

Department of Health and Human Services
Office of Inspector General



Office of Audit Services

November 2025 | A-04-24-02048

CMS PUT \$11.2 BILLION AT RISK OF FRAUD, WASTE, AND ABUSE BY NOT PROPERLY CLOSING CONTRACTS

REPORT HIGHLIGHTS



November 2025 | A-04-24-02048

CMS Put \$11.2 Billion at Risk of Fraud, Waste, and Abuse by Not Properly Closing Contracts

Why OIG Did This Audit

- In Fiscal Year 2023, HHS executed \$38.5 billion in contracting actions, with [CMS](#) accounting for \$7.4 billion, or 19 percent.
- The closeout process is an important internal control in the contract lifecycle, because it is generally the last opportunity for the Government to detect and recover improper payments. Prior OIG work has identified issues with HHS contract closeout processes and procedures that are required after a contracting officer receives evidence of a completed contract.
- This audit determined whether CMS closed contracts in accordance with administrative closeout requirements.

What OIG Found

CMS did not close selected contracts according to Federal requirements. For the 50 contracts we selected for review, totaling \$11.2 billion, that were eligible for closeout between October 1, 2018, and September 30, 2023, CMS did not meet one or more administrative closeout requirements. At the conclusion of our audit, 12 contracts totaling \$2.1 billion were overdue for closeout.

What OIG Recommends

We made two recommendations to CMS, including that it completes the administrative closeout requirements for the 12 contracts, totaling \$2.1 billion, that remain overdue for closeout, and that it develops policies and procedures that clearly define documentation requirements, roles and responsibilities, and alternative procedures to ensure contracts are closed timely. The full recommendations are in the report.

CMS concurred with our recommendations and described actions it has taken and plans to take to implement them.

TABLE OF CONTENTS

INTRODUCTION	1
Why We Did This Audit	1
Objective	1
Background	1
The Centers for Medicare & Medicaid Services	1
HHS Contract Closeout Process	1
CMS's Contract Closeout Responsibilities	2
CMS's Backlog of Contracts Overdue for Closeout.....	2
Federal and CMS Requirements.	3
How We Conducted This Audit	3
FINDINGS.....	4
CMS Did Not Close Contracts in Accordance With Administrative Closeout Requirements	5
CMS Did Not Meet COR Certification Requirements.....	5
CMS Did Not Timely or Always Complete Contract Funds Reviews and Deobligate Excess Funds	6
CMS Did Not Meet Indirect Cost Rate Requirements.....	7
CMS Did Not Always Obtain Contractors' Completion Invoices.....	7
CMS Did Not Always Obtain Contractors' Closing Statements.....	9
CMS Did Not Conduct Desk Reviews or Ensure Contract Closeout Audits Were Performed	10
CMS Did Not Follow Federal Requirements for Closing Contracts.....	11
CMS Put Contract Funds at Risk for Fraud, Waste, and Abuse.....	11
RECOMMENDATIONS	11
OTHER MATTERS.....	12
CMS COMMENTS AND OIG RESPONSE	12
CMS Comments.....	12
OIG Response.....	13

APPENDICES

A: Audit Scope and Methodology	15
B: Federal Requirements	17
C: Total Contracts Errors by Administrative Closeout Requirement for the 50 Non-Statistical Sampled Contracts	23
D: CMS Comments	24

INTRODUCTION

WHY WE DID THIS AUDIT

As one of the largest contracting agencies in the Federal Government, the Department of Health and Human Services (HHS) awarded contracts totaling \$38.5 billion in Fiscal Year (FY) 2023. The Centers for Medicare & Medicaid Services (CMS) was responsible for \$7.4 billion, or 19 percent of HHS contracting action spending, in FY 2023. Prior work by the HHS Office of the Inspector General (OIG) identified issues with HHS operational divisions closing contracts in accordance with Federal regulations and HHS policies and procedures. For example, in 2021 the OIG found that contracts eligible for closeout at the Food and Drug Administration did not follow Federal regulations.¹ Most recently, an OIG audit at the National Institutes of Health found that contracts were not closed in accordance with Federal regulations, which put more than \$1.9 billion at risk.²

OBJECTIVE

Our objective was to determine whether CMS closed contracts in accordance with Federal regulations and HHS policies and procedures.

BACKGROUND

The Centers for Medicare & Medicaid Services

Within HHS, CMS provides health coverage to more than 160 million people through Medicare, Medicaid, the Children's Health Insurance Program, and the Health Insurance Marketplace. To help support these programs, CMS uses contractors for various services, such as processing health care claims and payments, developing and maintaining IT systems, operating customer service and call centers, and conducting oversight activities.

HHS Contract Closeout Process

The contract closeout process is an important internal control in the contract lifecycle because it is generally the last opportunity for the Government to detect and recover improper payments.³ Contract closeout is critical to HHS's ability to meet its acquisition and fiscal

¹ OIG, *The Food and Drug Administration Needs To Improve Its Contract Closeout Processes To Identify Contracts Eligible for Closeout and Close Contracts Timely* ([A-03-20-03004](#)), Dec. 16, 2021.

² OIG, *NIH Did Not Close Contracts In Accordance With Federal Requirements, Resulting in the Increased Risk of Fraud, Waste, and Abuse* ([A-04-23-03585](#)), June 17, 2024.

³ The contract lifecycle begins when an agency identifies a need for products or services and ends when the contractor has fulfilled its contractual obligations and all administrative closeout requirements are met, including the following: (1) performing a contract audit, (2) obtaining a contractor closing statement, and (3) performing a contract funds review and deobligating any excess funding (48 CFR § 4.804-5).

responsibilities. It requires close coordination among the contracting office, program office, finance office, and the contractor. Contracting Officers (COs) oversee the entire contract closeout process and must ensure that required administrative actions have been completed before a contract is closed. Contracting Officers' Representatives (CORs) assist the CO with various tasks, including technical oversight. At the end of the contract lifecycle, the CO must follow and ensure that applicable administrative closeout requirements are met.

The complexity of the contract closeout process depends on the contract type and dollar value. For example, contracts that do not exceed the simplified acquisition threshold⁴ follow simplified closeout procedures and require fewer closeout actions than fixed-price contracts,⁵ which follow standard closeout procedures, or cost-reimbursement contracts,⁶ which follow both standard and cost-reimbursement-specific closeout procedures.

