



Peace Corps  
Office of  
**INSPECTOR  
GENERAL**

**SEMIANNUAL REPORT TO CONGRESS**

October 1, 2017 to March 31, 2018



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Office of  
**INSPECTOR  
GENERAL**

## Semiannual Report to Congress

### October 1, 2017 to March 31, 2018

**Vision:**

Provide high-impact work products that agency management acts upon to increase the Peace Corps' efficiency and effectiveness.

**Mission:**

Through audits, evaluations, and investigations, the Office of Inspector General (OIG) provides independent oversight of agency programs and operations in support of the goals set forth in the Peace Corps Act while making the best use of taxpayer dollars.

The goals of OIG are as follows:

- To promote integrity, efficiency, effectiveness, and economy
- To prevent and detect waste, fraud, abuse, and mismanagement
- To identify risk and vulnerabilities and offer expert assistance to improve Peace Corps programs and operations

Established in 1989, OIG receives its legal authority from the Inspector General Act of 1978, as amended. The law requires that OIG fully and currently inform the Peace Corps Director and the Congress about problems and deficiencies identified by OIG relating to the administration of agency programs and operations.

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# Highlights from this Report

## Message from the Inspector General



I am pleased to present the Peace Corps Office of Inspector General's (OIG's) Semiannual Report to Congress for the period of October 1, 2017 to March 31, 2018. Our work underscores OIG's commitment to promoting efficiency, effectiveness, and accountability within the Peace Corps.

The Audit Unit issued reports on the Peace Corps' implementation of the Digital Accountability and Transparency Act, Peace Corps' information security program, and the Peace Corps' Financial Reporting. The unit also continued work on the audits of posts in Panama, Botswana, and the Philippines and a review of Peace Corps' purchase card usage.

The Evaluation Unit issued reports on evaluations of posts in Costa Rica and Albania and a follow up review of the post in Peru. The unit began or continued evaluation work in Senegal, Mozambique and a follow up review in Uganda. Additionally, the unit began work on a review of program opening guidance for post-conflict environments and an evaluation of Peace Corps policies and practices regarding host family placements.

The Investigation Unit conducted investigations of fraud, waste, abuse, and mismanagement in Peace Corps programs and operations. Notably, an investigation into criminal conflict of interest resulted in a deferred prosecution agreement. In coordination with the Department of Justice, U.S. Attorney's Office for the District of Columbia, the unit investigated the case of a former senior Peace Corps employee who had been closely involved in the development of a cooperative agreement with a private organization, and later worked for that organization to negotiate an extension to the cooperative agreement with the Peace Corps. The unit also continued its work fostering law enforcement partnerships within the U.S. and abroad through its Free Symposium on Transnational Investigations on December 13<sup>th</sup>, 2017, hosted in collaboration with the Liaison Officers Association.

In November, I testified before the U. S. House of Representatives Committee on Oversight and Government Reform. My testimony focused on the implementation of the Inspector General Empowerment Act in the year since it was passed and recommendations to further strengthen OIG oversight. The full text of my testimony can be found in Appendix C.

Finally, I am honored to share that the Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognized OIG staff with the Glenn/Roth Award for Exemplary

Service and two awards for excellence at the 20th Annual CIGIE Awards on October 20, 2017.

A handwritten signature in blue ink that reads "Kathy A. Buller". The signature is written in a cursive, flowing style.

**Kathy A. Buller**  
**Inspector General**

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# Management and Administration

## Agency Context

As of March 31, 2018, there were 7,072 Peace Corps Volunteers and trainees serving in 64 countries at 60 posts. This total includes 744 Volunteers and trainees funded by the President's Emergency Plan for AIDS Relief (PEPFAR) to work on HIV/AIDS projects at 14 posts and 218 Peace Corps Response Volunteers serving in short-term assignments at 25 posts.

Peace Corps Volunteers and programs were supported by 968 U.S. direct hire staff, of whom 188 worked abroad; 663 worked at headquarters; and the remaining 117 worked in regional recruiting offices and other domestic locations. There were also 2,876 locally-hired personnel at posts.

The Peace Corps had domestic and international commercial contracts with vendors and service providers. These included agreements for guard services, training, Volunteer healthcare services, information technology, communications, and other services.

## Awards

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognized Peace Corps OIG staff with the Glenn/Roth Award for Exemplary Service and two awards for excellence at the 20th Annual CIGIE Awards on October 20, 2017.

CIGIE annually awards the Glenn/Roth Award for Exemplary Service to a CIGIE member organization that demonstrates exemplary value to the Congress. Peace Corps OIG staff, along with OIG staff from the Department of State, Department of Justice, and Small Business Administration, were recognized for significant contributions to support Congress in its effort to strengthen oversight, leading to the passage of the Inspector General Empowerment Act. This Act restored the right of unfettered OIG access to agency information, allowing OIGs to perform critical oversight of the Federal government. The Act will have a lasting benefit for the inspector general community and the American people who rely on inspectors general to provide independent oversight over government programs and operations.



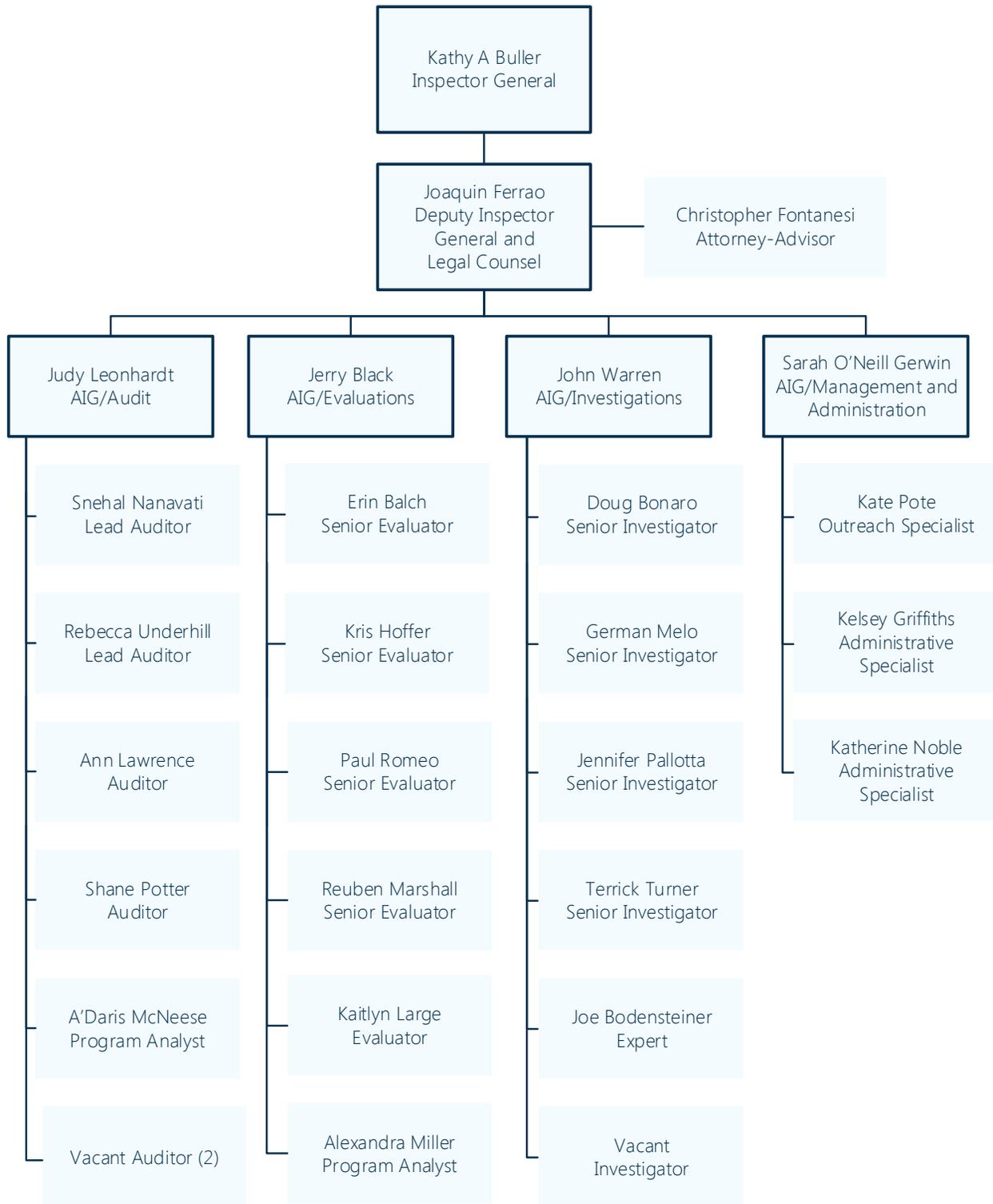
CIGIE presented the Award for Excellence in Evaluations to a Peace Corps OIG team for its “Peace Corps/Rwanda Country Program Evaluation.” This evaluation examined the management controls; programming; and Peace Corps Volunteer support, training, and site placement. This evaluation made recommendations designed to help Peace Corps/Rwanda lay a solid foundation for Volunteers to integrate successfully into their Rwandan host communities, and thus help Volunteers to have a safer, healthier, and more productive service.

Another Peace Corps OIG team received an Award for Excellence in Multiple Disciplines for its “Evaluation of the Peace Corps’ Sexual Assault Risk Reduction and Response Program.” The evaluation brought together a cross-discipline team to assess the progress the Peace Corps has made toward providing compassionate and comprehensive care in response to sexual assault as well as its progress toward developing an effective risk reduction program.

## Staffing

Reuben Marshall returned to OIG as a senior evaluator in January 2018, having previously worked as a senior evaluator from 2008 to 2014. From 2014 to 2017, Reuben was the deputy director of inspections at the General Services Administration OIG, where he planned, coordinated, and directed inspections, evaluations, and quality assurance operations. Reuben served as a Peace Corps water and sanitation Volunteer in Côte d’Ivoire from 1996 to 1998. He holds a bachelor’s degree in liberal arts from St. John’s College.

# OIG Organizational Chart



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# Advice and Assistance Provided to the Agency and Others

## Participated in Overseas Staff Training

OIG participated in overseas staff training in November 2017 and February 2018, briefing 59 staff members on best practices and common deficiencies noted by OIG. Participants included country directors, directors of management and operations, directors of programming and training, medical officers, program managers, training managers, financial assistants, and other Volunteer support staff.

## OIG Support for Background Checks

OIG's Investigation Unit worked with various Peace Corps offices to incorporate OIG database checks as part of the records checks performed during Peace Corps employment inquiries. Additionally, employment checks conducted by Peace Corps offices on returned Peace Corps Volunteers include an OIG database check. This program has enhanced the agency's employment inquiry and security process. During this reporting period, OIG conducted 40 records checks.

## Review of Agency Regulations, Policies, and Procedures

OIG continues to provide advice and assistance to the Peace Corps Senior Policy Committee and other offices by commenting on drafts of new or updated policies, procedures, and other documents governing agency organization or practice. During this reporting period OIG reviewed 27 policies, procedures, policy attachments, and other guidance documents. Topics included agency response to sexual assault; human resource management; information security practices; and the missions, responsibilities, and functions of various agency offices.

