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However, a limited review does not diminish the Contractor’s obligation to apply the full internal control system.

[58 FR 40380, July 28, 1993, as amended at 70 FR 41153, July 18, 2005]

2146.270 FEGLI Program quality assurance requirements.

(a) The contractor shall develop and apply a quality assurance program specifying procedures for assuring contract quality, as directed by the contracting officer. At a minimum, the program should include procedures to address:

(1) Accuracy of payments and recovery of overpayments;
(2) Timeliness of payments to beneficiaries;
(3) Quality of services and responsiveness to beneficiaries;
(4) Quality of service and responsiveness to OPM; and
(5) Detection and recovery of fraudulent claims.

(b) The Contractor must prepare overpayment recovery guidelines to include a system of internal controls.

(c) The contracting officer may order the correction of a deficiency or a modification in the contractor’s services and/or quality assurance program pursuant to this paragraph after the contract year has begun, the costs incurred in correcting the deficiency or making the modification will be considered to the contractor’s detriment in the cost control factor of the service charge (if applicable) for the following contract year. However, if there is a deficiency, the deficiency itself may be taken into consideration.

[58 FR 40380, July 28, 1993, as amended at 70 FR 41153, July 18, 2005]

2146.270–1 Contract clause.

The clause at 2152.246–70 shall be inserted in all FEGLI Program contracts.