CMS's Contract Closeout Responsibilities

The Office of Acquisition and Grants Management (OAGM) is responsible for managing contract activities of CMS programs and includes COs, Contract Specialists, Program Managers, and CORs, among others. Key responsibilities of these contract staff members include acquisition planning, contract award and administration, oversight and compliance, policy implementation, training, and contract closeout. Within OAGM, the Division of Financial Services (DFS) is ultimately responsible for contract closeout.

CMS's Backlog of Contracts Overdue for Closeout

A backlog of contracts overdue for closeout has been a long-standing challenge for CMS. In 2007 and 2009, the Government Accountability Office (GAO) identified a large and growing backlog of contracts overdue for closeout at CMS.⁷ In 2015, the OIG found that CMS's backlog

⁴ The simplified acquisition threshold (SAT) is the maximum dollar amount at or below the amount that government agencies can make purchases using simplified acquisition procedures. Simplified acquisition procedures are designed to streamline and expedite the acquisition process for relatively low-dollar-value procurements. During the audit period, the SAT increased from \$150,000 to \$250,000.

⁵ A fixed-price contract establishes a firm price for goods or services to be provided. This means that the agreed price remains constant, regardless of the contractor's actual costs or resources required to perform the work.

⁶ A cost-reimbursement contract is a contract under which a contractor is reimbursed for allowable costs incurred during the performance of the contract.

⁷ GAO, [Internal Control Deficiencies Resulted in Millions of Dollars of Questionable Contract Payments \(GAO-08-54\)](#), November 2007, and [Deficiencies in Contract Management Internal Control Are Pervasive \(GAO-10-60\)](#), October 2009. Accessed Oct. 6, 2025.

of contracts overdue for closeout had grown to more than 6,000 and were worth \$25 billion.⁸ In 2017, GAO again identified issues with CMS's backlog.⁹

Federal and CMS Requirements

The Federal Acquisition Regulation (FAR) is the primary regulation that all executive branch agencies must follow when acquiring goods and services.¹⁰ It establishes the administrative requirements, including time standards, for closing contract files.^{11, 12} Federal agencies are required to begin the closeout process once a contract is physically completed.¹³ A contract is physically completed when the contract has ended, and the contractor has satisfactorily provided the delivered goods or services.¹⁴

The HHS Contract Closeout Directive (HHSCCD) prescribes the procedures that HHS agencies must use for closing contracts in accordance with the FAR.¹⁵ OAGM's Contract Closeout Guidance implements the requirements of the HHSCCD and provides supplemental procedures for administrative contract closeout activities.

Appendix B contains the Federal requirements referenced in this report.

HOW WE CONDUCTED THIS AUDIT

Our audit covered CMS's administrative closeout activities for contracts eligible for closeout between October 1, 2018, and September 30, 2023 (audit period). This included 1,757 closed contracts totaling \$19.7 billion and 154 contracts overdue for closeout totaling \$5.2 billion.

⁸ OIG, *CMS Has Not Performed Required Closeout of Contracts Worth Billions* ([OEI-03-12-00680](#)), Dec. 2, 2015.

⁹ GAO, *Additional Management Attention and Action Needed to Close Contracts and Reduce Audit Backlog* ([GAO-17-738](#)), September 2017. Accessed on Oct. 6, 2025.

¹⁰ 48 CFR § 1.101.

¹¹ 48 CFR § 4.804-5.

¹² Except for contracts awarded under the simplified acquisition procedures, closeout time standards range from 6 months for fixed-price contracts to 36 months for cost-reimbursement contracts (48 CFR § 4.804-1).

¹³ 48 CFR § 4.804-5(a).

¹⁴ 48 CFR § 4.804-4(a).

¹⁵ HHSCCD, Chapter 1 § A.

Contracts “eligible for closeout” means contracts with end dates between October 1, 2015, and September 30, 2020.¹⁶

We reviewed a non-statistical sample of 50 contracts totaling \$11.2 billion composed of the top 25 (by contract award amount) closed contracts totaling \$7 billion, and the top 25 (by contract award amount) contracts overdue for closeout totaling \$4.2 billion. These 50 selected contracts included 45 cost-reimbursable contracts, 3 fixed-price contracts, 1 time-and-materials contract, and 1 labor-hour contract.¹⁷

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A describes our audit scope and methodology.

FINDINGS

CMS did not close selected contracts in accordance with Federal regulations and HHS policies and procedures (administrative closeout requirements).¹⁸ For the 25 closed and 25 contracts overdue for closeout we selected for review totaling \$11.2 billion, CMS did not meet one or more administrative closeout requirements.¹⁹ At the conclusion of our audit, 12 of the contracts totaling \$2.1 billion remained overdue for closeout.

CMS did not close contracts in accordance with administrative closeout requirements because it did not follow Federal requirements, which CMS attributed to several factors, including unclear roles and responsibilities for closeout and staff turnover.

By not complying with administrative closeout requirements, CMS put \$11.2 billion of

¹⁶ Because the closeout timeframes in our sample range from 6 months to 36 months, we used a contract end date of Sept. 30, 2020, or earlier to allow for an adequate amount of time for the contract closeout to have occurred.

¹⁷ A time-and-materials contract provides for acquiring supplies or services based on direct labor hours at specified fixed rates that include wages, overhead, general and administrative expenses, profit, and actual cost for materials without any fees. A labor-hour contract is a variation of the time-and-materials contract, differing only in that materials are not supplied by the contractor. In general, the HHSCCD applies cost reimbursement administrative closeout requirements to these contracts.

¹⁸ Throughout this audit report, we refer to “Federal regulations and HHS policies and procedures” as administrative closeout requirements.

¹⁹ Of the 25 contracts overdue for closeout, 13 were closed after we began our audit.

contract funds at risk of fraud, waste, and abuse. In addition, had CMS performed contract funds reviews as required, it could have potentially redirected funds, totaling \$438.6 million, to other project needs or returned those funds to the U.S. Treasury.

CMS DID NOT CLOSE CONTRACTS IN ACCORDANCE WITH ADMINISTRATIVE CLOSEOUT REQUIREMENTS

For the 50 contracts in our sample, CMS did not meet one or more administrative closeout requirements, including the following: (1) obtaining a signed COR certification; (2) performing a contract funds review and deobligating any excess funding; (3) ensuring prior year indirect cost rates were settled; (4) obtaining contractors' completion invoices; (5) obtaining contractors' closing statements; and (6) conducting desk reviews or ensuring contract closeout audits were performed.²⁰

Appendix C provides the total number of sampled contracts that did not meet administrative closeout requirements.

