



United States Department of Agriculture
Office of Inspector General





Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Headcount Reporting Submitted to OPM

Audit Report 11401-0006-11

What Were OIG's Objectives

To perform procedures to assist OPM in (1) assessing the reasonableness of retirement, health benefits, and life insurance withholdings and contributions, as well as enrollment information submitted via the *Supplemental Semiannual Headcount Report*, and (2) identifying errors relating to processing and distributing CFC payroll deductions.

What OIG Reviewed

We performed agreed-upon audit procedures as required on Federal employee benefits, enrollment information, and CFC payroll deductions, as of August 31, 2013. Our review included information submitted for the Departments of Agriculture, Commerce, Homeland Security, Housing and Urban Development, Justice, Labor, and the Treasury; as well as the Agency for International Development; and Small Business Administration.

What OIG Recommends

We do not make any recommendations in this report.

OIG performed agreed-upon procedures for assessing information reported by USDA's National Finance Center.

What OIG Found

The Department of Agriculture's (USDA) National Finance Center (NFC) reports Federal employee benefits, enrollment information, and Combined Federal Campaign (CFC) deductions to the Office of Personnel Management (OPM). Reported information includes retirement, health benefits, and life insurance withholdings and contributions, agency-submitted headcounts, and payroll deductions relating to the CFC. In applying agreed-upon audit procedures, we identified differences through calculations, analysis, and comparisons. For instance, we identified that headcounts for military deposit and salary offsets often differed by more than 2 percent, and that reported counts relating to certain types of payers for health, life insurance, and/or retirement benefits differed as well. We also found that total headcounts were sometimes misallocated, and an inconsistency exists in counts for those enrolled with no deductions for retirement and other counts. NFC stated that scheduled programming modifications will correct the majority of the issues identified.

Additionally, we identified differences related to CFC deductions for employees at duty stations with no CFC, accounting code differences, and instances of incorrect CFC pledge form use. Generally, NFC attributed the CFC errors to manual processes and human error, including by personnel at various agencies. NFC noted the low error rate overall, and stated it was responsible for processing very few of the transactions identified as differences.

Our sample document review disclosed 8 errors for benefits entered into the system by entity staff. Furthermore, we were unable to verify entries for 151 personnel documents we tested because entities' personnel officers were unable to locate the documents. However, to ensure that information from the system was accurate, we performed any applicable calculations for salary, retirement, life, and health insurance. We noted no exceptions.



United States Department of Agriculture
Office of Inspector General
Washington, D.C. 20250



September 27, 2013

The Honorable Patrick E. McFarland
Inspector General
U.S. Office of Personnel Management
Office of Inspector General
Theodore Roosevelt Federal Building
1900 E Street NW, Room 6400
Washington, D.C. 20415-0001

Subject: Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and
Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel
Management

Dear Mr. McFarland:

This report presents the results of the Agreed-Upon Procedures performed on the subject information processed by the Department of Agriculture's Office of the Chief Financial Officer/National Finance Center as of August 31, 2013.

Our review included information for the following entities, listed in Appendix A of the Office of Management and Budget (OMB) Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, dated September 4, 2007, and amended by OMB Memorandum 09-33, dated September 23, 2009: Department of Agriculture, Department of Commerce, Department of Homeland Security, Department of Housing and Urban Development, Department of Justice, Department of Labor, Department of the Treasury, Agency for International Development, and Small Business Administration.

This review was performed as required by OMB and in accordance with applicable generally accepted government auditing standards and the *Statements of Standards for Attestation Engagements* established by the American Institute of Certified Public Accountants.

If you have questions, please contact me at (202) 720-6945, or have a member of your staff contact Ernest M. Hayashi, Director, Farm, Trade, Research, and Environment Division, at (202) 720-2887.

Sincerely,

Gil H. Harden
Assistant Inspector General for Audit

cc:

Dennis D. Coleman, Chief Financial Officer, Office of Personnel Management

Table of Contents

Independent Auditors' Report.....	1
Abbreviations	3
Exhibit A: Procedures Performed and Results.....	4
Exhibit B: Combined Federal Campaign (CFC) Deductions for Employees With No Local CFC Campaign	19
Exhibit C: Name, Principal Combined Fund Organization (PCFO) and Address Differences	21
Exhibit D: Accounting Code Differences.....	23
Exhibit E: Incorrect Combined Federal Campaign (CFC) Pledge Forms	47

Independent Auditors' Report

To: Honorable Patrick E. McFarland
Inspector General
U.S. Office of Personnel Management

We have performed the procedures described in exhibit A, which were agreed to by the Inspector General and Chief Financial Officer of the U.S. Office of Personnel Management (OPM), solely to assist OPM with respect to the employee withholdings and employer contributions reported by the Department of Agriculture's Office of the Chief Financial Officer/National Finance Center (OCFO/NFC) on the Standard Form 2812, *Report of Withholdings and Contributions for Health Benefits, Life Insurance, and Retirement*, and OPM 1523, *Supplemental Semiannual Headcount Report*,¹ as of August 31, 2013. The reports submitted by OCFO/NFC included information for the following entities listed in Appendix A of the Office of Management and Budget (OMB) Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, as amended:² Department of Agriculture, Department of Commerce, Department of Homeland Security, Department of Housing and Urban Development, Department of Justice, Department of Labor, Department of the Treasury, Agency for International Development, and Small Business Administration. Furthermore, we performed agreed-upon procedures to assist OPM with identifying errors relating to processing and distributing Combined Federal Campaign payroll deductions.

The engagement to apply the Agreed-Upon Procedures was performed in accordance with applicable generally accepted government auditing standards and the statement of standards for attestation engagements established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Inspector General and the Chief Financial Officer of OPM. Consequently, we make no representation regarding the sufficiency of the procedures described either for the purpose for which this report has been requested or for any other purpose. The results of the engagement are detailed in exhibits A through E.

We are not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the withholdings and contributions for health benefits, life insurance, and retirements; the Combined Federal Campaign; and the headcount reports prepared by OCFO/NFC. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

¹ We selected our samples from pay period (PP) 17 (August 12, 2012, through August 25, 2012, paid September 6, 2012), PP 26 (December 16, 2012, through December 29, 2012, paid January 10, 2013), and PP 3 (February 10, 2013, through February 23, 2013, paid March 7, 2013). PPs 17 and 3 coincided with the OPM 1523, *Supplemental Semiannual Headcount Report*.

² OMB Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, September 4, 2007, was amended by OMB Memorandum 09-33, Technical Amendments to OMB Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, September 23, 2009.

This report is intended solely for the use of the Inspector General and Chief Financial Officer of OPM and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Gil H. Harden
Assistant Inspector General for Audit

September 16, 2013

Abbreviations

CFC	Combined Federal Campaign
CSRS	Civil Service Retirement System
FEGLI	Federal Employees' Group Life Insurance
FEHB	Federal Employees Health Benefits
FERS	Federal Employees' Retirement System
FERS-RAE.....	Federal Employees Revised Annuity Employees System
HUD	Department of Housing and Urban Development
NFC.....	National Finance Center
OCFO	Office of the Chief Financial Officer
OCFCO	Office of CFC Operations
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPF	Official Personnel File
OPM.....	U.S. Office of Personnel Management
PP	Pay Period
RITS	Retirement and Insurance Transfer System
SF	Standard Form
TMGT	Table Management
USDA.....	Department of Agriculture

Exhibit A: Procedures Performed and Results

Exhibit A – Page 1 of 15

1. Compare the Retirement and Insurance Transfer System (RITS) submission data to the payroll information by performing the following procedures (note: for cross-servicing agencies, if the internal controls are the same for all agencies serviced, it is only necessary to perform this procedure for one agency):
 - a. Recalculate the mathematical accuracy of the payroll information.
 - b. Recalculate the mathematical accuracy of each RITS submission for the payroll information selected in step 1.a.
 - c. Compare the employee withholding information at the aggregate level for retirement, health benefits, and life insurance (as adjusted for reconciling items) shown on the payroll information obtained in step 1.a. to the related amounts shown on the RITS submission for the corresponding period.

Report any differences for each of the retirement, health benefits, and life insurance (categories) for step 1.c. that are over 1 percent of the aggregate amount reported for each of the three categories. Obtain a management official name, an explanation, telephone number, and an email address for the differences above the 1 percent threshold.

Results

There were no differences over 1 percent.

