



United States Department of Agriculture

OFFICE OF INSPECTOR GENERAL





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

Report 11401-0001-13

What Were OIG's Objectives

OMB Bulletin 15-02, *Audit Requirements for Federal Financial Statements*, requires that the Agreed-Upon Procedures be performed annually 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, 2015. 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 the 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 National Finance Center (NFC) reports Federal employee benefits, and enrollment information, to the Office of Personnel Management (OPM). Reported information includes headcounts, as well as withholdings and contributions for retirement, health benefits, and life insurance. Additionally, NFC withholds employees' Combined Federal Campaign (CFC) contributions and distributes them to Principal Combined Fund Organizations (PCFO). In applying agreed-upon audit procedures, we identified differences through calculations, analyses, and comparisons. For instance, we identified headcounts for Civil Service Retirement System and Federal Employees' Retirement System salary offsets that differed from NFC's by more than 2 percent, as did some headcounts relating to health benefits. In general, NFC has initiated corrective actions which will be implemented as soon as possible. NFC is targeting implementation by the March 2016 *Semiannual Headcount Report*.

Additionally, we identified CFC deductions for employees at duty stations with no CFC, or attributed to the wrong CFC, sometimes because an incorrect CFC pledge form was used. We also noted some instances where PCFO names and addresses in NFC's system differed from those deemed correct by OPM. Generally, NFC attributed most CFC differences to manual processes and human error. NFC noted a low error rate overall, and that it was responsible for very few of these differences.

Our sample document review disclosed four errors for benefits entered into the system by entity staff. Furthermore, we were unable to verify entries for 27 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, and life and health insurance. We noted no exceptions.



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



September 22, 2015

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, 2015.

Our review included information for the following entities, listed in Appendix A of the Office of Management and Budget (OMB) Bulletin 15-02, *Audit Requirements for Federal Financial Statements*, dated August 4, 2015: 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

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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 (USDA) Office of the Chief Financial Officer's (OCFO) National Finance Center (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 for the 12 months ended August 31, 2015. The reports submitted by NFC included information for the following entities listed in Appendix A of the Office of Management and Budget (OMB) Bulletin 15-02, *Audit Requirements for Federal Financial Statements*: 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, the Agency for International Development, and the 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 were not engaged to, and did not, conduct 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) 16 (August 10, 2014, through August 23, 2014, paid September 4, 2014), PP 26 (December 28, 2014, through January 10, 2015, paid January 22, 2015), and PP 3 (February 8, 2015, through February 21, 2015, paid March 5, 2015). PPs 16 and 3 coincided with the OPM 1523, *Supplemental Semiannual Headcount Report*.

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

August 31, 2015

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-FRAE	Federal Employees Further Revised Annuity Employees System
FERS-RAE	Federal Employees Revised Annuity Employees System
NFC	National Finance Center
OCFO	Office of the Chief Financial Officer
OCFCO	Office of Combined Federal Campaign 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
USDA	U.S. Department of Agriculture

Exhibit A: Procedures Performed and Results

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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 entity) who were in the payroll system for all three of the RITS submissions selected above that meet all of the following criteria. In addition, 1) randomly select five individuals who are under Federal Employees Revised Annuity Employees System (FERS-RAE) to test that their FERS-RAE contribution rate was calculated correctly and 2) randomly select five individuals who are under Further Revised Annuity Employees System (FERS-FRAE) to test that their FERS-FRAE 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

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- 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 (PPs) 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 that 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); and
 - 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.
 - 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

During our review of the 315 employees selected [35 employees x 9 entities], approximately 22 documents were not located by the personnel officers; thus, we were unable to compare the date on the health insurance benefit forms (SF-2809) to the date in the system for 10 sampled employees. However, we performed the calculations for salary, retirement, life, and health insurance in these cases to ensure that the NFC systems were calculating accurately. The following table lists the number of missing forms from each entity.

Exhibit A: Procedures Performed and Results

Entity	SF-50	FEHB	FEGLI
Department of Agriculture (AG)	0	0	1
Agency for International Development (AM)	0	1	1
Department of Commerce (CM)	0	0	1
Department of Justice (DJ)	0	0	1
Department of Labor (DL)	0	1	2
Department of Homeland Security (HS)	0	0	0
Department of Housing and Urban Development (HU)	1	0	2
Small Business Administration (SB)	0	8	2
Department of Treasury (TR)	0	0	1
Totals	1	10	11

- 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

No 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

For each individual selected in step 2a, we compared the retirement plan code on the employee's SF-50 to the plan code used in the NFC payroll system. No exceptions were noted.

As noted in the table in step 2.b, of the 315 SF-50's we requested and were not provided with one SF-50 for a Department of Housing and Urban Development employee. Therefore, we were unable to compare the retirement plan code reflected on the SF-50 for this one sampled employee. Although the employee's SF-50 was not provided, we tested the calculation logic based on the retirement plan code in the NFC system for the sampled employee. No exceptions were noted for those calculations.

Exhibit A: Procedures Performed and Results

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- 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 an 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>.

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 SF-2817 documented in the employee's OPF. Report any differences resulting from this step and obtain management's explanation for the differences.

Results

No exceptions were noted.

- 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 insurance rates are on OPM's website at <http://www.opm.gov/insure/life/rates/index.asp>.

Exhibit A: Procedures Performed and Results

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- 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.

