



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

November 22, 2017

OIG-CA-18-008

MEMORANDUM FOR DAVID A. LEBRYK
FISCAL ASSISTANT SECRETARY

FROM: Deborah L. Harker /s/
Assistant Inspector General for Audit

SUBJECT: Termination Memorandum – Audit of the Administration of
My Retirement Account Program

In July 2016, we initiated an audit of the Department of the Treasury's (Treasury) My Retirement Account (myRA) program. The objectives of our audit were to assess Treasury's process for selecting the financial agent to manage the myRA accounts and the controls in place to safeguard the accounts. We also planned to evaluate Treasury's oversight of the financial agent's compliance with contractual agreements.

After initiating the audit, we learned that the Government Accountability Office (GAO) was examining the Bureau of the Fiscal Service's (Fiscal Service) process and related internal controls for selecting and designating financial agents, including Treasury's use of a financial agent for the myRA program. After our discussion with GAO, we modified our audit objectives. Our modified audit objectives were to assess Treasury's (1) controls to safeguard myRA accounts and (2) oversight of the financial agent's compliance with contractual agreements.

During our audit fieldwork, we reviewed Federal and Treasury regulations, and Fiscal Service policies, procedures, and contractual agreements related to the myRA program. Based on this review, we learned the roles and responsibilities of the various parties associated with the program, including the financial agent's contractor which provided the banking platform used for enrollments and participants' account access. We interviewed Fiscal Service personnel involved with the myRA program, to gain an understanding of the program, including the

customer account creation process and authentication,¹ and Treasury's oversight of the myRA program.

Based on the work performed, we determined that myRA program management was monitoring and documenting the performance of the financial agent by attending weekly and monthly meetings, conducting quarterly and annual on-site visits, and reviewing performance and call center reports and the independent assessor's review of the contractor's information technology program security. While we did not identify any concerns based on the work performed, our assessment was not complete as we decided to terminate this audit due to Treasury's July 28, 2017 announcement to wind down the myRA program. During Treasury's review² to assess its existing programs, Treasury found that the myRA program was not cost effective.

During our fieldwork, Treasury's myRA program management informed us of two incidents of fraudulent activity. The first incident occurred from January to February 2016 and resulted in 413 fraudulent accounts and generated approximately \$13,000 in losses to the financial agent. The second incident occurred from November 2016 to February 2017 and resulted in 597 fraudulent accounts and generated no losses to the financial agent. According to Treasury's *myRA Fraud Prevention Quarterly Update*, dated April 2017, the financial agent's contractor implemented six additional identity verification and authentication system controls; three controls after each incident. Due to the termination of this audit, we did not test these system controls.

Please note that *Administration of My Retirement Account Program* (job code A-DM-16-052) will be removed from our *Monthly Status Report*.

We appreciate the courtesies and assistance provided by your staff. If you have any questions, please contact me at (202) 927-5400 or Kathy Johnson, Audit Director, at (202) 927-8783.

cc: Sheryl Morrow, Commissioner, Bureau of the Fiscal Service
Esther Morr, OIG Audit Liaison

¹ The financial agent authenticates customers using ID Verification (IDV) and ID Authentication (IDA) tools. IDV verifies the identity of individuals by cross-referencing data source records. IDA generates a multiple-choice questionnaire that uses personal background information.

² This review was undertaken as part of the Administration's effort to assess existing programs and promote a more effective government.