CMS Did Not Meet COR Certification Requirements

The HHSCCD requires that CMS document physical contract completion by obtaining a written certification signed by the COR attesting that all property or services were received, were technically acceptable and were in accordance with the contract terms and conditions. The CO must obtain the COR certification within 29 or 44 days after the contract's end date, depending on whether the contract falls under simplified or standard closeout procedures.²¹

CMS did not meet the COR certification requirements for all 50 sampled contracts we reviewed. Specifically:

- For 25 contracts, CMS provided COR certifications with signature dates that were late. These certifications were between 112 days and 7 years past the COR certification time requirement.
- For 22 contracts, the COR did not certify physical contract completion.²² These certifications were between 3 years and 8 years past the COR certification time requirement.

²⁰ The administrative closeout requirements are not uniformly applicable to all contract types. Instead, their applicability depends on the specific terms, type, and complexity of the individual contract.

²¹ HHSCCD, chapter 3 §§ A.1 and B.1.

²² For these 22 contracts, either the CO or the DFS Director certified contract completion. CMS officials said that when the COR was not available, they used "other means," such as having the CO certify physical contract completion. CMS asserted the CO was an authorized official.

- For 3 contracts, CMS confirmed there were no signed COR certifications. These certifications were overdue by 4 years to 7 years.

When the CO does not obtain timely COR certifications, delays can occur in the contract closeout process. Also, CMS increased the risk that it paid for goods or services that were not received or did not meet contract specifications because the COR was responsible for inspecting, testing, and accepting all good and services provided by the contractor.

CMS Did Not Timely or Always Complete Contract Funds Reviews and Deobligate Excess Funds

The HHSCCD requires that the CO review contracts to identify and remove funds in excess of those that will likely be needed for final payment, referred to as a contract funds review.^{23, 24} COs are to perform contract funds reviews within 30 days after a contract's physical completion. In addition, COs should compare expenditures on physically completed contracts against funded amounts to determine whether deobligating excess funds is feasible.²⁵

CMS did not meet the HHSCCD requirements for the 47 contracts in our sample requiring contract funds reviews. Specifically:

- For 29 contracts, the CO did not conduct a timely contract funds review. These funds reviews were between 84 days and 7 years beyond the 30-day funds review requirement.
- For 18 contracts, CMS confirmed that the CO had not yet performed a contract funds review.

For our sampled contracts, if CMS had performed timely contract funds reviews after physical contract completion, it could have potentially deobligated \$438.6 million, redirected this to other project needs, or returned those funds to the U.S. Treasury.

²³ HHSCCD, chapter 3 § C.5.

²⁴ For some contracts, such as fixed-price contracts under the General Services Administration (GSA) Federal Supply Schedule (FSS) program, the HHSCCD does not require COs to complete a funds review. The GSA FSS program streamlines the procurement process for Federal agencies by pre-negotiating terms and conditions with commercial vendors.

²⁵ For example, the CO should compare expenditures on physically completed contracts (using payment logs, payment listings from the finance office, or other means) against their face value to determine whether deobligating excess funds is feasible.

CMS Did Not Meet Indirect Cost Rate Requirements

The HHSCCD requires that the CO ensure that final indirect cost rates are established for all performance periods for a cost-reimbursement contract.^{26, 27}

Of the 38 contracts in our sample that required the CO to ensure that prior year indirect cost rates were settled, CMS met this requirement for 28 contracts. For the remaining 10 contracts, CMS did not ensure that final indirect cost rates were established for all periods of the contract. Specifically:

- For six contracts, CMS used contract modifications signed by both parties agreeing to the provisional indirect costs instead of ensuring that prior year indirect cost rates were settled.
- For four contracts, CMS stated that this administrative requirement was not met because the final indirect cost rates were never established. However, CMS did not provide documentation supporting its statement.

Without final rates, the government may have unknowingly overpaid or underpaid the contractor for indirect costs.

CMS Did Not Always Obtain Contractors' Completion Invoices

The HHSCCD requires the CO to obtain a completion invoice before closing contracts other than fixed-price contracts.²⁸ The completion invoice is the last invoice submitted on a contract or task order after it has ended. It must include all settled amounts, such as those based on final indirect cost rate agreements. Unless the CO approves an extension in writing, the contractor must submit a completion invoice within 120 days after final annual indirect cost rates are established.

When the contractor fails to submit the required completion invoice and either has not been granted an extension by the CO or has missed the extended deadline, the CO must pursue the following remedies as appropriate and unilaterally determine final costs:

- Document the issue in the contractor's past performance assessment as a non-contractual remedy

²⁶ HHSCCD, chapter 3 § C.2.

²⁷ In each Federal Department, a single Federal agency is responsible for establishing final indirect cost rates for an organization through audits of final indirect cost rate proposals and negotiations with the organization. Once final rates are agreed on, the contractor adjusts previously billed indirect costs and submits a completion invoice reflecting the settled amounts and rates.

²⁸ HHSCCD, chapter 3, § C.4.

- Disallow any unpaid costs or recover previously paid costs if they cannot be supported
- Request an audit from the cognizant audit agency to determine allowable costs
- Retain any applicable fee withholdings

The HHSCCD requires that the CO also take the following steps to pursue a unilateral determination of final contract costs:

- Coordinate with the Office of General Counsel (OGC) and other advisors, as appropriate
- Determine total allowable costs using available audits of the contractor's final indirect cost rate proposals, if available
- Determine total payments made to the contractor using official contract and financial records
- Issue a certified final letter to the contractor notifying them of the government's intent to unilaterally determine final contract costs
- Calculate the final contract cost based on the information available, including allowable costs and payments

Of the 39 contracts in our sample requiring completion invoices, CMS obtained completion invoices for 25 contracts.²⁹ For the remaining 14 contracts, CMS did not obtain completion invoices. Specifically:

- For six contracts, CMS substituted the completion invoice with contract modifications signed by both parties, but the invoice did not reflect settled amounts.
- For five contracts, CMS provided the following:
 - For four contracts, CMS officials said this requirement was pending settlement of finalized indirect cost rates but provided no documentation supporting their statement.
 - For one contract, CMS officials stated the invoice was not due yet because the contractor was awaiting final subcontractor costs.

²⁹ For seven of these sampled contracts, CMS did not obtain the completion invoice within 120 days after the final annual indirect cost rates were established. CMS received the invoices after the start of our audit. These invoices were between 130 days and 347 days overdue.