Results

We found six FEGLI enrollment codes in the payroll system that did not match the optional coverage elected on the SF-2817: two from the Department of Agriculture, and one each from the Agency for International Development, Department of Commerce, Department of Housing and Urban Development, and Small Business Administration. All six errors were confirmed by agency personnel. Agency personnel at the Agency for International Development confirmed that their one error had been corrected. Agency personnel at the Department of Housing and Urban Development confirmed their one error, but could not correct it due to incontestability.² Additionally, agency personnel at the Department of Agriculture, Department of Commerce, and Small Business Administration confirmed their plans to address the four remaining errors.

² According to the FEGLI Program Handbook, dated April 2014, incontestability is a provision of law that allows erroneous coverage to remain in effect under certain conditions. Those conditions are a) the coverage must have been in effect for at least 2 years between the time the error was made and the time the error is discovered; and b) the employee must have paid the applicable premiums for the erroneous coverage while it was in effect. All conditions must be met for incontestability to apply.

Exhibit A: Procedures Performed and Results

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- 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 four of the six errors noted in 2.i. 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.

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

Results

No exceptions were noted, other than two of the six errors noted in 2.i. above.

Exhibit A: Procedures Performed and Results

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3. Randomly select a total of 10 employees (from each entity) 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 a 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
 - a 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 three of the SF-2809 forms supporting cancellations or waivers in the employees' OPF (two from the Department of Commerce, and one from the Department of Labor).

No exceptions were noted for the forms provided.

Exhibit A: Procedures Performed and Results

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4. Randomly select a total of 10 employees (from each entity) who have no life insurance withholdings from the payroll information corresponding to the three 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

Personnel officers could not locate two of the SF-2817 forms (one each at the Department of Justice and Department of Homeland Security).

No exceptions were noted for the forms provided.

5. Calculate the headcount reflected on the September 2014 and March 2015 *Semiannual Headcount Report* selected, as follows:
 - a. 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 *Semiannual Headcount Report*),
 - dollar amount of withholdings and contributions,
 - number enrolled (deductions made/no deductions),
 - central personnel data file code, and
 - aggregate base salary.
 - b. 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.

Exhibit A: Procedures Performed and Results

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- c. 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*.

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

Our estimate of the total number of employees without deductions differed by more than 2 percent from that reported on the *Supplemental Semiannual Headcount Report* (OPM 1523) for Department of Homeland Security and Department of Agriculture for PP 3, 2015. This occurred because NFC was bypassing employees that were unpaid in PP 3 but had a corrected T&A in that pay period. NFC will implement a change to correct the bypass by the March 2016 *Semiannual Headcount Report*.

Our estimate for CSRS and FERS salary offset headcounts differed by more than 2 percent for most of the entities' salary offset employees. For example, Office of Inspector General (OIG) estimated that Department of Agriculture had 54 salary offset employees for CSRS but only 14 were reported on the Form 1523. NFC stated that the difference occurred because the program counted individuals with military service deposit deductions who were not offset employees. NFC stated that this change will be incorporated with the change above. Deposit Deduction was made instead for employees who were not Offset employees.

OIG also found five instances where the headcounts for Federal health benefits (FEHB) differed between the SF-50s and NFC data by more than 2 percent. (In PP 16: Department of Justice, Homeland Security, and Treasury; PP 3: Department of Justice and Homeland Security) This occurred because NFC did not include part time FEHB employees who pay the full health premium and those who pay the full premium but are on leave without pay. NFC interpreted the guidance from OPM to exclude these employees and sent a request for clarification to OPM and will make modification if required, based on this response.

Exhibit A: Procedures Performed and Results

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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.
 - 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.

- 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.

Exhibit A: Procedures Performed and Results

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- c. Calculate the basic life insurance employee withholdings and employer contributions for the three PPs selected in step 1.a., as follows:
 - i. Obtain a payroll system query from Agency Payroll Providers 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. to the aggregate annual basic pay for all employees with Basic Life Insurance from step 6.c.i. 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 result 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 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.
 - iv. For agency contributions: Divide the results of step 6.c.ii. by two—this approximates agency contributions, 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.

Exhibit A: Procedures Performed and Results

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- 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 3 PPs selected, as opposed to the sample of 25 employees in step 2.j.
 - 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:

(Annual rate of basic pay (rounded up to the next \$1,000)/1,000*rate*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.

Exhibit A: Procedures Performed and Results

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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.)

Report as a finding 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 58,376 records of employees with CFC deductions reported by NFC for PP 3, 2015. Of these employees, 56,702 had the same duty station code in PP 16, 2014 and PP 26, 2014, which roughly coincide, respectively, with the beginning and end of the 2014 CFC solicitation period.³ Of these, we identified 11 instances in which a Federal agency had a CFC deduction for an employee whose official duty station was in an area 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 NFC's management response.

8. Compare the 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.

³ The fall CFC solicitation period was September 1, 2014, through December 31, 2014.

Exhibit A: Procedures Performed and Results

Results

We determined which six-digit NFC accounting codes corresponded to OPM's four-digit accounting codes, and compared the list of codes to the identified campaigns for each field/office duty station. We identified differences between PCFO names or addresses in the NFC system and those in the list of local CFC campaigns provided by OPM. See Exhibit C for a chart detailing the differences and NFC's management response.

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 to the accounting code identified for that field office/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 58,364 employees with CFC deductions reported by NFC for PP 3, 2015, 56,702 had the same duty station code in PP 16, 2014 and PP 26, 2014 that roughly coincide, respectively, with the beginning and end of the fall 2014 CFC solicitation period. We identified 1,493 instances where NFC's CFC code for a deduction was not consistent with OPM's CFC code for the employee's duty station. See Exhibit D for a chart detailing the differences and NFC's management response.

