

## **OIG VISION**

Effective, efficient and accountable oversight of Agency programs, operations, and personnel.



## **OIG MISSION**

To detect and prevent waste, fraud, and abuse and promote economy, efficiency, and effectiveness in the programs and operations of the Equal Employment Opportunity Commission.

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## Message from the Inspector General

During the reporting period, President Donald J. Trump nominated candidates to fill two Commission positions, including the appointment of a Chair for the EEOC. We wish to acknowledge the Honorable Victoria A. Lipnic for her leadership during her tenure as the Acting Chair, and in particular for her efforts to address one of the management challenges we have identified facing the Agency's leadership.

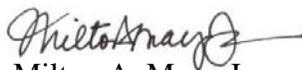
As noted in our management challenges in July 2017, Acting Chair Lipnic addressed the inventory issue by distributing a discussion memo to senior managers regarding "achieving and maintaining a balanced and sustainable charge inventory." We note the progress EEOC has achieved during the past two fiscal years, and believe that the initiatives underscored by the current leadership may likely lead to additional gains in reducing the inventory and thereby freeing up additional resources for the EEOC in its campaign to *Stop and Remedy Unlawful Employment Discrimination*.

The OIG's recently launched review of the EEOC's data analytics environment is intended to ascertain whether there are ways in which the EEOC can better leverage its data inventory assets to increase operational efficiency in its key enforcement areas of litigation, mediation, and investigation of discrimination charges. Moreover, a collateral benefit of this initiative may yield improved efficiencies in the EEOC's outreach initiatives and collaboration with Fair Employment Practices Agencies in combating discrimination in the workplace.

We remain committed to seeking proven and innovative ways to assist the EEOC in achieving sustainable improvements in the efficiency and effectiveness of its operations. We look forward to working with Agency senior leadership as we pursue our mission objectives: To Detect and Prevent Waste, Fraud, and Abuse and Promote Economy, Efficiency, and Effectiveness in the Programs and Operations of the Equal Employment Opportunity Commission.

As always, we appreciate the cooperation and professionalism of the EEOC leadership and staff.

Respectfully submitted,



Milton A. Mayo Jr.  
Inspector General

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## **Executive Summary**

This Office of Inspector General's semiannual report summarizes our activities and accomplishments for the period April 1, 2017, through September 30, 2017.

During this period, the OIG issued one final audit/evaluation report, completed one investigation, published one Management Advisory and received 302 hotline inquiries, of which 117 were charge processing issues, 82 were complaints related to Title VII of the Civil Rights Act of 1964, as amended, and 93 were other investigative allegations.

OIG completed, newly initiated, and ongoing audit, evaluation, and investigative projects include the following:

### Completed Audit/Evaluation Work

- The OIG issued a report stating that the Agency complied with the Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Improvement Act of 2012.

### Completed Investigative Activities

- The OIG completed an investigation regarding allegations of ethical violations committed by an EEOC supervisor.
- The OIG issued a Management Advisory regarding allegations of misconduct against an EEOC manager.

### Ongoing and Newly Initiated Projects

- OIG contractor, the public accounting firm of Harper, Rains, Knight & Co., P.A. (HRK), is performing the Fiscal Year 2017 Financial Statement Audit of EEOC.
- OIG contractor, the public accounting firm of Harper, Rains, Knight & Co., P.A. (HRK), is performing the Fiscal Year 2017 Digital Accountability and Transparency Act (DATA Act) Audit.
- OIG contractor, the public accounting firm of Brown and Company, CPAs PLLC., is performing the Fiscal Year 2017 Independent Evaluation of the Agency's Adherence to the Federal Information Security Modernization Act (FISMA) of 2014
- OIG contractor, the consulting firm of Elder Research, Inc., is performing an evaluation of EEOC's data analytics activities.
- The OIG is currently completing its annual advisory regarding the Agency's management control evaluation process.
- The OIG is conducting an evaluation of the EEOC's interagency and other special agreements.
- The OIG has ongoing investigations in several field offices involving such matters as ethics violations, conflicts of interest, fraud, falsification of government records, impersonation of a Federal official, misuse of travel and

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purchase cards, misuse of government property, misuse of position, misuse of the Agency seal, Federal Employees' Compensation Act (FECA) fraud allegations and prohibited personnel practices.