- For three contracts, CMS officials stated that the contractor failed to submit a completion invoice on time and CMS unilaterally closed the contract; however, the CO did not meet all HHSCCD requirements for unilaterally closing the contract nor did CMS pursue any of the remedies outlined in the HHSCCD.³⁰

When completion invoices are not submitted and CMS closes the contract, final cost settlement may not occur. As a result, recovery of potential overpayments, including potential unallowable costs, becomes more difficult or impossible.

CMS Did Not Always Obtain Contractors' Closing Statements

The HHSCCD requires that COs obtain signed contractors' closing statements releasing the Government from all liabilities, obligations, claims, or demands.^{31, 32} To meet this requirement, the CO must provide the contractor a release form using an approved template included in the HHSCCD and have the contractor complete, certify, and return the form.

Of the 41 contracts in our sample requiring signed closing statements, CMS obtained closing statements for 24 contracts.³³ For the remaining 17 contracts, CMS did not obtain closing statements. Specifically:

- For seven contracts, CMS confirmed that it did not meet the requirement and provided the following explanations:
 - Four contracts were pending settlement of finalized indirect cost rates, but officials provided no documentation supporting their statement.
 - The closing statements for one contract was not yet due because the indirect cost rates hadn't been finalized.
 - CMS officials stated that this closeout action was in process for one contract.
 - For one contract, CMS was taking steps to unilaterally close the contract.

³⁰ All three contracts were associated with the same contractor.

³¹ HHSCCD, chapter 3 § B.11.

³² The HHSCCD does not require signed contractors' closing statement for certain contract types such as fixed-price contracts equal to or less than the SAT.

³³ For seven of these sampled contracts, CMS did not obtain closing statements until after the start of our audit.

- For six contracts, CMS used contract modifications instead of the contractors' closing statements.³⁴
- For three contracts, CMS officials said that the contractor failed to submit a closing statement, resulting in CMS unilaterally closing the contract.
- For one contract, CMS officials asserted that the requirement was not applicable but provided no documentation supporting their statement.

Without contractors' closing statements, CMS is not fully protected from potential future claims and legal issues that may arise.

CMS Did Not Conduct Desk Reviews or Ensure Contract Closeout Audits Were Performed

The HHSCCD requires that the CO perform a desk review or request that the cognizant audit agency perform a contract closeout audit before closeout.^{35, 36, 37} The HHSCCD also states that a desk review requires the CO to analyze costs billed to the contract for allowability using an electronic spreadsheet that: (1) tracks all invoices and payments by cost category, (2) factors in final indirect cost rates and payments made to the contractor based on the provisional rates claimed during the entire period of the contract, (3) ensures that employee salaries did not exceed the HHS salary cap, (4) compares contract funding to actual expenditures for each performance period and identifies any differences, and (5) determines whether either party owes money.

Although desk reviews are typically sufficient, a contract closeout audit may be required if deemed necessary or if the CO suspects misrepresentation or fraud. A contract closeout audit requires the cognizant audit agency to review costs billed to the contract for allowability and reasonableness.

Of the 39 contracts in our sample requiring that the CO conduct either a desk review or ensure a contract audit was performed, CMS met the requirement for 2 contracts. For the remaining

³⁴ These bilateral modifications included similar language from the approved template included in the HHSCCD; however, it did not include all standardized language used in the contractor's release of claims or the exact amount to be released.

³⁵ HHSCCD, chapter 3 § C.3.

³⁶ The cognizant audit agency is the federal agency designated to carry out audit responsibilities for a specific contractor.

³⁷ The HHSCCD does not require COs to conduct desk reviews or ensure that contract audits are performed for certain contract types, such as Governmentwide Acquisition Contracts (GWAC), for commercial items equal to or less than \$7.5 million. GWAC is a task-order or deliver-order contract for information technology established by one agency for government-wide use. Commercial items include various goods and services that are commonly bought and sold to the public.

37 contracts, CMS officials said that they met all elements of the desk review but were unable to provide evidence to support that statement. CMS provided documents such as audit reports of final incurred cost proposals, finalized indirect cost rate agreements, and statements that desk reviews were conducted. However, these documents alone do not support that the CO performed a desk review satisfying the requirements in the HHSCCD.

Without performing a desk review or ensuring that a contract closeout audit was performed, CMS was unable to prepare a final determination of those costs considered to be allowable, allocable, and reasonable or know whether a contract price revision was applicable.

CMS DID NOT FOLLOW FEDERAL REQUIREMENTS FOR CLOSING CONTRACTS

CMS did not follow Federal requirements for closing the 50 contracts we sampled. Although 38 of the 50 contracts we reviewed were closed, CMS officials acknowledged that our audit period was during a time when they used alternative procedures to address a backlog of contracts eligible for closeout. CMS officials said that the organization experienced staff turnover during this period, that roles and responsibilities for closeout were not clearly defined, and that it did not monitor staff compliance with closeout requirements.

CMS officials said that one barrier to timely contract closeout was the settlement of final indirect cost rates because CMS is reliant on other agencies to negotiate and establish these rates. CMS officials also attributed its backlog to resource constraints and to limitations of both its contract management system and its financial accounting system.

CMS PUT CONTRACT FUNDS AT RISK FOR FRAUD, WASTE, AND ABUSE

By not complying with administrative closeout requirements, CMS put \$11.2 billion of contract funds at risk of fraud, waste, and abuse. In addition, had CMS performed timely contract funds reviews as required, it could have potentially redirected funds—totaling \$438.6 million—to other projects or returned those funds to the U.S. Treasury. Closing completed contracts within required time frames is a key step in the contracting process and can help limit the government’s exposure to certain financial risks by identifying and recovering improper payments.