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# Audits

## Overview

The Audit Unit conducts independent audits of agency programs and operations that support the Peace Corps mission. The objective of OIG audits is to independently examine the financial and administrative operations of the Peace Corps, promote economy and efficiency, and ensure compliance with federal law, regulations, and Peace Corps policy. Audits are wide ranging, covering agency activities carried out at overseas posts, as well as agency-wide operations that affect multiple offices. At overseas posts, auditors review the financial and administrative operations for operational efficiency and effectiveness, financial stewardship, and compliance with agency policies and federal regulations. Auditors report their conclusions and recommendations based on data and document analyses, interviews, and direct observation. OIG also monitors the agency's progress in correcting systemic weaknesses identified in audit reports.

Audits are conducted under the direction and guidance of the Assistant Inspector General for Audits and in accordance with the U.S. Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States.

In addition, the unit oversees the annual audit of the agency's financial statements and the annual review of the agency's information systems security, which are performed by independent public accounting firms.

Along with the final reports detailed in this section, the Audit Unit continued work on the audits of Peace Corps posts in Panama, Botswana, and the Philippines. The Audit Unit also continued its review of Peace Corps purchase card usage.

## Agency-Wide Audits

### Audit of the Peace Corps' Implementation of the Digital Accountability and Transparency Act, Fiscal Year (FY) 2017

The Digital Accountability and Transparency Act of 2014 (DATA Act) requires Federal agencies to report financial and spending information to the public through USASpending.gov in accordance with Government-wide financial data standards developed and issued by the Office of Management and Budget and the Department of the Treasury. The DATA Act also requires the Office of Inspector General of each Federal agency to review a statistically valid sample of the spending data submitted for publication on USASpending.gov by its Federal agency for FY 2017, second quarter (Q2), January 1, 2017 through March 31, 2017.

We contracted with Kearney & Company (Kearney), an independent certified public accounting firm, for the audit. The objectives of this performance audit were to assess the completeness, timeliness, quality, and accuracy of FY 2017, Q2 financial and award data, and to assess the Peace Corps' implementation and use of the Government-wide financial data standards established by the Office of Management and Budget and the Department of the Treasury.

The audit found that the Peace Corps lacked a quality control process for submitting its FY 2017 Q2 DATA Act submission. Without this process, the information submitted did not completely represent the Peace Corps' true population of procurement activity. Additionally, all of the samples reviewed contained inaccuracies and over half of the samples did not provide all of the elements required by the DATA Act. Kearney concluded that the Peace Corps' FY 2017 Q2 DATA Act submission did not provide quality information.

While the Peace Corps took steps to implement and use the Government-wide data standards, problems with completeness and accuracy hinder the Peace Corps' ability to provide reliable data, achieve full transparency to the public, and comply with Federal accountability requirements. Kearney's recommendations are intended to improve internal control and business processes to ensure that the Peace Corps consistently and effectively implements and uses the Government-wide data standards.

Management concurred with all four recommendations made to the Peace Corps' Senior Accountable Official (SAO) to improve the agency's implementation of the DATA Act, and all four recommendations remained open at the end of this reporting period.

## Review of the Peace Corps' Information Security Program, FY 2017

The Federal Information Security Modernization Act of 2014 (FISMA) requires each Federal agency to develop, document, and implement an agency-wide program to provide information security for the information systems that support the operations and assets of the agency. FISMA provides a comprehensive framework for establishing and ensuring the effectiveness of managerial, operational, and technical controls over information technology (IT) that supports Federal operations and assets, and provides a mechanism for improved oversight of Federal agency information security programs.

FISMA requires the head of each agency to implement policies and procedures to cost-effectively reduce IT security risks to an acceptable level. To ensure the adequacy and effectiveness of information system controls, FISMA requires agency program officials, chief information officers, chief information security officers, senior agency officials for privacy, and inspectors general to annually review the agency's information security program and report the results to the Department of Homeland Security.

We contracted with accounting and management consulting firm Williams, Adley & Company-DC to assess the Peace Corps' compliance with the provisions of FISMA. The objective of this review was to perform an independent assessment of the Peace Corps' information security program, including testing the effectiveness of security controls for a subset of systems as required, for FY 2017.

The review found that the Peace Corps lacks an effective information security program because of problems related to people, processes, technology, and culture. Furthermore, the Office of Inspector General (OIG) found weaknesses across all of the FISMA reportable areas. There are several FISMA findings that have been outstanding for over 7 years and the agency has struggled to implement corrective actions.

OIG is concerned about the quality of the IT security program, especially considering the sensitive data that the Peace Corps maintains, such as health records and sexual assault incident information about Peace Corps Volunteers.

To ensure that the agency's information, operations, and assets are protected, it is critical that the Peace Corps achieve full compliance with FISMA and other Federal laws and regulations that apply to managing its IT security infrastructure. The Peace Corps needs to embrace a risk-based culture and place greater emphasis on the importance of a robust information security program by involving senior leadership, ensuring agency policies are comprehensive, and prioritizing the time and resources necessary to become fully FISMA compliant and eliminate weaknesses.

Management concurred with all 20 recommendations, and all 20 remained open at the end of this reporting period.

## Review of Internal Control Issues Over the Peace Corps' Financial Reporting, FY 2017

We contracted with Kearney & Company (Kearney) to audit the Peace Corps' consolidated financial statements as of September 30, 2017 and 2016. The audit was conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards (GAGAS)*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 17-03, *Audit Requirements for Federal Financial Statements*.

Kearney's reports for FY 2017 include: (1) an opinion on the financial statements, and (2) conclusions on internal control over financial reporting and compliance with laws, regulations, contracts, and grant agreements. In its audit of the Peace Corps, Kearney found:

- The financial statements were fairly presented, in all material respects, in conformity with GAGAS principles.
- There were no material weaknesses in internal controls.<sup>1</sup>
- Two significant deficiencies related to internal controls were disclosed by Kearney:<sup>2</sup>
  - *Lack of effective information technology security.* Kearney cited continuous monitoring and the agency's risk management program as areas needing improvement.
  - *Improper and untimely processing of personnel actions.* Kearney cited a lack of proper oversight and controls.
- One instance of reportable noncompliance was found relating to compliance with applicable provisions of laws, regulations, contracts, and grant agreements which are required to be reported under GAGAS and OMB guidance. Kearney found that the Peace Corps did not fully comply with:
  - The Federal Information Security Modernization Act of 2014 pertaining to continuous monitoring and the agency's risk management program.

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<sup>1</sup> A material weakness is defined as a deficiency, or combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

<sup>2</sup> A significant deficiency is defined as a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

OIG's review of Kearney's report and related documentation disclosed no instances where Kearney did not comply, in all material respects, with GAGAS. As required by OMB Circular A-136, "Financial Reporting Requirements," the auditor's reports were published within the Peace Corps FY 2017 Agency Financial Report. In addition, a separate letter describing internal controls weaknesses considered less severe than a significant deficiency was issued by Kearney and provided to Peace Corps management.

Management concurred with all 22 recommendations, and all 22 remained open at the end of this reporting period.

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# Evaluations

## Overview

The Evaluation Unit provides the agency with independent evaluations of the Peace Corps' programs, operations, and management at overseas posts and domestic offices. Evaluations promote greater efficiency and effectiveness by identifying best management practices and recommending program improvements. Evaluators also participate in cross-functional reviews of agency operations undertaken with OIG auditors and investigators.

Evaluations are conducted under the direction and guidance of the Assistant Inspector General for Evaluations and in accordance with the CIGIE *Quality Standards for Inspection and Evaluation*. These standards are instrumental in maintaining impartiality, reliability, and credibility, and set the bar for competency, independence, professional judgment, and internal quality controls.

Along with the final reports detailed in this section, the Evaluation Unit continued work on agency-wide and post-specific projects. Ongoing agency-wide projects include an evaluation of host family policies and practices and a review of program opening guidance for post-conflict environments. Continuing post-specific projects include evaluations of programs in Senegal and Mozambique and a follow up review of the program in Uganda.

# Evaluations of Operations Abroad

## Peace Corps/Costa Rica: Country Program Evaluation

IG-18-01-E

OIG issued a final country program evaluation of Peace Corps/Costa Rica in November 2017. More than 3,600 Peace Corps Volunteers have served the people of Costa Rica since the program was first launched in 1963. There are currently three projects in Peace Corps/Costa Rica: teaching English as a foreign language (TEFL), community economic development (CED), and youth development (YD). At the onset of this evaluation, 100 Volunteers were serving in Costa Rica.

In this evaluation, we found Peace Corps/Costa Rica to be a highly effective post overall. However, we identified some areas of post operations that required management attention. CED Volunteers struggled to achieve their project objectives due to problems with the project's framework, technical training, site placement, and reporting forms. The post was undergoing a CED project review at the time of this evaluation in order to address these issues, and the related recommendations were closed before OIG issued its final report. In addition, Volunteers across all projects, especially those in smaller sites, had difficulty establishing and maintaining productive relationships with their counterparts, and the role of regional Volunteer leaders was poorly defined.

Other aspects of Volunteer support that needed attention pertained to Volunteer health and safety. Primary consolidation points may have been unreachable for some Volunteers in emergencies, and site history forms did not include adequate directions to locate Volunteers. Some Volunteer housing did not have sufficient burglary protection in accordance with the post's housing criteria. The post was not adequately assessing and documenting local health care providers, nor was there a driver assigned to accompany the Peace Corps medical officer(s) in an emergency.

Despite these challenges, we found that Peace Corps/Costa Rica had an effective strategy for placing Volunteers in areas of need, and the three projects were well aligned with Costa Rica's development priorities. Relationships between the post and its project partners were positive. Other areas of effectiveness included: the post's use of project performance data, Volunteer integration, medical support and confidentiality, site visits by staff members, communication between the post and headquarters, the post's relationship with the embassy, staff performance appraisals, onboarding, and staff training for sexual assault risk reduction and response. Furthermore, Volunteers said that they felt safe at their sites and would report crimes against them to Peace Corps. The post's emergency action plan was embassy-approved and had been tested as required. Senior leadership encouraged collaboration between units, and there was good communication with Volunteers.

Management concurred with all 13 recommendations, all of which were closed before the end of this reporting period.

## Peace Corps/Albania: Country Program Evaluation

IG-18-02-E

OIG issued a final country program evaluation of Peace Corps/Albania in December 2017. More than 700 Volunteers have served in Albania since the program was first launched in 1991. The agency suspended operations in Albania from 1997 to 2003 due to political instability. There are currently three projects in Peace Corps/Albania: community and organizational development, TEFL, and health education. At the onset of this evaluation, 137 Volunteers and trainees were serving in Albania.

In this evaluation, we found that Peace Corps/Albania needed to refocus the program on the needs of youth and under-served populations in poor areas of the country. Site development required improvement. The post needed to verify that Volunteers' host agencies and counterparts needed assistance and could work effectively with the Volunteers. Several training areas needed improvement, including: technical training for health education and TEFL Volunteers, intercultural training to support Volunteers' social integration, and training on community assessment tools.

