KPMG

Employee Benefits Security Administration

Performance Audit over the Thrift Savings Plan Participant Support and Contact Center Operations

June 23, 2026

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EXECUTIVE SUMMARY

Members of the Federal Retirement Thrift Investment Board
Washington, D.C.

Acting Chief Accountant
U.S. Department of Labor, Employee Benefits Security Administration
Washington, D.C.

As part of the U.S. Department of Labor Employee Benefits Security Administration (EBSA) Fiduciary Oversight Program, we conducted a performance audit of the Thrift Savings Plan (TSP) participant support and contact center operations process. Our fieldwork was performed remotely from December 15, 2025, through April 10, 2026, in coordination with personnel primarily from the Federal Retirement Thrift Investment Board Staff's (Agency) headquarters in Washington, D.C., including their vendor support personnel. Our scope period for testing was March 1, 2025, through February 28, 2026.

We conducted this performance audit in accordance with the performance audit standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the American Institute of Certified Public Accountants' (AICPA) *Standards for Consulting Services*. *Government Auditing Standards* require that we plan and perform the audit to obtain sufficient, appropriate audit 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 objectives. Criteria used for this audit are defined in EBSA's *Thrift Savings Plan Fiduciary Oversight Program*, which includes United States Code (USC) Title 5, Chapter 84; the Code of Federal Regulations (CFR) Title 5, Chapter VI; and the National Institute of Standards and Technology (NIST) Special Publication 800-53, Revision 5, *Security and Privacy Controls for Information Systems and Organizations*.

The objectives of our audit over the TSP participant support and contact center operations were to:

- Determine whether the Agency and its vendors implemented certain procedures to (1) provide timely and accurate TSP information to participants; (2) prepare quarterly statements for participants that reflected the activity for the period; (3) prepare annual statements for participants that summarize all transactions made during the previous calendar year by transaction type; (4) respond to participants' and congressional inquiries in an accurate and timely manner; (5) process confirmation and reject notices accurately, and distribute them in a timely manner; (6) enforce physical access controls at the contact centers; (7) enforce caller authentication and privacy controls at the contact centers; and (8) monitor the contact centers' vendors for compliance with the terms of the contracts.

- Test compliance of the TSP participant support process with 5 USC 8439(c) (hereinafter referred to as FERSA), and 5 CFR 1630.7(b)-(c), 1640.2, 1640.3, 1640.4, 1640.5, and 1640.6 (hereinafter referred to as Agency regulations).

We present one new finding without a recommendation, which addresses an "other" control. Fundamental control findings and recommendations address significant[1] procedures or processes that have been designed and operate to reduce the risk that material intentional or unintentional processing errors could occur without timely detection or that assets are inadequately safeguarded against loss. Other control findings and recommendations address procedures or processes that are less significant than fundamental controls. Section III.C presents the details that support the current year finding.

Based upon the performance audit procedures conducted and the results obtained, we have met our audit objectives. We conclude that for the period of March 1, 2025, through February 28, 2026, the Agency: (1) provided timely and accurate TSP information to participants; (2) prepared quarterly statements for participants that reflected the activity for the period; (3) prepared annual statements for participants that summarize all transactions made during the previous calendar year by transaction type; (4) responded to participants' and congressional inquiries in an accurate and timely manner; (5) processed confirmation and reject notices accurately, and distributed them in a timely manner; (6) enforced physical access controls at the contact centers; (7) enforced caller authentication and privacy controls at the contact centers; and (8) monitored the contact centers' vendors for compliance with the terms of the contracts.

As a result of our compliance testing, we did not identify any instances of noncompliance with applicable provisions of FERSA or Agency regulations.

We also reviewed two prior EBSA recommendations related to the Agency's TSP participant support and contact center operations to determine their current status. Section III.B documents

[1] *Government Auditing Standards* section 8.15 defines significance in the context of a performance audit.

the status of the prior recommendations. In summary, the two recommendations have been implemented and closed.

The Agency's response to the finding, including the Executive Director's formal reply, is included as Appendix A within the report. The Agency concurred with the finding.

This performance audit did not constitute an audit of the TSP's financial statements or an attestation engagement as defined by *Government Auditing Standards* and the AICPA standards for attestation engagements. KPMG was not engaged to, and did not, render an opinion on the Agency's internal controls over financial reporting or over financial management systems. KPMG cautions that projecting the results of this audit to future periods is subject to the risks that controls may become inadequate because of changes in conditions or because compliance with controls may deteriorate.