RECOMMENDATIONS

We recommend that the Centers for Medicare & Medicaid Services:

- Complete the administrative closeout requirements for the 12 contracts, totaling \$2.1 billion, that remain overdue for closeout
- Develop policies and procedures that clearly define documentation requirements, roles and responsibilities, and alternative procedures used so that contracts are closed timely

OTHER MATTERS

CMS has taken the following actions since 2017 to further mitigate the backlog of contract closeouts and risk of future backlogs:

- Between 2017 and 2018, CMS updated its contract system with a tool that creates standardized reports for monitoring and tracking contract closeout actions and implemented an interface between the contract management system and the contract payments systems.³⁸
- In 2019, CMS began coordinating audit functions with the National Institutes of Health's Division of Financial Advisory Services (DFAS), such as audits of contractor's final indirect cost rate proposals.³⁹
- Between 2020 and 2022, CMS implemented electronic invoice processing, data validation, and edit-check features to ensure proper payment controls and improve data accuracy and enhanced its contract payment system to better track deliverables, funds, and payments.
- In 2022, CMS awarded \$1.4 million to an external contractor for support of OAGM's contract closeout workload.
- In 2023, CMS updated its closeout capabilities to include automatic and simultaneous contract closeout in its systems. CMS also established a process to perform recurring contract funds reviews to reduce the risk of having dormant or idle funds at risk of cancelling and to enable prompt administrative contract closeout within the time frames established in FAR 4.804-1. In addition, CMS centralized responsibility for contract closeout functions into a single division within OAGM.

CMS COMMENTS AND OIG RESPONSE

CMS COMMENTS

In written comments on our draft report, CMS concurred with both recommendations and described actions it has taken or plans to take to address our findings and recommendations. With respect to our first recommendation to close the remaining 12 contracts overdue for closeout, CMS stated that it had closed 1 contract, could not close 7 contracts because of ongoing litigation, and expects to close the remaining 4 contracts by March 31, 2026. With

³⁸ According to CMS officials, this integration streamlines the acquisition and financial management processes by allowing real-time validations, immediate recording of obligations, and the automated release of award documents.

³⁹ DFAS is responsible for negotiating and establishing final indirect cost rates for for-profit organizations that receive most of their Federal awards from HHS.

respect to our second recommendation, CMS stated it was collaborating with HHS to further improve its policies and procedures. In addition to its concurrence with our recommendations, CMS provided comments on our audit findings.

CMS acknowledged that it faced challenges closing out contracts within the time frames set by federal regulations. To offset these challenges, CMS stated it took action related to the contracts included in our sample and cited two examples: one related to 47 sampled contracts and another related to 39 sampled contracts. CMS also reiterated actions (detailed in the Other Matters section of this report) it had taken to improve its contract closeout process. According to CMS, these efforts have contributed to a 90 percent reduction in its contract closeout backlog as of September 2025.

However, CMS stated that while OIG's findings highlight important areas for improvement, our report may overstate the risk of fraud, waste, and abuse during the review period. Specifically, CMS stated that OIG's assertion that it put \$11.2 billion at risk does not consider its robust oversight framework that evaluates contractor spending throughout the contract lifecycle, or the limited financial risk associated with fixed-price contract arrangements. In addition, CMS stated that OIG's nonstatistical sampling approach does not reflect current contract closeout performance due to the focus on older contracts and the lack of consideration given to CMS's oversight throughout the contract lifecycle.

OIG RESPONSE

We commend CMS's efforts to improve its contract closeout process and appreciate its response and planned corrective actions. We agree with CMS that the seven contracts under litigation cannot be closed until all contractor claims are resolved.⁴⁰ With respect to CMS's claim of achieving a more than 90 percent reduction in its backlog as of September 2025, this timeframe falls outside the scope of our audit, and CMS did not provide documentation to support this assertion.

Regarding CMS's concern that we did not consider the impact of its oversight throughout the contract lifecycle, we note that our audit approach was designed to examine the contract closeout process, which we communicated to CMS at the start of the audit. Many of the risk mitigation activities referenced in CMS's comments were outside the scope of our audit.

While CMS emphasized its efforts to improve contract closeout and cited various challenges, we assessed CMS's compliance based on the administrative closeout requirements outlined in the HHSCCD. Despite CMS's assertion that it met these requirements, our audit concluded that it did not.

⁴⁰ The seven contracts under litigation were included in our sample because CMS could have met certain administrative closeout requirements (e.g., obtaining timely COR certifications). Administrative closeout requirements that CMS could not reasonably fulfill due to ongoing litigation were excluded from our findings.

- For the 47 contracts in our sample that CMS claimed had documentation of physical completion signed by either the COR or other authorized individual, none met the COR certification requirements for being timely. While CMS believed that a CO or DFS Director certification was sufficient to satisfy this closeout requirement, this does not comply with the requirements outlined in the HHSCCD. As a result, there is an increased risk that CMS paid for goods or services that were either not received or did not meet contract specifications.
- For 39 contracts in our sample, CMS stated that it met all HHSCCD desk review requirements by relying on incurred cost audit reports. As CMS noted in its comments, these audits are primarily used to negotiate and finalize indirect cost rates. During our audit, CMS provided documents such as audit reports of final incurred cost proposals, finalized indirect cost rate agreements, and statements asserting that desk reviews were conducted. However, these documents do not demonstrate that CMS completed the specific desk review steps required in the HHSCCD.

In response to CMS's comments that our nonstatistical sample did not provide a complete picture of how it manages contract closeouts across its diverse portfolio, we note that our sample was specifically designed to assess compliance with closeout requirements for high-value contracts, both closed and overdue for closeout. As stated in our report, the sample included 45 cost-reimbursement contracts, 3 fixed-price contracts, 1 time-and-materials contract, and 1 labor-hour contract. This approach afforded CMS an opportunity to demonstrate that it had closed some contracts in accordance with administrative closeout requirements. However, none of the 50 contracts in our sample met those requirements. For example, two contracts were subject to simplified closeout procedures, and two fixed-price contracts were subject only to standard closeout procedures, both of which are less complex than the requirements for cost-reimbursement contracts. Despite the reduced complexity, CMS still did not meet applicable administrative closeout requirements. These results demonstrate that the issues identified were not limited to complex contracts but reflect broader noncompliance across all contract types.

CMS also provided technical comments, which we incorporated as appropriate. CMS's comments, excluding the technical comments, are included as Appendix D.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit covered CMS's administrative closeout activities for eligible contracts between October 1, 2018, and September 30, 2023. This included 1,757 closed contracts totaling \$19.7 billion and 154 contracts overdue for closeout totaling \$5.2 billion with contract end dates between October 1, 2015, and September 30, 2020.

We reviewed a non-statistical sample of 50 contracts totaling \$11.2 billion composed of the top 25 (by contract award amount) closed contracts totaling \$7 billion, and the top 25 (by contract award amount) contracts overdue for closeout totaling \$4.2 billion. We reviewed these 50 contracts for compliance with the FAR and HHSCCD.

We did not assess CMS's overall internal controls. Rather, we limited our review of internal controls to those applicable to our audit objective. Specifically, we assessed the policies, procedures, and practices applicable to CMS's contract closeout process during our audit period.