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## **Introduction**

### **The Equal Employment Opportunity Commission**

The Equal Employment Opportunity Commission (EEOC) is the Federal agency responsible for enforcement of Title VII of the Civil Rights Act of 1964, as amended; the Equal Pay Act of 1963; the Age Discrimination in Employment Act of 1967; Sections 501 and 505 of the Rehabilitation Act of 1973 (in the Federal sector only); Title I of the Americans with Disabilities Act of 1990 and the Americans with Disabilities Act Amendments Act of 2008; Sections 102 and 103 of the Civil Rights Act of 1991; the Lilly Ledbetter Fair Pay Act of 2009; and the Genetic Information Nondiscrimination Act of 2008 (P.L. 110-233 Stat. 881), also referred to as GINA. These statutes prohibit employment discrimination based on race, sex, color, religion, national origin, age, disability, or genetic information.

The EEOC is also responsible for carrying out Executive Order 12067, which promotes coordination and minimizes conflict and duplication among Federal agencies that administer statutes or regulations involving employment discrimination.

The EEOC is a bipartisan commission composed of five presidentially appointed members, which include a Chair, a Vice Chair, and three Commissioners. The Chair is responsible for the administration and implementation of policy and for the Commission's financial management and organizational development. The Vice Chair and the Commissioners equally participate in developing and approving EEOC policies, issuing charges of discrimination where appropriate, and authorizing the filing of lawsuits. In addition, the President appoints a General Counsel, who is responsible for conducting litigation under the laws enforced by the Commission. Currently, the Agency has an Acting Chair and one vacant Commissioner position. President Donald J. Trump has nominated a new Chair and Commissioner. These nominations were pending Congressional confirmation at the close of this reporting period.

### **The Office of Inspector General**

The U.S. Congress established the Office of Inspector General at EEOC through the 1988 amendments to the Inspector General Act of 1978. These amendments expanded the authority of designated Federal entities to create independent and objective OIGs. Under the direction of the Inspector General (IG), the OIG meets this statutory responsibility by conducting and supervising audits, evaluations, and investigations relating to Agency programs and operations. The OIG provides leadership, coordination and recommendations concerning policies for activities designed to promote economy, efficiency, and effectiveness in administering programs and operations.

The Inspector General Reform Act of 2008 (Public Law No.110-409) strengthened the independence of IGs, increased their resources and held them more accountable for their performance. The OIG is under the supervision of the IG, an independent EEOC official subject to general supervision by the Chair. The IG shall not be prevented or prohibited by the Chair or any other EEOC official from initiating, carrying out, and/or completing any audit, investigation, evaluation, or other inquiry or from issuing any report. The Inspector General Empowerment Act of 2016 (Public Law No. 114-317) further strengthened the independence of the IG.

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The Empowerment Act enhances the IG's ability to fight waste, fraud, abuse, and misconduct, protects whistleblowers who share information with an IG, increases government transparency, and bolsters the public's confidence in the independence of IGs. The Empowerment Act also ensures the IG has "timely access to all records, reports, audits, reviews, documents, papers, recommendations, or other materials" that are related to the oversight of their respective agency's programs and operations.

The IG provides overall direction, coordination, and leadership to the OIG. The IG is the principal advisor to the Chair regarding all audit, evaluation, and investigative matters relating to the prevention, identification, and elimination of fraud, waste, and abuse in any EEOC program or operation. The IG strives to ensure effectiveness and efficiency of Agency programs and operations and recommends the proper boundaries of audit and investigative jurisdiction between the OIG and other EEOC organizations. The IG also develops a separate and independent annual budget for the OIG, responds directly to inquiries from the public, Congress, or the news media, and prepares press releases, statements, and other information about the OIG's activities.

The Deputy Inspector General serves as the IG's alter ego and participates fully in policy development and has primary responsibility for the management of the OIG's audit, evaluation, investigation, and support operations. Since January 2010, the Counsel to the IG has served and continues to serve as the Acting Deputy Inspector General.