While we understand that this report may be used to make the results of our performance audit available to the public in accordance with *Government Auditing Standards*, this report is intended for the information and use of the U.S. Department of Labor Employee Benefits Security Administration, Members of the Federal Retirement Thrift Investment Board, and Agency management. The report is not intended to be, and should not be, used by anyone other than these specified parties.

KPMG LLP

June 23, 2026

I. BACKGROUND OF THE PARTICIPANT SUPPORT AND CONTACT CENTER OPERATIONS PROCESS

A. The Thrift Savings Plan

Public Law 99-335, the Federal Employees' Retirement System Act of 1986 (FERSA), as amended, established the Thrift Savings Plan (TSP). The TSP is the basic component of the Federal Employees' Retirement System (FERS) and the Blended Retirement System, and provides a Federal (and, in certain cases, State) income tax deferral on employee contributions and related earnings. The TSP is available to Federal and Postal employees, members of the uniformed services, and members of Congress and certain Congressional employees. The TSP began accepting contributions on April 1, 1987, and as of February 28, 2026, had approximately $1.09 trillion in assets and approximately 7.3 million participants[2].

The FERSA established the Federal Retirement Thrift Investment Board (the Board) and the position of Executive Director. The Executive Director manages the TSP for its participants and beneficiaries. The Federal Retirement Thrift Investment Board's Staff (Agency) is responsible for administering TSP operations.

B. TSP System[3]

The TSP recordkeeping systems (TSP system) are a collection of applications that value accounts daily, process and record loans and withdrawals, record contributions, and process interfund transfer requests for TSP participants and beneficiaries. The Agency contracts with a vendor to provide recordkeeping services for the TSP under a recordkeeping services acquisition contract (i.e., the Converge contract). The vendor subcontracts with a commercial financial recordkeeping organization to develop and manage the Converge core recordkeeping systems and associated support subsystems, referred to collectively as the [redacted] systems. The vendor manages and operates the Converge supporting business capabilities (i.e., customer relationship management, contact center operations, analytics, fraud, security operations, and the TSP.gov website), referred to collectively as the non-[redacted] systems.

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[2] Source: Minutes of the Federal Retirement Thrift Investment Board meeting held on March 24, 2026, posted on www.frtib.gov.

[3] Source: Internally sourced system documentation.

C. Overview of the TSP Participant Support and Contact Center Operations[4]

Participant support involves providing TSP participants and beneficiaries with information about their TSP accounts and plan benefits. This process includes answering participant inquiries and distributing participant statements and other communications materials.

1. Participant Statements

Each year, the TSP issues quarterly and annual statements to participants. The statements include the participants' account balances, yearly transaction history, and relevant information in connection with their investment and investment options. Statements are available electronically or through printed mail, depending on the participant's election, and the Agency is responsible for providing the statement information timely.

2. Participant Inquiries and Contact Center Operations

Federal employees and uniformed services members are initiated to the TSP through contact from their employers' personnel offices. However, Federal agency and uniformed service personnel offices are not the primary TSP point of contact for actively employed TSP participants. Employees and service personnel are solely responsible for their own account interactions. Inquiries on behalf of personnel, separated participants, or beneficiaries, are directed to the TSP contact centers. The contact centers handle inquiries about loans, investment allocations, in-service withdrawals, and other benefits received from active and inactive participants.

The contact centers receive two types of inquiries: congressional and non-congressional. All inquiries are logged into the vendor's monitoring system, which the Agency uses to manage inquiry status and monitor response timeliness. The Agency works with the contact centers to coordinate information needed to answer participant inquiries. The contact centers manage non-congressional inquiries and communication in accordance with the privacy requirements in Code of Federal Regulations (CFR) Title 5, Part 1630.7(b)-(c). Inquiries that cannot be sufficiently addressed are managed by the Office of External Affairs on behalf of the participant or beneficiary. The Agency handles all congressional inquiries, which are inquiries made by members of Congress or their staff, usually on behalf of a constituent. Correspondence is received by the Office of

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[4] Source: J.4 of Converge Contract, dated November 13, 2020; Agency and vendor operating procedures.

External Affairs for response; however, the Office of Participant Services (OPS) and the Office of General Counsel may assist with research and resolving issues or drafting letters, as needed.