METHODOLOGY

To accomplish our audit objective, we took the following steps:

- reviewed applicable Federal regulations and HHS policies and procedures;
- reviewed CMS's contract policies and procedures related to contract administration and contract closeout;
- reviewed the USAspending.gov contract data and compared it to contract data sets provided by CMS for completeness;
- created a sampling frame of contracts eligible for closeout between October 1, 2018, and September 30, 2023, which included 1,757 closed contracts totaling \$19.7 billion and 154 contracts overdue for closeout totaling \$5.2 billion;
- selected for review a non-statistical sample of 50 contracts totaling \$11.2 billion, from the sampling frame, which included the top 25 closed contracts (by contract award amount) and the top 25 contracts overdue for closeout (by contract award amount);
- reviewed CMS's contract documents, including contract awards, modifications, COR certifications, contractor completion invoices and closing statements, and payments for the 50 selected contracts;

- interviewed CMS officials responsible for contract closeout activities; and
- discussed the results of our audit with CMS officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: FEDERAL REQUIREMENTS

48 CFR § 4.804-5(a)

The contract administration office is responsible for initiating (automated or manual) administrative closeout of the contract after receiving evidence of its physical completion When complete, the administrative closeout procedures must ensure that –

- (1) Prior year indirect cost rates are settled;
- (2) Contract audit is completed;
- (3) Contractor’s closing statement is completed;
- (4) Contractor’s final invoice has been submitted; and
- (5) Contract funds review is completed and excess funds deobligated.

HHS Contract Closeout Directive

Chapter 3 § A.1.

The CO must send a request for evidence of completion of delivery of property or services to the COR or other individual authorized to receive property/services within 15 calendar days after the last date in the award’s delivery schedule or performance period completion date.

Within 14 calendar days of the CO request, the COR (or other authorized individual) must provide to the CO a statement in writing (e-mail is sufficient, unless otherwise specified) that all property or services have been received, are technically acceptable, and are in accordance with an order’s terms and conditions.

Chapter 3 § B.1.

The CO must send a request for “Contracting Officer’s Representative Certification of Contract Completion” --using the template provided as Attachment 2--to the COR (or other individual authorized to receive property/services) within 30 calendar days after the last date in the award’s delivery schedule or the performance period completion date.

The COR (or other individual authorized to receive property/services) must provide to the CO a statement in writing (e-mail is sufficient, unless otherwise

specified) that all property or services have been received, are technically acceptable, and are in accordance with the contract's terms and conditions. The COR must provide the requested information within 14 calendar days after receipt of the CO request.

Chapter 3 § B.11.

As part of the "Contracting Officer's Completion/Expiration Letter" (see Paragraph B.4), the CO must request that the contractor provide, at the time a final invoice or completion invoice is submitted, a contractor's release of claims, which serves as the contractor's closing statement. See Attachment 3, Enclosure 2, "Contractor's Release of Claims and/or Assignment of Refunds, Rebates, Credits, and Other Amounts," for the release template. The release provides, with certain specified exceptions noted therein, that the contractor will not submit further claims once the Government has made final payment. Accordingly, the CO must ensure that the Government and the contractor resolve all open financial issues, such as change orders, claims, and liquidated damages, prior to the contractor's execution of its release.

Chapter 3, § C.1.

If the CO prepares a desk review, it must be in the form of an electronic spreadsheet which tracks all payments made to the contractor for such cost categories as direct labor, fringe benefits, materials and supplies, travel, other direct costs, and indirect costs. The CO's desk review must compare and summarize contract funding for each period (or year) of performance against the contractor's actual expenditures and indicate any differences.

The CO must advise the contractor by letter of the total allowable costs, amount paid by the Government, all cost suspensions, and any amounts due to the contractor or the Governments.

Chapter 3, § C.2.

The CO must ensure that final indirect cost rates are established for all performance periods (or years) of the contract.

Chapter 3 § C.3.

Prior to final payment under a contract, the CO must perform a desk review or request that the cognizant audit agency perform an audit. Normally, a desk review is sufficient for T&M and L-H contracts.

(b) Contracting Officers shall request contract closeout audit on physically completed, cost-reimbursement, contracts with for-profit organization in accordance with the following:

- (1) The OIG and the Associate Deputy Assistant Secretary (DAS) for Acquisition, in conjunction with the OPDIV's cost advisory/audit focal point, determine which contracts or contractors will be audited, which audit agency will perform the audit, and the type and scope of closeout audit to be performed. These decisions are based on the needs of the customer, risk analysis, return on investment, and the availability of audit resources. When an audit is warranted prior to closing a contract, the Contracting Officer shall submit the audit request to the OIG's Office of Audit Services, through the OPDIV's cost advisory/audit focal point.
- (2) Except where a Contracting Officer suspects misrepresentation or fraud, the Contracting Officer shall not request contract closeout field audits, if the cost of performance is likely to exceed the potential cost recovery. Contracting Officers may close contracts that are not selected for a field audit on the basis of a desk review, subject to any later on-site audit findings. In those situations, the release executed by the contractor shall contain the following statement: "The Contractor agrees, pursuant to the clause in this contract entitled "Allowable Cost" or "Allowable Cost and Fixed Fee," as appropriate, that it will refund to the Government the amount of any sustained audit exceptions resulting from any audit made after final payment."

[T]he CO normally will perform a desk review and factor in the results of the applicable indirect cost rates that are established by the cognizant agency and the payments made to the contractor as a result of invoices submitted during the entire period of the contract.

In performing a desk review, the CO must ensure that the contractor's employees did not exceed the salary rate limitation, if applicable, provided in the salary rate limitation clause in HHSAR 352.231-70 and AMP -2012-03. The results of the desk review must indicate whether contract funding and actual expenditures match or whether the contractor owes the Government money or vice-versa.

The CO must perform a desk review, including a review of the contractor's invoices, using an electronic spreadsheet and substantiating materials, or request that the cognizant audit agency conduct an audit If the CO performs a desk review, it should contain an analysis of the cost categories . . . as well as general and administrative expense and fee.

Typically, in planning for an audit regardless of how or where it is performed, an auditor will obtain supporting documentation from the contractor of costs incurred, such as labor distribution worksheets, timesheets, and invoices from subcontractors for equipment purchases, for verification. Also, the audit agency will review cost billed for allowability and reasonableness.