Exhibit A: Procedures Performed and Results

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10. From the list of accounting codes that do not agree with the field office/duty station, select a judgmental sample of four pledges per Federal agency/department and request the hard copy pledge form or electronic copy of the pledge form from the agency/department.
 - 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.

Results

We requested 32 CFC pledge forms from 8 agencies. Agencies were unable to provide six of the requested pledge forms – one for the Department of Commerce, one for the Department of the Treasury, and four for the Department of Housing and Urban Development. Of the 26 pledge forms received, 24 were for the incorrect CFC campaign.⁴ See Exhibit E for a chart listing the Federal agency, the correct campaign, and the campaign used.

⁴ Agency for International Development did not have any CFC codes that did not agree with the field office duty station; all other departments tested had at least two.

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

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. OPM data show CFC code of “N/A” for each of the duty stations listed below. This chart has separate columns for duty station code, the CFC code for the campaign receiving the funds, and number of exceptions per Federal agency.

Duty Station	CFC Per the National Finance Center	DEPARTMENT			
		Agriculture	Commerce	Justice	Homeland Security
081500073	0141	1			
264410021	0452			1	
401510009	0712			1	
421710105	0990		1		
426970065	0754	1			
483570255	0852				2
485260163	0852				1
485280389	0606				3
Totals		2	1	2	6
Grand Total		11			

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

Page 2 of 2

NFC Response

As noted in prior years, the CFC personnel for the individual campaign 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. NFC did not process the CFC allotments for the 11 employees OIG identified as having an official duty station in an area with no local CFC campaign. Since the CFC 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 official duty stations with no corresponding CFCs.

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

The table below shows the differences identified between the information in NFC's system and OPM's CFC campaign information.

CFC				PCFO	OPM	NFC
NAME (per OPM)	NAME (per NFC)	CODE				
		OPM	NFC			
Hudson Valley CFC	UW WAY OF DUTCHESS-ORANGE REGION	0639	362320			
CENTRAL CALIFORNIA CFC	Central California CFC	0095	061370	Type of Account	S	
CFC OF THE MIDSOUTH	CFC OF THE MIDSOUTH	0809	471620	Type of Account	C	C
GREATER TEXARKANA AREA CFC	Greater Texarkana Area CFC	0853	486850	Type of Account	C	S
KING COUNTY CFC	King County CFC	0923	531960	City	Kent	SEATTLE
SAN ANGELO AREA CFC	San Angelo Area CFC	0851	486080	Zip Code	76902	76903
BADGERLAND CFC	Badgerland CFC	0957	552780	Zip Code	53707	53704

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

NFC Response

NAME (Per OPM)	NFC Response	NFC Action
Hudson Valley CFC	CFC-0639—On 8/28/2014 OPM requested a CFC Org name change to the United Way of Dutchess-Orange Region on the 2013 CFC August 2014 Updates spreadsheet. OPM's monthly spreadsheets received after the 8/28/2014 date were never highlighted to indicate the CRP Org name was to be changed back to Hudson Valley CFC.	Using the OPM CFC Master List as of March 2015, NFC updated Table 006 for CFC-0639 to reflect Hudson Valley CFC as the CFC Org name.
CENTRAL CALIFORNIA CFC	CFC-0095—Last update made to CFC-0095 was 5/31/2012 and shows Type of Account as 'C.' The OPM CFC Master List spreadsheets received thru 11/1/2012 also reflect the Type of Account as 'C.' OPM's monthly spreadsheets received after the 11/1/2012 date were never highlighted to indicate the Type of Account was to be changed from a 'C' to an 'S.'	Using the OPM CFC Master List as of March 2015, NFC updated Table 006 for CFC-0095 to reflect the Type of Account as 'S.'
CFC OF THE MIDSOUTH	CFC-0809—OPM requested the Type of Account change to 'S' on the CFC Master List of Updates received 12/12/2013. OPM's monthly spreadsheets received after the 12/12/2013 date were never highlighted to indicate the Type of Account was to be changed from an 'S' to a 'C.'	Using the OPM CFC Master List as of March 2015, NFC updated Table 006 for CFC-0809 to reflect the Type of Account as 'C.'
GREATER TEXARKANA AREA CFC	CFC-0854—History records in Table 006 from beginning effective date 01/07/1996 to present indicate the same routing and account number with no indicator for Type of Account. To date NFC has experienced no issues with funds being disbursed to this CFC, but NFC agrees that the Type of Account indicator 'C' should be coded as OPM noted.	Using the OPM CFC Master List as of March 2015, NFC updated Table 006 for CFC-0854 to reflect the Type of Account as 'C.'
KING COUNTY CFC	CFC-0923— Using the OPM CFC Master List of Updates received on 12/12/2012, the highlighted changes were made by NFC to the CRP street address, CRP Zip and Account number for CFC-0923. The spreadsheet listed Seattle as the CRP City. OPM's monthly spreadsheets received after the 12/12/2012 date were never highlighted to indicate the CRP City was to be changed from Seattle to Kent.	Using the OPM CFC Master List as of March 2015, NFC updated Table 006 for CFC-0923 to reflect the City as Kent.