Participants with questions concerning their TSP account or who would like to access account information (e.g., account status, loan request status, interfund transfers, and contribution allocation changes) or perform certain account actions, can log into their account on the TSP website and use the self-service functionality, call the Thriftline, or send mail correspondence to the TSP. Through the website, participants can use an automated assistant or live chat with a contact center Participant Support Representative (PSR). When calling the Thriftline, participants can opt to speak to a PSR, at which point the individual must complete the caller authentication experience prior to obtaining access to account information.

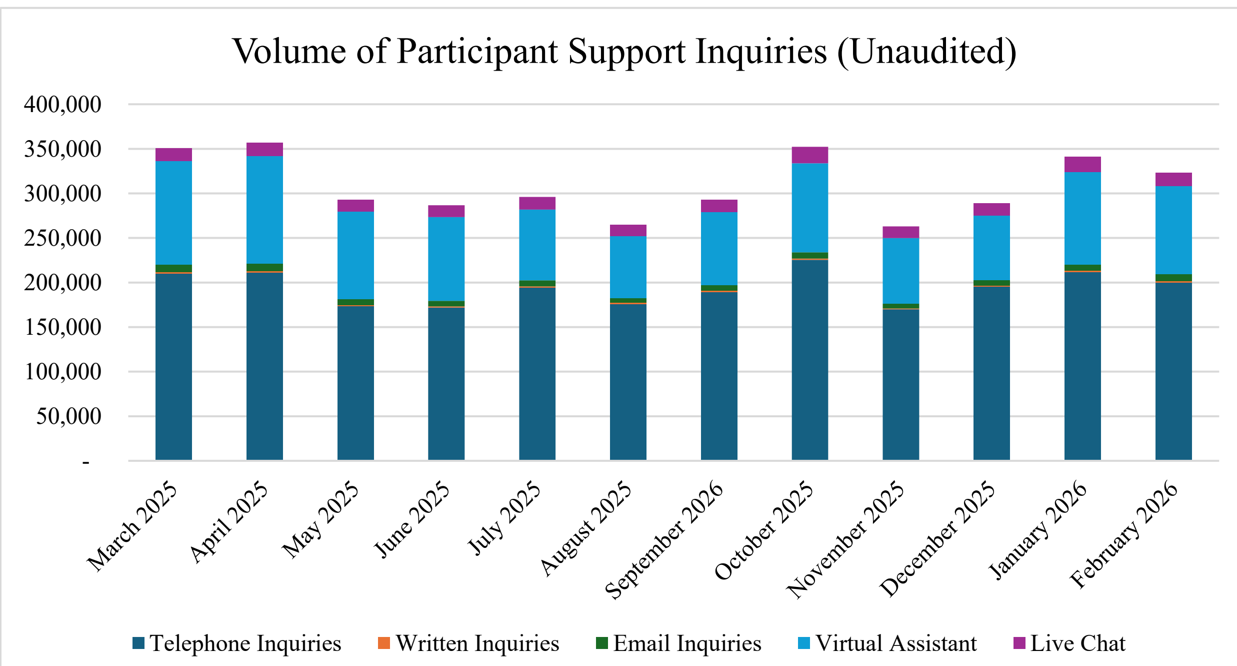
[redacted]

[redacted]

The contact center is an important feature of participant experience. Each interaction directly influences the participant's perception of customer service (e.g., call load handling and wait times, abandoned calls, ability to resolve a participant's inquiry/case, and quality of service provided). As such, the TSP contact centers' service delivery is required to adhere to the Quality Assurance (QA) oversight program used to help ensure that quality is defined, managed, and controlled for delivery of the Converge services. The QA program consists of surveillance methods to oversee performance of PSRs through the QA evaluation, which analyzes the expected behavior demonstrative of each behavior category. Furthermore, the Agency is responsible for monitoring contact centers and their compliance with contract requirements. This includes the monitoring of contract-established Service Level Requirements (SLR) and Key Performance Indicators (KPI). The prime vendor submits formal contract deliverables to the Agency on a periodic basis as defined in the Contract Data Requirement List (CDRL). The Agency reviews the reports to determine how the vendor is performing against the contract delivery and performance requirements.

During the scope period of this performance audit, the TSP processed approximately 2.1 million TSP participant telephone inquiries, approximately 14,000 written inquiries, approximately 76,000 emails, and approximately 1.2 million virtual assistant/live chat interactions. Exhibit I-1[5] illustrates the number of inquiries processed by the TSP from March 2025, through February 2026.