2. See sub-steps below.
 - a. Randomly select a total of 25 individuals (from each Department) who were in the payroll system for all 3 of the RITS submissions selected above that meet all of the following criteria. In addition, randomly select five individuals (from each Department) who are under Federal Employees Revised Annuity Employees System (FERS-RAE) to test that their FERS-RAE contribution rate was calculated correctly:
 - Covered by the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS);
 - enrolled in the Federal Employees Health Benefits (FEHB) Program;
 - covered by Basic Life Insurance; and
 - covered by at least one Federal Employees' Group Life Insurance (FEGLI) optional coverage (Option A, B, or C).

Exhibit A: Procedures Performed and Results

Exhibit A – Page 2 of 15

- b. Obtain the following documents, either in electronic or hard copy format, from the Official Personnel File (OPF) for each individual selected in step 2.a. Hard copies can be originals or certified copies.
- All Notifications of Personnel Actions Standard Form-50 (SF) covering pay periods (PP) in the RITS submissions chosen;
 - the Health Benefits Election Form (SF-2809) covering the PPs in the RITS submissions chosen or, if applicable, obtain a report (via the agency personnel office) from the agency's automated system that allows participants to change benefits, (e.g., Employee Express), for any health benefits transactions in the system for the individuals selected in step 2.a. (Note: a new SF-2809 is needed only if an employee is changing health benefit plans. Therefore, the form could be many years old). Also for health benefits, compare the date of transaction with the date on the certified copy of the SF-2809 or the agency's automated system report obtained above to identify whether the health benefit information to be used in step 2.f. covers the PPs in the RITS submissions chosen; and
 - the Life Insurance Election Form (SF-2817) covering the PPs in the RITS submission chosen. (Note: a new SF-2817 is needed only if an employee is changing life insurance coverage; therefore, the form could be many years old).

Results

Personnel officers were not able to locate the following 139 documents; however, we performed the calculations for salary, retirement, life and health insurance in these cases to ensure that information from the Office of the Chief Financial Officer/National Finance Center (OCFO/NFC) system was accurate.

Entity	SF-50	FEHB	FEGLI
Department of Agriculture	0	4	3
Agency for International Development	6	17	8
Department of Commerce	3	3	1
Department of Justice	5	6	2
Department of Labor	5	8	0
Department of Homeland Security	1	3	3
Department of Housing and Urban Development	15	5	17
Small Business Administration	1	13	2
Department of the Treasury	5	2	1
Total	41	61	37

Exhibit A: Procedures Performed and Results

Exhibit A – Page 3 of 15

- c. For each individual selected in step 2.a., compare the base salary used for payroll purposes and upon which withholdings and contributions generally are based to the base salary reflected on the employee's SF-50. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

We noted one Small Business Administration employee's SF-50, reflecting the employee's within grade pay increase, was not processed timely. Agency personnel were not able to provide an explanation. No other exceptions were noted.

- d. For Retirement for each individual selected in step 2.a., compare the retirement plan code from the employee's SF-50 to the plan code used in the payroll system. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

No exceptions were noted.

- e. For each individual selected in step 2.a., calculate the retirement amount to be withheld and contributed for the plan code from the employee's SF-50, by multiplying the base salary from the employee's SF-50 by the official withholding and contribution rates required by law. Compare the calculated amounts to the actual amounts withheld and contributed for the retirement plan. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

No exceptions were noted.

- f. For health benefits for each individual selected in step 2.a., compare the employee withholdings and agency contributions to the official subscription rates issued by OPM for the plan and option elected by the employee, as documented by a Health Benefits Election Form (SF-2809) in the employee's OPF or automated system that allows the participant to change benefits (e.g., Employee Express). Report any differences resulting from this step and obtain management's explanation for the differences. The health benefits rates can be found on OPM's website at <http://www.opm.gov/insure/health/rates/index.asp>.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 4 of 15

Results

No exceptions were noted.

- g. For life insurance for each individual selected in step 2.a., confirm that Basic Life Insurance was elected by the employee by inspecting the Life Insurance Election Form (SF-2817) documented in the employee's OPF. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

We found three FEGLI codes in the payroll system that did not match the basic coverage elected on the SF-2817—one each at Small Business Administration, Department of the Treasury, and Agency for International Development. Small Business Administration officials confirmed the error and stated that the employee will be notified to complete a new SF-2817. In addition, Department of the Treasury personnel noted the discrepancy on the employee's SF-2817. However, agency personnel at the Agency for International Development did not respond to our request to confirm their error.

- h. For each individual selected in step 2.a., calculate the withholding and contribution amounts for Basic Life Insurance using the following:
 - For employee withholdings: round the employee's annual base salary up to the nearest thousand dollars and add \$2,000. Divide this total by 1,000 and multiply by the rate required by law. The life insurances rates are on OPM's website at <http://www.opm.gov/insure/life/rates/index.asp>.
 - For agency contributions: divide the employee withholdings calculated above by two.

Compare the calculated employee withholdings and agency contributions to the actual amounts withheld and contributed for the Basic Life Insurance. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

No exceptions were noted.

- i. Also, for life insurance for each individual selected in step 2.a., compare optional coverage elected as documented on the SF-2817 in the employee's OPF to the optional coverage documented in the payroll system. Report any differences resulting from this step and obtain management's explanation for the differences.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 5 of 15

Results

We found three FEGLI codes in the payroll system that did not match the optional coverage elected on the SF-2817 – two at the Department of Agriculture and one at the Department of the Treasury. Agency personnel at the Department of Agriculture confirmed one of the errors. However, we did not receive a response to our requests to confirm the remaining two errors.

- j. For each individual selected in step 2.a., calculate the withholding amounts for optional life insurance using the following:
 - For Option A: locate the employee's age group using the age groups provided for Option A in the FEGLI Program Booklet. The withholding amount to be used is the rate listed in the FEGLI Program Booklet for that age group. Compare the calculated amount to the amount withheld for Option A Life Insurance. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

No exceptions were noted, other than the Department of Agriculture error noted in 2i above.

- For Option B: inspect the SF-2817 to obtain the number of multiples chosen for Option B. Locate the employee's age group using the age groups provided for Option B in the FEGLI Program Booklet. Round the employee's annual rate of basic pay up to the next 1,000, divide it by 1,000, and then multiply it by the rate for the respective age group. Multiply this amount by the number of multiples chosen for Option B Life Insurance. Compare the calculated amount to the amount withheld for Option B Life Insurance. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

No exceptions were noted, other than the Departments of Agriculture and Treasury errors noted in 2i above.

- For Option C: inspect the SF-2817 to obtain the number of multiples chosen for Option C. Locate the employee's age group using the age groups provided for Option C in the FEGLI Program Booklet. Multiply the rate for the age group by the number of multiples chosen for Option C Life Insurance. Compare the calculated amount to the amount withheld for Option C Life Insurance. Report

Exhibit A: Procedures Performed and Results

Exhibit A – Page 6 of 15

any differences resulting from this step and obtain management's explanation for the differences.

Results

No exceptions were noted, other than the Department of the Treasury error noted in 2i above.

3. Randomly select a total of 10 employees (from each Department) who have no health benefits withholdings from the payroll information corresponding to the 3 RITS submissions selected above and perform the following for each employee selected.
 - a. Obtain SF-2809s covering the PPs in the RITS submissions chosen, either in electronic or hard copy format, from the selected employee's OPF or, if applicable, obtain a report (via the agency personnel office) from the agency's automated system that allows participants to change benefits, (e.g., Employee Express), for any health benefit transactions in that system for the individuals selected. Hard copies can be originals or certified copies. Inspect the documentation (that is, SF-2809 or the agency's system-generated report) to identify whether health benefits coverage was not elected. This can be identified in the following ways:
 - Absence of an SF-2809 in the OPF and no election of coverage made through the agency's automated system that allows participants to change benefits (e.g., Employee Express); or
 - an SF-2809 in the OPF with Section E checked (indicating cancellation of coverage) and no later election of coverage through the agency's automated system that allows participants to change benefits (e.g., Employee Express); or
 - cancellation of coverage through the agency's automated system that allows participants to change benefits (e.g., Employee Express) and no later election coverage with an SF-2809.
 - b. Compare the result in step 3.a. to the RITS submissions. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

Personnel officers could not locate two of the SF-2809 in the employees' OPFs (one each at the Departments of Agriculture and Homeland Security). Additionally, for one Agency for International Development employee, we noted that health insurance had been elected, however the payroll system showed coverage was waived. As a result, no

Exhibit A: Procedures Performed and Results

Exhibit A – Page 7 of 15

health deductions were made for the periods under review. Agency for International Development personnel did not respond to our request to confirm the error. In addition, for another employee with the Agency for International Development, we noted a status of eligible pending in the payroll system from December 16, 2012, through February 23, 2013. According to the FEHB Handbook, the employee must complete an election form within 60 days of becoming eligible. Agency personnel confirmed the error. No other exceptions were noted.

