OFFICE OF
INSPECTOR
GENERAL
UNITED STATES POSTAL SERVICE

Employee Retirement Options

Management Advisory Report

May 2, 2012

Report Number HR-MA-12-001

OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

HIGHLIGHTS

May 2, 2012

Employee Retirement Options

Report Number HR-MA-12-001

IMPACT ON:

U.S. Postal Service employees who are eligible to retire.

WHY THE OIG DID THE AUDIT:

This report responds to a request from the postmaster general. The Postal Service is analyzing the options available for early retirement as it looks to reduce the size of its workforce. Our objective was to evaluate and describe information on retirement options, including those options that currently exist and those that may become available as part of new legislation or other Postal Service initiatives.

Employees have many factors to consider when retiring. We summarized several retirement options to assist employees when considering retirement opportunities.

WHAT THE OIG FOUND:

In 2012, over 189,000 Postal Service employees will meet the age and service eligibility requirements for retiring with an immediate annuity. A number of retirement options may be available to employees in the near future as part of new legislation related to the Postal Service. There may be restrictions on how these options can be used and whether they can be combined or not. Proposed changes to health insurance benefits for employees and retirees, along with possible additional years of service credit proposed in legislation, may cause employees to evaluate retirement earlier than they otherwise might have.

The options described in this report include:

- Voluntary early retirement.
- Cash buyouts.
- Additional years of service credit.
- Re-employment for annuitants.

WHAT THE OIG RECOMMENDED:

We did not make any recommendations in this report.

Link to review the entire report

May 2, 2012

MEMORANDUM FOR: ANTHONY J. VEGLIANTE
EXECUTIVE VICE PRESIDENT AND CHIEF HUMAN RESOURCES OFFICER

E-Signed by Michael A. Magalski
VERIFY authenticity with e-Sign

FROM: Michael A. Magalski
Deputy Assistant Inspector General
for Support Operations

SUBJECT: Management Advisory Report – Employee Retirement Options (Report Number HR-MA-12-001)

This report presents the results of our reporting of employee retirement options (Project Number 11YG053HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Andrea Deadwyler, director, Human Resources and Security, or me at 703-248-2100.

Attachments

cc: Patrick R. Donahoe
Vinay K. Gupta
Corporate Audit and Response Management

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Introduction

This report presents the results of our review of current and recently proposed employee retirement options (Project Number 11YG053HR000). The report responds to a request from the postmaster general. Our objective was to evaluate and describe information on retirement options, including those options that currently exist and those that may become available as part of new legislation or other U.S. Postal Service initiatives. This review addresses strategic, financial, and operational risks. See Appendix A for additional information about this audit.

The U.S. currently faces economic and budgetary challenges. To address these challenges and reduce the size of the federal budget, the legislature has initiated several government-wide proposals, which could also affect Postal Service employees. These proposals include:

- Changing the federal employees' retirement formula that currently uses the employees' average of their high-3 year's salary to a formula that uses the employees' average of their high-5 year's salary.[1]

- Increasing employees' contributions to the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS).

- Limiting the FERS annuity supplement to employees subject to mandatory retirement.

Additionally, a bipartisan group of senators introduced the 21st Century Postal Service Act of 2012,[2] which includes provisions that would:

- Allow the Postal Service to offer up to 1 year of additional credited service for individuals in the CSRS and up to 2 years for individuals in the FERS as an incentive to encourage retirement.[3]

[1] The high-3 salary is the highest average basic pay an employee earned during any consecutive 3 years of creditable service and the high-5 salary is the highest average basic pay an employee earned during any consecutive 5 years of creditable service.
[2] Section 1789, 112th Congress - although this bill was initially introduced as the "21st Century Act of 2011," it has been renamed to reflect the date of the new year.
[3] Id. § 102.