Exhibit I-1



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[5] Source: Minutes of the monthly Federal Retirement Thrift Investment Board meetings held for the period of March 2025, through February 2026, posted on www.frtib.gov.

II. OBJECTIVES, SCOPE, AND METHODOLOGY

A. Objectives

The U.S. Department of Labor Employee Benefits Security Administration (EBSA) engaged KPMG LLP to conduct a performance audit over the Thrift Savings Plan (TSP) participant support and contact center operations process.

The objectives of our audit over the TSP participant support and contact center operations were to:

- Determine whether the Agency and its vendors implemented certain procedures to (1) provide timely and accurate TSP information to participants; (2) prepare quarterly statements for participants that reflected the activity for the period; (3) prepare annual statements for participants that summarize all transactions made during the previous calendar year by transaction type; (4) respond to participants' and congressional inquiries in an accurate and timely manner; (5) process confirmation and reject notices accurately, and distribute them in a timely manner; (6) enforce physical access controls at the contact centers; (7) enforce caller authentication and privacy controls at the contact centers; and (8) monitor the contact centers' vendors for compliance with the terms of the contracts.
- Test compliance of the TSP participant support process with United States Code (USC) Title 5, Section 8439(c) (hereinafter referred to as FERSA) and Code of Federal Regulations (CFR) Title 5, Sections 1630.7(b)-(c), 1640.2, 1640.3, 1640.4, 1640.5, and 1640.6 (hereinafter referred to as Agency regulations).

B. Scope and Methodology

We conducted this performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and the American Institute of Certified Public Accountants' *Standards for Consulting Services*, using EBSA's *Thrift Savings Plan Fiduciary Oversight Program*. Our scope period for testing was March 1, 2025, through February 28, 2026. We performed the audit in four phases: (1) planning, (2) arranging for engagement with the Agency, (3) testing and interviewing, and (4) report writing.

During the planning phase, team members developed a collective understanding of the activities and controls associated with the applications, processes, and personnel involved with the TSP participant support and contact center operations process. Arranging the engagement included contacting the Agency and agreeing on the timing of detailed testing procedures.

During the testing and interviewing phase, we conducted interviews, collected and inspected auditee-provided documentation and evidence, participated in process walk-throughs, and designed and performed tests of controls[6]. Our performance audit procedures included using random attribute sampling to select samples from the following populations related to the TSP participant support and contact center operations that occurred during the period March 1, 2025, through February 28, 2026, which we used to determine if the TSP complied with FERSA and Agency regulations as it relates to participant support and contact center operations:

- Non-congressional inquiries
- Congressional inquiries
- TSP participants with an account balance
- Status notice communications sent to participants
- Confirmation communications sent to participants
- Participant calls that resulted in the processing of financial transactions
- TSP website calculator changes
- Participant Support Representatives (PSRs) that were granted logical access
- PSRs whose logical access was removed
- PSR user access reviews performed
- PSRs that had physical access to contact centers

We conducted these test procedures remotely [redacted]. Appendix B lists the key documentation and reports we reviewed during our performance audit. Because we used non-statistically determined sample sizes in our procedures, our results are applicable to the sample items we tested and were not extrapolated to the population.

Criteria used for this audit are defined in the EBSA's *Thrift Savings Plan Fiduciary Oversight Program*, which includes USC Title 5, Chapter 84; the CFR Title 5, Chapter VI; and the National

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[6] We tested certain IT application controls in the Converge system related to the participant support and contact center operations process. The scope of our audit did not include the testing of general IT controls that support the consistent and effective functioning of those IT application controls by maintaining the continued proper operation of the Converge system.

Institute of Standards and Technology Special Publication 800-53, Revision 5, *Security and Privacy Controls for Information Systems and Organizations*.

The report writing phase entailed drafting a preliminary report, conducting an exit conference, providing a formal draft report to the Agency for comment, and preparing and issuing the final report.

III. FINDINGS AND RECOMMENDATIONS

A. Introduction

We performed procedures related to the Thrift Savings Plan (TSP) participant support and contact center operations process while remotely conducting a performance audit related to activities at the Federal Retirement Thrift Investment Board's Staff (Agency). Our scope period for testing was March 1, 2025, through February 28, 2026. This performance audit consisted of reviewing applicable policies and procedures and testing manual and automated processes and controls, which included interviewing key personnel, reviewing key reports and documentation (Appendix B), and observing selected procedures.

