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Description of document: Pension Benefit Guaranty Corporation (PBGC) records provided to Senator Charles E. Grassley and Senator Tom Coburn concerning the independence of Inspectors General necessary to promote efficiency and prevent fraud, waste and abuse in agency programs, in response to the Senators' inquiry, 2011-2012

Requested: 17-April-2012

Released date: 08-May-2012

Posted date: 04-July-2012

Source of document: E. William FitzGerald
Disclosure Officer
Pension Benefit Guaranty Corporation
1200 K Street, N.W., Suite 11101
Washington, D.C. 20005
Fax: (202) 326-4042 (Attn: E. William FitzGerald)

Note: This is one of several files on the same subject for various agencies available on governmentattic.org. See: <http://www.governmentattic.org/6docs/GrassleyCoburn.htm>

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Pension Benefit Guaranty Corporation
1200 K Street, N.W., Washington, D.C. 20005-4026

FOIA 2012-3155

May 8, 2012

Re: Freedom of Information Act (FOIA) Request

I am responding to your FOIA request dated April 17, 2012, requesting "a copy of each biannual response (all responses) to Senators Grassley and Coburn regarding their April 8, 2010 request to the Pension Benefit Guaranty Corporation (PBGC) Office of Inspector General (OIG)." Pursuant to your request, I am enclosing a copy of PBGC's OIG letter (and enclosures), dated June 28, 2010, to Senators Grassley and Coburn in response to their April 8, 2010 letter.

All fees associated with this request have been waived.

Sincerely,



E. William FitzGerald
Disclosure Officer

Enclosure



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

June 28, 2010

ELECTRONICALLY SUBMITTED

The Honorable Charles E. Grassley
Ranking Member
U.S. Senate Committee on Finance

The Honorable Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
U.S. Senate Homeland Security and Governmental
Affairs Committee

Re: Response to April 8, 2010 request

Dear Senators Grassley and Coburn:

I write in response to your April 8, 2010 letter in which you asked me to provide information with respect to three requests:

1. For the period from October 1, 2008 – April 8, 2010, “list and describe any instances when the Department/Agency resisted and/or objected to oversight activities and/or restricted your access to information. Even temporary delays in granting access to information can be unnecessary and frustrate the mission of Inspectors General, so please include descriptions of instances where information was ultimately provided but only after a substantial delay.”

RESPONSE:

We are working through several issues with the Corporation that are not yet “ripe” to report to Congress. Our conversations about access are still occurring. We will notify you immediately if the process ceases to move forward or if it appears that these issues will not be resolved appropriately.

2. For the period January 2, 2009 – April 30, 2010, “provide biannual reports on all closed investigations, evaluations, and audits conducted by your office that were not disclosed to the public.”

RESPONSE:

We do not have any information to report that has not already been disclosed to the public. Because we believe in full transparency, it is our practice to summarize and describe our findings from all closed investigations, evaluations and audits conducted by our office in our Semiannual Reports to Congress

(SARC). Those findings include Management Advisory Reports which identify internal management deficiencies or vulnerabilities identified as a result of investigations. We did not consider your request to cover closed investigations that did not substantiate the allegations or result in management referrals.

We publicly disclose audit work products (i.e., audits, evaluations, inspections, management advisories), by posting them on our website. Unless the report contains confidential or proprietary information which must be redacted, the report is presented in full on our website (<http://oig.pbgc.gov>).

In the unlikely event that an audit, evaluation, or closed investigation with substantiated allegations or referrals to management is not reported in a SARC, we commit to providing you with a report at the time the SARC is submitted to Congress.

3. "Request that if any federal official threatens and/or otherwise attempts to impede your office's ability to communicate with Congress, whether that communications concerns the budget or any other matter, we wish to be advised immediately.

RESPONSE:

We have not been threatened or in any way impeded from communicating with Congress and commit to informing you immediately if such impediments occur.

4. Provide a copy of our response to the Ranking Member of the House Committee on Oversight and Government Reform regarding outstanding audit recommendations that have not been fully implemented.

RESPONSE:

A copy of our letter to Congressman Issa, dated April 26, 2010, is attached.

If you have any further questions, please contact me at (202) 326-4000, x3437.

Respectfully submitted,



Rebecca Anne Batts
Inspector General



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

April 26, 2010

VIA U.S. MAIL, FACSIMILE, AND EMAIL

The Honorable Darrell Issa
U. S. House of Representatives
Ranking Member, Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington, DC 20515-6143

Dear Congressman Issa:

On March 24 you requested that the Office of Inspector General (OIG) of the Pension Benefit Guaranty Corporation (PBGC) provide the Committee on Oversight and Government Reform an update on open and unimplemented recommendations, the number of recommendations closed since January 5, 2009, the estimated monetary benefit associated with each open recommendation, an estimate of how quickly each monetary recommendation can be implemented, and a description of the three most important unimplemented recommendations.