OIG made several recommendations related to safety, security, and health. The post needed to document GPS coordinates for Volunteer sites for ease of locating Volunteers in an emergency. The post was in the process of improving compliance with the whereabouts policy. The post's medical unit needed to finalize its medical action plan to ensure full preparedness for a medical emergency. The medical unit's capacity for addressing Volunteers' mental health care needs was also an area of concern.

Some Volunteers expressed that living allowances needed to be increased to bring them in line with living expenses in their host community. Settling-in allowances also needed to be adjusted according to the variable conditions of new sites.

Despite these obstacles, Volunteers were achieving project objectives, and were on track to achieve 5-year project goals. Programming staff provided timely feedback on Volunteer reports, and used project data to make programmatic decisions, which they shared with partners. Peace Corps/Albania's training program had several strengths, including coordination between programming and training staff, a well-developed 27-month learning continuum, and an effective approach to assessing training.

The post provided effective Volunteer support to ensure Volunteers' safety, security, and health. Aside from the issues cited in our findings, the staff was generally well prepared for emergencies and effective in responding to crimes and risks Volunteers faced. The addition of two new medical officers has improved Volunteer satisfaction with medical services in the last year. The post was in the process of improving the access and quality of the medical facilities and ensuring greater confidentiality.

Management concurred with 21 of the 22 recommendations, and 20 recommendations remained open at the end of this reporting period.

## Peace Corps/Peru: Follow Up Review

IG-18-03-E

OIG issued a follow up review of Peace Corps/Peru in January 2018. This limited-scope review was a follow up to our 2012 country program evaluation of Peace Corps/Peru. The objective of this review was to determine if corrective actions taken by the post in response to recommendations made in our 2012 report were fully implemented and had the intended effects. This report focused on five findings from the 2012 evaluation.

We found that in each of the areas under review, the post had appropriately responded to our recommendations, and the resulting actions had a positive effect. We found that Volunteers felt that they had enough work related to project objectives. We also found that technical training had improved, with the exception of community economic development technical training, and the post had implemented a robust system for assessing trainee readiness for service. In the area of safety and security, we found that although some Volunteer sites were inaccessible for brief periods of time, the post had site identification and emergency response procedures in place to mitigate this issue. Further, we found that the post's emergency preparedness—as it pertained to consolidation points, site locator forms, whereabouts policy, and housing checks—had improved.

We did not issue any additional recommendations as a result of this follow up review.

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# Investigations

## Overview

The Investigation Unit is authorized to conduct investigations of waste, fraud, abuse, and mismanagement in Peace Corps programs and operations, both domestically and internationally. The unit investigates allegations of both criminal wrongdoing and administrative misconduct involving Peace Corps staff, contractors, Volunteers, and other individuals conducting transactions with the Peace Corps. Allegations are made by Peace Corps stakeholders such as Volunteers, trainees, staff, contractors, other federal entities, and the general public. OIG receives these allegations through audits, evaluations, Hotline complaints, and other means. OIG investigators have full law enforcement authority, including the authority, upon probable cause, to seek and execute warrants for arrest, search premises, and seize evidence. They are authorized to carry firearms and to make arrests without a warrant while engaged in official duties. In addition, OIG receives investigative support from the Department of State, Bureau of Diplomatic Security.

## **Volunteer Death Investigations**

### **Death of a Volunteer in the Africa Region**

OIG initiated an investigation concerning the circumstances surrounding the death of a Volunteer in the Africa region. OIG is working with the Peace Corps Office of Safety and Security, Armed Forces Medical Examiner Service, U.S. Embassy, Diplomatic Security Service, host country authorities, and other partners to determine the cause of death.

## **Criminal and Misconduct Investigations**

### **Former Peace Corps Headquarters Employee Charged with Violating Post-Employment Conflict of Interest Restrictions**

OIG initiated an investigation into a former senior Peace Corps employee who communicated with the Peace Corps on behalf of a private organization concerning matters in which the former employee was personally and substantially involved while working for the Peace Corps. Following the communication, the organization received a four-year extension for a cooperative agreement, raising the total value of the agreement up to approximately \$6.4 million. The former employee was charged with violating a post-employment conflict of interest restriction. The former employee agreed to pay a \$10,000 penalty as part of a deferred prosecution agreement with the U.S. Attorney's Office for the District of Columbia.

### **Allegation of Child Sexual Abuse in the Inter-America and the Pacific (IAP) Region**

OIG received an allegation that a Volunteer had engaged in sexual activity with minors and other misconduct, including drinking with students. The country director sought administrative separation for the misconduct while OIG investigated whether the Volunteer had engaged in sexual contact with minors in violation of law. The Volunteer, who was already on a behavioral contract, resigned in lieu of administrative separation. The OIG investigation did not substantiate the criminal allegation.

### **Allegation of Child Sexual Abuse in the IAP Region**

OIG received a referral from the National Center for Missing and Exploited Children alleging a Volunteer was cohabitating with a minor. OIG and Homeland Security Investigations determined that the subject was a former Volunteer. Host country authorities advised that the former Volunteer had married a host country national of adult age, and the investigation was closed.

## **Allegation of Volunteer-on-Volunteer Rape in the Africa Region**

OIG initiated an investigation after receiving a report that a Volunteer raped another Volunteer. The victim stated that the accused Volunteer refused to stop sexual activity, despite the requests of the victim. The accused Volunteer denied the allegation, stating that the sexual activity was consensual. Because of the location of the offense, U.S. criminal law could not be applied, and the matter was investigated administratively to determine whether the accused Volunteer had violated the Peace Corps policy. However, the accused Volunteer resigned from Peace Corps while under investigation.

## **Allegations of Volunteer-on-Volunteer Sexual Assault in the Europe, Mediterranean, and Asia (EMA) Region**

OIG received reports that a Volunteer sexually assaulted two Volunteers at a temporary lodging. Each of the victims asserted that they awoke during the night when the accused Volunteer made sexual contact with them. Because of the location of the offense, U.S. criminal law could not be applied, and the matter was investigated administratively to determine whether the accused Volunteer had violated the Peace Corps policy. When interviewed, the accused Volunteer denied wrongdoing. The accused Volunteer resigned from Peace Corps while under investigation.

## **Volunteer-on-Volunteer Sexual Assault in the EMA Region**

OIG received reports that a Volunteer committed sexual misconduct against two other Volunteers. OIG interviewed the accused Volunteer, who admitted to continuing sexual contact after being told “no.” Because of the location of the offense, U.S. criminal law could not be applied, and the matter was investigated administratively to determine whether the perpetrator had violated the Peace Corps policy. The accused Volunteer resigned in lieu of administrative separation by the Peace Corps.

## **Allegation of Volunteer-on-Volunteer Sexual Assault in the EMA Region**

OIG received a report that a Volunteer sexually assaulted another Volunteer. Because of the location of the offense, U.S. criminal law could not be applied, and the matter was investigated administratively to determine whether the accused Volunteer had violated the Peace Corps policy. During the investigation, the victim alleged that the accused Volunteer initiated sexual contact without consent and made further attempts for sexual contact despite the victim’s protestation. The accused Volunteer denied the account or having any physical contact with the victim. The matter was referred to the agency’s Sexual Misconduct Hearing Panel and is awaiting disposition.

## **OIG Law Enforcement Coordination Support to the IAP Region**

OIG facilitated law enforcement coordination, at the request of the agency, after a Volunteer reported being sexually assaulted by two third-country nationals. OIG and the Diplomatic Security Service coordinated with local authorities, who arrested the alleged perpetrators prior to them departing the host country.

## **Volunteer-on-Volunteer Sexual Misconduct in the Africa Region**

OIG received reports that a Volunteer committed sexual misconduct against three Volunteers. Because of the location of the offense, U.S. criminal law could not be applied, and the matter was investigated administratively to determine whether the perpetrator had violated the Peace Corps policy. During the OIG interview, the accused Volunteer admitted to having sexual contact with one of the victims while that victim was intoxicated. The accused Volunteer resigned from Peace Corps while under investigation.

## **Allegation of Volunteer Drug Use in the Africa Region**

Following a Volunteer's incarceration in a host country for drug trafficking, multiple Volunteers reported to OIG that other Volunteers were allegedly also using drugs. OIG initiated interviews of the Volunteers reported. Of the 22 Volunteers investigated, 16 Volunteers admitted to using drugs and resigned in lieu of administrative separation, and 6 Volunteers resigned prior to being interviewed.

## **Allegation of Volunteer Drug Use in the Africa Region**

A Volunteer interviewed by OIG as the subject of another investigation admitted using marijuana and reported to OIG that four other Volunteers were allegedly also using drugs. OIG interviewed the other Volunteers, two of whom admitted to using marijuana, and two of whom refused to cooperate with the investigation. All five Volunteers resigned in lieu of administrative separation from Peace Corps.

## **Allegation of Theft of Government Property in the Africa Region**

OIG received information that a Volunteer was suspected of being involved in the thefts of a Peace Corps laptop, five "lost" cell phones, and \$1,300 USD. A criminal history check indicated that the Volunteer had previously been convicted of multiple thefts, including one that the Volunteer did not disclose during the application process to enter Peace Corps. When interviewed, the Volunteer concealed the same conviction from OIG, while denying any involvement in the Peace Corps equipment thefts. The Volunteer resigned in lieu of administrative separation. The equipment has not been recovered.

## Other Investigations

### Overpayment of Transit Benefits at Peace Corps Headquarters

OIG initiated an investigation upon receipt of information that the Peace Corps continued to fund transit subsidy payments for over 100 former Peace Corps employees after they discontinued their employment with the agency. During a prior reporting period, OIG referred a total of \$20,943.63 in potential recoveries to Peace Corps. During this reporting period, OIG inquired about the status of a reimbursement from a specific third-party vendor for \$3,380. The agency had received the reimbursement in March 2017. However, the refund check provided by the vendor was not processed until December 2017, after the OIG inquiry. OIG is following up with agency management on this matter.

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## 1: List of Reports: Audits and Program Evaluations

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## 2: Reports with Questioned Costs, Unsupported Costs, and Funds Put to Better Use

Report	Questioned Costs <sup>3</sup>	Unsupported Costs <sup>4</sup>	Funds Put to Better Use <sup>5</sup>
-	-	-	-
<b>Subtotal</b>	-	-	-
<b>Total</b>	-	-	-

<sup>3</sup> Questioned Costs – a cost that is an alleged violation of government or Peace Corps regulations. For example: prohibited purchases and expenditure of funds for purposes that do not relate to the Peace Corps mission.

<sup>4</sup> Unsupported Costs – a cost that is not supported by adequate documentation.

<sup>5</sup> Funds Put to Better Use – a cost that could be used more efficiently, such as costs for unnecessary goods or services.