Based upon the performance audit procedures conducted and the results obtained, we have met our audit objectives. We conclude that for the period of March 1, 2025, through February 28, 2026, the Agency: (1) provided timely and accurate TSP information to participants; (2) prepared quarterly statements for participants that reflected the activity for the period; (3) prepared annual statements for participants that summarize all transactions made during the previous calendar year by transaction type; (4) responded to participants' and congressional inquiries in an accurate and timely manner; (5) processed confirmation and reject notices accurately, and distributed them in a timely manner; (6) enforced physical access controls at the contact centers; (7) enforced caller authentication and privacy controls at the contact centers; and (8) monitored the contact centers' vendors for compliance with the terms of the contracts. However, we noted an internal control weakness in a certain area of the TSP participant support and contact center operations process within our audit objectives.

As a result of our compliance testing, we did not identify any instances of noncompliance with applicable provisions of United States Code (USC) Title 5, Section 8439(c) or Code of Federal Regulations (CFR) Title 5, Sections 1630.7(b)-(c), 1640.2, 1640.3, 1640.4, 1640.5, or 1640.6.

We also reviewed two prior U.S. Department of Labor Employee Benefits Security Administration (EBSA) recommendations related to the Agency's TSP participant support and contact center operations to determine their current status. Section III.B documents the status of the prior recommendations. In summary, the two recommendations have been implemented and closed.

Section III.C presents one new finding without a recommendation from this performance audit.

B. Findings and Recommendations from Prior Reports

The EBSA findings and recommendations from prior reports that required follow-up are presented in this section. The prior EBSA findings and recommendations considered significant within the context of the audit objectives of this performance audit were reported in the 2023 *Performance Audit over the Thrift Savings Plan Participant Support and Contact Center Operations*, dated September 6, 2023. The discussion below includes the current status of the recommendations.

2023 Participant Support and Contact Center Operations Recommendation No. 01:

Title:	Weaknesses in Congressional Correspondence Documentation (policies)
Original Recommendation:	The Agency, in coordination with its vendor, should update the Congressional Correspondence policies and procedures to address how Office of External Affairs (OEA) should maintain oversight and respond to inquiries and case work management to reflect the current program environment.
Reason for Recommendation:	The Agency's Congressional Correspondence policies and procedures ([redacted]) were not designed properly. Management did not update the governing policies and procedures set forth by the Agency detailing how Office of External Affairs (OEA) should maintain oversight and respond to inquiries and case work management to reflect the current program environment. As a result, management did not establish and document timeline requirements for providing responses to the Congressional office.
Status:	**Implemented.** During the period, the Agency defined the process indicating how OEA should maintain oversight and respond to inquiries and case work management to reflect the current program environment, within draft policy [redacted]. Specifically, the policy noted that OEA will acknowledge receipt of inquiries within five (5) business days. Following the period, the draft policy was finalized, effective, March 31, 2026.
Disposition:	**Recommendation Closed.**

<u>2023 Participant Support and Contact Center Operations Recommendation No. 2:</u>

<u>Title:</u>	Weaknesses in Congressional Correspondence Documentation (policies and procedures)
<u>Original Recommendation:</u>	The Agency, in coordination with its vendor, should establish, document, and implement timelines for responses to Congressional offices.
<u>Reason for Recommendation:</u>	The Agency's Congressional Correspondence policies and procedures ([redacted]) were not designed properly. Management did not update the governing policies and procedures set forth by the Agency detailing how Office of External Affairs (OEA) should maintain oversight and respond to inquiries and case work management to reflect the current program environment. As a result, management did not establish and document timeline requirements for providing responses to the Congressional office.
<u>Status:</u>	**Implemented.** In coordination with the [redacted], we inspected *the* [redacted], which defines the attributes of the performance measures the Agency oversees to include the Surveillance Method, Frequency, Surveillance Data, Performance Targets, etc. Specifically, we inspected the service level requirement (SLR) [redacted], effective as of January 2026, and determined the Agency has established, documented, and implemented timelines for responses to Congressional offices.
<u>Disposition:</u>	**Recommendation Closed.**

C. 2026 Findings and Recommendations

While conducting our performance audit over the TSP participant support and contact center operations process, we identified one new finding without a recommendation.

OTHER CONTROL FINDING WITHOUT A RECOMMENDATION

Insufficient Review Documentation of the [redacted] Checklist

The Agency, in coordination with its vendor, could not provide sufficient audit evidence demonstrating the [redacted] Checklist was reviewed in accordance with the [redacted]. In addition, management has not implemented procedures preventing the Staffing Partner Leadership from both preparing and approving the [redacted] Checklist prior to submission.