The Counsel to the Inspector General is the sole legal advisor in the OIG, providing day-to-day oversight of the OIG's investigative work, and is the primary liaison with Agency legal components and the Department of Justice.

In addition to these positions, the OIG staff includes a chief technology officer, an evaluator, an auditor, two criminal investigators, and an administrative specialist. The Deputy Inspector General, Confidential Support Assistant, and Senior Auditor are vacant.

The OIG is pleased to submit this Semiannual Report to Congress summarizing the activities of the EEOC OIG for the 6-month period that ended September 30, 2017. Section 5 of the Inspector General Act of 1978, as amended, requires the Agency Head to transmit this Semiannual Report to the appropriate committees or subcommittees of the U.S. Congress within 30 days of its receipt.



## **The Audit and Evaluation Program**

*The Audit and Evaluation Program supports the OIG's strategic goal of improving the economy, efficiency, and effectiveness of EEOC programs, operations, and activities.*

### **Completed Projects**

#### **Compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012**

On May 11, 2017, the OIG issued a report stating that the EEOC complied with the Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Improvement Act of 2012. The Agency identified seven improper payments and recovered the full amount of \$2,341.

### **New and Ongoing Audit and Evaluation Projects**

#### **FY 2017 Audit of the Consolidated EEOC Financial Statements**

OIG has contracted with the public accounting firm of Harper, Rains, Knight & Co., P.A. (HRK), to perform, as required by the Accountability of Tax Dollars Act of 2002, the FY 2017 financial statement audit of EEOC. Fieldwork is ongoing, and an audit opinion will be issued by HRK by November 15, 2017. A Management Report letter, identifying any internal control weaknesses, will be issued by HRK at a later date.

#### **FY 2017 Digital Accountability and Transparency Act (DATA Act) of 2014**

OIG has contracted with the public accounting firm of Harper, Rains, Knight & Co., P.A. (HRK) to perform the FY 2017 Digital Accountability and Transparency Act Audit of the EEOC. This Act requires the Inspector General of each Federal agency to review a statistically valid sample of the spending data submitted by its agency. The Inspector General is also required to send to the U.S. Congress a publicly available report assessing the completeness, timeliness, quality, and accuracy of the data sampled. The Inspector General is also to report on the implementation and use of Government-wide financial data standards.

The OIG report will be issued in November 2017.

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## **Agency Compliance with the Federal Managers' Financial Integrity Act of 1982**

The OIG is completing its annual advisory to the Chair concerning the Agency's compliance with the management control evaluation process. The OIG advisory will report whether the Agency's management control evaluation process was conducted in accordance with Federal Managers' Financial Integrity Act (FMFIA) guidelines.

The OIG advisory will be issued in November 2017.

## **FY 2017 Independent Evaluation Audit of the Agency's Adherence to the Federal Information Security Modernization Act of 2014**

OIG contractor, the public accounting firm of Brown and Company (Brown and Company), CPAs PLLC., is performing the FY 2017 Independent Evaluation Audit of the Agency's Adherence to the Federal Information Security Modernization Act (FISMA). Brown and Company will prepare the OIG Cyberscope metrics, that presents the status of EEOC's information security program. The metrics will be submitted through the Office of Management and Budget (OMB) Max portal by October 31, 2017. The completed final report, with corresponding findings and recommendations, will be issued in December 2017.

## **Evaluation of Data Analytics**

OIG contractor, Elder Research, Inc., is conducting an evaluation that assesses the Agency's data analytics environment. The evaluation seeks to identify opportunities for improvements and best practices.

The draft report is planned for the second quarter of FY 2018 and the final report for the third quarter of FY 2018.

## **Evaluation of Interagency and Other Special Agreements**

OIG is conducting an evaluation of the Agency's interagency and other special agreements. These agreements include memoranda of understanding, memoranda of agreement, joint project documents, and the work-sharing arrangements with the Fair Employment Practices Agencies. OIG's work will not include contracts, grants, or cooperative agreements. The purpose of the evaluation is to provide EEOC leadership and stakeholders with data and, perhaps, recommendations that may increase its efficiency in managing these agreements.