4. Randomly select a total of 10 employees (from each Department) who have no life insurance withholdings from the payroll information corresponding to the 3 RITS submissions selected above and perform the following for each employee selected.
 - a. Obtain the SF-2817s covering the PPs in the RITS submissions chosen, either in electronic or hard copy format, from the selected employee's OPF. Hard copies can be originals or certified copies. Inspect the SF-2817 to identify that the employee waived or cancelled Basic Life Insurance coverage.
 - b. Compare the results in step 4.a. to the RITS submissions. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

The personnel officers could not locate 10 of the forms (four at the Department of Housing and Urban Development, three at the Department of the Treasury, and one each at the Department of Homeland Security, the Small Business Administration and the Agency for International Development). We also identified one instance at the Small Business Administration where the basic life insurance election on the SF-2817 did not match the payroll system, which indicated "ineligible." As a result, premiums were not being withheld from the employee's salary. Agency personnel provided documentation to show that the error was later corrected. Further, we identified one instance at the Department of Justice where basic life insurance was waived on the SF-2817, but the payroll system indicated the employee was ineligible. This difference however, did not result in erroneous withholdings. No other exceptions were noted.

5. Calculate the headcount reflected on the September 2012 and March 2013 *Semiannual Headcount Report* selected, as follows.

Obtain existing payroll information (from step 1.a.) supporting each *Supplemental Semiannual Headcount Report*. If existing payroll data are not available, obtain a payroll system query that summarized detailed payroll data supporting each *Supplemental Semiannual Headcount Report*, as follows:

- Benefit Category (see *Supplemental Semiannual Headcount Report*),

Exhibit A: Procedures Performed and Results

Exhibit A – Page 8 of 15

- dollar amount of withholdings and contributions,
 - number enrolled (deductions made/no deductions),
 - central personnel data file code, and
 - aggregate base salary.
- a. Recalculate the headcount reflected on each *Supplemental Semiannual Headcount Report*. If an electronic file is not available, a suggested method of recalculating the headcount is as follows: (1) estimate the number of employees per payroll register page by counting the employees listed on several pages, (2) count the number of pages in the payroll register, and (3) multiply the number of employees per page by the number of pages, or count (using a computer audit routine) the number of employees on the payroll data file for the period.
 - b. Compare the payroll information obtained in step 5.a. and the calculated headcount from step 5.b. to the information shown on each respective *Semiannual Headcount Report*.
 - c. Report any differences (i.e., gross rather than net) greater than 2 percent between the headcount reporting on each respective agency *Semiannual Headcount Report* and payroll information from step 5.a. and the calculated headcount from step 5.b. Obtain a management official name, telephone number, an email address, and an explanation for the differences.

Results

Similar to prior years, our estimated headcounts for military deposits and salary offsets often differed by more than 2 percent from those reported on the *Supplemental Semiannual Headcount Report (OPM 1523)*. This year NFC established project 524267 to research and make the required programming modifications, and indicated these changes should eliminate these differences in the future.

Also, similar to last year we identified some differences greater than 2 percent of the reported count for payers of full premiums for health benefits, and for those with no deductions for, but enrolled in various life insurance and/or retirement plans for various reasons. For example, NFC tended to slightly overstate some reported counts for these by using a sorting method that occasionally caused the number of summarized records to exceed the number of employees who have more than one type of payment. This year, NFC indicated project 524267 includes a sorting modification it intends to implement in PP 9, 2014, that will reduce this tendency. However, NFC also clarified this future sorting modification is limited to records with the same department code.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 9 of 15

In addition, sometimes a correct total headcount was misallocated resulting in opposing misstatements of related subtotals. For example, similar to last year several individuals required to pay full FEHB premiums after they had been on a military furlough for more than 365 days were included in the subtotal NFC reported for those paying “regular” premiums instead of the reported subtotal of “payers of full premiums.” Since this misallocation slightly overstated some “regular” subtotals and slightly understated some “full premium” subtotals (the latter by over 2 percent), NFC indicated they “will contact OPM for a ruling . . . [and] if system changes are warranted, . . . establish a project to implement those changes.”

We again noted other misallocations between related subtotals that caused very small misstatements of those with, and those without deductions for optional life insurance, the latter by more than 2 percent in some cases. These misallocations were caused by NFC using the existence/absence of a deduction for *basic* FEGLI instead of the existence/absence of a deduction for the FEGLI *option*. This year NFC indicated project 524267 also includes modifying the program logic to base future subtotals of enrollment in FEGLI options A, B, and C “on whether the applicable optional deduction itself was made. These programming changes will be implemented in PP 9, 2014.”

Additionally, in regard to those “enrolled with no deductions made for retirement,” NFC included significantly more “unpaid employee” records than those included in other counts. NFC indicated additional extensive research will be required to address this inconsistency and stated it will work with OIG to get the details necessary to perform the research and will establish a project if further programming changes are identified.

The magnitude of any overstatement in retirement headcounts caused by this inconsistency will be reduced by another project 524267 modification that NFC developed in response to a prior year finding regarding those who recently separated. This modification will allow NFC to exclude those whose separations were recorded in, but effective before the current pay period (although this will not apply to separations recorded after, but effective before the current PP).

6. Calculate employer and employee contributions for retirement, health benefits, and life insurance as follows:
 - a. Calculate retirement withholdings and contributions for the three PPs selected in step 1.a. as follows:
 - i. Multiply the CSRS and FERS payroll base by the withholding and employer contribution rates required by law.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 10 of 15

- ii. Compare the calculated totals from step 6.a.i. to the related amounts shown on the RITS submissions. Report any differences (i.e., gross rather than net) between the calculated amounts and the amounts reported on the RITS submissions that are greater than 5 percent of the amounts on the RITS submission, and obtain management's explanation for the differences.

Results

There were no differences greater than 5 percent, except in some cases, our calculation of military deposit dollar subtotal differed by more than 5 percent from the corresponding CSRS and FERS subtotal reported on the SF-2812. Similar to previous years, OCFO/NFC personnel stated that misallocations continue to occur rarely with manually processed payments. However, these errors are identified and corrected in the subsequent PP. Additionally, NFC stated that the number of Federal Erroneous Retirement Coverage Corrections Act³ cases (the number of which have increased significantly), as well as adjustments made using the NFC Special Payment Processing System may lead to some of the differences identified.

- b. Calculate employee withholdings and employer contributions for health benefits for the three PPs selected in step 1.a., as follows:
 - i. Multiply the number of employees enrolled in each health benefits plan and plan option by the employee withholdings and employer contributions for the plan and option.
 - ii. Sum the totals in step 6.b.i. and compare the results with the health benefit withholding and contribution amounts shown on the RITS submissions. Report any differences (i.e., gross rather than net) between the calculated amounts and the amounts reported on the RITS submissions that are greater than 5 percent of the amounts on the RITS submission, and obtain management's explanation for the differences.

Results

There were no differences greater than 5 percent.

- c. Calculate the basic life insurance employee withholdings and employer contributions for the three PPs selected in step 1.a., as follows:

³ The Federal Erroneous Retirement Coverage Corrections Act, Public Law 106-265, was enacted September 19, 2000.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 11 of 15

- i. Obtain a payroll system query from agency payroll provider personnel to obtain the total number of employees with Basic Life Insurance coverage and the aggregate annual basic pay for all employees with Basic Life Insurance.
- ii. For employee withholdings: add the product of 2,500 times the number of employees with Basic Life Insurance coverage from step 6.c.i. above to the aggregate annual basic pay for all employees with Basic Life Insurance from step 6.c.i above to calculate the estimated total Basic Life Insurance coverage. Divide this calculated total by 1,000 and multiply it by the withholding rate required by law. The Life Insurance withholding rates are in the FEGLI Program Booklet on OPM's website.
- iii. Compare the results in step 6.c.ii. to the withholdings for Basic Life Insurance coverage reported on the RITS submission. Report any difference (i.e., gross rather than net) between the estimate and the amount of the withholdings reported on the RITS submission greater than 5 percent of the amounts on the RITS submission, and obtain management's explanation for the difference.

Results

There were no differences greater than 5 percent.