- Direct the FERS overpayment[4] to be transferred to the Postal Service and used for buyouts (up to the existing cap for federal workers of $25,000 for any one individual) or additional service credits.[5]

The Postal Service also proposed a plan to pull out of the Federal Employees Health Benefits (FEHB) Program and administer its own healthcare plan, saving between $60 and $70 billion.[6] As part of its plan, the Postal Service proposed capping its health care contributions at calendar year (CY) 2013 rates. The Postal Service's contribution would be frozen at a specific dollar amount as of the end of CY 2013. Any subsequent rate increases for employees retiring after January 1, 2014, would be paid by the retiree. Employees who retire before January 1, 2014, would have their rate increases capped at the consumer price index.[7]

Further, in response to its continuing decline in mail volume and revenue, the Postal Service announced plans to close and consolidate 48 percent of its mail processing plants. As a result, the Postal Service estimates it will have to reduce staffing by 220,000 career positions over the next 3 years.[8] Therefore, the Postal Service is analyzing various early retirement options as it looks to reduce the size of its workforce. The U.S. Postal Service Office of Inspector General (OIG) summarized several early retirement options to assist employees when considering retirement opportunities. Employees have many factors to consider when retiring and should analyze their individual situations, obtain guidance and advice, and determine the best course of action.

In 2012, more than 189,000 Postal Service employees will meet the age and service eligibility requirements for retiring with an immediate annuity. For an immediate annuity, CSRS and FERS employees must meet both the minimum age and service requirements. See the following table for immediate retirement eligibility under CSRS and FERS and the number of employees eligible to retire in 2012.

[4] The president's *Fiscal Year 2013 Budget of the United States* proposes to return to the Postal Service surplus amounts it has paid into its Office of Personnel Management (OPM) account for its share of FERS costs. OPM has determined that, as of September 30, 2010, this surplus is approximately $10.9 billion. Under the proposal, half of the surplus would be paid back to the Postal Service in 2012 and the other half in 2013.
[5] Id. § 101.
[6] *United States Postal Service Retiree Health Benefits Report* dated September 23, 2011.
[7] An inflationary indicator that measures the change in the cost of a fixed group of products and services, including housing, electricity, food, and transportation. The consumer price index is published monthly and is called the cost-of-living index.
[8] From 2008 through 2011, the Postal Service offered employees voluntary early retirement and incentive payments, resulting in a workforce reduction of 36,707 employees.

Type	Immediate Retirement Eligibility	Total[9]
CSRS	Age 55 with 30 years of service	24,970
	Age 60 with 20 years of service	11,242
	Age 62 with 5 years of service	25,940
CSRS employees eligible to retire in 2012		62,152
FERS	At minimum retirement age (55 to 57) with 30 years of service	2,795
	At age 60 with 20 years of service	14,426
	At age 62 with 5 years of service	50,832
	At minimum retirement age with 10 years of service[10]	58,925
FERS employees eligible to retire in 2012		126,978
Total		189,130

CSRS and FERS employees who do not meet both the minimum age and service requirements for an immediate annuity may still be eligible for a deferred annuity if they have at least 5 years of non-military civilian service. For CSRS employees, a deferred retirement annuity is not payable until age 62, regardless of the years of service at resignation. FERS employees are eligible for a deferred retirement annuity payable at age 62 if they have more than 5 and less than 10 years of creditable civilian service. FERS employees with 10 or more years of service can apply for a reduced deferred annuity at their FERS minimum retirement age.[10][11] With 30 or more years, a FERS employee would receive an unreduced annuity at their minimum retirement age. If a FERS employee separates at minimum retirement age with at least 10 years of creditable service, they are eligible for a reduced immediate retirement annuity; however, to avoid the annuity reduction, they can postpone receiving their annuity until age 62.

Retirement Options

There are a number of retirement options that are either currently available to Postal Service employees or that could become available with the passage of new legislation or the amendment of existing legislation. There may be restrictions on how the Postal Service can use these options and whether they can be combined. The options described in this report include:

- Voluntary early retirement.
- Cash buyouts.
- Additional years of service credit.

[9] We based the total number of employees eligible to retire on employees' retirement eligibility date in the web-based Complement Information System pulled on September 22, 2011.

[10] FERS employees who retire at minimum retirement age with at least 10 but less than 30 years of service have their benefit reduced by 5 percent per year for each year they are under age 62, unless they are age 60 or older with at least 20 years of service.

[11] If an employee has at least 20 years of service they are eligible at age 60 for an unreduced annuity.

- Re-employment for annuitants.

Each of these options merits careful consideration when making retirement decisions. Therefore, employees should carefully analyze their own situations, obtain guidance and advice as appropriate, and determine the best course of action. The following are descriptions of the options that employees should be aware of when considering retirement.