### 3: Status of Reports Issued by OIG with Questioned and Unsupported Costs

Recommendation Status	Number of Reports	Questioned Costs	Unsupported Costs
No management decision made by the start of the reporting period	3	\$4,406,270	-
Issued during the reporting period			
Audits	-	-	-
<b>Total</b>	<b>3</b>	<b>\$4,406,270</b>	<b>-</b>
Management decision made during the reporting period			
(i) Disallowed costs	-	-	-
(ii) Costs not disallowed	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total for which no management decision had been made by the end of the reporting period</b>	<b>3</b>	<b>\$4,406,270</b>	<b>-</b>

## 4: Status of Reports Issued by OIG with Funds to Put to Better Use

Recommendation Status	Number of Reports	Funds Put to Better Use
No management decision made by the start of the reporting period	-	-
Issued during the reporting period		
Audits	-	-
<b>Total</b>	-	-
Management decision made during the reporting period		
(i) Dollar value of recommendations agreed to by management	-	-
(ii) Dollar value of recommendations not agreed to by management	-	-
Subtotal	-	-
<b>Total for which no management decision had been made by the end of the reporting period</b>	-	-

## 5: Recommendations on which Corrective Action has not been Completed

### Audits and Evaluations

#### **Follow-up Evaluation of the Volunteer Delivery System (IG-11-01-E)**

*1 of 23 recommendations open since December 6, 2010*

**Recommendation 18:** OIG recommended that the agency systematically collect and analyze data to determine whether Volunteer medical accommodations pose an undue hardship on the operation of the Peace Corps or any component thereof.

#### **Evaluation of 5 Year Rule (IG-12-05-E)**

*2 of 5 recommendations open since June 20, 2012*

**Recommendation 2:** OIG recommended that the Director identify which functions should be subject to periodic turnover to meet the needs of the agency, and implement a process to manage turnover so that the agency retains qualified personnel on the basis of merit and performance.

**Recommendation 3:** OIG recommended that the Director identify the agency's core business functions and positions that currently suffer from frequent staff turnover and lack of continuity, and determine and implement a process for acquiring and retaining qualified personnel to perform those functions on the basis of merit and performance.

#### **Audit of Peace Corps Overseas Staffing (IG-14-01-A)**

*8 of 13 recommendations open since November 21, 2013*

**Recommendation 1:** OIG recommended that the Office of Management develop and implement a formal policy and procedure for conducting post senior staff hiring. This policy should define roles and responsibilities, timelines, and accountability.

**Recommendation 5:** OIG recommended that the Office of Overseas Recruitment, Selection, and Support develop a set schedule for candidate roster development, issuance, and maintenance.

**Recommendation 8:** OIG recommended that the Office of Global Operations, in coordination with the Office of Human Resource Management, incorporate consideration of the Annual Volunteer Survey results into country directors' written performance appraisals in a consistent and meaningful way.

**Recommendation 9:** OIG recommended that the Office of Global Operations, in coordination with the Office of Human Resource Management, determine how to overcome the timing differences between the Annual Volunteer Survey and annual written appraisals to better match the performance appraisal period and provide timely Annual Volunteer Survey results for inclusion in the annual written performance appraisals.

**Recommendation 10:** OIG recommended that the Office of Human Resource Management provide biennial training and guidance to all post rating officials on their role in conducting performance appraisals and the level of detail needed to provide adequate feedback.

**Recommendation 11:** OIG recommended that the Office of Global Operations develop guidance and provide oversight of post senior staff performance appraisals to verify that each performance element is consistently addressed in the appraisal.

**Recommendation 12:** OIG recommended that the Office of Global Operations develop an accountability process to ensure all post senior staff appraisals are conducted and turned in within 30 days of the end of the performance period as required by policy.

**Recommendation 13:** OIG recommended that the Office of Global Operations, in coordination with the Office of Human Resource Management, issue guidance and provide support to regional directors on how to handle performance issues and, when required, termination of country directors.

### **Evaluation of Peace Corps Volunteer Sexual Assault Policy (IG-14-02-E)**

*2 of 8 recommendations open since November 21, 2013*

**Recommendation 7:** OIG recommended that the agency develop and communicate expectations for training newly hired overseas staff, including training methods and deadlines.

**Recommendation 8:** OIG recommended that the agency develop and implement a method to track training records to verify that it is meeting the requirements of the Kate Puzey Act.

### **Evaluation of Overseas Staff Training (IG-14-07-E)**

*14 of 23 recommendations open since September 30, 2014*

**Recommendation 1:** OIG recommended that the chief of staff develop and implement a process to ensure that all overseas staff, including newly hired staff, complete the sexual assault policy training.

**Recommendation 2:** OIG recommended that the chief of staff monitor the victim sensitivity training and ensure staff takes it, as needed.

**Recommendation 3:** OIG recommended that the associate director for global operations periodically review and redistribute the standardized training on the confidential handling of Volunteer allegations and create a process to ensure it is provided to all overseas staff.

**Recommendation 4:** OIG recommended that the director for human resource management maintain a complete list of supervisors and provide initial and refresher supervisor training to all staff in a supervisory role, regardless of employment classification.

**Recommendation 5:** OIG recommended that the director for human resource management develop and implement a method to track supervisor training for overseas staff and hold staff accountable for completion of the training.

**Recommendation 8:** OIG recommended that the associate director for global operations develop and implement an approach that ensures that overseas American staff have the language skills they need for their jobs.

**Recommendation 14:** OIG recommended that the chief acquisition officer establish and implement a formal verification and follow-up process to ensure purchase cardholders and approving officials are receiving required training.

**Recommendation 18:** OIG recommended that the chief information officer develop and implement a method to track information security training completion for overseas staff and enforce consequences for staff who do not meet the training requirement.

**Recommendation 20:** OIG recommended that the chief of staff ensure that there are standard operating procedures that document how required trainings are delivered and monitored.

**Recommendation 21:** OIG recommended that the chief of staff develop and implement a process to conduct staff training needs assessments on an ongoing basis.

**Recommendation 22:** OIG recommended that the associate director for global operations develop and implement a training program that is required for all new overseas staff who do not attend overseas staff training within a determined timeframe.

**Recommendation 23:** OIG recommended that the associate director for global operations monitor completion of the training program for new overseas staff.

**Recommendation 24:** OIG recommended that the chief of staff conduct a comprehensive assessment of the applicability and relevance of federally mandated trainings to overseas staff and develop training requirements and training programs as necessary.

**Recommendation 25:** OIG recommended that the chief of staff implement a learning management system that enables overseas staff, supervisors, and trainers to track and monitor training completion.

### **Audit of the Peace Corps' Healthcare Benefits Administration Contract (IG-16-02-A)**

*9 of 15 recommendations open since January 21, 2016*

**Recommendation 4:** OIG recommended that the Peace Corps Director, as a matter of policy, before designating an agency advocate for competition, direct the chief financial officer to perform an analysis to determine whether the proposed advocate presently serves in any capacity that could potentially compromise the integrity of the agency's competition advocacy program as defined in Federal Acquisition Regulation Subpart 6.5. If conflicts are found, the chief financial officer should notify the Peace Corps Director and seek the Director's concurrence that the proposed advocate be designated.

**Recommendation 5:** OIG recommended that the chief acquisition officer promptly notify the chief financial officer if there are any changes in the agency advocate for competition's assigned responsibilities that could potentially impact the integrity of the advocacy program.

**Recommendation 6:** OIG recommended that the chief acquisition officer direct the contracting officer to modify the present contract to correctly identify the contract type.<sup>6</sup>

**Recommendation 7:** OIG recommended that the chief acquisition officer implement policy to ensure that the Peace Corps' contracting officers follow Federal Acquisition Regulation Subpart 16.1, "Selecting Contract Types."

**Recommendation 8:** OIG recommended that the chief acquisition officer direct the contracting officer to modify the present contract to more accurately identify and describe what the contract line item numbers are intended to cover and break out the obligated amounts for billed claims and the network fees under multiple separate contract line item numbers, as appropriate.

**Recommendation 10:** OIG recommended that the chief acquisition officer direct the contracting officer to determine if there has been an overpayment related to the non-use of the MDR benchmark before calculating the network fee over the period October 1, 2005 through July 31, 2015. If it is determined an overpayment has been made, the chief acquisition officer should seek a recovery of the amount overpaid.

*Costs not fully supported: \$3.2 million*

**Recommendation 11:** OIG recommended that the chief financial officer, chief acquisition officer, and Office of Health Services associate director, assign sufficient resources for purposes of assisting in improving the overall Volunteer healthcare administration contract surveillance program and to provide greater assurance that the contractor is fully complying with the contract and its performance is acceptable.

*Costs not fully supported: \$1.2 million*

**Recommendation 12:** OIG recommended that the Office of Health Services associate director, ensure that the contracting officer's representative develop a detailed plan for reviewing and testing sufficient selected data supporting contractor invoices submitted to the Peace Corps for payment. The plan should be designed to achieve better assurance that the amounts billed are accurate, fully supported, and authorized by the contract.

**Recommendation 15:** OIG recommended that the chief acquisition officer implement policy that requires all invoicing documents be maintained in the official contracting files for the minimum period of time as prescribed in Federal Acquisition Regulation Subpart 4.8.

### **Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care (IG-16-01-E)**

*13 of 23 recommendations open since March 23, 2016*

**Recommendation 2:** OIG recommended that the associate director of the Office of Health Services develop and provide guidance on the transfer of care between Peace Corps Medical Officers, TDY providers, and backup providers to facilitate continuity of care for Volunteers.

**Recommendation 6:** OIG recommended that the associate director of the Office of Health Services implement a screening process for root cause analyses that considers severity and frequency of negative health outcomes.

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<sup>6</sup> The agency did not concur with this recommendation.

**Recommendation 7:** OIG recommended that the associate director of the Office of Health Services ensure staffing is sufficient to adequately implement a more effective sentinel event reporting system and that staff involved in root cause analyses have not had direct involvement in the case.

**Recommendation 8:** OIG recommended that the associate director of the Office of Health Services perform all root cause analyses in a manner that includes key components (system focus, cause/effect, action plan and measures).

**Recommendation 9:** OIG recommended that the associate director of the Office of Health Services improve staff understanding of best practices for selecting sentinel events for review and for carrying out root cause analyses.

**Recommendation 14:** OIG recommended that the associate director of the Office of Health Services implement and clarify MS 264 Medical Evacuation , section 4.2(e), to include the type of emergencies for which instructions should be provided to staff.

**Recommendation 16:** OIG recommended that the associate director of the Office of Health Services and the associate director for Global Operations ensure that country directors receive clear guidance on all of their health unit oversight responsibilities.

**Recommendation 17:** OIG recommended that the associate director of the Office of Health Services and the associate director for Global Operations update agency guidance to ensure that the division of oversight responsibility for the health unit is clear and that all health unit responsibilities are covered.

**Recommendation 18:** OIG recommended that the associate director of the Office of Global Operations and the associate director of the Office of Health Services provide coordinated communication to posts that clarifies expectations about PCMO participation in posts' planning processes, including integrated planning and budgeting (IPBS) and annual operating plan formulations.

**Recommendation 19:** OIG recommended that the associate director of the Office of Health Services and the associate director for Global Operations clarify policy and guidelines related to the vehicle availability for overseas health unit medical staff.

**Recommendation 21:** OIG recommended that the associate director of the Office of Health Services assess the amount of administrative support required to allow regional medical officers to work effectively and efficiently, and request the required resources.