- iv. For agency contributions: divide the results of step 6.c.ii. by two – this approximates agency contribution, which are one-half of employee withholdings. Compare this result to the amount reported on the RITS submission. Report any differences (i.e., gross rather than net) between the estimated amount and the actual amount reported on the RITS submission that are greater than 5 percent of the amounts on the RITS submission, and obtain management's explanation for the differences.

Results

There were no differences greater than 5 percent.

- d. Calculate the Option A, Option B, and Option C Life Insurance coverage withholdings for the three PPs selected by using the detail payroll reports used to reconcile the RITS reports in Step 1. In addition to the information used for step 1, the reports should include the employee's date of birth, annual rate of basic pay, and number of multiples selected for Option B and C. Note: while similar to step 2.j., the calculation at this step is for the entire amount reported on the RITS submissions for the three PPs selected, as opposed to the sample of 25 employees in step 2.j.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 12 of 15

- i. Multiply the number of employees in each age group by the appropriate rate for Option A in accordance with the rates for age groups provided in the FEGLI Program Booklet.
- ii. Compare the result in step 6.d.i. to the amounts for Option A reported on the RITS submissions. Report any differences (i.e., gross rather than net) greater than 2 percent of the amounts on the RITS submission, and obtain management's explanation for the differences.

Results

There were no differences greater than 2 percent.

- iii. Segregate the reports for Option B and Option C insurance into the age groups shown in the FEGLI Program Booklet. For Option B, round the employee's annual rate of basic pay up to the next 1,000, then divide it by 1,000, and then multiply this amount by the rate for the age group by then multiplying this by the number of multiples:

$(\text{Annual rate of basic pay (rounded up)} / 1,000) \times \text{rate} \times \text{multiples}$.

For Option C, multiply the rate for the age group by the number of multiples chosen for each employee.

- iv. Compare the result in step 6.d.iii. to the amounts for Option B and Option C, respectively, reported on the RITS submissions. Report any differences (i.e. gross rather than net) greater than 2 percent of the amounts on the RITS submission for Option B or Option C, and obtain management's explanation for the differences.

Results

There were no differences greater than 2 percent.

7. Compare the list of field offices/duty stations to the list of local Combined Federal Campaign (CFC) campaigns obtained from OPM's Office of CFC Operations (OCFCO). Determine in which campaign each field office/duty station is located. (Note: it is possible for a field office/duty station to be in a location with no local CFC campaign.)

Exhibit A: Procedures Performed and Results

Exhibit A – Page 13 of 15

Report as a finding the following: all instances in which a Federal agency has a CFC deduction for an employee whose official duty station is in an area with no local CFC campaign. A chart listing the Federal agency, the duty station code and the campaign receiving the funds should be included. Obtain management's explanation for the differences and a corrective action plan.

Results

We analyzed the records of 83,123 employees with CFC deductions reported by OCFO/NFC for PP 3, 2013. Of these 83,123 employees, 80,613 had the same duty station code in PP 17, 2012 and PP 26, 2012, which roughly coincide, respectively with the beginning and end of the 2012 CFC solicitation period. Of these 80,613, we identified 44 employees (or .05 percent) at duty stations with no corresponding CFC. See exhibit B for a chart listing the Federal agency, the duty station code and the campaign receiving the funds as well as OCFO/NFC management's response.

8. Compare a list of accounting codes to the identified campaigns for each field office/duty station.
 - a. Determine the accounting code for each field office/duty station.
 - b. Determine if the name of the campaign, Principal Combined Fund Organization (PCFO), address of the PCFO in the agency payroll provider's system agree with the information for that field office/duty station on the list of local CFC campaigns obtained from OPM's OCFCO.

Report as a finding the following: all instances in which the name of the campaign, PCFO, or address of the PCFO on the list of accounting codes from the Federal Payroll Office does not agree to the information on the list of all local CFC campaigns obtained from OPM's OCFCO. A chart detailing the differences should be included. Obtain management's explanation for the differences and a corrective action plan.

Results

We identified differences when we compared the name of the CFC campaign, PCFO, or address of the PCFO on the list of CFC areas from the OCFO/NFC system to the list of local CFC areas provided by OPM. See exhibit C for a chart detailing the differences and OCFO/NFC management's response.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 14 of 15

9. Sort the report of all employees with CFC deductions by official duty station.
 - a. Compare the official duty stations to the campaigns identified for those locations.
 - b. Compare the accounting codes for each employee with CFC deductions to the accounting code identified for that employee's official duty station. Determine if this agrees with the accounting code identified for that field/duty station.

Report as a finding the following: all instances in which the accounting code for an employee with CFC deductions does not agree with the accounting code for that employee's official duty station. A chart listing the Federal agency, the duty station code, the campaign used and the correct campaign should be included. Obtain management's explanation for the differences and corrective action plan.

Results

Of the 83,123 employees with CFC deductions reported by OCFO/NFC for PP 3, 2013, 80,613 had the same duty station code in PP 17, 2012 and PP 26, the PPs that roughly coincide respectively with the beginning and end of the fall 2012 CFC solicitation period. We determined that the OCFO/NFC code was not consistent with the OPM CFC code by duty station for 1,969 of the 80,613 employees with the same duty station in PP 17, 2012 and PP 26, 2012. See exhibit D for a chart detailing the differences and OCFO/NFC management's response.

10. From the list of accounting codes that do not agree with the field office/duty station, select a judgmental sample of two pledges per federal agency and request the hard copy pledge form the agency.
 - Determine if the pledge form used was for the correct campaign based on the official duty station.

Report as a finding the following: all instances in which the incorrect pledge form was used by the employee. A chart listing the Federal agency, the correct campaign and the campaign used should be included.

Exhibit A: Procedures Performed and Results

Exhibit A – Page 15 of 15

Results

We requested 17 CFC pledge forms⁴ from 9 agencies. Agencies were unable to provide two of the requested pledge forms – one for the Agency for International Development, and the other for the Department of Commerce. Of the 15 pledge forms received, 11 were for the incorrect CFC campaign. See exhibit E for a chart listing the Federal agency, the correct campaign and the campaign used.

⁴ Agency for International Development only had one CFC code that did not agree with field office duty stations; all other departments tested had at least two.

Exhibit B: Combined Federal Campaign (CFC) Deductions for Employees With No Local CFC Campaign

Exhibit B – Page 1 of 2

Duty Station	CFC Per the National Finance Center (NFC)	Number of Exceptions	Department
081500073	0141	1	Agriculture
130270059	0211	5	Agriculture
130270059	0211	1	Homeland Security
130490013	0211	1	Agriculture
212640195	0405	1	Labor
401510009	0712	1	Justice
420840083	0684	3	Agriculture
421710105	0990	1	Commerce
480820271	0840	1	Homeland Security
483570255	0852	9	Homeland Security
485260163	0852	9	Homeland Security
485280389	0840	11	Homeland Security
Totals		44	

This chart lists instances in which a federal agency has a CFC deduction for an employee whose official duty station is in an area with no CFC campaign. The Office of Personnel Management data shows CFC code of “N/A” for each of the duty stations listed above. This chart has separate columns for duty station code, the CFC code for the campaign receiving the funds, number of exceptions, and the federal agency.

Exhibit B: CFC deductions for employees with no local CFC campaign

Exhibit B – Page 2 of 2

NFC Response

OIG identified 44 employees who were in duty stations that had no corresponding CFCs and thus cannot participate in the CFC; however, per NFC's database records, the employees had CFC deductions that were being sent to CFCs which do not cover those duty stations. For the 2012 CFC, NFC's human resources management personnel processed CFC allotments, upon request, for the following agencies' employees only, based on NFC's service level agreements with these agencies: USDA Office of the Chief Financial Officer (agency code 90), USDA National Appeals Division (agency code NA), DHS Coast Guard (agency code CG), and DHS Office of the Inspector General (agency code OG). We reviewed the records provided by OIG for the 44 employees and noted that there were no agency 90, NA, CG, and OG employees on the list. The CFC personnel for the individual campaigns areas are responsible for the solicitation, distribution, and the collection of the CFC pledge forms for their campaign areas, and the agencies' human resources management personnel are responsible for processing the CFC allotments for their own employees. Since this is a once a year activity that may include employees both new and unfamiliar to the process, the errors were most likely caused by inexperienced personnel accepting pledge forms from employees in duty stations with no corresponding CFCs. Of the 44 employees identified by OIG as assigned to duty stations that had no corresponding CFCs, 26 of those employees work for DHS Immigrations and Customs Enforcement (agency code BB).

From the universe of Chief Financial Officer Act entities serviced by NFC, there were 83,123 employees who had CFC deductions during pay period 3, 2013. The 44 errors represented only 0.05 percent (or 5 hundredths of 1 percent) of employees with CFC deductions. As such, we feel the root cause is human input/process errors, and the findings should be subjected to acceptable normal input error rates.