Chapter 3 § C.4.

The completion invoice is the last invoice to be submitted on a contract or task order. A separate completion invoice will be submitted for each individual project or task order for which a separate series of public invoices has been submitted.

Once final annual indirect cost rates are settled for all years of a physically completed CR contract (see Paragraph C.2.), the contractor must submit a completion invoice reflecting the settled amounts and rates within 120 days (or longer, if approved in writing by the CO).

If the contractor fails to submit a completion invoice within the specified time period, the CO must take the following actions:

- In situations where indirect cost rates have been settled, and the contractor has failed to adhere to the completion invoice submission requirements of FAR 52.216-7(d)(5), Allowable Cost and Payment, the CO must research and determine the reason. At times, the contractor may not be able to submit a completion invoice because it is awaiting final subcontractor costs.
- The CO must require that the contractor provide an explanation and a schedule for submitting its completion invoice. If the parties are able to agree on an acceptable schedule, the CO may extend the timeframe for submission.
- When the contractor fails to submit its completion invoice and has not received an extension from the CO or the extension period has expired, the CO must pursue the following remedies, as appropriate:
 - Invoke non-contractual remedies, such as inclusion of relevant comments in the contractor's past performance assessment.
 - Disallow unpaid costs or attempt to recoup previously paid costs.

- Request that the cognizant audit agency perform an appropriate audit.
- Maintain fee withholdings.
- The CO must pursue a unilateral determination of final contract cost when the contractor is non-responsive or has not provided a reasonable explanation for not submitting a completion invoice. See FAR 42.705. This CO determination must be issued as a final decision in accordance with FAR 33.211. In such situations, the CO must—
 - coordinate with OGC and other advisors, as appropriate;
 - determine the total allowable cost in accordance with the audit of indirect cost rates, if available;
 - determine the total previous payments made to the contractor according to finance records and official contract records/invoices;
 - issue a certified final letter to the contractor, which will serve as a notice of intent to unilaterally determine the final contract cost; and
 - calculate the final contract cost, as follows:
- If the CO determines that the contractor has been underpaid, indicate the amount due in the unilateral determination modification.
- If overpayment has occurred, request a refund from the contractor. If the contractor does not provide the refund within 30 days from the date of the request for the refund, forward the information to the OPDIV finance office for collection as a debt.
- If it is determined that excess funds remain on the contract (after deducting any amount due the contractor), deobligate the excess amount by means of a unilateral determination modification.
- Verify that the unliquidated balance equals \$0.

Chapter 3, § C.5.

[T]he CO must review contracts to identify and remove funds in excess of those that will likely be needed for final payment within 30 days after a contract's physical completion. For example, the CO should compare expenditures on physically completed contracts (using payment logs, payment listings from the

finance office, or other means) against their face value to determine whether deobligating excess funds is feasible.

If there are excess funds remaining on a contract, the CO, working with the contractor, must estimate the total Government monetary liability under the contract.

**APPENDIX C: TOTAL CONTRACTS ERRORS BY ADMINISTRATIVE CLOSEOUT REQUIREMENT
FOR THE 50 NON-STATISTICAL SAMPLED CONTRACTS**

Administrative Closeout Requirement	CFR Citation	HHSCCD Citation	Number Of Contracts With Errors
CO receives evidence of completion of delivery of property or services	4.804-4(a)(1)	Chapter 3, §§ A.1 and B.1	50
CO receives evidence of final payment	4.804-1(a)(1)	Chapter 3 §§ A.2 and B.2	18
Plant clearance report is received	4.804-5(a)(5)	Chapter 3 § B.6	3
All interim or disallowed costs are settled	4.804-5(a)(7)	Chapter 3 § C.1	37
Price revision is completed	4.804-5(a)(8)	Chapter 3 § B.8	37
Subcontracts are settled by the prime contractor	4.804-5(a)(9)	Chapter 3 § B.9	37
Prior-year indirect cost rates are settled	4.804-5(a)(10)	Chapter 3 § C.2	10
Contract audit is completed	4.804-5(a)(12)	Chapter 3 § C.3	37
Contractor's closing statement is completed	4.804-5(a)(13)	Chapter 3 § B.11	24
Contractor's completion invoice has been submitted	4.804-5(a)(14)	Chapter 3 § C.4	21
Contract funds review is completed, and excess funds are deobligated	4.804-5(a)(15)	Chapter 3 § C.5	47
Contract completion statement	4.804-5(b)	Chapter 3 § B.12	22



APPENDIX D: CMS COMMENTS


DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

DATE: October 1, 2025

TO: Carla J. Lewis
Acting Deputy Inspector General for Audit Services

FROM: Dr. Mehmet Oz 
Administrator

SUBJECT: Office of Inspector General (OIG) Draft Report: CMS Put \$11.2 Billion at Risk of Fraud, Waste, and Abuse by Not Properly Closing Contracts (A-04-24-02048)

The Centers for Medicare & Medicaid Services (CMS) appreciates the opportunity to review and comment on the Office of Inspector General's (OIG) draft report. CMS is committed to effective contract management, including proper closeout procedures, to ensure CMS programs are administered efficiently.

CMS acknowledges the importance of proper contract closeout procedures in safeguarding federal funds and preventing fraud, waste, and abuse. However, OIG's assertion that CMS put \$11.2 billion at risk does not consider the extent of CMS oversight of funds expended under cost reimbursable and other flexibly priced contracts throughout the contract lifecycle, nor the limited financial risk associated with fixed price contract arrangements. The \$11.2 billion is the value of the contracts reviewed by OIG, not the dollars at risk after applying CMS risk mitigation practices. CMS has a robust oversight framework that evaluates contractor spending throughout the lifecycle of each flexibly priced contract to ensure all costs are allowable and reasonable. This oversight is accomplished through a multi-level invoice approval process, annual incurred cost audits that determine cumulative allowable costs for each contract, and periodic audits of the contractor's accounting practices and billing systems. Applicable to contracts with fixed pricing arrangements, the contractor is responsible for managing all costs within the agreed-upon price, eliminating the need for extensive cost verification after contract performance is completed.