**Recommendation 22:** OIG recommended that the associate director of the Office of Health Services develop a plan, in collaboration with other offices as appropriate, to address the causes of Peace Corps medical officer job dissatisfaction and improve retention of qualified PCMOs.

**Recommendation 23:** OIG recommended that the associate director of the Office of Health Services assess staffing configurations at posts and regional medical hubs and develop a plan to provide health units with sufficient clinical and administrative support staff.

**Evaluation of the Peace Corps' Sexual Assault Risk Reduction and Response Program (IG-17-01-E)**

*20 of 36 recommendations open since November 28, 2016*

**Recommendation 2:** OIG recommended that the Director improve the presentation of crimes and risks information (including qualitative information on the risk of sexual harassment) for applicants by making this information more accessible to all applicants and easier to understand.

**Recommendation 6:** OIG recommended that the Director define how the agency should address the problem of sexual harassment in relation to the sexual assault risk reduction and response program.

**Recommendation 8:** OIG recommended that the Director provide Volunteers with clear guidance on how and when to report sexual harassment to the Peace Corps.

**Recommendation 12:** OIG recommended that the Director provide posts with alternative training guidance for Volunteers who do not attend sexual assault risk reduction and response sessions with their training group.

**Recommendation 14:** OIG recommended that the Director implement and communicate a process that tracks Volunteer completion of specified learning events (both in person and online) and comprehension of the sexual assault risk reduction and response training on the agency's Learning Management System.

**Recommendation 15:** OIG recommended that the Director establish a process to utilize feedback from Volunteers and staff on how to improve the training.

**Recommendation 16:** OIG recommended that the Director establish a process to gather information on Volunteers' use of risk reduction and response skills taught in the training, and use it to make improvements to the training.

**Recommendation 18:** OIG recommended that the Director develop and implement mental health access to care timeliness standards for victims of sexual assault with a mechanism to notify management when these standards are not met.

**Recommendation 22:** OIG recommended that the Director assess and redefine, if necessary, the role and responsibilities of Peace Corps safety and security officers to make more effective use of existing staff capacity.

**Recommendation 23:** OIG recommended that the Director define and communicate the role of the Office of Civil Rights and Diversity in responding to sexual assaults.

**Recommendation 24:** OIG recommended that the Director develop and communicate guidance for overseas staff on documenting site-specific security incidents in site history files while maintaining Volunteers' confidentiality, and on using the information in site history files as part of post's site vetting process.

**Recommendation 26:** OIG recommended that the Director expand the monitoring and evaluation plan for the sexual assault risk reduction and response program to include sexual assault risk reduction measures.

**Recommendation 27:** OIG recommended that the Director conduct individual and systemic sexual assault case reviews, and involve monitoring and evaluation staff in the process.

**Recommendation 28:** OIG recommended that the Director develop a plan to improve the collection of feedback from Volunteers, post, and headquarters staff on the effectiveness of the sexual assault risk reduction and response program.

**Recommendation 29:** OIG recommended that the Director dedicate additional administrative support to maintain accurate, up-to-date, centralized, and easily accessible overseas staff sexual assault risk reduction and response training records.

**Recommendation 30:** OIG recommended that the Director develop a formal onboarding and continuing education training program for all designated staff positions.

**Recommendation 32:** OIG recommended that the Director assess sexual assault staff training needs, to include interpersonal skills and teamwork, and modify training programs accordingly.

**Recommendation 34:** OIG recommended that the Director create and make available an overarching policy roadmap that encompasses all policies and procedures that support the sexual assault risk reduction and response program.

**Recommendation 35:** OIG recommended that the Director develop specific guidance to Peace Corps medical officers to clarify the standards and expectations for the provision of counseling services, and communicate that guidance to Volunteers.

**Recommendation 36:** OIG recommended that the Director develop an internal communication plan to notify staff in a more timely and consistent manner regarding policy changes, especially those affecting the job responsibilities of staff in sexual assault risk reduction and response program designated positions.

### **Evaluation of Peace Corps/Kosovo (IG-17-02-E)**

*13 of 27 recommendations open since May 12, 2017*

**Recommendation 3:** OIG recommended that the country director, with the support and guidance of the Europe, Mediterranean, and Asia region as well as the Office of Programming and Training Support, develop a plan with clear benchmarks that outlines how Peace Corps/Kosovo will improve the programming and training of the community development project, and support the current input of community development Volunteers.

**Recommendation 4:** OIG recommended that the country director review the post's staffing model to ensure that it has qualified full-time staff with sufficient technical expertise to fulfill the programming and training requirements for both projects.

**Recommendation 6:** OIG recommended that the director of programming and training use the training design and evaluation process to tailor technical training to align with the project frameworks.

**Recommendation 7:** OIG recommended that the director of programming and training implement the global learning standards and use the trainee assessment portfolio to provide formative assessments to trainees and document the assessment process.

**Recommendation 8:** OIG recommended that program managers interview and do housing checks with more than one host family, where possible, for each Volunteer in order to choose the best possible fit.

**Recommendation 10:** OIG recommended that the DPT work with the SSM and PCMO to improve site development in Kosovo so that staff involved in identifying sites and host families are trained in how to identify and select an appropriate host family to ensure the basic elements are in place before Volunteers arrive.

**Recommendation 12:** OIG recommended that the director of programming and training develop and implement a plan to increase programming staff capacity in the area of TEFL and CD technical expertise.

**Recommendation 13:** OIG recommended that the director of programming and training develop a plan to improve and monitor the quality of site visits by program managers.

**Recommendation 14:** OIG recommended that the post develop a memorandum of understanding for the teaching English as a foreign language project with the appropriate Kosovar ministry.

**Recommendation 15:** OIG recommended that the post develop a memorandum of understanding for the community development project with the appropriate Kosovar ministry.

**Recommendation 16:** OIG recommended that the post develop a project advisory committee for the teaching English as a foreign language project.

**Recommendation 17:** OIG recommended that the post develop a project advisory committee for the community development project.

**Recommendation 25:** OIG recommended that the Peace Corps medical officers conduct assessments of the local facilities throughout Kosovo, as required by agency guidance.

### **Evaluation of Peace Corps/South Africa (IG-17-03-E)**

*5 of 13 recommendations open since June 19, 2017*

**Recommendation 2:** OIG recommended that the Office of Health Service in consultation with the country director and Peace Corps medical officers in South Africa take into account the nature of service in the country when making decisions about placing and supporting medically accommodated Volunteers, especially those with mental health accommodations.<sup>7</sup>

**Recommendation 5:** OIG recommended that the director of programming and training and the training staff develop a plan that addresses the deficiencies related to the post compliance with terminal learning objectives, the trainee assessment portfolio, and 27-month learning continuum in order to bring the post's training program into better compliance with agency guidance.

**Recommendation 9:** OIG recommended that the Country Director lead an assessment of the second goal of the education project and use the results of the assessment to develop an appropriate strategy related to teacher capacity building.

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<sup>7</sup> The agency did not concur with this recommendation.

**Recommendation 10:** OIG recommended that the Office of Health Services hire and on-board a regional health coordinator for the South Africa Regional Health Unit.

**Recommendation 13:** OIG recommended that the post include market basket survey in the analysis of settling-in and living allowances.

### **Audit of Peace Corps/Cambodia (IG-17-04-A)**

*1 of 19 recommendations open since September 28, 2017*

**Recommendation 5:** OIG recommended that the post work with office of Global Accounts Payable and Office of Gifts and Grants Management to account for the five grants that were erroneously charged.

*Costs not fully supported: \$270*

### **Follow-up Audit of Peace Corps/Zambia (IG-17-05-A)**

*18 of 21 recommendations open since September 29, 2017*

**Recommendation 1:** OIG recommended that the directors of the Office of Global Operations, in coordination with the Acting Chief Financial Officer and Acting Associate Director for Management issue guidance to posts for implementing best practices and internal controls over management of fuel cards and purchase and use of fuel for vehicles and generators.

**Recommendation 2:** OIG recommended that the director of management and operations:

- implement procedures to track fuel cards to ensure that the general services manager reconciles active fuel cards with the number of vehicles on hand and timely cancels fuel cards belonging to sold vehicles.
- implement procedures to ensure that fuel cards are secured and issued to staff members after preauthorization.
- contact the Embassy and fuel vendors to identify and implement additional security features available to enhance accountability of fuel cards.

**Recommendation 3:** OIG recommended that the director of management and operations implement adequate oversight over vehicle logs and entries in the vehicle management information system to ensure that drivers provide accurate information to the motor pool coordinator for all fuel purchases and that the motor pool coordinator records all fuel purchases in the vehicle management information system purchase log.

**Recommendation 4:** OIG recommended that the director of management and operations implement procedures to reconcile fuel vendor statements with receipts and vehicle management information system entries before processing payments.

**Recommendation 5:** OIG recommended that the director of management and operations finalize and implement controls over tracking the use of fuel for generators.

**Recommendation 6:** OIG recommended that the director of management and operations finalize and implement controls over purchasing lubricant.

**Recommendation 7:** OIG recommended that the country director and the director of management and operations ensure that all the cashiers report all discrepancies to the required offices and monitor the cashier daily count results and ensure all discrepancies are resolved per Peace Corps policy.

**Recommendation 8:** OIG recommended that the country director and the director of management and operations perform random cash counts.

**Recommendation 9:** OIG recommended that the country director and director of management and operations comply with the policy and conduct sub-cashier cash counts and reconcile bank accounts at irregular intervals and ensure that sub-cashiers comply with pass-through banking requirements of Peace Corps policy.

**Recommendation 10:** OIG recommended that the country director and the director of management and operations ensure that adequate support exists before approving electronic fund transfers.

*Costs not fully supported: \$200*

**Recommendation 11:** OIG recommended that the country director and the director of management and operations:

- monitor interim advances and follow up with staff to clear interim advances within 3 days.
- ensure that the cashier issue a new advance to an employee only after clearing their previous interim advance.
- ensure that interim advances are limited to authorized staff members and Volunteers.
- ensure that the cashier records proper descriptions on the interim advance worksheet supporting the daily cash count.

**Recommendation 13:** OIG recommended that the country director and the director of management and operations ensure that Volunteers and staff make deposits only in the USDO account following the required procedure.

**Recommendation 14:** OIG recommended that the director of management and operations implement a procedure to issue obligations under individual vendor names as required by policy and ensure that the staff record names of vendors and Volunteers receiving payments as the payee in compliance with Peace Corps guidance.

**Recommendation 15:** OIG recommended that the director of management and operations implement a procedure to comply with requirements for appropriate approvals of all disbursements over \$3,000.

*Costs not fully supported: \$4,800*

**Recommendation 16:** OIG recommended that the director of management and operations consult the Office of the Chief Financial Officer/Acquisition and Contract Management for appropriate action for the furniture purchased that was inadequately competed.

**Recommendation 19:** OIG recommended that the Office of the Chief Financial Officer/Acquisition and Contract Management issue a policy requiring post management to enter in to a contract with the auctioneer as warranted by the nature of the auction arrangement.

**Recommendation 20:** OIG recommended that the director of management and operations sign a contract with the auction house.

**Recommendation 21:** OIG recommended that the director of management and operations enhance the controls over verification of allowances prior to disbursement to ensure consistency and accuracy of living and leave allowances for new Response Volunteers.