Exhibit C: Name, Principal Combined Fund Organization (PCFO) and Address Differences

Exhibit C – Page 1 of 2

A. CFC not on OPM's list due to merger

In pay period 3, 2013, the National Finance Center (NFC) attributed CFC withholdings (of \$15.60) of one employee of the Department of Housing and Urban Development (HUD) to the Inland Empire CFC, and attributed withholdings (of \$28) of two Internal Revenue Service employees to the Greater Utica Herkimer City CFC. However, neither CFC were included in OPM's 2012 CFC PCFO Finance Contacts because of mergers before the 2012 solicitation period. Instead, these withholdings should have been transferred to the PCFO of Intermountain CFC, and the PCFO of Greater Rome Area CFC, respectively.

NFC Response

a. The instance in which an employee's CFC deductions were attributed to the Inland Empire CFC involved a Housing and Urban Development employee (HUD, agency code 83), and the charitable contribution allotment record was entered by the employee's personnel office. NFC personnel do not enter charitable contribution allotment records for HUD employees. NFC personnel contacted the PCFO for the Intermountain CFC and obtained the CFC pledge form for the employee, verified the personnel transaction history records in the payroll/personnel system, and confirmed that while the employee used the correct CFC pledge form (Intermountain CFC), the employee's personnel office selected the incorrect CFC code when entering the employee's charitable contribution allotment record.

To rectify the problem, NFC has notified the employee's personnel office to correct the employee's charitable contribution allotment record. Once the charitable contribution allotment record has been corrected, NFC will then notify OPM's Office of CFC Operations to have the CFC funds for the affected pay periods transferred to the Intermountain CFC.

NFC has established a tickler to inactivate the Inland Empire CFC record (16 0960) in Table Management (TMGT) when changes are made in January 2014 for the 2013 CFC campaign so that this code could no longer be used.

b. The Greater Utica Herkimer County CFC (36 6220 per NFC) merged into the Greater Rome Area CFC (36 5260 per NFC, 0361 per OPM), effective as of the 2011 campaign. However, NFC personnel was not informed of the merger until January 30, 2013, after NFC personnel notified OPM's Office of CFC Operations that the Greater Utica Herkimer County CFC was still listed as an active CFC on OPM's CFC website. Since NFC was not timely notified of the merger, TMGT did not timely reflect the correct information for the merger.

Because two Internal Revenue Service (agency code 93) employees' CFC deductions are currently associated with the Greater Utica Herkimer County CFC, NFC personnel cannot delete this record from TMGT.

Exhibit C: Name, Principal Combined Fund Organization (PCFO) and Address Differences

Exhibit C – Page 2 of 2

However, to ensure that the funds are sent to the correct CFC organization, on March 7, 2013, NFC personnel modified the routing and bank account number for the Greater Utica Herkimer County CFC's PCFO in TMGT to reflect the routing and bank account number of the Greater Rome Area CFC's PCFO. Therefore, CFC disbursements beginning in pay period 4, 2013 will be sent to the correct PCFO. In addition, NFC has notified OPM's Office of CFC Operations to request the PCFO for the Greater Utica Herkimer County CFC to transfer the funds for pay periods 1, 2, and 3 of 2013 (totaling \$84) to the PCFO for the Greater Rome Area CFC.

NFC personnel has established a tickler to inactivate the Greater Utica Herkimer County CFC record (36 6220 per NFC) in TMGT when changes are made in January 2014 for the 2013 CFC campaign so that this code could no longer be used.

B. Incorrect PCFO names:

The table below shows four differences in PCFO names. The differences occurred because the NFC TMGT 006 reported no PCFO name, the name of the CFC instead of the PCFO, or the name of the PCFO's bank instead of the PCFO. For these four, this is the only difference between OPM and NFC name and address information.

CFC per OPM	PCFO per OPM	PCFO per NFC
0006	United Way of SW Alabama, Inc.	
0842	Greater Fort Hood United Way	FORT HOOD NATL BANK
0921	United Way of Kitsap County	KITSAP BANK
0943	United Way of Eastern Panhandle	EASTERN PANHANDLE CFC

NFC Response:

While PCFO name differences may exist between NFC's TMGT table 006 and OPM's CFC PCFO Finance Contacts file, the CFC funds were disbursed to the correct PCFO bank accounts. On April 12, 2013, NFC personnel made corrections to TMGT for the PCFO name differences the Office of Inspector General identified above.

Exhibit D: Accounting Code Differences

Exhibit D – Page 1 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0002	010350117	0990	1	CM
	011710073	0811	1	TR
0004	011730089	0990	3	DJ
		0002	1	HS
0005	010200081	0373	9	AG
	013050125	0002	1	DJ
0006	012100097	0500	1	HS
0051	040070021	0052	1	AG
	040130003	0840	1	HS
	040160021	0052	2	HS
	040170005	0052	2	DJ
	040180021	0052	1	HS
	040297021	0052	15	AG
	040330023	0840	1	HS
	040429017	0052	1	SB
	040431003	0990	2	DJ & HS
	040530019	0407	2	CM
		0839	1	DJ
		0990	1	HS
	040590005	0606	1	AG
0052	040370013	0560	2	HS & Other
		0990	2	AG & DJ
		0141	1	HS
	040490013	0990	1	CM
0072	052320119	0839	6	FD(5) & AG
		0990	1	AG
0095	060240029	0116	1	AG
	060461051	0560	2	AG
	062130019	0106	1	DJ

Exhibit D: Accounting Code Differences

Exhibit D – Page 2 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0096	060030037	0990	1	CM
	060720037	0990	1	CM
	061110037	0589	1	TR
	061430037	0990	1	DJ
	061782059	0990	1	CM
	061786059	0839	1	HS
	061970037	0923	1	DL
	061980037	0990	4	DJ, HS & TR(2)
		0106	3	DJ, FD, & Other
	062327065	0105	6	HS
	063070065	0100	3	HS
		0990	2	CM & DJ
	063250059	0105	29	HS
	063420059	0106	2	HU & Other
	063851065	0105	11	HS
	064025037	0990	1	CM
	069990037	0990	1	CM
0100	060410065	0051	75	HS
	061690065	0105	1	HS
	062650065	0096	1	HS
0105	061090025	0100	1	HS
	061200073	0990	1	CM
	063260073	0096	2	HS
		0106	1	TR
		0117	1	CM
		0923	1	CM
		0990	1	DJ
	063418073	0096	1	HS
		0772	1	HS

Exhibit D: Accounting Code Differences

Exhibit D – Page 3 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0106	060330095	0990	1	DL
	060340001	0751	1	AG
		0990	1	Other
	060980113	0990	1	AG
	061300067	0990	1	CM
	062182085	0990	1	CM
	062480001	0990	5	HS
		0105	2	Other
	062980081	0990	1	CM
	063150067	0728	1	AG
		0990	1	AG
	063290075	0990	3	CM, DL & TR
		0096	1	CM
0115	061280111	0095	4	AG
	062890111	0096	1	HS
	063460083	0096	1	DJ
	064027111	0096	3	DJ
0116	064050107	0095	1	AG
0117	063180053	0106	1	TR
	064100087	0106	1	DJ
0140	080430041	0141	1	DL
		0990	1	HS
	081680105	0870	1	AG
	081956041	0990	1	HS
	082050101	0990	2	HS & Other
	082350009	0870	1	AG
0141	080354005	0990	1	HS
	080600031	0990	10	CM, HS(7), & HU(2)
	081435059	0791	1	AG

Exhibit D: Accounting Code Differences

Exhibit D – Page 4 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0142	080860069	0990	5	AG
		0870	2	AG
		0141	1	AG
	081550069	0141	1	HS
		0870	1	DJ
0162	090280003	0427	3	DJ & HS(2)
		0990	1	DJ
0164	090080001	0770	3	DL
	090110009	0990	1	CM
	090385009	0589	3	CM
	090510001	0162	4	TR
	090520011	0162	2	AG & Other
	090655001	0990	1	CM
	090700001	0990	1	CM
	090760005	0162	1	AG
0175	100130001	0751	1	HS
	100360003	0405	1	TR
	100490003	0751	5	HS(2), HU(2) & TR
		0990	1	CM
0181	120620009	0189	1	AG
	121483009	0990	1	CM
	123000009	0192	1	DJ
0185	121130001	0990	3	DJ, HS, & Other
	121510031	0192	1	AG
		0211	1	DL
		0355	1	HU
		0990	1	FD
	122350019	0990	1	CM
	122940073	0211	1	HS
		0838	1	CM
		0990	1	DJ
	130760127	0990	1	HS
	132394127	0560	1	HS
		0605	1	HS
		0990	1	HS