CMS acknowledges that during the period of OIG's review CMS faced some challenges closing out contracts within time frames set by federal regulations, including system limitations, a backlog of contracts to close out, and insufficient staff resources. To offset these challenges, CMS took extensive actions to close contracts in accordance with the Federal Acquisition Regulation (FAR), Health & Human Services (HHS) Acquisition Regulation (HHSAR), and HHS Contract Closeout Directive (HHSCCD), where possible. For example, for 47 of the 50 contracts in OIG's sample, CMS had a signed memo, by the Contracting Officer's Representative (COR) or other authorized individual, documenting physical contract completion. For the 39 applicable contracts in OIG's sample, CMS performed all elements of the HHSCCD desk review requirements using incurred cost audit reports conducted by an independent auditing entity or cognizant audit agency. Incurred cost audits examine a contractor's incurred and billed direct and indirect costs to assess allowability and reasonableness. The results are used to

negotiate and finalize indirect cost rates, establish total allowable direct and indirect costs, and determine final contract prices for contract administration and closeout. In cases where certain administrative requirements could not be met due to unforeseen circumstances, CMS documented final determinations made. It should be noted that the cost audits did not show indications of fraud, waste and abuse, or call into question contractor approved accounting systems.

Additionally, OIG's sample does not provide a complete picture of how CMS manages contract closeouts across its diverse contract portfolio, especially considering recent improvements to the CMS contract closeout process. The OIG used a non-statistical sampling approach to select 50 contracts totaling \$11.2 billion that ended between 2015 and 2020, focusing on the top 25 highest-valued closed contracts and the top 25 highest-valued contracts overdue for closeout. This focused approach resulted in a review that concentrated primarily on CMS's backlog of older, more complex cost-reimbursement contracts, many of which were awarded 10-20 years ago. The maturity of CMS systems at the time of the sample and lack of dedicated staff to perform end of contract closeout activities contributed to OIG findings related to timeliness. While OIG's findings highlight important areas for improvement, the focus on older contracts without full consideration of CMS's financial oversight during contract performance may overstate the risks of fraud, waste and abuse during the review period, and does not fully reflect CMS's recent contract closeout performance.

CMS has implemented several actions to improve the contract closeout process, including system enhancements, allocating dedicated resources to contract closeout and funds management, and improving guidance and coordination with other entities. Beginning in 2018, CMS made system updates that established standardized reporting, monitoring and tracking capabilities for contract closeout actions and implemented a seamless interface between the contract management and payments systems. CMS subsequently implemented electronic invoice processing with integrated data validation and edit-check features to improve payment controls and data accuracy. In 2022, CMS awarded \$1.4 million to an external contractor to support CMS's contract closeout operations. In 2023, CMS further updated its closeout capabilities by implementing automatic and simultaneous contract closeout functionality across its systems. Additionally, CMS established a comprehensive and proactive process to perform recurring contract funds reviews throughout the contract lifecycle to ensure the prompt repurposing or return of excess or unused contract funds and to enable timely administrative contract closeout within the time frames established in FAR 4.804-1. Lastly, CMS centralized contract closeout functions and contract funds oversight in a single division to streamline operations, optimize resources, enhance accountability and ultimately ensure better stewardship of contract funds and regulatory compliance.

These actions improve upon CMS's already robust contract oversight framework, and demonstrate CMS's commitment to modernizing contract management processes, enhancing financial controls, and ensuring compliance with the FAR, HHSAR, and HHSCCD. Through these improvements, CMS has made considerable progress in closing out contracts and recovering unused funds. As of September 2025, CMS has achieved over a 90% reduction in its contract closeout backlog, decreasing from 5,111 overdue contracts identified in a 2017 U.S. Government Accountability Office (GAO) audit report (GAO-17-738) to less than 475 inactive

contracts available for closeout, while successfully recovering excess funds that were repurposed to other CMS project needs or returned to the U.S. Treasury.

CMS thanks OIG for their efforts on this issue and looks forward to continued collaboration with OIG on this and other issues in the future. OIG's recommendations and CMS's responses are below.

OIG Recommendation

Complete the administrative closeout requirements for the 12 contracts, totaling \$2.1 billion, that remain overdue for closeout.

CMS Response

CMS concurs with OIG's recommendation. During the time period of OIG's audit, eight percent of contracts were overdue for closeout. Since the time of OIG's field work, CMS has closed 1 of the 12 open contracts in OIG's sample, totaling \$52 million. Seven of the remaining 11 contracts cannot be closed due to ongoing litigation. The remaining 4 contracts are expected to be closed by March 31, 2026.

OIG Recommendation

Develop policies and procedures that clearly define documentation requirements, roles and responsibilities, and alternative procedures used so that contracts are closed timely.

CMS Response

CMS concurs with OIG's recommendation. CMS follows the FAR, HHSAR, and HHSCCD, in addition to internal supplementary guidance to ensure timely and proper closeout procedures. CMS is collaborating with HHS to further improve these policies and procedures to address OIG's findings that stemmed from lack of documented policies and procedures.

Report Fraud, Waste, and Abuse

OIG Hotline Operations accepts tips and complaints from all sources about potential fraud, waste, abuse, and mismanagement in HHS programs. Hotline tips are incredibly valuable, and we appreciate your efforts to help us stamp out fraud, waste, and abuse.



TIPS.HHS.GOV

Phone: 1-800-447-8477

TTY: 1-800-377-4950

Who Can Report?

Anyone who suspects fraud, waste, and abuse should report their concerns to the OIG Hotline. OIG addresses complaints about misconduct and mismanagement in HHS programs, fraudulent claims submitted to Federal health care programs such as Medicare, abuse or neglect in nursing homes, and many more. [Learn more about complaints OIG investigates.](#)

How Does It Help?

Every complaint helps OIG carry out its mission of overseeing HHS programs and protecting the individuals they serve. By reporting your concerns to the OIG Hotline, you help us safeguard taxpayer dollars and ensure the success of our oversight efforts.

Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act of 1978, and other applicable laws protect complainants. The Inspector General Act states that the Inspector General shall not disclose the identity of an HHS employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the investigation. By law, Federal employees may not take or threaten to take a personnel action because of [whistleblowing](#) or the exercise of a lawful appeal, complaint, or grievance right. Non-HHS employees who report allegations may also specifically request confidentiality.

Stay In Touch

Follow HHS-OIG for up to date news and publications.



OIGatHHS



HHS Office of Inspector General

[Subscribe To Our Newsletter](#)

[OIG.HHS.GOV](https://oig.hhs.gov)

Contact Us

For specific contact information, please [visit us online](#).

U.S. Department of Health and Human Services

Office of Inspector General

Public Affairs

330 Independence Ave., SW

Washington, DC 20201

Email: Public.Affairs@oig.hhs.gov