Voluntary Early Retirement

The Postal Service currently has voluntary early retirement authority (VERA) for fiscal year (FY) 2012 and may request an extension to FY 2013. VERA allows agencies undergoing substantial restructuring, downsizing, transferring of function, or reorganizing to temporarily lower the age and service requirements to increase the number of employees eligible for an immediate retirement annuity. The Postal Service has offered voluntary early retirement 10 times since 2008; five of these offers were in 2011. They made voluntary early retirement offers to specific groups of employees, including maintenance employees, clerks, mail handlers, executive and administrative schedule employees, carriers, and others. In addition, they targeted offers to specific locations. When considering retirement, employees should determine how a voluntary early retirement would affect their decision. See the following table for immediate retirement eligibility under a VERA and the effect on CSRS and FERS annuities.

Type	Immediate Retirement Eligibility Under VERA	CSRS Penalty and FERS Supplemental Annuity
CSRS	Any age with 25 years of service	Employees' annuities are reduced 2% a year for each year they retire before age 55 (calculated on a monthly basis).
	Age 50 with 20 years of service	Employees' annuities are reduced 2% a year for each year they retire before age 55 (calculated on a monthly basis).
FERS	Any age with 25 years of service	Employees' annuities are not reduced, but employees are not entitled to a FERS supplemental annuity[12] until they reach minimum retirement age.
	Age 50 with 20 years of service	Employees' annuities are not reduced, but employees are not entitled to a FERS supplemental annuity until they reach minimum retirement age.

Cash Buyouts

Although the Postal Service is not part of the federal government's Voluntary Separation Incentive Payment program, it relies on its own authority to offer a similar incentive to its

[12] The supplement is payable until eligibility for Social Security begins at age 62 and is subject to a reduction for earnings similar to the Social Security reduction for earnings. The supplement, calculated by the OPM, approximates the Social Security benefit an employee would receive at age 62 and prorates it for the years of FERS civilian service divided by 40 years.

employees.[13] The Postal Service can offer a special incentive (a lump sum payment before taxes) to employees if they voluntarily separate from employment. The Postal Service can limit who is eligible for the incentive; however, the special incentive offer, including the amount and terms, is subject to collective bargaining and consultation with the management associations.[14] In addition, the Postal Service would normally seek to include a requirement for the employee to repay the incentive amount if they later accept employment in a career position with the Postal Service.

Additional Years of Service Credit

The 21st Century Postal Service Act of 2012 includes a provision that would allow the Postal Service, through the OPM, to offer up to 1 year of additional credited service for individuals in the CSRS and up to 2 years for individuals in the FERS as an incentive to encourage retirement. The years of service credit gives employees who do not meet the required service years, but are otherwise eligible, the option to retire. The years of service credit does not change an employee's age requirement for retirement eligibility. Employees would need to identify how this option would affect their unique situation. Following are examples of how additional years of service credit, as proposed in the 21st Century Postal Service Act of 2012, would affect a CSRS employee and a FERS employee.

Civil Service Retirement System

CSRS consists mainly of an annuity calculated as a combination of years of service and average high-3 years' annual salary. CSRS employees do not contribute to Social Security and, therefore, do not receive a Social Security annuity payment.

Example 1 shows a CSRS employee who is 56 years old with 32 years of service and an average high-3 annual salary of $55,000.[15] This employee meets the retirement eligibility requirements for an immediate retirement annuity, age 55 and 30 years of service. A 1-year service credit would increase this employee's annuity by 2 percent or $1,100 each year. Employees who have not reached the retirement age of 55 incur an annuity penalty of 2 percent for each year they are under that age.

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[13] 39 U.S.C. § 401(10).
[14] 39 U.S.C. § 1004.
[15] The average salary for all FERS and CSRS career employees is $55,741.00, as of September 22, 2011.

Example 1: CSRS Annuity Formula for Employee age 56 with 32 Years of Service and a 1-Year Service Credit Added

Years of Service	Percentage of Salary	Without 1-Year Service Credit	With 1-Year Service Credit
1-5	1.5% of high-3 average salary for each year	7.50%	7.50%
6-10	Plus 1.75% of high-3 average salary for each year	8.75%	8.75%
11-32	Plus 2% of high-3 average salary for each year	44.00%	44.00%
1-year service credit equals extra 2%		0.00%	2.00%
Total percentage of salary		60.25%	62.25%
Annual Annuity[16]		$33,137.50	$34,237.50

Example 2 shows a CSRS employee who is 55 years old with 29 years of service. This employee meets the retirement eligibility requirement for age but not service credit. A 1-year service credit would enable this employee to retire with an immediate annuity.