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

NAME (Per OPM)	NFC Response	NFC Action
SAN ANGELO AREA CFC	CFC-0851 – Using the OPM CFC Master List of Updates received on 12/11/2014 and 12/30/14, NFC personnel made the P.O. box address changes highlighted by OPM. Since the zip code was not highlighted by OPM for updating, NFC did not make the change to the zip code. In addition, the OPM CFC Master List of Updates received on 3/2/2015 also did not have the zip code highlighted for updating, and therefore, NFC did not update the zip code.	Using the OPM CFC Master List as of March 2015, on 5/19/2015, NFC updated Table 006 for CFC-0851 to reflect zip code 76902.
BADGERLAND CFC	CFC-0957 – Using the OPM CFC Master List of Updates received on 12/11/2014 and 12/30/14, NFC personnel made the P.O. box address changes highlighted by OPM. Since the zip code was not highlighted by OPM for updating, NFC did not make the change to the zip code. In addition, the OPM CFC Master List of Updates received on 3/2/2015 also did not have the zip code highlighted for updating, and therefore, NFC did not update the zip code.	Using the OPM CFC Master List as of March 2015, on 5/19/2015, NFC updated Table 006 for CFC-0957 to reflect zip code 53707.

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

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NFC also provided the following response:

NFC updated its Table Management System to address the differences identified by OIG based on OPM's CFC Master List for March 2015. NFC researched the differences and determined that while there were changes to the campaign information, the monthly CFC campaign spreadsheets provided by OPM did not request/highlight those changes, and therefore, NFC personnel did not make those changes in the system. While OIG identified slight differences in the type of account (checking vs. savings), city, and/or zip codes, these differences had no impact on the distribution of the funds to the designated CFCs, as all CFC funds were disbursed to the correct bank routing and checking/savings account numbers. NFC uses the mailing address to send the biweekly "Charitable Contribution Headcount Report" to the CFCs. Because OPM's CFC master list provides both a physical/street address and a P.O. address but only one zip code for several of the campaigns, NFC reached out to USDA OIG to obtain clarification as to what address to use because, in some cases, the zip code may differ between the two addresses. Upon the USDA OIG's request, OPM provided clarification that (for those CFCs on OPM's CFC master list that have both the street and P.O. box addresses), NFC should use only the P.O. box address as the mailing address. To ensure that the correct zip code is used, NFC used the United States Postal Service's "Look Up a Zip Code" tool to verify the zip codes for the P.O. box addresses listed on OPM's CFC Master List. Of the 10 active CFCs that had both a street and P.O. box address, NFC verified that 2 of the 10 zip codes listed on OPM's CFC Master List were the incorrect zip codes for the P.O. box address (CFC 0503 and 0670). For CFC 0670, the zip code listed on OPM's CFC master list was actually the zip code for the street address, which differed from the zip code for the P.O. box address.

Exhibit D: Accounting Code Differences

The chart below lists the correct campaign, the duty station code, the campaign used, and the number per Federal agency. Department codes, used in this table, are defined on page 42.

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
00004	011730089	0000			1								
	011730089	0021										1	
	011730089	0099			5								
00005	013050125	0000			1								
	013050125	0099		1									
00030	020130020	0085							1				
	021130110	0087	1										
00051	040160021	0005							1				
	040170005	0005			1								
	040240017	0099	1										
	040297021	0005	11										
	040330023	0099							2				
	040431003	0099							1				
	040530019	0005			3								
	040530019	0099							2				
00052	040080013	0099		1					1				
	040370013	0009						1					
	040370013	0085							1				
	040370013	0099	1						2	1			
	040490013	0099		1									
00072	050250063	0099	1										
	050340007	0099							1				
	050860045	0099		1									
00095	061370019	0099										1	
	062690019	0099	1										
00096	060120037	0099	1	1									
	060639037	0099											1
	061110037	0099										1	
	061410059	0099		1									
	061430037	0099			1								
	061440037	0099		1									
	061713059	0099		1									
	061782059	0099		1									
	061786059	0099							2			1	
	061970037	0083			1								
	061970037	0092				1							
	061970037	0099		1					1				
	061980037	0099		1	1				2			1	2
	062327065	0010							2				

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	062560059	0099					1						
	063070065	0099		1						1			
	063210071	0052								1			
	063250059	0010								59			
	063420059	0010							1				
	063851065	0010								6			
	064120037	0099			1								
00105	060410065	0005								31			
	060560073	0010							1				
	060560073	0099		1									
	061200073	0099		1									
	061680025	0099								1			
	062650065	0009								1			
	063260073	0060								1			
	063260073	0092		1									
	063260073	0097			1								
	063260073	0099		3	2					1			
	063418073	0060								1			
	063418073	0099								1			
00106	060330095	0099				1							
	060340001	0075	1										
	060980113	0099	1										
	061300067	0024		1									
	061364001	0099		1									
	062140081	0099		1									
	062480001	0083								1			
	062480001	0099								3			
	062740097	0099		1									
	063150067	0005	1										
	063150067	0099	1	1	1					1			
	063290075	0009										1	
	063290075	0014				1							
	063290075	0099			2				2	1		6	1
	063340085	0099	1									2	
	063490097	0099		1									
	063670109	0060	1										
	063758085	0099		1									
	064010095	0099				1							
	064020095	0099	1										
00117	062250053	0010								1			