The draft report is planned for the second quarter FY 2018 and the final report for the fourth quarter of FY 2018.

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## Audit Follow-Up

Audit follow-up is an integral part of good management and is a shared responsibility of Agency management officials and auditors. Corrective action taken by management to resolve findings and recommendations is essential to improving the effectiveness and efficiency of Agency operations.

Section 5(a)(1) of the Inspector General Act of 1978, as amended, requires that semiannual reports include a summary description of significant problems, abuses, and deficiencies relating to the Agency's administration of programs and operations disclosed by the OIG during the reporting period. **One** new report was issued during this reporting period (March 1, 2017–September 30, 2017); **none** of those reports contained findings.

### Reports Issued During This Reporting Period

Fiscal Year	Report Number	Report Title	Date Issued
2017	2017-04-AOIG	Report on FY 2016 Improper Payments	5-11-2017

As required by Section 5(a)(3) of the Inspector General Act of 1978, as amended, semiannual reports shall provide an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed. OIG staff met with Agency follow-up officials in September 2017. The OIG is reporting a total of **18** reviews with a total of **43** open recommendations for this reporting period. The following table shows those recommendations for which corrective actions have not been completed.

### Cooperative Audit Resolution Oversight Initiative (CAROI)

In FY 2012, OIG piloted the Cooperative Audit Resolution Oversight Initiative (CAROI) to improve resolution of recommendations contained in OIG reports that require audit follow-up. During the reporting period, four recommendations from one project were closed using CAROI.

Audit, Evaluation, or Review Name	Number of Recommendations Closed
An Exploratory Evaluation of EEOC's Litigation Activities	4

## Recommendations for Which Corrective Actions Have Not Been Completed

Fiscal Year	Report Number	Report Title	Date Issued
2016	2016-08-EOIG	<b>Independent Evaluation of the U.S. Equal Employment Opportunity Commission's Compliance with Provisions of the Federal Information Security Modernization Act of 2014 (FISMA)</b>	1/4/17

- EEOC Office of Information Technology (OIT) should implement multifactor authentication for logical and remote access for system users. Furthermore, we recommend EEOC use multifactor authentication where one of the factors is provided by a device separate from the computer gaining access. **(Repeat finding since 2008)**
- EEOC OIT should review and analyze critical, high, and medium vulnerabilities. These vulnerabilities should be resolved to avoid compromise of EEOC's systems; or the agency should document acceptance of the risk or reclassification of the risk.

Fiscal Year	Report Number	Report Title	Date Issued
2016	2016-01-AOIG	<b>FY 2016 Financial Statement Audit</b>	11/15/16

- EEOC should update its controls over the maintenance of its official personnel files. Additionally, management should perform a thorough review of its employees' personnel files to ensure that documentation is current and complete.

Fiscal Year	Report Number	Report Title	Date Issued
2016	2016-02-AOIG	<b>FY 2016 Financial Statement Audit Management Letter Report</b>	12/21/16

- EEOC should continue documenting and updating all of their policies and procedures, specifically identifying the control activities currently performed or control activities that would be performed under the activities outlined above. EEOC should also develop a

periodic review of EEOC's control activities to ensure all control activities are designed and implemented appropriately, including proper documentation.