Example 2: CSRS Annuity Formula for Employee age 55 with 29 Years of Service and a 1-Year Service Credit Added

Years of Service	Percentage of Salary	Without 1-Year Service Credit	With 1-Year Service Credit
1-5	1.5% of high-3 average salary for each year	7.50%	7.50%
6-10	Plus 1.75% of high-3 average salary for each year	8.75%	8.75%
11-29	Plus 2 percent of high-3 average salary for each year	38.00%	38.00%
1-year service credit equals extra 2%		0.00%	2.00%
Total percentage of salary		54.25%	56.25%
Annual or Deferred Annuity[17]		$29,837.50[18]	$30,937.50

Federal Employees Retirement System

FERS is composed of three parts: a defined benefit plan (basic annuity), the Thrift Savings Plan (TSP), and Social Security at age 62; and, for some retirees, the FERS Annuity Supplement from minimum retirement age until age 62. An employee needs to consider each of these components when weighing the benefits of a service credit and voluntary early retirement.

- Basic annuity – a standard formula used to compute a yearly basic annuity: 1 percent multiplied by years of service multiplied by average high-3 annual salary.

[16] Annual annuity based on the high-3 average salary of $55,000 under regular retirement.
[17] Annual annuity based on the high-3 average salary of $55,000 under regular retirement.
[18] A CSRS employee age 55 with only 29 years of service is not eligible for immediate annuity because they do not have 30 years of service. However, the employee is eligible for a deferred annuity payable at age 62.

The percentage increases from 1 to 1.1 percent for those retiring at age 62 or later with at least 20 years of service. In addition, employees who retire with at least 10 years — but less than 30 — years at their minimum retirement age (but who have not reached age 60 with 20 years of service) have their annuity reduced by 5 percent for every year they are under age 62, unless they choose to postpone receipt of their annuity to lessen or avoid the age reduction.

- TSP – a tax-deferred retirement savings and investment plan that offers the same type of savings and tax benefits that many private corporations offer their employees under 401(k) plans. By participating in the TSP, employees may save part of their income for retirement, receive matching agency contributions on the first 5 percent of the employee's annual salary that they contribute each pay period, and reduce current tax liabilities.

- Social Security – retired employees are eligible for Social Security benefits beginning at age 62, if they have the minimum number of credits[19] to be eligible for benefits. Retired FERS employees may be eligible for the FERS annuity supplement from minimum retirement age until age 62. OPM calculates the supplement, which represents what an employee would receive for his FERS civilian service. To calculate the FERS annuity supplement, OPM first estimates the employees full career (40 years) Social Security benefit amount. Since, the supplement is for FERS civilian service only, OPM reduces the full retirement benefit accordingly. For example, if OPM estimated an employee's full career Social Security benefit to be $1,000 a month and the employee worked for 30 years under FERS, OPM would divide 30 by 40 (.75) and multiply $1,000 by .75 for a $750 FERS monthly annuity supplement.[20]

[19] If you work and pay Social Security taxes, you earn a maximum of four "credits" each year. Credits are based on total wages and self-employment income during the year. In 2012, you must earn $1,130 to get one credit, $4,520 for the maximum of 4 credits. If you were born in or after 1929, you need 40 credits (10 years) to get retirement benefits.
[20] The supplement is reduced $1 for every $2 a retiree earns beyond the Social Security annual earnings limit. For 2011, the earnings limit is $14,160.