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	063450087	00427		1									
00140	080430041	00141				1							
	080430041	00990							1				
00141	080080059	00990		1									
	080200013	00990		3									
	080600031	00839							1				
	080600031	00852							1				
	080600031	00990		2		1			6	3		1	
	080860069	00990	1										
	081435059	00839				1							
	081435059	00990	1			1							
00185	121510031	00189								1			
	121510031	00990		1					2			2	
	122350019	00990		1									
	122825083	00990	1										
	130760127	00372	1										
	132394127	00990										1	
00189	120290099	00990		1									
	120771011	00990	1										
	121050011	00990			1							1	
	122010086	00990	1	1	1				2				
	122083011	00191		1									
	122083011	00990							7				
	122260011	00990		1									
	122468011	00990		1									
	123190099	00990							1				
00192	120640119	00975			1								
	120810127	00185	1										
	120810127	00990		1									
	121483009	00990		1									
	122190127	00189		1									
	122250095	00990		1									
	122360095	00189				1							
	122360095	00943	1										
	122360095	00990		1					5				
	123270095	00990		1									
00193	120457071	00990		1									
	121070071	00189							1				
	121070071	00197			1				1				
00197	122658057	00990		1									

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	122730103	00990		2									
	122950057	00189									2		
	122950057	00192			1								
	122950057	00211					1						
	122950057	00990		1	1				1				
	123173101	00990		2									
00210	135460275	00211							1				
	135680185	00218							2				
00211	130270059	00192	1										
	130270059	00990	1										
	130280089	00990	1		1				1				1
	130280121	00990	4	2		1	10		1	1		2	
	131060089	00990										3	
	131250121	00990		1									
	132160139	00990							1				
	133210089	00990		1									
	133230297	00990		1									
	134020089	00990		1									
	135080135	00990		1									
00212	130310245	00218			2				1				
	450020003	00990											1
00214	131280215	00211							1				
	133310259	00211							1				
00218	134910051	00211			2		1						
	134910051	00772										1	
	134910051	00990					1					1	
	135310107	00212	1										
00225	152400003	00990							5				
	153002001	00249		1									
00249	171670031	00283	1										
	171670031	00964										1	
	171670031	00990	1		2				11	1			1
	171670043	00452		1									
	171670043	00990		2					2				
	172440043	00964										1	
	172440043	00990			1							1	
	172870031	00990		1									
	174858097	00990		1									
	174867043	00990									1		
	175060111	00990		1									
	176740031	00990											1

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	177000197	00990		1									
	178220167	00528	1										
00259	173931161	00249	1										
	197910103	00249				1							
00283	180710057	00990		1									
	181200015	00249	1										
	181420105	00990		1									
	182210097	00249						1					
	182210097	00990		1		1							
	184580141	00249										1	
	184840167	00990		1									
	185200157	00458	1										
	185200157	00990	1										
00339	204000079	00524	1										
	205880173	00990										1	
00351	181480163	00283			1				1				
	181480163	00528										2	
	182270019	00283		1									
	182270019	00990		2									
	212090111	00990										1	
00371	220040079	00372				1							
	221230055	00372							1				
00372	220150033	00072	2										
	220150033	00211		1									
	220150033	00506	1										
	220150033	00990							3				
	221690071	00845							1				
	221690071	00990		1	1				1				
00405	100130001	00751							1				
	100360003	00751				1							
	100360003	00990										3	
	100490003	00751							2	1			
	100490003	00990								1			
	240030003	00427		2									
	240030003	00944	1										
	240030003	00990		10									
	240033003	00990							9				
	240050510	00751		1									
	240050510	00990		2		1			2	3		3	
	240381027	00990		1									2
	240403003	00990		1									

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	240496003	00990		2									2
	240515027	00990		1									
	240530027	00990		2									
	240540021	00141							1				
	240543005	00990		1									
	240575003	00990							1				
	240580021	00990		3									
	240673003	00990		1					1				
	240730043	00990		1									
	240765003	00990		1									
	241090021	00990		1									
	241296005	00990		1									
	241380045	00990		1									
	241662027	00990		1									
	241669003	00990		1									
	241696013	00990		1									
	512564001	00990		1									
00427	250120025	00655							1				
	250120025	00770			1							1	
	250120025	00990		1	1	2						2	
	250157017	00571							1				
	250370021	00990						1					
	250470009	00990		1									
	250615017	00626						1					
	250615017	00990						2					
	250850005	00770							2				
	251280005	00770		9									
	251520027	00770							1				
00432	090280003	00773				1							
	090430009	00626							1				
00452	260940125	00990		1									
	261009099	00990		1									
	261260163	00466										1	
	261260163	00990				1						4	
	262104163	00990										1	
	263500099	00990		1									
	264295163	00990							1				
	264330099	00249	1										
	264515099	00990							1				
	264567125	00990		1									
00453	261730049	00452			1								

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	262710087	00990		1									
00458	260320017	00452			3								
00466	262160047	00990		1									
	262450043	00990										1	
	264480033	00452							1				
00481	192260153	00249				1							
	270675053	00990											1
	271900137	00249		1									
	271900137	00672							1				
	271900137	00964	1										
	272260053	00990		1									
	274570083	00990	1										
	274760053	00990	1					1					
	274810053	00990		1									
	275335069	00672							1				
	276330123	00957										1	
	277360135	00672							3				
	382580013	00672							1				
00500	281020047	00990							1				2
00503	281220049	00072	2										
	281220049	00524							1				
	281220049	00990	2		1								
	282870163	00189			1								
00506	282455151	00372	1										
00520	291800019	00528									1		
	291800019	00990						2					
	294040051	00990							1				
00524	202820209	00990								1			
	203010045	00990		1									
	204285091	00528										1	
	204900169	00339										1	
	205400177	00990											1
	290980213	00990		1									
	294120047	00990									1		
	294120095	00051	1										
	294120095	00831										1	
	294120095	00990	1					6			1	2	
	294490095	00990	1										
00528	171360117	00249	1										
	293980031	00524		1									