These deficiencies occurred because there are no formal policies and procedures requiring the retention of evidence to confirm the review of the [redacted] Checklist. Additionally, management has not demonstrated that segregation of duties was enforced between the individual preparing and approving the checklist.

The [redacted], dated November 2025, version 7.0, section 5. Process Steps, states:

> […] When the reports are submitted, they are reviewed by the FRTIB[7] contact center leadership team and uploaded to a central depository.
> […] Step 3. Accenture Contact Center Partner Manager reviews the checklists and follow-up with partners if needed to address any issues.

[7] FRTIB delegates responsibility to its vendor.

The United States Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, dated May 2025, states:

> **3.10** Effective documentation assists in management's design of internal control by establishing and communicating the who, what, when, where, and why of internal control execution to personnel. […]
>
> **3.11** Management documents internal control to meet operational needs […].
>
> **13.01** Management should obtain or generate relevant, quality information and use it to support the functioning of the internal control system.

For this sample item, we noted the Agency, in coordination with its vendor, updated the [redacted] to implement a process to retain evidence formally documenting the review of the [redacted] Checklist. We further noted the [redacted] Checklist enforced formal documentation of the review, to include segregation of duties. As the Agency completed these corrective actions during the audit period, we did not consider a recommendation necessary related to this finding.

AGENCY'S RESPONSE

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
77K Street, NE Washington, DC 20002

June 23, 2026

Mr. Marcus J. Aron
Acting Chief Accountant
Employee Benefits
Security Administration
United States Department of Labor
Suite 400
122 C Street, N.W.
Washington, D.C. 20001-2109

Dear Marcus:

This is in response to KPMG's email dated June 1, 2026, transmitting the KPMG LLP report entitled Employee Benefits Security Administration Performance Audit of the Thrift Savings Plan Participant Support and Contract Center Operations Controls, dated June 2026. My comments with respect to this report are enclosed.

Thank you once again for the constructive approach that the Department of Labor and its contractors are taking in conducting the various audits of the TSP. The information we get as a result of your reviews are useful to the continued improvement of the Thrift Savings Plan.

Very truly yours,

RAVINDRA DEO

Digitally signed by RAVINDRA DEO
DN: c=US, o=U.S. Government, ou=Federal Retirement Thrift Investment Board, cn=RAVINDRA DEO, 0.9.2342.19200300.100.1.1=[illegible]
Date: 2026.06.23 12:50:03 -04'00'

Ravindra Deo

Enclosure

AGENCY'S RESPONSE, CONTINUED

Executive Director's Staff Formal Comments on the
Employee Benefits Security Administration Performance Audit over the
Participant Support and Contact Center Operations

2026 OTHER CONTROL FINDING WITHOUT A RECOMMENDATION

Finding: Non-Compliant MFR Approver Insufficient Review Documentation of the [redacted] Checklist

Condition
The Agency, in coordination with its vendor, could not provide sufficient audit evidence demonstrating the [redacted] was reviewed in accordance with the [redacted]. In addition, management has not implemented procedures preventing the Staffing Partner Leadership from both preparing and approving the [redacted] prior to submission.

Agency Response:

The Agency appreciates KPMG's acknowledgement of the steps taken to improve formal documentation of review evidence for the [redacted]. The Agency's vendor was following current procedures and based on the Agency's review of evidence, the vendor appeared to have proper segregation of duties and sufficient reviews. The procedure revision effective March 2026, to require all reviews to be formally documented on the face of the checklist further enhances the audit trail. We remain committed to continuous improvement and adherence to internal control standards, reinforcing our dedication to maintaining transparent, well-documented, and resilient operational procedures that support audit integrity and participant trust.

KEY DOCUMENTATION AND REPORTS REVIEWED

Federal Retirement Thrift Investment Board's (FRTIB) Staff (Agency) Documents, Reports, and Sources

- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- TSP.gov Calculators
- "How Much Can I Contribute?" Calculator Configurations TSP.gov
- Annuity Calculator Configurations TSP.gov
- Quarterly and annual TSP account statements for sampled participants
- [redacted]
- [redacted]

Converge/Vendor Documents, Reports, and Sources

- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]

KEY DOCUMENTATION AND REPORTS REVIEWED, CONTINUED

- [redacted]
- [redacted]
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- [redacted]
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