*Costs not fully supported: \$1,000*

### **Evaluation of PC/Albania (IG-18-02-E)**

*21 of 23 recommendations open since December 12, 2017*

**Recommendation 1:** That the country director and director of programming and training develop a strategy for integrating a focus on Albanian underserved populations into programming, training, and monitoring and evaluation.

**Recommendation 2:** That the director of programming and training lead development of an annual site development strategy which is consistent with agency criteria and guidance.

**Recommendation 3:** That the director of programming and training finalize Peace Corps/Albania's site development standard operating procedures.

**Recommendation 4:** That the director of programming and training include in post's site development standard operating procedures clear processes and project-specific programmatic criteria for assessing the viability of meaningful Volunteer assignments at potential host agencies.

**Recommendation 5:** That the director of programming and training improve how staff involved in site development vet and prepare motivated counterparts to engage Volunteers in meaningful work.

**Recommendation 6:** That the country director and director for programming and training assess the alignment of staff roles and responsibilities so that program staff focus more of their time on program management rather than addressing issues with Volunteer housing and host families.

**Recommendation 7:** That the director for programming and training and the programming and training team analyze tasks performed during service by community organizational development, English education, and health education Volunteers and provide appropriate practical skills training during pre-service training.

**Recommendation 8:** That the country director develop a plan to improve intercultural training in consultation with overseas programming and training support staff from headquarters.

**Recommendation 9:** That the country director develop a plan to address Volunteers' negative coping strategies such as alcohol abuse by promoting resiliency and positive coping strategies.

**Recommendation 10:** That the director of programming and training, and programming and training staff uniformly define primary and secondary activities following the definitions provided in the Programming, Training, and Evaluation Guidance.

**Recommendation 11:** That the director for programming and training and education program team review the education project to clarify the role of co-teaching and expand the range of primary activities contributing to the project goals.

**Recommendation 12:** That the country director, director for programming and training, and education program manager re-assess post's participation in the Teaching English as a Foreign Language certificate program with input from staff in Overseas Programming and Training Support.

**Recommendation 13:** That the training manager improve participatory analysis for community action training.

**Recommendation 15:** That the country director arrange for all senior staff in PC/Albania be trained on how to use coaching in Volunteer support.

**Recommendation 16:** That the country director designate staff responsibility for entering GPS coordinates into VIDA and update post's housing inspection standard operating procedures accordingly.

**Recommendation 17:** That the country director produce a communications plan for clarifying the whereabouts and travel policies.

**Recommendation 18:** That the director of counseling and outreach develop a plan to support Peace Corps/Albania's medical officers to build their capacity and confidence to respond to or address Volunteers' mental health care needs.

**Recommendation 20:** That the country director explore new ways to raise Volunteer and trainee awareness of the quality nurse line.

**Recommendation 21:** That the director of management and operations conduct a market basket survey and living allowance survey and determine if an adjustment to Volunteer's living allowances in higher cost sites is justified.

**Recommendation 22:** That the country director and director of management and operations evaluate whether settling-in allowances should be changed to reflect different living situations.

**Recommendation 23:** That the country director and director of management and operations evaluate whether settling-in allowances should be changed to reflect different living situations and act accordingly.

## Special Reports and Management Advisory Reports

### **Capstone Report: 2012 Medical Inventory Issues (IG-13-01-SR)**

*2 of 4 recommendations open since August 26, 2013*

**Recommendation 2:** OIG recommended that the Office of Health Services track the total procurement of the different classifications of medical supplies: controlled, specially designated, and other. Additionally, that the Office of Health Services use this information to monitor the amount of medical supplies covered by the policies, to determine what is included in the list of specially designated medical supplies, and to establish appropriate controls for the different classifications.

**Recommendation 3:** OIG recommended that the Office of Health Services enhance the monitoring of medical supply inventories to include conducting additional analysis, requiring explanations for significant discrepancies, and assisting posts that continue to struggle with implementing procedures.

**Management Advisory Report: The Peace Corps' Cloud Computing Pilot Program (IG-15-01-SR)**

*1 of 6 recommendations open since March 17, 2015*

**Recommendation 5:** OIG recommended that the Office of the Chief Information Officer perform a full IT security assessment on potential cloud based systems prior to transferring Peace Corps data to the systems.

**Management Advisory Report: Site History Files (IG-16-03-SR)**

*3 of 3 recommendations open since August 24, 2016*

**Recommendation 1:** OIG recommended that the Associate Director for Safety and Security, the Associate Director of Global Operations, and Regional Directors collaborate to strengthen oversight mechanisms to improve the completeness, organization, and use of site history files for site development and selection.

**Recommendation 2:** OIG recommended that the Associate Director for Safety and Security collaborate with the Associate Director of Global Operations and Regional Directors to provide clear, easily accessible and explicit agency-wide guidance to posts on the processes and procedures for maintaining site history files.

**Recommendation 3:** OIG recommended that the Associate Director for Safety and Security, the Associate Director for Global Operations, Regional Directors, and the Chief Information Officer collaborate as needed to provide systems for post for maintaining site history files.

**Financial Statement Audit Recommendations<sup>8</sup>**

Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Processing of Personnel Actions	2016	Concur	2
Internal Control over Information Security	2013	Concur	6
Timely De-Obligation of Unliquidated Obligations	2013	Concur	4
Information Technology	2017	Concur	10
<b>Total Open Recommendations</b>			<b>22</b>

<sup>8</sup> All recommendations issued in conjunction with this report are part of a normal 12-month audit cycle. As a result, recommendations made during a given fiscal year will remain in an open status during the entire subsequent fiscal year. At the beginning of each new fiscal year, the auditors will notify management of whether sufficient corrective actions have been taken regarding the prior year recommendations and issue their current notification of findings and recommendations.

## Federal Information Security Management Act Recommendations<sup>9</sup>

Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Risk Management Framework	2013	Concur	5
Continuous Monitoring Management	2013	Concur	1
Contractor Systems and Third Party Systems	2013	Concur	1
Incident Response and Reporting	2013	Concur	1
Configuration Management	2008	Concur	4
Identity and Access Management	2008	Concur	6
Contingency Planning	2007	Concur	2
<b>Total Open Recommendations</b>			<b>20</b>

## Digital Accountability and Transparency Act Audit Recommendations<sup>10</sup>

Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Quality Control Process	2017	Concur	2
File C Compliance	2017	Concur	1
File C Accuracy	2017	Concur	1
<b>Total Open Recommendations</b>			<b>4</b>

<sup>9</sup> All recommendations issued in conjunction with this report are part of a normal 12-month audit cycle. As a result, recommendations made during a given fiscal year will remain in an open status during the entire subsequent fiscal year. At the beginning of each new fiscal year, the auditors will notify management of whether sufficient corrective actions have been taken regarding the prior year recommendations and issue their current notification of findings and recommendations.

<sup>10</sup> All recommendations issued in conjunction with this report will remain in an open status until 2019 when auditors will notify management of whether sufficient corrective actions have been taken regarding the 2017 recommendations and issue their current notification of findings and recommendations.

## 6: Summary of Hotline and Other Complaints

Complaints Received	
Complaints Received (Hotline)	226
Complaints Received (Other Sources) <sup>11</sup>	56
<b>Total Complaints (All Sources)</b>	<b>282</b>

Overview of Complaint Activity <sup>12</sup>	
Resulted in Investigations	9
Resulted in Preliminary Inquiries	15
Resulted in Audits or Evaluations	0
Referred to Agency Management	81
Referred to Other Agency	-
No Action Needed	41

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<sup>11</sup> These complaints are largely a result of outreach by OIG staff and were received by email, phone calls, and conversations.

<sup>12</sup> The following actions summarize the disposition of complaints received by OIG. Please note that in some instances one complaint can result in multiple actions. In other cases, multiple complaints may be received about the same issue, resulting in one referral or result.

## 7: Summary of Investigative Activities and Outcomes

Investigative Activities	Preliminary Inquiries <sup>13</sup>	Cases
Open at the beginning of the reporting period	90	35
Opened during the reporting period	15	9
Closed during the reporting period	89	23
<b>Total open at the end of the reporting period</b>	<b>16</b>	<b>21</b>
<b>Reports</b>		
Investigative reports issued		1
<b>Referrals<sup>14</sup></b>		
Persons referred for criminal prosecution (Department of Justice)		2
Persons referred for criminal prosecution (state and local authorities) <sup>15</sup>		-
Cases referred to the Department of Justice		5
Cases referred to agency management for administrative action		1
Referrals to agency management for other action		2
Referrals to other agencies		3
<b>Court Actions</b>		
Criminal informations and indictments		1
Trial(s) pending		-
Ongoing prosecution <sup>16</sup>		-
Convictions <sup>17</sup>		1
Judgments		-
Fines/restitution		\$10,000
<b>Administrative Actions</b>		
Employee <sup>18</sup> resignations and terminations		32
Other employee actions <sup>19</sup>		2
Suspension/debarment referrals		-
<b>Monetary Results</b>		
Annual savings		-
Recoveries/restitution <sup>20</sup>		\$4,390
Cost avoidance		-

<sup>13</sup> Preliminary inquiries are initiated for complaints which either (1) are received from a Peace Corps source (e.g., staff, Volunteer, contractor) or (2) relate to a matter within the jurisdiction of OIG. Two weeks prior to the end of the previous reporting period, OIG deployed a new case management system resulting in fewer complaints being categorized as preliminary inquiries. The changes also impacted the count of preliminary inquiries at the beginning of the reporting period.

<sup>14</sup> A referral of case for criminal prosecution may include multiple subjects or may include instances where subjects have not been formally identified.

<sup>15</sup> Includes foreign courts.

<sup>16</sup> Includes arrests, indictments, information, and overseas criminal proceedings.

<sup>17</sup> Includes deferred prosecution agreements

<sup>18</sup> Volunteers/trainees are included as Peace Corps staff for the purpose of reporting investigative activity.

<sup>19</sup> Includes administrative actions that are less than resignation or termination, for example: letters of reprimand, counseling, and retraining.

<sup>20</sup> Includes potential recoveries.