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	297080510	0024						1					
	297080510	0099								1			
00540	300040025	0014											1
	300730053	0092	1										
	300820017	0099	1										
	300830063	0099	1										
	301240029	0092								1			
00551	312830109	0055								1			
	312830109	0099	1										
00552	197850193	0099					1						
	197960059	0048	1										
	311290063	0099	1										
	313240099	0052	1										
00560	320120003	0005								1			
	320120003	0009								3			
	320120003	0099								2			
	320143005	0099	1										
	320170031	0099								1			
00571	232500009	0042		1									
	233750003	0042								3			
	235900019	0042		2									
	236400005	0099								1			
	238700003	0042								2			
	330070013	0042					1						
	330070013	0099								1			
	330098013	0099	1										
	330100017	0099		1									
	330310011	0099		1									
	330430015	0042										1	
	330430015	0099										1	
	500100025	0043										1	
	500120007	0099	1										
	500200007	0099		1									
	500590011	0042								1			
	500590011	0099								1			
	500765007	0099								1			
00589	340640003	0099		1									
	340775025	0062								1			
	340844023	0062										3	
	340938013	0083			1								

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	341081035	0099		1									
	341090025	0062							1				
	342130013	0062							1				1
	342130013	0099							2			1	1
	342498027	0099				1							
	342632023	0099		1									
	343096035	0075			3								
	343610031	0099			1								
00606	350030001	0014										2	
	350030001	0087	1										
	350030001	0099	6										
	350200029	0099							1				
	350500023	0099							1				
	350710049	0099							1				
	482190141	0037							6				
	482190141	0099							6				
	485525377	0037							1				
	486375229	0037							6				
	486375229	0099							1				
00621	360706009	0099		2									
	360750029	0062							1				
	360750029	0099								1			
	361830009	0099	1										
	362260069	0063	3										
	365230055	0099		1									
	366622055	0099		1									
00626	364170005	0042							1				
	364170005	0099			1								
	364170061	0045							2				
	364170061	0064							2				
	364170061	0085							1				
	364170061	0099		3	3		3	1	4		1	2	
	364170081	0045							15				
	364170081	0064							1				
	364170081	0085							1				
	364170081	0099		1					1				
	364170085	0099		1									
00627	362800015	0099		1									
00631	362610043	0099		1									
00638	360770033	0057							1				

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number											
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER	
	361080019	0057								1				
	362940109	0099		1										
	364540075	0062								2				
	366010067	0062						1						
	366450045	0062								6				
00639	363920119	0099		1										
	366627071	0099										1		
	366670119	0062								3				
00642	360500103	0099		1										
	362577103	0062										1		
	362728103	0099		1										
	363933103	0099		1										
	365270103	0099								1				
	366550059	0062										1		
00650	370170021	0065			1									
	370170021	0099	1	1										
00654	373120031	0099								1				
	373250049	0099			1									
00655	370800183	0099		1										
	370860135	0024		1										
	370870119	0021			2									
	370870119	0099		2				1						
	371940081	0021			1									
	371940081	0065										1		
	372730069	0099		2										
	373750183	0021		1	1									
	373750183	0065	1											
	373750183	0099	1											
	451110057	0099		1										
00656	375060129	0065									1			
	375060129	0099		2										
00660	374070159	0065	1											
00670	380370015	0048			1									
	380370015	0099	1											
00672	381020017	0048	1											
	381020017	0055	1											
00682	180550047	0028	1											
	182610029	0099								1				
	185010137	0028												1
	210800117	0099										3		

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	211140069	0099	1										
	211980067	0099	1		1	1							
	391610061	0075		1									
	391610061	0080										1	
	391610061	0097			1								
	391610061	0099										2	
00684	390410093	0099		1									
	391040035	0045								1			
	391680035	0085								1			
	391680035	0099						1				1	
	393670035	0099										1	
	396320085	0099		1									
	396490173	0099											1
	398770035	0099		1									
	422640049	0062								1			
	422640049	0075			2								
	422769049	0062								3			
00685	391800049	0028								1			
	391800049	0048	1										
	391800049	0099	2										
	392270049	0068										1	
	396890049	0099	1										
	398280049	0099											1
	399150049	0099		1									
	542040107	0099										4	
00686	392090113	0068										1	
	392090113	0068							1				
	394120165	0068										1	
	394610165	0068										1	
00712	403550109	0018								1			
	403550109	0071										1	
	403550109	0075								1			
	403550109	0099			1							1	
00715	403310101	0071			1				1				
00727	410459035	0072	1										
00728	410130001	0099	1										
	410190017	0099			1								
	410480053	0092	1										
	410814019	0099	1										
	411140063	0060	1										

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	411650051	0099	2										
	411680023	0099	1										
	411830005	0005	1										
	411830005	0072	1										
	411930017	0087	1										
00740	422822055	0099		1									
00746	423500043	0075							2				
	423500043	0099							1				
	425120043	0099		1									
	429610133	0099		1									
00749	424053119	0075			1								
00751	340090001	0099							3				
	340520007	0058							1				
	340598007	0058							1				
	341230007	0099		1									
	341824005	0058			1								
	341833005	0058										1	
	341833005	0062				2							
	341833005	0099							4			1	
	342081005	0058							6				
	342230001	0058			1								
	342710021	0099							1				
	420615017	0099										1	
	420910017	0099		1									
	420952045	0099		1									
	421860079	0099		1									
	422545091	0099		1									
	423970091	0099		1									
	424086091	0074									1		
	426540101	0099		1	1	2			1	3		2	
	428445045	0085							1				
	428582017	0099		1									
	429010029	0099		1					1				
	429310077	0099		1									
00754	421747019	0075		1									
	423090005	0099		1									
	424290129	0099		1									
	424865053	0068	1										
	426600003	0099		1									
	428757125	0099		1									