As of April 23, 2010, we have 201 open and unimplemented recommendations. We have closed 62 recommendations since January 5, 2009. Of the 201 open recommendations, 19 have monetary results totaling \$1,290,837. We have enclosed a list of the monetary result recommendations including the amount of monetary benefit and an estimate of when the recommendation should be implemented. In our estimation, all 19 recommendations with monetary results can be implemented within 6 months. We have also enclosed a list of the three issues our office considers to be most important, including any associated costs savings and the plan implementation date. PBGC management has agreed with the recommendations related to our three issues.

We share your commitment to making government more accountable and transparent. We also take our mandate to prevent waste, fraud, and abuse very seriously. Therefore, we sincerely appreciate your efforts to ensure that the PBGC Office of Inspector General has sufficient resources to fulfill that mandate, and we thank you for this opportunity to provide information for your use to that end.

If you have any questions please contact me at (202) 326-4000 extension 3437, or have a member of your staff contact Deborah Stover-Springer, Deputy Inspector General at (202) 326-4000 extension 3877.

Sincerely,



Rebecca Anne Batts
Inspector General

Enclosures: Summary of Monetary Recommendations
List of Important Recommendations

cc: Rep. Edolphus Towns, Chairman, Committee on Oversight and Government Reform
Rep. George Miller, Chairman, Committee on Education and Labor
Rep. John Kline, Ranking Member, Committee on Education and Labor
Senator Tom Harkin, Chairman, Committee on Health, Education Labor and Pensions
Senator Michael B. Enzi, Ranking Member, Committee on Health, Education Labor and Pensions
Senator Herb Kohl, Chairman, Special Committee on Aging
Senator Bob Corker, Ranking Member, Special Committee on Aging
Senator Max Baucus, Chairman, Committee on Finance
Senator Chuck Grassley, Ranking Member, Committee on Finance
Senator Joseph Lieberman, Chairman, Homeland Affairs and Government Affairs Committee
Senator Susan Collins, Ranking Member, Affairs and Government Affairs Committee
Senator Carl Levin, Chairman, Permanent Subcommittee on Investigations,
Homeland Affairs and Government Affairs Committee
Senator Tom Coburn, Ranking Member Permanent Subcommittee on Investigations,
Homeland Affairs and Government Affairs Committee

**SUMMARY OF OPEN MONETARY RECOMMENDATIONS
AS OF APRIL 23, 2010**

Report	Project	Issued / Opened	Report Title / Recommendation Number	Estimated Completion	Monetary Benefits	PBGC Settlement Amt.	Comment
2008-13	CA-0046	09-30-08	<i>*Paragon Technology Group, Inc.</i>				
2008-13	CA-0046	09-30-08	PD-123	05-04-09	\$ 21,164	\$ 30,000	PBGC settled the two rxs. for \$30,000. Collection of any additional amount is unlikely.
2008-13	CA-0046	09-30-08	PD-126	05-04-09	\$ 30,622	-	
2008-12	CA-0050	09-30-08	<i>*Spectrum International, Inc. Report for Costs Incurred by Spectrum International, Inc. under Contract PBGC01-03-0654 For Fiscal Years ended September 30, 2006 and 2007</i>				
2008-12	CA-0050	09-30-08	PD-111	03-18-09	\$ 114,225	\$ 3,544	PBGC settled the rx for \$3,544. Collection of any additional amount is unlikely.
2008-11	CA-0047	09-30-08	<i>*Techguard Security, LLC. Report for Costs Incurred by TechGuard Security under Contract PBGC01-CT-05-0739 for Fiscal Years ended September 30, 2006 and 2007</i>				
2008-11	CA-0047	09-30-08	PD-118	03-30-09	\$ 82,141	\$ 17,923	PBGC settled the two for \$17,923. Collection of any additional amount is unlikely.

Report	Project	Issued / Opened	Report Title / Recommendation Number	Estimated Completion	Monetary Benefits	PBGC Settlement Amt.	Comment
2008-09	CA-0054	08-26-08	<i>*Booz Allen Hamilton (BAH) Audit on Costs Incurred by BAH under Contracts: PBGC01-CT-00-0596, PBGC01-CT-03-0681, PBGC01-CT-04-0685, PBGC01-CT-05-0742 for Contractor Fiscal Year ended March 31, 2006</i>				
2008-09	CA-0054	08-26-08	PD-109	03-30-10	\$ 97,581		
2007-15	CA-0039	09-27-07	<i>*Keane Federal Systems, Inc. Report for Costs Incurred by Keane Federal Systems, Inc. under Contract PBGC01-CT-04-687 for Fiscal Years ended September 30, 2004, 2005 and 2006</i>				
2007-15	CA-0039	09-27-07	PD-86	02-28-2010	\$ 125,488		
2007-15	CA-0039	09-27-07	PD-97	02-28-2010	\$ 41,843		
2007-15	CA-0039	09-27-07	PD-98	02-28-2010	\$ 9,502		
2007-15	CA-0039	09-27-07	PD-99	02-28-2010	\$ 68,883		