## 8: References to Reporting Requirements of the Inspector General Act, as Amended

Section Reference	Reporting Requirements	Section	Page
§ 4(a)(2)	Review of legislation and regulations	Advice and Assistance	8
§ 5(a)(1)	Significant problems, abuses, and deficiencies	Audits and Evaluations	9 – 19
§ 5(a)(2)	Significant recommendations for corrective actions	Audits and Evaluations	9 – 19
§ 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	Table 5	30 – 43
§ 5(a)(4)	Matters referred to prosecuting authorities	Investigations, Table 7	22 – 26, 45
§ 5(a)(5)	Summary of instances where information was refused	n/a	-
§ 5(a)(6)	List of audit, inspection, and evaluation reports, including the total dollar value of question costs, unsupported costs, and funds put to better use	Audits, Evaluations, and Tables 1 - 4	9 – 19, 28 – 29
§ 5(a)(7)	Summary of significant reports	Audits, Evaluations, and Investigations	9 – 26
§ 5(a)(8)	Statistical table - questioned and unsupported costs	Table 3	29
§ 5(a)(9)	Statistical table - funds to be put to better use	Table 4	29
§ 5(a)(10)	Summary of previous reports with open recommendations	Table 5	30 – 43
§ 5(a)(11)	Significant revised management decisions	n/a	-
§ 5(a)(12)	Significant management decisions with which the Inspector General disagrees	n/a	-
§ 5(a)(13)	Information under the Federal Financial Management Improvement Act of 1996	n/a	-
§§ 5(a)(14)-(16)	The results of the last peer review conducted by another OIG	Appendix A: Reporting of Peer Reviews	48 – 49
§ 5(a)(17)-(18)	Statistical table - investigative reports issued; persons referred for criminal prosecution; indictments and criminal information	Table 7	45
§ 5(a)(19)	Investigations involving a senior government employee where allegations of misconduct were substantiated	Investigations	23
§ 5(a)(20)	Instances of whistleblower retaliation	n/a	-

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# Appendices

## Appendix A: Reporting of Peer Reviews

Pursuant to Section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law No. 111-203),<sup>21</sup> OIG reports the following peer review information:

### Audit Unit

On November 28, 2017, the Securities and Exchange Commission (SEC) OIG issued its System Review Report of the Peace Corps OIG Audit Unit for the period ending September 30, 2016. The Audit Unit received a rating of “pass, with deficiencies.” With the exception of two deficiencies, the peer review found that our system of quality control has been suitably designed and complied with in order to provide Peace Corps OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The SEC OIG also issued a Letter of Comment with the System Review Report that contained recommendations that SEC OIG did not consider significant enough to affect their opinion. All recommendations stemming from both reports were fully implemented by March 30, 2018 and are considered closed.<sup>22</sup>

In August 2016, OIG auditors completed a peer review of the Library of Congress OIG for the period of April 1, 2013, through March 31, 2016. We provided our results to the Library of Congress OIG in October 2016. No formal recommendations were made.

### Investigation Unit

In April 2016, the Federal Housing Finance Agency OIG conducted a peer review of the Peace Corps OIG Investigation Unit for the period ending April 20, 2016. The review focused on the Peace Corps OIG’s internal safeguards and management procedures for its investigative operations. The review team found all of the examined areas to be compliant with CIGIE’s quality standards for investigations and quality assessment

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<sup>21</sup> Section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act amended Section 5(a) of the Inspector General Act of 1978 (5 U.S.C. App.).

<sup>22</sup> [The Securities and Exchange Commission OIG System Review Report: https://s3.amazonaws.com/files.peacecorps.gov/documents/inspector-general/Final\\_System\\_Review\\_Report\\_-\\_Peace\\_Corps\\_OIG\\_Peer\\_Review\\_11.28.17.pdf](https://s3.amazonaws.com/files.peacecorps.gov/documents/inspector-general/Final_System_Review_Report_-_Peace_Corps_OIG_Peer_Review_11.28.17.pdf)

review guidelines, as well as the Attorney General's Guidelines for Offices of Inspectors General with Statutory Law Enforcement Authority.

During this reporting period, OIG agents conducted an investigative peer review of the Department of Commerce OIG for the 12-month period ending April 30, 2017. The peer review was conducted by OIG's investigative staff under the direction of the assistant inspector general for investigations, with the support of the National Aeronautics and Space Administration OIG's resident agent in charge of the Computer Forensic Laboratory. The review found that the Department of Commerce OIG was in compliance with CIGIE's quality standards for investigations and quality assessment review guidelines, as well as the Attorney General's Guidelines for Offices of Inspectors General with Statutory Law Enforcement Authority.

## **Appendix B: Contract Audit Reports**

Pursuant to Section 845A of the National Defense Authorization Act for Fiscal Year 2008 (Public Law No. 110-181), the Peace Corps OIG reports on final contract audit reports with significant audit findings. During this reporting period, OIG did not issue any audit reports meeting the “significant audit findings” criteria established in Public Law No. 110-181.

# Appendix C: IG Buller’s Testimony on Implementation of the Inspector General Empowerment Act of 2016

## Statement of Kathy A. Buller

Inspector General, Peace Corps  
Chair, Legislation Committee  
Council of Inspectors General for Integrity and Efficiency

*before the*

U.S. House of Representatives  
Committee on Oversight and Government Reform

*concerning*

“Recommendations and Reforms from the Inspectors General”

November 15, 2017

## Introduction

Chairman Gowdy, Ranking Member Cummings, and distinguished Members of the Committee:

Thank you for inviting me to appear before you today to discuss the work of inspectors general to promote integrity and efficiency. In my testimony, I plan to share my perspective as both the Inspector General for the Peace Corps and the Chair of the Legislation Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). I want to express our appreciation for the years of bipartisan effort this Committee put toward passing the Inspector General Empowerment Act,<sup>23</sup> and for your continued support of our efforts to eliminate fraud, waste, abuse, and mismanagement in Federal government operations.

We are nearing the 40<sup>th</sup> anniversary of the Inspector General Act of 1978. For almost four decades inspectors general (IGs) have worked towards a better, more efficient government. We detect and prevent waste, fraud, and abuse in the agencies we oversee, and promote integrity and efficiency in government programs and operations. We hold Federal agencies accountable, protect whistleblowers, expose corruption and mismanagement, and help Congress make informed decisions about the agencies within their purview. In fiscal year 2016 alone, the IG community’s recommendations to

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<sup>23</sup> Inspector General Empowerment Act of 2016, Pub. L. No. 114-317 (Dec. 16, 2016).

agencies identified over \$25.2 billion in potential savings and our investigative work resulted in \$19.9 billion in investigative receivables and recoveries.

As the Chair of the CIGIE Legislation Committee, I am honored to work with 25 other IGs to communicate on legislative issues and matters of common interest between Congress and CIGIE. We share helpful, timely information about congressional initiatives to the IG community, communicate the views of the community, and provide technical assistance to Congress. We also present CIGIE's views to Congress, the Government Accountability Office, and the Office of Management and Budget (OMB) on legislative issues that affect IGs.

We have enjoyed many years of bipartisan support from Congress for our collective effort to improve the Federal government operations that we oversee. The Inspector General Empowerment Act (IG Empowerment Act) originated with this Committee and is an extraordinary example of that support and collaboration. I will briefly describe the effects of that Act, and our efforts to use the authorities it provided to further our oversight work. I will also describe other legislative initiatives that, if pursued by Congress, would enhance our oversight over Federal programs and operations.

## **Inspector General Empowerment Act of 2016**

The IG Empowerment Act restored our right of unfettered access by reaffirming a fundamental authority provided under the Inspector General Act of 1978 (IG Act): that IGs may access all materials and documents necessary to our oversight work. In addition, the IG Empowerment Act provided several additional authorities that the IG community identified as important for enhancing our ability to detect and prevent fraud, waste, abuse, and mismanagement in the Federal programs and operations that we oversee.

### **Access to Information**

In February, I appeared before this committee to discuss the immediate results of the passage of the IG Empowerment Act. I highlighted the positive effect the IG Empowerment Act had on my dispute with the Peace Corps over my office's access to all agency records. The positive changes that my office has seen with respect to our access to agency information reaffirm the importance of the IG Empowerment Act.

A bedrock principle of the IG Act is that an Inspector General must have access to all agency records and information relating to the programs and operations of the agencies we oversee. This language was seen as clear and unqualified. However, beginning in 2010, a number of Federal agencies, including the Department of Justice (DOJ), the Peace Corps, the Department of Commerce, the Chemical Safety and Hazard Investigation Board, and the Department of the Treasury challenged their respective IGs' right to access all such agency information.

In the past, I appeared before this Committee and others to discuss the struggles my office faced in obtaining the information we needed to do our job. The former General Counsel of the Peace Corps erroneously interpreted a law in a manner that effectively kept OIG, Congress, and the American public in the dark about the program to address sexual assault in the Peace Corps. My office was not alone; other IGs were receiving similar resistance from their agencies.

The July 2015 opinion by the Department of Justice Office of Legal Counsel (OLC) threatened the independence of all Inspectors General and challenged our collective ability to have timely and independent access. It became clear to the IG community that only an act of Congress could restore the Inspector General's broad right of access, and the Inspector General Empowerment Act did just that. The Act further strengthened the access provision and reiterated Congress's intent for IGs: that our access to all agency records really means "all." Further, the IG Empowerment Act made clear that such access must be provided in a timely fashion.

In the Peace Corps, the IG Empowerment Act had an immediate impact. We quickly worked with the agency to fully restore our access to the agency's sexual assault risk reduction and response program. Together with the then-Director of the Peace Corps, we sent joint, global communications to all staff and Volunteers informing them of our authority to access all agency records and information, as well as reiterating our commitment to victims of sexual assault. In August, after receiving full, unencumbered access to records, we were able to address a data limitation on a statutorily required review of sexual assault cases issued in 2016. Prior to the passage of the IG Empowerment Act, redacted records limited our ability to determine that the documentation we received for each case of sexual assault was documentation of the agency's response to that case, rather than documentation from a different case. After the IG Empowerment Act restored our access, my office and the agency worked constructively to review a targeted sample of cases where the data had previously been denied, to ensure the accuracy of the redacted documentation the Peace Corps had provided.

In my previous testimony, I also expressed a hope that the IG Empowerment Act would further a culture of openness and transparency between agency staff and my office. As I had mentioned, our access issue had eroded the trust and relationship between my office and the agency. While there is still some work to be done, I am pleased to report that the IG Empowerment Act has produced an appreciable, positive change both in increased access and ongoing progress towards a culture of openness and cooperation. This not only benefits staff, Volunteers, and others who care about or rely on the Peace Corps, but also supports whistleblowers, promotes an open and transparent Peace Corps for the American taxpayer, and ensures that Congress is fully informed of the programs and operations of the Peace Corps.

Beyond the Peace Corps, we know that the IG Empowerment Act provided a robust tool to address access disputes between agencies and their IGs. However, some individual

access issues remain and affected IG's will be reporting instances when their agency resisted oversight or delayed access in their upcoming Semiannual Reports to Congress. Continued congressional interest in such incidents helps all IGs ward off erroneous interpretations of the Inspector General Act and improves our ability to obtain the timely access that we need.

### Computer Matching Act

The Inspector General Empowerment Act also exempted IGs and agencies working in a matching program with IGs from the requirements of the Computer Matching and Privacy Protection Act of 1998 (CMPPA). Computerized matching of data from two or more information systems is a proven method of data analysis that can detect and prevent fraud, waste, and abuse in government programs. Such work is commonly used to identify improper payments and potential fraud, especially in Federal benefit programs and activities.

CMPPA required IGs to obtain the approval of the agency's data integrity board to implement a computer matching agreement, potentially undermining IG independence. Though IGs are represented on the board, agency officials on the board could decide whether to prevent the match or to impose undue restrictions on the match. The board approval process also risked exposing sensitive, ongoing IG work. Further, the CMPPA required IGs to undergo a protracted review process that could have precluded IGs from carrying out a match in a timely fashion. By exempting IGs from the CMPPA, Congress ensured that our computer matching activities will be performed more efficiently, independent from potential undue burdens or restrictions by agencies.