Example 1 shows an annuity estimate for a FERS employee at minimum retirement age, but less than 62 years of age, with 28 years of service. A 2-year service credit gives the employee 30 years of service and makes the employee eligible for an immediate retirement annuity. Because the employee is at minimum retirement age and has 30 years, there is no reduction of annuity. In addition, the employee is at the minimum retirement age but less than 62 years of age, so the employee would also be eligible for a FERS supplemental annuity.[21]

Example 1: FERS Annuity for Employee at Minimum Retirement Age but Less than Age 62 with 28 Years of Service and a 2-Year Service Credit

Years of Service	Percentage of Salary	Without 2-Year Service Credit[22]	With 2-Year Service Credit
1-28	1.0 percent of high-3 average salary for each year	28.00%	28.00%
2-year service credit equals 2%		0.00%	2.00%
Total percentage of salary		28.00%	30.00%
Annual annuity[23]		$15,400.00	$16,500.00
FERS supplemental annuity at minimum retirement age until age 62 (based on the preceding example - $700 multiplied by 12 for 28 years of service and $750 multiplied by 12 for 30 years of service)		$8,400.00[24]	$9,000.00
Annual Annuity and FERS Supplemental Annuity		$23,800.00	$25,500.00

[21] OPM pays the supplement from the employee's minimum retirement age until age 62. At 62 employees are eligible for a permanently reduced Social Security benefit. Employees can maximize their Social Security benefit if they delay receipt of their Social Security benefit payment to a later age.
[22] This employee is only eligible for an unreduced immediate retirement annuity if he is at least 60 years of age, (eligibility at 60 years of age and 20 years of service). An employee at minimum retirement age who is less than age 60 with 28 years of service would be eligible for a reduced immediate retirement. The annuity benefit would be reduced by 5 percent each year for every year the employee is under age 62, unless his benefit starts when he reaches age 60 or later. The employee may choose to postpone receipt of the annuity to lessen or avoid the age reduction.
[23] Annual annuity based on the high-3 average salary of $55,000 under regular retirement.
[24] Employees are eligible for the FERS annuity supplement if they voluntarily retire on an immediate annuity that is not reduced for age. They are also eligible if they retire involuntarily before attaining minimum retirement age or voluntarily because of a major reorganization or reduction in force. However, they are not eligible for the supplement until their minimum retirement age.

Example 2 shows an annuity estimate for a FERS employee at any age, with 23 years of service. The example demonstrates how the annuity amount would increase if the Postal Service were to offer voluntary early retirement combined with 2 years of service credit. [25] For example, a 2-year service credit would give the employee the required 25 years of service for an immediate retirement and add 2 percent to his or her annuity. If the employee was at the minimum retirement age and less than 62 years of age, the employee would also be eligible for a FERS supplemental annuity.[24]

Example 2: FERS Annuity for Employee under VERA at any age with 23 Years of Service and 2-Year Service Credit

Years of Service	Percentage of Salary	Without 2-Year Service Credit[26]	With 2 -Year Service Credit
1-23	1.0% of high-3 average salary for each year	23.00%	23.00%
2-year service credit equals 2%		0.00%	2.00%
Total percentage of salary		23.00%	25.00%
Annual annuity[27]		$12,650.00	$13,750.00
FERS supplemental annuity at minimum retirement age until age 62 (based on the preceding example - $575 multiplied by 12 for 23 years of service and $625 multiplied by 12 for 25 years of service)		$6,900.00[24]	$7,500.00
Annual Annuity and FERS Supplemental Annuity		$19,550.00	$21,250.00

Re-employment for Annuitants

Rehiring annuitants is an employment arrangement that allows a retiree to work part-time or full time after retirement, while providing needed skills to the rehiring agency. Advantages of part-time work for newly retired employees include flexible work arrangements and the opportunity to supplement retirement income.

A federal annuitant rehired under a federal appointment is considered a 're-employed annuitant'. The law[28] requires that the salary of a re-employed annuitant be reduced or "offset" by the amount of the annuity, whether the employee works part-time or full-time. However, under the National Defense Authorization Act (NDAA) of 2010[29] CSRS and FERS employees who retire can be re-employed without having their salaries reduced by the amount of their annuity. Individuals employed under these provisions will not be

[25] Combining the years of service credit with a VERA increases the number of employees eligible for immediate retirement annuity without penalty by 108,292, as opposed to 58,467 with just a service credit.
[26] If this employee is age 50 or older with 23 years of service, he is eligible for an immediate retirement annuity under VERA (eligibility is age 50 and 20 years service or any age and 25 years service). An employee who is not 50 would not be eligible for an immediate retirement annuity because he would only have 23 years service (eligibility would be any age and 25 years service).
[27] Annual annuity based on the high-3 average salary of $55,000 under regular retirement
[28] 5 U.S.C. § 8344 (for CSRS reemployed annuitants) and § 8468 (for FERS reemployed annuitants).
[29] P. L. 111-84 (October 28, 2009), see § 1122 which amended 5 U.S.C. § 8344 (CSRS re-employed annuitants) and 5 U.S.C. § 8468 (FERS re-employed annuitants).

entitled to any additional annuity benefits based on re-employment, such as participation in the FEHB Program, the Federal Employees' Group Life Insurance Program, or retirement pension fund for annuity recalculation.