Report	Project	Issued / Opened	Report Title / Recommendation Number	Estimated Completion	Monetary Benefits	PBGC Settlement Amt.	Comment
2007-14	CA-0038-2	09-27-07	<i>*Resource Consultants (RCI), Inc. Report for Costs Incurred by RCI Under Contract PBGC01-CT-04-691 for Fiscal Years ended September 30, 2005 and 2006</i>				
2007-14	CA-0038-2	09-27-07	PD-92	06-30-2010	\$ 2,051		In litigation. PBGC issued a demand letter for \$115,000 to settle all rxs. for audit nos. 2007-14 and 2007-13 which involve the same contractor.
2007-14	CA-0038-2	09-27-07	PD-93	06-30-2010	\$ 82,880		
2007-14	CA-0038-2	09-27-07	PD-94	06-30-2010	\$ 3,215		

Report	Project	Issued / Opened	Report Title / Recommendation Number	Estimated Completion	Monetary Benefits	PBGC Settlement Amt.	Comment
2007-13	CA-0038-1	09-27-07	<i>*Resource Consultants (RC), Inc. Report for Costs Incurred by Resource Consultants, Inc. under Contract PBGC01-CT-01-603 for Fiscal Years ended September 30, 2001, 2002, 2003, 2005 and 2006</i>				
2007-13	CA-0038-1	09-27-07	PD-86	06-30-2010	\$ 52,380		In litigation. PBGC issued a demand letter for \$115,000 to settle all rxs. for audit nos. 2007-14 and 2007-13 which involve the same contractor.
2007-13	CA-0038-1	09-27-07	PD-87	06-30-2010	\$ 81,667		
2007-13	CA-0038-1	09-27-07	PD-88	06-30-2010	\$ 9,248		
2007-13	CA-0038-1	09-27-07	PD-89	06-30-2010	\$ 29,142		
2007-13	CA-0038-1	09-27-07	PD-90	06-30-2010	\$ 95,142		
2006-16	CA-0013	09-29-06	<i>*Unisys Corporation Audit of Incurred Costs on Delivery Order No. PBGC01-DO-04-0143 (Issued under Prime Contract No. GSOOT99ALDO212)</i>				
2006-16	CA-0013	09-29-06	PD-72	None	\$ 146,628		

Report	Project	Issued / Opened	Report Title / Recommendation Number	Estimated Completion	Monetary Benefits	PBGC Settlement Amt.	Comment
2006-14	CA-0013	09-29-06	<i>Unisys Corporation Examination of Contract Termination Proposal Under Delivery Order No. PBGC01-DO-04-0143 (Issued under Prime Contract No. GSOOT99ALDO212)</i>				
2006-14	CA-0013	09-29-06	PD-71	None	\$ 197,035		

List of Important Open Recommendations									
Rx. No.	Report	Project	Report Title	Recommendation	Issued / Opened	Mgmt. Agrees	Estimated Completion	Monetary Benefits	Comment
FS-08-02	2008-02	CA-0046	Report on Internal Controls Related to PBGC Fiscal Year 2008 and 2007 Financial Statements Audit	<i>Implement an effective review process to validate the completion of the certification and accreditation for all major applications and general support systems. This review should be completed for all components of the work performed to ensure that substantial documentation is available that supports and validates the results obtained.</i>	11-13-08	Yes		none	<i>The need for improvement of information technology operations and security controls has been a recurring issue at PBGC.</i>
CID-2	2009-06	FA-08-51	Evaluation of the PBGC's Activities With Respect to its Securities Lending Program	<i>PBGC should develop and submit to the Board of Directors for review a separate set of written guidelines, containing the broad parameters and objectives of the program.</i>	07-09-09	Yes		none	<i>Overall the evaluation found a lack of written policy guidance regarding establishment of investment objectives, risk tolerance and measurement standards for a program involving investment of over \$2 billion of PBGC assets.</i>
PD-61	2006-09	CA-0010	Procurement Cycle Performance Audit Report	<i>Create a single source for PBGC procurement procedures and assign responsibility for monitoring contract administration responsibilities below the Contracting Officer level.</i>	03-16-06	Yes		none	<i>OIG has issued numerous reports with recommendations regarding the need for additional procedures for improvement in contract monitoring. This report was a rollup of several other procurement related reports.</i>