Since the passage of the IG Empowerment Act, our community has focused on implementing this new authority responsibly and thoughtfully, as well as building IG capacity to properly utilize the new authority. In June 2017, CIGIE issued guidance to its members, providing an overview of the CMPPA exemption, presenting various matters for IGs to consider when engaging in matching programs, and helping individual IGs perform matches. Additionally, IG community experts have held briefings and presentations to increase the capacity of IG staff interested in matching programs, and an informal working group is exploring developing potential matching programs. Finally, the CIGIE Data Analytics working group is expanding its efforts to catalogue agency data sets to assist IGs in identifying types of data sets maintained at other agencies.

We are encouraged by the steady progress of the IG community towards responsibly using this new authority. For example, the Inspectors General of the Departments of Labor and Veterans Affairs have initiated a data matching project to detect fraud by identifying individuals receiving benefits from the Department of Labor Federal Employee Compensation program and disability benefits from the Department of Veterans Affairs. While the project is in its early stages, any future success of this project

could be replicated by other agencies for matching their data with the Department of Labor Federal Employee Compensation program.

### Paperwork Reduction Act

The Inspector General Empowerment Act similarly exempted the IG community from the Paperwork Reduction Act (PRA), a reform which the IG community had recommended for over a decade. The IG community expressed concern that the PRA required that information collections, such as IG surveys, be subject to approval from a "senior official" of the agency and then from OMB. This conflicted with our statutory mission to be independent. The PRA requires a lengthy and burdensome approval process for Federal agencies to collect information. The protracted approval process affected our ability to carry out congressional requests or congressionally mandated work in a timely and effective manner. There were instances where by the time the survey was approved the character of the issue under review had changed. In some cases, IGs discontinued using surveys and gathering information that would enhance the effectiveness and quality of a review. This exemption ensures that IGs will be able to conduct surveys and other information collection with the requisite independence, and to do so without unnecessary delay or burdens.

As with the CMPPA exemption, the IG community is focused on implementing this new authority responsibly and thoughtfully. Shortly after the Act was passed, CIGIE convened a PRA working group to assist OIGs with implementing the exemption. As a result of their work, in August 2017 CIGIE issued guidance to help members conducting surveys as part of their work. The guidance will assist OIGs with conducting high quality surveys that will yield useable results with minimal participant burden.

### Legislative Priorities

The IG community looks forward to working with Congress to further improve our ability to perform the oversight mission that Congress and taxpayers expect from us. We have enjoyed productive conversations about matters of joint interest to Congress and the IG community. One matter of great interest to both CIGIE and Congress is strengthening whistleblower rights and protections. CIGIE supports repealing the sunset provision for the Establishment IG Whistleblower Ombudsman function enacted through the Whistleblower Protection Enhancement Act. We have appreciated the opportunity to work with this Committee and your Senate counterparts as Congress looks to repeal that sunset provision and further enhance the role of Offices of Inspector General (OIGs) in educating and protecting whistleblowers. In addition, CIGIE will continue to encourage appropriately prioritizing risk-based oversight that meets the oversight needs of Congress while being mindful of the finite resources of OIGs.

Each new Congress, the CIGIE Legislation Committee publishes the legislative priorities for the IG Community. While not an exhaustive list, the IG community has identified the following five issues as priority areas:

- Protecting cybersecurity vulnerability information from public disclosure
- Granting Testimonial Subpoena Authority for IGs who do not already possess it
- Amending the Program Fraud Civil Remedies Act (PFCRA)
- Establishing a congressional notification requirement for the use of paid or unpaid, non-duty status in cases involving an IG
- Amending the Privacy Act to facilitate oversight

### Protecting Cybersecurity Vulnerability Information from Disclosure

The IG community recognizes the need to keep the public and Congress informed about the programs and operations we oversee. However, since 2011, we have raised serious concerns that information related to our agencies' IT security may be unprotected from disclosure under the Freedom of Information Act. Without adequate protection, such information can be a roadmap for someone attempting to exploit agency cybersecurity vulnerabilities. Although classified information and documents compiled for law enforcement purposes can be protected from public disclosure, no single exemption specifically addresses protection of detailed information on the cyber security vulnerabilities of Federal agencies. As cybersecurity threats become ever more present, the need to protect information that can be used to exploit identified weaknesses is greater than ever.

CIGIE hopes to continue to engage with your staff on finding a narrowly tailored solution that keeps the public and Congress informed about the cybersecurity deficiencies at agencies while protecting information that would give malicious individuals or entities a roadmap to agency cybersecurity vulnerabilities.

### Testimonial Subpoena Authority

The resignation of Federal employees has substantially hampered audits, investigations, or other reviews into matters within the scope of that individual's responsibilities. However, IGs can also have trouble accessing key information during the course of an inquiry into other individuals or entities with whom the Federal government does business. Examples include where subcontractors or subgrantees have no direct contractual relationship with the Federal government but are suspected of defrauding a Federally funded program, when employees of contractors who refuse to provide information to the IG, or interviewees who have destroyed important documents but have knowledge of the matter they are covering up.

CIGIE believes that providing all IGs with the authority to subpoena the attendance and testimony by certain witnesses, including any former Federal employee, would support our oversight activities. The new authority would be most effective if it mirrored the existing documentary subpoena authority set forth in the IG Act. The predecessor

version of the Inspector General Empowerment Act<sup>24</sup> passed unanimously by the House of Representatives included this authority; however, it did not appear in the final version of the Inspector General Empowerment Act. We are encouraged by this Committee's consideration and bipartisan support of the benefits to IG oversight that this authority would bring.

### Program Fraud Civil Remedies Act Amendments

For years, a key administrative tool for recovering damages in smaller dollar fraud cases has been underutilized. The PFCRA,<sup>25</sup> or the 'mini False Claims Act,' provides administrative civil remedies for false claims of \$150,000 or less and for false statements in cases DOJ does not accept for prosecution. PFCRA cases are adjudicated before Administrative Law Judges. The PFCRA permits a \$5,000 recovery for each false claim, allows for double-damages, and authorizes civil money penalties for false statements even if there has been no claim for payment of money. PFCRA reform promises to make this a significant tool to recover fraudulent expenditures for the benefit of taxpayers.

PFCRA is a potentially faster and lower-cost alternative to recovering damages in smaller dollar fraud cases. However, the statute remains a relatively underutilized tool, as noted in a 2012 report from the Government Accountability Office (GAO).<sup>26</sup> According to the report, many agencies were not using the PFCRA for reasons including: a lack of familiarity with the statute; insufficient resources; cumbersome and time-consuming procedures; availability of alternate remedies; and the absence of Administrative Law Judges in certain agencies that could hear PFCRA cases. A subsequent CIGIE-conducted survey of the IG community revealed that a number of the GAO concerns remain, thus underscoring the continuing challenges that inhibit widespread use of the PFCRA to combat fraud.

Since then, CIGIE has proposed several statutory changes developed in consultation with key stakeholders such as the Armed Services Board of Contract Appeals and Boards of Contract Appeals. We look forward to pursuing how this authority can be reformed to provide the IG community a more effective tool in combatting fraud, waste, and abuse.

### Appropriate Use of Paid or Unpaid, Non-duty Status in Cases Involving an IG

Sections 3(b) and 8G(e) of the IG Act provides specific processes for removing or transferring an IG, and requires congressional notification not later than 30 days before any such removal. These standards provide a critical safeguard to protect the independence of IGs to carry out our oversight work. However, this safeguard does not

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<sup>25</sup> 31 U.S.C. Chapter 38.

<sup>26</sup> *Program Fraud Civil Remedies Act: Observations on Implementation*, "GAO-12-275R (January 27, 2012).

apply when an IG is placed in a paid or unpaid, non-duty status (such as “administrative leave” or “suspended without pay”).

The IG community supports an amendment to the IG Act to establish a congressional notification requirement for use of either paid or unpaid, non-duty personnel actions involving an IG.

#### Amendment to the Privacy Act to facilitate oversight

One new addition to the CIGIE Legislative Priorities is our proposal to amend the Privacy Act of 1974 (Privacy Act) to clarify that the prevention of fraud in Federal benefits programs is an inherent purpose in administering and collecting information for the benefits program. Currently, when an investigation produces evidence that fraud was committed in a Federal benefits program, an IG may submit the investigative reports to their parent agency to take administrative action. That investigative report may include records controlled by another agency’s Privacy Act system of records. If an agency prohibits the use of records covered by the Privacy Act for administrative purposes because fraud prevention is “not compatible with the purpose for which the information was collected,” such outcome could frustrate the capacity of an agency to take administrative action against an employee for defrauding the program. This results in overall reduced accountability and integrity of Federal programs.

This problem is not theoretical. For example, the Department of Labor has claimed that the Privacy Act may prohibit a Federal agency from using records related to the Federal Employee Compensation Act (FECA) for disciplinary purposes because fraud prevention is “not compatible with the purpose for which the information was collected.” Subsequently, the OLC opined that the Department of Labor has the exclusive authority to control and limit the disclosure of FECA records held by another agency.<sup>27</sup> Such determinations can result in a chilling effect on both oversight efforts and the ability for agencies to hold individuals accountable for defrauding Government programs. The proposed amendment would solve the problem with a straightforward solution: expanding on the current definition of “routine use” in the Privacy Act to clarify that program records collected by Federal agencies can be used to take administrative action against those who allegedly defrauded a Federal benefits program.

## Conclusion

The Inspector General community is grateful for the steadfast, bipartisan support we have received from Congress. Personally, our collaboration with this Committee and its tremendous staff, both for the Inspector General Empowerment Act and other legislative initiatives, has been incredibly constructive. From our training initiative “Meet the Inspector General,” to the regular technical assistance that our Committee

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<sup>27</sup> See Memorandum for the Solicitor, “Whether the United States Department of Labor Has the Authority to Control the Disclosure of Federal Employee Compensation Act Records Held by the United States Postal Service,” November 16, 2012.

provides on your legislation or oversight work, our proactive discussions and mutual efforts to keep each other informed have resulted in our productive collaboration. We look forward to continuing to be an important resource to this Committee and other Congressional stakeholders as you pursue your oversight and legislative work.

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# Help Promote the Integrity, Efficiency, and Effectiveness of the Peace Corps

Anyone knowing of wasteful practices, abuse, mismanagement, fraud, or unlawful activity involving Peace Corps programs or personnel should contact the Office of Inspector General. Reports or complaints can also be made anonymously.

## Contact OIG

### Reporting Hotline:

U.S./International: 202.692.2915  
Toll-Free (U.S. only): 800.233.5874  
Email: [OIG@peacecorps.gov](mailto:OIG@peacecorps.gov)  
Online Reporting Tool: [PeaceCorps.gov/OIG/ContactOIG](https://www.peacecorps.gov/OIG/ContactOIG)  
Mail: Peace Corps Office of Inspector General  
P.O. Box 57129  
Washington, D.C. 20037-7129

### For General Information:

Main Office: 202.692.2900  
Website: [peacecorps.gov/OIG](https://www.peacecorps.gov/OIG)  
 Twitter: [twitter.com/PCOIG](https://twitter.com/PCOIG)

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