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
00770	250140023	0042										1	
	251330007	0042							2				
	440055003	0099											1
00772	450409015	0099		1									
	450410019	0099		4									
00773	450520063	0077							1				
	450520079	0021				1							
	450520079	0077			1								
	451060083	0077							1				
	451060083	0077		3									
	452790063	0077							1				
00774	451040045	0077							1				
	451040045	0099		1									
00792	462450099	0055	1										
00805	470400065	0099	1										
00808	471300093	0021			1								
00809	471620157	0021			1		1						
	471620157	0050				1							
	471620157	0065										1	
	471620157	0099										3	
	471660157	0099							1				
00811	470650037	0021			1								
	471200113	0050	1										
	471200113	0080	2		1								
	471760037	0018				1							
	471760037	0021				2							
	471760037	0035										1	
	471760037	0083			1								
	471760037	0099							1				
00830	484140303	0083										1	
	484560329	0060			1								
00831	480330453	0000										1	
	480330453	0037										1	
	480330453	0083										1	
	480330453	0099		2									
	480330491	0099		1									
00838	482290047	0084							1				
00839	481730113	0014		1									
	481730113	0099		1			6		2				1
	482255439	0099							1				

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	482310113	0099										2	
	482450439	0084										2	
	482450439	0085							1				
	482450439	0099	6					1					
	485390085	0099			1								
	485730113	0099		1									
	486001113	0099		1									
00845	481695201	0068										1	
	483280157	0083			1								
	483280201	0083										1	
	483280201	0083				1							
	483280201	0083								1			
	483280201	0099			2				4				
	483703339	0099		1									
	485430245	0099							1				
	486660157	0099		1									
00846	483030061	0085							1				
00847	481180127	0099							1				
	482030323	0060							1				
	483080247	0084							1				
	483899479	0084							1				
	483900479	0083				1							
00852	486090029	0084							2				
00861	484080183	0083							3				
	484160005	0037	1										
00870	080990045	0005	1										
	080990045	0014	2										
	081040077	0014			2								
	081700085	0014	1										
	160160001	0099		1		1							
	491350057	0075										1	
	491350057	0099										6	
	491700035	0060	1										
	491700035	0099	1			1							
00891	510440540	0090							1				
00896	511180650	0065										1	
	511180650	0089										1	
	511720700	0099		1		1							
00897	511760710	0040							1				
	511760710	0089			1								

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number											
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER	
	511760710	0099								1				
	512560183	0099		1										
00898	510690047	0099												2
	511020630	0099		4										
	511461137	0099		3										
	512010153	0099			19									
	512303177	0099		1										
	512307179	0099		3										
	512570061	0099		4					1					
00900	511986149	0040			1									
00901	510180121	0099		1										
	510500121	0099	1											
	510993019	0099		1										
	512100770	0099	1									1		
00905	510160043	0099			3									
	511040187	0099		1										2
	511190660	0099		1					1					
	511480139	0099		1										
	512640840	0099			22				4					
00921	531700009	0093							1					
	531710035	0099		1										
	531730035	0092			2									
00923	530109033	0093										1		
	530170033	0093							24					
	531820033	0099		1										
	531830033	0092	1											
	531960033	0092	3						2					
	531960033	0093		1								1		
	531960033	0099	4						4	1				1
00924	532110063	0099			1									
	532111063	0092							1					
00925	531590067	0092		1										
	532230053	0092			1									
00926	532390071	0092							1					
00928	532460007	0092	5											
	532460007	0099	1											
00931	530170061	0090							1					
	530500061	0072	1											
	530690061	0072	1											
	530690061	0092			1									

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
00940	540170081	00990				1							
	540480039	00754							1				
	540480039	00990	1		1								
	540810083	00141	1										
	542740047	00682			1								
00941	540540033	00990			1								
	542843049	00944	1										
00943	541660003	00524										1	
	541660003	00990			1							2	
00944	541840061	00990										1	
00957	552780025	00990	1										
00964	552070131	00990		1									
	552880073	00957	1										
	553100079	00923						1					
00971	560100021	00990	1										
00990	110010001	00096				1							
	110010001	00249				1							
	110010001	00283				1							
	110010001	00405	1		1		1		1				
	110010001	00524	1						1	1		1	
	110010001	00606	2										
	110010001	00626				1			2				
	110010001	00639							1				
	110010001	00682				1						1	
	110010001	00684							1				
	110010001	00751				1				1			
	110010001	00770				1							
	110010001	00839								1			
	110010001	00897							1				
	110010001	00900								1		1	
	110010001	00905							4				
	110010001	00941			1								
	110010001	00975			1								
	240100033	00405	2										
	240710033	00405			4								
	240830033	00405				1							
	240830033	00524										1	
	241089033	00524										1	
	241330033	00141	1										
	241450031	00141		1									