Under the NDAA, salary reduction is waived for certain critical occupations. The postmaster general and other federal agency heads may use the waiver without OPM approval, subject to certain limitations, to justify rehiring an annuitant without the reduction in pay.[30] Some instances where authority may be used to waive salary reduction include those positions necessary to perform the following:

- Fulfill functions critical to the agency's mission.
- Assist in the development, management, or oversight of agency procurement actions.
- Promote appropriate training or mentoring programs of employees.
- Assist in the recruitment or retention of employees.

Individuals who meet these requirements can be re-employed for appointments of 1 year or less, not to exceed three 1-year appointments. Re-employed annuitants are limited to the following workhours:

- Not more than 520 hours during the first 6 months after annuity commencing date.
- The annuitant cannot exceed 1,040 hours during any 12-month period.
- The annuitant cannot exceed 3,120 hours during the re-employment period, which is the equivalent of three 12-month periods.

The NDAA is not the only manner in which the Postal Service may rehire annuitants without a salary reduction. In 1994, the Postal Service obtained OPM approval to re-employ postal retirees on a temporary basis to serve as rural letter carriers or rural postmasters.[31] Specifically, when normal recruitment efforts for temporary relief carrier (TRC) or postmaster relief/leave replacement (PMR/LR) positions fail to attract qualified individuals, the Postal Service can waive the annuity offset.[32] Non-postal annuitants re-employed into TRC and PMR/LR positions are not eligible for an offset waiver. The Postal Service has continuing approval from OPM to grant these waivers for qualified postal annuitants.

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[30] Agencies' authority to grant dual compensation (salary offset) waivers under the provisions of the NDAA expires on October 27, 2014. See 5 U.S.C. § 8344(l) (7), 8468(i) (7).
[31] P. L. 103-336 (October 3, 1994) amending 39 U.S.C. § 1005(d). The Postal Service accomplished this through its general re-employed annuitant authority in P.L. 103-336 coupled with explicit waiver authority from OPM that is applicable only when hiring former Postal Service employees into temporary rural letter carrier or temporary rural postmaster positions.
[32] See Handbook EL-312, *Postal Service Employment and Placement*, Section 234.73, dated September 2001, revised June 2010.

For further retirement information, visit OPM's (http://www.opm.gov), the Social Security Administration's (http://www.ssa.gov), and TSP's (www.tsp.gov) websites.

Appendix A: Additional Information

Background

In 2012, over 189,000 Postal Service employees will meet the age and service eligibility requirements for retiring with an immediate annuity. Additionally, the Postal Service estimates it will have to reduce staffing by 220,000 career positions over the next 3 years.

The Senate introduced the 21st Century Postal Service Act of 2012, which proposes:

- Allowing the Postal Service to offer up to 1 year of additional credited service for individuals in the CSRS and up to 2 years for individuals in the FERS as an incentive to encourage retirement.

- Using the FERS overpayment for buyouts (up to the existing cap for federal workers of $25,000 for any one individual) or additional service credits.

A number of retirement options may be available to employees in the near future as part of new legislation or other new authorities provided to the Postal Service. There may be restrictions on how the Postal Service can use these options and whether they can be combined or not. Some of the options available to employees include:

- VERA.
- Cash buyouts.
- Additional years of service credit.
- Re-employment for annuitants.

Objective, Scope, and Methodology

Our objective was to evaluate and describe information on retirement options, including those options that currently exist and those that may become available as part of new legislation or other Postal Service initiatives.

We conducted this review from September 2011 through May 2012 in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation.* We provided management with a copy of the report on April 5, 2012 and included their comments where appropriate.

We assessed the reliability of web-based Complement Information System data by interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this review.