Exhibit D: Accounting Code Differences

Exhibit D – Page 5 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0189	120290099	0990	1	CM
	121050011	0990	1	HS
	121280011	0990	1	CM
	122010086	0990	4	AG, CM & HS(2)
		0185	2	HS & HU
		0192	1	HS
		0897	1	DJ
		0975	1	DJ
	122083011	0990	8	HS
	122260011	0990	1	CM
	122300093	0990	1	CM
	122900085	0975	1	HS
0192	120810127	0185	1	AG
	121840117	0990	1	CM
	121895095	0197	3	DJ
	122190127	0189	1	CM
	122360095	0990	2	CM & HS
		0197	1	HS
		0211	1	DL
		0943	1	AG
	122420107	0185	1	AG
	122700097	0990	1	CM
	123270095	0990	1	CM
0193	120457071	0990	1	CM
	121070071	0197	2	DJ & HS
		0990	1	HS
0194	122490033	0197	1	DJ
0197	122730103	0990	1	CM
	122806103	0192	1	DJ
	122950057	0192	9	HS
		0990	3	AM, DJ & CM
		0189	1	SB
	123173101	0990	1	CM
0210	135460275	0211	1	HS

Exhibit D: Accounting Code Differences

Exhibit D – Page 6 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0211	130280089	0257	1	TR
		0809	1	TR
		0990	1	HS
	130280121	0990	6	DJ, TR, DL(2) & HU(2)
		0189	1	DL
		0197	1	HU
		0218	1	DJ
	131250121	0990	1	CM
	133230297	0990	1	CM
	134020089	0990	1	CM
0212	130310245	0218	2	DJ
		0211	1	DJ
		0990	1	CM
	450020003	0990	1	Other
0214	131280215	0211	3	DJ(2) & HS
	133310259	0211	8	HS
0217	131775021	0211	1	AG
0218	134910051	0211	2	DJ & DL
0225	152400003	0990	3	HU & HS(2)
		0096	1	HS
	153002001	0990	1	CM
	156200007	0990	1	HS
0249	171670031	0990	38	CT(28), DJ(2) & HS(8)
		0964	2	HU & TR
		0427	1	DL
	171670043	0990	3	CM & HS(2)
	172440043	0211	1	TR
		0964	1	TR
		0990	1	TR
	174958097	0990	1	CM
	177000197	0990	1	CM
	178770019	0257	2	DJ & HS
	182972089	0457	1	TR
	184960127	0283	1	Other
0257	178220167	0524	1	AG

Exhibit D: Accounting Code Differences

Exhibit D – Page 7 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0259	177460201	0249	2	DJ
		0990	1	CM
	177470161	0249	2	HS
	191340113	0481	1	DL
	198670011	0507	1	Other
0283	180380105	0990	1	CM
	181950081	0095	1	TR
	182210097	0095	1	TR
	182570091	0249	1	AG
0339	204000079	0524	2	AG
0355	181480163	0283	2	DJ & HS
		0528	2	TR
	212980211	0682	1	AG
0371	220040079	0372	1	DL
	221230055	0372	1	DL
		0990	1	CM
	221250019	0372	2	HS
	221560073	0372	1	DL
		0809	1	AG
0372	221070109	0374	15	AG
	221690071	0374	2	HS & TR
		0845	1	HS
		0990	1	DJ
0373	222130017	0372	1	DJ
		0839	1	FD
0374	220150033	0372	5	HS
		0506	1	AG
0391	230160011	0990	1	HS
	230250019	0990	1	AG
	232500009	0427	1	CM
	234150031	0845	1	HS
	236400005	0427	2	CM & HS

Exhibit D: Accounting Code Differences

Exhibit D – Page 8 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0405	240030003	0990	5	CM
		0944	2	AG
		0409	1	AG
	240050510	0990	2	CM & DJ
		0751	1	CM
	240255005	0990	1	CM
	240358027	0990	1	CM
	240381027	0990	2	CM & DJ
	240401003	0990	1	CM
	240403003	0990	1	CM
	240419003	0990	1	CM
	240496003	0990	7	SM
	240530027	0990	3	CM
	240543005	0990	1	CM
	240673003	0897	1	HS
	240765003	0990	1	CM
	241189005	0990	1	CM
	241296005	0990	1	CM
	241380045	0990	1	CM
	241662027	0990	1	CM
	510490001	0897	1	HS
0407	240540021	0405	1	HS
		0990	1	HS
	240580021	0990	4	AG & CM(3)
		0405	2	DJ & Other
	240730043	0990	1	CM
	241090021	0990	1	CM
0409	240930037	0405	2	Other
0427	250120025	0432	10	DJ
		0770	3	HU & DJ(2)
		0990	2	HS & SM
		A*	6	HU, DJ, TR, DL(2), & AG
	250370021	0571	1	FD
	250850005	0770	2	HS
	251280005	0770	8	CM

Exhibit D: Accounting Code Differences

Exhibit D – Page 9 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
	251465021	0990	1	CM
0432	251270013	0162	1	FD
0452	260940125	0990	1	CM
	261260163	0249	1	AG
		0773	1	TR
		0990	1	HS
	262090163	0990	1	CM
	262104163	0990	1	TR
	264430161	0990	1	CM
0453	261730049	0452	3	DJ
0454	262010081	0839	1	DJ
0458	260320017	0452	1	DJ
	264350145	0452	1	DJ
0466	262160047	0990	1	CM
	262450043	0964	1	TR
	262470053	0964	1	AG
	263050103	0454	3	DJ
	263700131	0964	1	AG
0481	192260153	0249	1	DL
	198980153	0259	1	TR
	271900137	0672	3	HS
		0964	1	AG
	273480071	0672	1	HS
	274760053	0990	1	TR
	274810053	0990	1	CM
	275335069	0672	2	HS
	276330123	0957	1	TR
		0990	1	CM
	277360135	0672	1	HS
	380380009	0672	1	HS
0500	280130045	0990	1	HS
	280230047	0189	1	DL
		0503	1	DL
0503	281220049	0189	1	DL
		0839	1	FD

Exhibit D: Accounting Code Differences

Exhibit D – Page 10 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
		0990	1	HU
0520	291800019	0283	1	AG
		0528	1	SB
		0990	1	FD
0521	296910161	0528	2	DJ
0524	203080091	0990	1	TR
	205400177	0990	1	AG
	294120095	0990	21	CT(14), FD(5), TR & SB
		0528	2	AG & TR
	294120165	0552	1	HS
	294490095	0990	1	AG
0527	297070021	0520	1	AG
0528	293980031	0524	1	CM
	294380197	0520	1	AG
	297080510	0524	5	DJ(2), AG, DL & FD
		0990	2	CM
		0520	1	AG
0540	300100111	0030	2	AG
0542	300530013	0540	1	HS
	301125101	0540	1	HS
0543	300340001	0540	1	AG
	301290069	0540	1	AG
0545	300830063	0543	1	AG
0551	312830109	0552	1	HS
0552	197960059	0481	1	AG
	310580177	0551	1	AG
	311890061	0551	1	Other
	311900053	0551	1	Other
	313240099	0524	1	AG
	315050155	0551	1	AG
	315360185	0551	1	Other
0560	320120003	0096	11	HS
		0606	1	AG
	320170031	0106	1	TR

Exhibit D: Accounting Code Differences

Exhibit D – Page 11 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0571	330070013	0990	2	HS & TR
		0427	1	AG
	330098013	0990	1	AG
	330100017	0990	1	CM
	330310011	0427	1	HS
		0626	1	HU
	330385003	0990	1	CM
	330430015	0990	1	TR
	500100025	0432	1	TR
		0626	1	Other
	500200007	0990	1	CM
0580	340090001	0990	4	HS
	340520007	0589	1	HS
	340598007	0589	10	HS(5) & TR(5)
		0751	3	DJ
	340696005	0589	2	AG
	341230007	0990	1	CM
	341270001	0589	1	AG
	341290005	0589	1	AG
	341778005	0751	1	HS
	341833005	0990	3	HS
	341850001	0990	1	CM
	342081005	0589	5	HS
		0751	1	TR
	343380021	0589	1	TR
		0990	1	DJ
	343460011	0589	2	AG
	343760033	0589	1	AG
0589	340640003	0990	1	CM
	340779023	0751	1	TR
	340938013	0839	1	DJ
	341430017	0990	1	CM
	341985037	0990	1	CM
	342130013	0626	2	HS & Other
	342420003	0990	1	CM
	343096035	0580	3	DJ

