrawn monthly via check payments and expended through various point of sale transactions in the San Bernardino area. The account was closed on October 31, 2018, and the remaining balance of \$18.79 was withdrawn by (b)(6) to close the account.

Criminal Referral and Disposition

(b)(5)-DPP

Conclusion

On October 13, 2021, OIG referred the matter to the Office of Benefits Administration for recovery of the \$64,842.75 in PBGC benefits paid to (b)(6) (b)(6) after his death.

Disposition

This investigation is closed.

(b)(6); (b)(7)(C)

10/13/2021

(b)(6)

Date

Special Agent

APPROVED:

(b)(6); (b)(7)(C)

10/13/2021

(b)(6); (b)(7)(C)

Date

Assistant Inspector General for Investigations