Exhibit D: Accounting Code Differences

OPM's CFC	Duty Station	CFC NFC	Department Code and Number										
			AG	CM	DJ	DL	FD	FR	HS	HU	SB	TR	OTHER
	241450031	00751				1							
	241450031	00770		1									
	241450031	00923		1									
	241520033	00405		1									
	241675031	00405				1							
	510040510	00141		2									
	510040510	00481		1									
	510040510	00685		1									
	510040510	00897			1								
	510100013	00975			1								
	510900600	00642							1				
	512130107	00905							25				
Total	1493	Subtotals	161	248	329	47	42	9	461	27	9	131	29

Exhibit D: Accounting Code Differences

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AG..... Department of Agriculture
AM..... Agency for International Development
CM..... Department of Commerce
DJ..... Department of Justice
DL..... Department of Labor
FD..... Federal Deposit Insurance Corporation
FR..... Consumer Financial Protection Bureau
HS..... Department of Homeland Security
HU..... Department of Housing and Urban Development
SB..... Small Business Administration
TR..... Department of the Treasury

Exhibit D: Accounting Code Differences

NFC Response

There are 1,493 instances out of 58,364 where the CFC code used by NFC in P03-2015 differs from the CFC code OPM deems consistent with that employee's duty station code in P16-2014 and P26-2014. These 1,493 instances are cross-tabulated in the table, page 41, to be consistent with OPM's AUP, page 10, §c that states "a chart listing the Federal agency, the duty station code, the campaign used and the correct campaign should be included."

NFC responded as follows:

Of the 1,493 differences OIG identified between the OPM CFC campaign number based on the employees' official duty station and the NFC CFC campaign number used for the employees' CFC deductions, we determined that 45 of the differences were the result of NFC-processed CFC allotments. The remaining 1,448 differences were the result of processing by the personnel offices of various USDA and non-USDA customer agencies of NFC.

Of the 45 NFC-processed allotments, 12 were correctly processed by NFC personnel using the CFC forms provided by the customer agencies' employees; however, because OPM derives the CFC campaign number based on the employees' official duty stations, there were differences between the CFC campaign numbers determined by OPM and the CFC campaign numbers listed on the forms used by the employees.

We verified that 33 CFC allotments were processed by NFC personnel using the incorrect CFC campaign numbers. While the employees provided the correct CFC forms, one NFC employee inexperienced with the process entered the incorrect CFC campaign number for the CFC allotments she processed. To rectify the issue, NFC has made the corrections to the CFC allotments during pay period 9, 2015 to reflect the correct CFC campaign numbers. While this appears to be an isolated incident, NFC will provide training to all personnel involved in processing CFC allotments to ensure this type of error does not occur again.

... for some of these employees, both their pay period 2 and pay period 3 T&As were processed during pay period 3, and therefore, there were 2 valid CFC deductions (for two different T&As). For the others, the employees' CFC allotment records had funds going to two different CFC campaign areas. NFC personnel's user IDs begin with NP**** (for human resources management staff users) or NF**** (for all other non-privileged NFC users). Since none of the user IDs in the attached PDF file begins with NP or NF, the agencies entered the CFC allotment/charitable contribution for those employees. Because NFC did not enter the allotments, we do not know why two different campaign area numbers were entered for the employees, and we do not have these employees' CFC forms to verify (those forms are maintained at the agencies that processed the CFC allotments). The assumption is that the employees chose to contribute to two different CFC campaign areas.

Exhibit E: Incorrect Combined Federal Campaign (CFC) Pledge

The following table lists all instances in which the incorrect 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	0931	Pacific Northwest CFC	0728	Pacific Northwest CFC (411650)
Agriculture	0372	CFC of Greater Arkansas	0072	CFC of Greater Arkansas (052320)
Commerce	0106	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Commerce	0141	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Commerce	0684	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Justice	0990	Chesapeake Bay Area CFC	0405	Chesapeake Bay Area CFC (240050)
Justice	0898	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Justice	0898	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Justice	0898	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Labor	0432	Midlands Area CFC	0990	CFC of Nation Capital Area (110010)
Labor	0847	Dallas-Fort Worth (DFW) Metroplex CFC	0839	Dallas-Fort Worth (DFW) Metroplex CFC (481730)
Labor	0751	CFC of New York City	0990	CFC of Nation Capital Area (110010)
Labor	0751	CFC of New York City	0990	CFC of Nation Capital Area (110010)
Homeland Security	0923	CFC of North Puget Sound	0931	CFC of North Puget Sound (530690)
Homeland Security	0096	So Cal CFC	0105	So Cal CFC (063260)
Homeland Security	0185	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Homeland Security	0096	So Cal CFC	0105	So Cal CFC (063260)
Small Business	0197	Atlantic Coast CFC	0189	Atlantic Coast CFC (122010)
Small Business	0249	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Small Business	0524	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Small Business	0520	Gateway CFC	0528	Gateway CFC (297080)
Treasury	0405	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Treasury	0944	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)
Treasury	0106	CFC of the National Capital Area	0990	CFC of Nation Capital Area (110010)

Exhibit F: Sampling Methodology

As noted in the Independent Auditors' Report, we performed procedures prescribed by OPM, solely to assist OPM with respect to the employee withholdings and employer contributions reported by USDA's OCFO/NFC. OPM sets the sampling methodology for each procedure described in each step in Exhibit A. The sufficiency of the procedures is solely the responsibility of the Inspector General and the Chief Financial Officer of OPM and will be applied to the 12 months ended August 31 of each year. Consequently, we make no representation regarding the sufficiency of the procedures or the sampling design and methodology.

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