Exhibit D: Accounting Code Differences

Exhibit D – Page 12 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0605	350020035	0840	89	HS
		0606	4	AG
	350154035	0840	1	HS
0606	350030001	0840	1	HS
		0990	1	AG
	350510028	0990	1	Other
	350710049	0990	1	HS
	350810051	0840	10	HS
0615	350310045	0606	2	DJ
0620	360050001	0634	1	DJ
	366110083	0751	1	AG
0621	360750029	0626	1	Other
		0627	1	TR
		0772	1	HS
	361117029	0642	1	TR
	362260069	0634	6	AG
	362899013	0990	1	CM
	365230055	0990	1	CM
	366622055	0990	1	CM
0626	364170005	0427	1	HS
		0644	1	DJ
		0990	1	DJ
	364170047	0990	2	TR
	364170061	0990	27	DJ, HS, TR, Other, CM(2) & CT(21)
		0642	3	HS
		0211	1	DL
		0580	1	TR
		0589	1	DJ
		0620	1	CM
		0751	1	DJ
	364170081	0642	3	HS
		0990	2	HS & CM
0631	366220065	0634	1	DL

Exhibit D: Accounting Code Differences

Exhibit D – Page 13 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0634	364540075	0621	7	HS
		0682	1	HS
0638	366450045	0621	22	HS
0639	362320071	0990	1	DJ
	364560071	0760	1	DJ
0642	360500103	0427	1	CM
	362758103	0626	1	TR
		0990	1	TR
	363933103	0990	1	CM
	364505103	0626	1	HS
		0990	1	HS
0644	362680111	0642	1	AG
	365030027	0990	1	CM
0650	370170021	0655	4	DJ(2) & HS(2)
		0990	1	CM
0654	370350031	0189	1	CM
	373250049	0990	1	DJ
0655	370860135	0990	1	CM
	370870119	0211	2	DJ
		0990	2	CM & FD
	371040025	0990	1	CM
	371940081	0990	1	DJ
	372730069	0990	1	CM
	373750183	0990	2	HS & TR
		0225	1	CM
	374790183	0990	1	CM
	451110057	0990	1	CM

Exhibit D: Accounting Code Differences

Exhibit D – Page 14 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0656	371670051	0655	3	DJ
	373600125	0990	1	CM
	374090105	0990	1	CM
	375060129	0990	2	CM
		0452	1	TR
		0655	1	SB
0660	374070159	0655	1	AG
0670	380370015	0481	1	DJ
	381600093	0672	1	AG
0672	381020017	0481	1	AG
0682	182020077	0524	1	AG
	211980067	0355	2	DJ
	391610061	0355	1	TR
		0684	1	TR
		0975	1	DJ
		0990	1	CM
0684	391320151	0990	1	DJ
	391680035	0990	1	DL
	396320085	0990	1	CM
	397880035	0990	1	CM
	398870169	0685	1	AG
	422640049	0621	1	HS
		0754	1	DJ
	422769049	0621	8	HS
0685	391800049	0452	1	HS
		0481	1	AG
	541270011	0751	1	DL
0686	392090113	0685	1	AG
	394610165	0682	1	TR
	398300021	0990	1	CM
	399040027	0685	1	AG
0689	392820083	0685	1	AG

Exhibit D: Accounting Code Differences

Exhibit D – Page 15 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0712	403550109	0839	8	FD
		0189	1	TR
	404460119	0990	1	AG
0715	403310101	0712	1	HS
	404780143	0839	2	FD
0728	411650051	0990	2	AG & HS
0729	411510011	0728	3	HS
	411670011	0728	4	AG
	411780019	0728	2	AG & Other
0746	423500043	0990	1	HS
	428100027	0990	2	CM
0748	424340075	0751	1	AG
0749	420115119	0751	1	HS
	424053119	0751	1	DJ
0751	420910017	0990	1	CM
	422725029	0990	1	CM
	424180071	0990	1	CM
	424520071	0746	1	HS
	425074091	0990	1	Other
	426540101	0990	3	HU & CM(2)
		0626	2	DL & HU
		0142	1	AG
		0211	1	DL
0754	421980129	0990	1	CM
	424290129	0990	1	CM
	424865053	0684	1	AG
	426600003	0990	2	DL & TR
		0626	1	Other
		0751	1	DJ
	428880125	0990	1	CM

Exhibit D: Accounting Code Differences

Exhibit D – Page 16 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0760	420630037	0990	1	CM
	421860079	0990	1	CM
	427460069	0751	1	DJ
		0754	1	TR
	429340079	0751	1	HS
	429510015	0751	1	AG
0770	250140023	0754	1	TR
	250564023	0427	3	DJ
	440190007	0432	4	DJ
		0990	3	HS & DJ(2)
		0427	1	DJ
0772	450410019	0990	1	DJ
0773	450520063	0990	1	HS
	450520079	0774	2	DJ & TR
	451060083	0774	3	CM
	452880007	0990	1	CM
0791	462250103	0792	3	HS
0792	462450099	0990	2	FD
0805	131080213	0211	2	AG
	470400065	0808	2	DJ
0808	374900087	0655	1	AG
	470290163	0728	1	AG
	471300093	0839	1	FD
		0990	1	DJ
	472477171	0805	1	AG
0809	470450157	0990	1	CM
	471620157	0839	3	FD
0811	471200113	0506	2	AG
		0809	2	AG & DJ
	471760037	0351	1	TR
0830	484140303	0832	1	TR
	484560329	0840	1	HS

Exhibit D: Accounting Code Differences

Exhibit D – Page 17 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0831	480330453	0839	4	FD
		0830	2	TR
		0809	1	SB
		0845	1	HS
		0990	1	CM
	486780491	0852	2	HS
0832	480150375	0990	1	Other
0838	481550273	0845	2	HS
	481550355	0105	1	HS
		0845	1	HS
		0852	1	HS
	482290047	0846	8	HS
	483700273	0846	2	HS
		0840	1	HS
0839	481730113	0990	3	FD(2) & HS
	481840121	0374	1	HS
		0905	1	HS
	482450439	0852	2	HU
		0002	1	HU
		0990	1	HS
	483420113	0990	1	CM
	484802085	0990	1	CM
0840	350470013	0606	1	AG
	350735013	0990	1	HS
	350750017	0606	1	AG
	482190141	0832	1	DJ
		0990	1	CM
	485525377	0051	1	HS

Exhibit D: Accounting Code Differences

Exhibit D – Page 18 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0845	483280201	0990	4	HS, TR & DJ(2)
		0162	1	TR
		0185	1	HS
		0839	1	DJ
		0846	1	DJ
		0852	1	HU
	485430245	0189	1	CM
		0990	1	HS
	486553201	0990	1	CM
	486660157	0990	1	CM
	487410481	0524	1	AG
0846	484197215	0845	5	DJ(4) & HS
	485780427	0840	2	HS
0847	482030323	0840	1	HS
	483080247	0846	2	HS
	483899479	0852	2	HS
	487660505	0846	4	HS
0852	486090029	0990	2	DJ & HS
		0372	1	DL
		0831	1	DL
		0845	1	HS
		0846	1	HS
		0847	1	HS
		0851	1	TR
0854	053810091	0072	7	HS
0861	484160005	0371	1	AG
0870	081040077	0141	2	AG
	081700085	0141	1	AG
	160890083	0540	1	AG
	161830083	0540	1	HS
	491350057	0524	1	TR
		0751	1	TR
		0839	1	TR
	491700035	0524	1	AG
		0990	1	DL
0891	510440540	0900	2	DJ
		0990	2	CM
	512135079	0990	1	CM

Exhibit D: Accounting Code Differences

Exhibit D – Page 19 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0896	511180650	0897	1	TR
	512630830	0990	1	CM
0897	375140091	0990	1	DJ
	511760710	0896	2	DJ & HS
	511970740	0990	1	HS
0898	510690047	0990	4	Other
	511020630	0990	6	CM
	511393099	0990	1	CM
	511461137	0990	1	CM
	512010153	0990	275	DJ
		0897	1	DJ
	512147033	0990	1	CM
	512303177	0990	1	CM
	512307179	0990	4	CM
	512570061	0990	2	CM
0900	510520117	0990	1	HS
	512060760	0990	2	CM & TR
		0831	1	TR
0901	510180121	0990	1	CM
	510300520	0990	1	DJ
	510993019	0990	1	CM
	512100770	0900	2	DJ
		0990	1	AG
0905	511040187	0990	3	SM(2) & CM
	511190660	0990	1	CM
	512640840	0990	14	DJ
		0839	1	HS
0921	531255035	0923	1	CM
	531700009	0931	2	HS
	531730035	0923	1	DJ
	531775031	0925	1	AG
	532012035	0923	2	DJ & TR
0922	531850005	0990	1	Other

Exhibit D: Accounting Code Differences

Exhibit D – Page 20 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0923	530170033	0931	45	HS
	531050033	0096	1	CM
	531960033	0925	11	AG(4), HS(5) & DJ(2)
		0990	6	DJ, HU, Other & HS(3)
		0931	1	TR
0924	532110063	0923	1	DJ
	532111063	0923	1	HS
0925	531795041	0728	1	AG
0928	532460007	0924	6	AG
0931	530050057	0772	1	HS
	530150073	0923	1	HS
		0990	1	CM
	530500061	0728	1	AG
0940	540170081	0870	1	DL
0941	540540033	0990	1	DJ
	542843049	0944	1	AG
0943	541660003	0990	2	HS & TR
		0405	1	HS
0944	541840061	0990	1	CM
0957	552780025	0990	1	CM
0964	551305133	0990	1	CM
	551962001	0481	1	DJ
	552405078	0957	1	AG
	552880073	0957	1	AG
	553100079	0957	1	AG
0975	RQ0030000	0840	1	HS
	RQ0450000	0905	1	HS
	RQ0480000	0905	7	HS
		0185	2	TR
	RQ0900000	0905	1	HS
	RQ0930000	0905	9	HS
		0990	1	CM

Exhibit D: Accounting Code Differences

Exhibit D – Page 21 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
0990	110010001	0905	6	HS
		0249	4	DJ, DL, HS, & HU
		0162	3	HU
		0644	3	HS
		B**	14	TR, HS(2),HU(2), DL(4), AG(2) & Other(3)
		C***	9	FD, TR, HU, DJ, HS(2) & DL(3)
	240228033	0405	2	DJ
	240710033	0405	7	DJ
	240888033	0405	1	DJ
	241089033	0642	1	TR
		0751	1	TR
	241175033	0751	1	TR
	241450031	0923	1	CM
	241675031	0405	1	DL
	510040510	0452	2	CM
	510100013	0975	3	DJ
		0189	1	HS
		0405	1	DL
		0540	1	HS
		0940	1	DL
	512034059	0391	1	HS
	512130107	0905	65	HS
	512345107	0846	1	HS
	AA0800000	0189	9	HS
	AF2000000	0852	1	DJ
	AQ6000000	0225	16	CM(12) & AG(4)
	BC4000000	0185	1	HS
	BD2000000	0189	10	HS
	BF2500000	0189	9	HS
	BF5000000	0189	15	HS(12) & DJ(3)
	CA1750000	0249	3	HS
	CA4550000	0192	1	HS
	CA7000000	0621	14	HS

Exhibit D: Accounting Code Differences

Exhibit D – Page 22 of 24

OPM's CFC	Duty Station	CFC Codes attributed by NFC differing from OPM's & frequencies		Department Code and frequencies (if not 1 or all)
	CA7700000	0995	26	HS
		0846	1	HS
	FM5000000	0225	2	AG
	IT7000000	0728	1	DJ
	MX5100000	0105	1	DJ
	MX6100000	0847	1	DJ
	TD5500000	0975	1	DJ
Totals			1,969	
*(A) Each of the following had one contribution from the 0427 CFC area attributed to it: CFCs 0162, 0524, 0571, 0626, 0839 and 0964.				
**(B) Each of the following had two contributions from the 0990 CFC area attributed to it: CFCs 0106, 0211, 0372, 0405, 0751, 0839 and 0900.				
*** (C) Each of the following had one contribution from the 0990 CFC area attributed to it: CFCs 0096, 0185, 0189, 0524, 0621, 0682, 0770, 0845 and 0846.				

Exhibit D: Accounting Code Differences

Exhibit D – Page 23 of 24

AG..... Department of Agriculture
AM..... Agency for International Development
CM..... Department of Commerce
CT..... Commodity Futures Trading Commission
DJ..... Department of Justice
DL..... Department of Labor
FD..... Federal Deposit Insurance Corporation
HS..... Department of Homeland Security
HU..... Department of Housing and Urban Development
SB..... Small Business Administration
SM..... Smithsonian Institution
TR..... Department of the Treasury

Exhibit D: Accounting Code Differences

Exhibit D – Page 24 of 24

NFC Response:

For AUP step 9, OIG identified 1,969 differences between the OPM CFC code based on the employees' duty station and the NFC CFC code used for the employees' CFC deductions. Of the 1,969 differences, 2 were associated with USDA Office of the Chief Financial Officer (agency 90) employees, and 1 was associated with a USDA National Appeals Division (agency NA) employee. For the 2012 CFC campaign, NFC processed CFC allotments for agency 90 and NA only. Details for the agency 90 and NA differences are provided below:

The agency 90 differences involved two employees whose duty station is in Washington, DC, which would be included under the CFC of the National Capital Area. However, their CFC contributions were sent to the CFC for the Greater New Orleans Area. We determined that this was most likely an NFC processing error.

The agency NA difference involved a hearing officer, whose duty station is his home in Monroe, Louisiana, and his regional office is in Memphis, Tennessee. NA hearing officers are hired for a particular location allowing them to work from their homes across the U.S., and they are responsible for reporting to their respective regional offices. According to OPM, if the employee's duty station is in Monroe, Louisiana, the employee should be contributing to the Fort Polk-Central Louisiana CFC. However, because the employee's regional office is located in Memphis, Tennessee, which is included under the CFC of the MidSouth, the employee used the pledge form for the CFC of the MidSouth, and his CFC deductions were sent to the CFC of the MidSouth. NFC personnel correctly processed the employee's CFC allotment based on the CFC pledge form provided by the agency.

Because NFC processed CFC allotments for only agency 90 and NA employees for the 2012 campaign, NFC is responsible for only 0.15 percent of the difference identified by OIG (3 of 1,969 differences). Other customer agencies' personnel are responsible for processing CFC allotments for their own employees, which represented the remaining 99.85 percent of the difference. From the universe of Chief Financial Officer Act entities serviced by NFC, there were 83,123 employees who had CFC deductions during pay period 3, 2013. The 1,969 differences identified by OIG represented approximately 2.4 percent of employees with CFC deductions. The error rate for NFC-processed CFC transactions was less than 1 percent (0.8 percent, or 3 of 380 agency 90 and NA employees with CFC deductions in pay period 3, 2013).

Since the CFC is a once a year process, employees unfamiliar with the process may use the wrong form, and agency personnel unfamiliar with the process may accept and process CFC forms from employees who are in duty stations outside of the CFC campaign areas. This may be common for agencies that have multiple duty locations. As such, we feel the root cause is human input/process errors, and the findings should be subjected to acceptable normal input error rates.

Exhibit E: Incorrect Combined Federal Campaign (CFC) Pledge Forms

Exhibit E – Page 1 of 1

Regarding the Office of Personnel Management’s Agreed-Upon Procedure 10, the following table lists all instances in which the incorrect Combined Federal Campaign (CFC) pledge form was used by the employee, including the Federal agency, the correct campaign and the campaign used.

CFC				
Department	Correct per OPM		Per Pledge form used by employee	
Agriculture	0051	Arizona CFC	0052	Maricopa County CFC
Agriculture	0552	Heart of Midlands CFC	0551	Lincoln and Lancaster County Area CFC
Commerce	0105	So Cal CFC	0117	CFC of Monterey and Santa Cruz Counties
Justice	0162	Greater Hartford CFC	0990	CFC of the National Capital Area
Justice	0194	EscaRosa CFC	0197	Suncoast CFC
Homeland Security	0006	Southwest Alabama CFC	0500	Greater Mississippi CFC
Homeland Security	0051	Arizona CFC	0840	Sun Country CFC
Housing and Urban Development	0427	CFC of Eastern Massachusetts	0770	Rhode Island and Southeastern Massachusetts CFC
Small Business Administration	0051	Arizona CFC	0052	Maricopa County CFC
Small Business Administration	0197	Suncoast CFC	0189	Atlantic Coast CFC
Treasury	0096	CFC of Greater SoCal	0990	CFC of the National Capital Area

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