- EEOC should incorporate all user controls provided by its services providers into EEOC's internal standard operating procedures to ensure that it has a complete understanding of policies and procedures at its service providers and so auditors can rely on the ability of the control environment at Accela Corporation to provide reasonable assurance that control objectives are met and control risk is minimized.
- EEOC reviewers should document their approval of all reviewed reports as set forth in its operating procedures and continually monitor these controls to ensure that they continue to operate effectively.
- EEOC should require that its designated reviewer, responsible for reviewing a document, initial/sign and date the document. EEOC should also add the proof of review as a required step to EEOC Financial Policy #7 – Accounts Payable Review Process, and in all Standard Operating Procedures where management review of specific documents is required. Furthermore, EEOC should maintain all documentation associated with its transactions to ensure all applicable transactions are approved according to EEOC's standard operating procedures.
- The office accountable for compiling the Performance and Accountability Report (PAR) should create and enforce internal deliverable milestones to ensure all OMB submission deadlines are met. These internal deliverable milestones should extend to all EEOC offices and require these offices to provide their content to EEOC's accountable office prior to the established milestones. Additionally, any outside party utilized in completing the PAR should be held accountable for meeting these deadlines. EEOC's Office of the Chief Financial Officer (OCFO) should thoroughly review all PAR versions prior to the submission of the auditors and subsequently OMB in order to minimize edits required close to the PAR's final submission deadline. This review should include a review of the financial statements against various federal reporting guidelines and checklists, such as GAO's FAM 2020 checklist for Federal Reporting and Disclosures. EEOC should develop a more effective internal control process over financial reporting. This should minimally consist of EEOC documenting what controls are performed by the various departments and contractors utilized in the preparation of the PAR, a timeline of due dates for each department and contractor, and identification of overall responsibility of the completed PAR.
- EEOC should update its controls over the maintenance of its official personnel files. The controls currently in place are not capturing all changes to employee personnel files. EEOC should initiate new procedures to sample and review employee personnel files at least semi-annually to ensure that current documentation is included in the files.

Fiscal Year	Report Number	Report Title	Date Issued
2016	2015-01-LIT	An Exploratory Evaluation of EEOC's Litigation Activities	7/8/16

- Examine whether Office of Research, Information, and Planning (ORIP) and Research and Analytic Service (RAS) should continue to be siloed in their efforts to provide expert statistical analysis and investigate the reported concerns about the timeliness and, in some cases, the substance of statistical analyses prepared during the investigative process.
- Investigate options for addressing the inefficiencies inherent in the rigid separation of ORIP and RAS statistical analytic services.
- Reexamine the EEOC's performance measurements.
- Examine the EEOC's exit-interview process and the findings from these interviews to better understand reasons for turnover.

Fiscal Year	Report Number	Report Title	Date Issued
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2016	<b>2015-01-FIN</b>	<b>FY 2015 Financial Statement Audit</b>	11/16/15
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- EEOC should update its controls over the maintenance of its official personnel files and perform a thorough review of its employees' personnel files to ensure that documentation is current and complete.

Fiscal Year	Report Number	Report Title	Date Issued
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2016	<b>2015-02-FIN</b>	<b>FY 2015 Financial Statement Audit Management Letter Report</b>	1/15/16
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- Developing an assessment of EEOC's internal control process in order to proactively manage and update internal controls. This should minimally consist of EEOC documenting what controls are performed by their shared services provider and what controls are performed at EEOC to ensure management has a clear understanding of their responsibilities.
- The EEOC office accountable for compiling the PAR should create and enforce internal deliverable milestones to ensure all OMB submission deadlines are met. These internal deliverable milestones should extend to all EEOC offices and require these offices to provide their content to EEOC's accountable office prior to the established milestones. EEOC's Office of the Chief Financial Officer (OCFO) should thoroughly review the final draft of the PAR prior to the submission to OMB and the auditors in order to minimize edits required close to the PAR's final submission deadline. This review should include a

review of the financial statements against various federal reporting guidelines and checklist, such as GAO’s FAM 2020 checklist for Federal Reporting Disclosures.

Fiscal Year	Report Number	Report Title	Date Issued
2015	<b>2015-03-EOIG</b>	<b>Independent Evaluation of Agency Adherence to the Federal Information Security Modernization Act</b>	11/15/15

- EEOC should implement multifactor authentication for remote access. Furthermore, we recommend EEOC use multifactor authentication where one of the factors is provided by a device separate from the computer gaining access. **(Repeat finding since 2008)**

Fiscal Year	Report Number	Report Title	Date Issued
2015	<b>2014-03-OE</b>	<b>Evaluation of EEOC’s Outreach and Education Program</b>	5/8/15

- EEOC’s website needs to be updated when important events occur, perhaps in accordance with guidelines that EEOC’s Office of Communication and Legislative Affairs sets for itself.
- EEOC and its district and field offices should routinely conduct follow-up through surveys with partners, perhaps three months after events.
- EEOC should provide resources for the regular analysis of OFP charges to provide evidence of outreach and education success—both for district and field offices and nationally.

Fiscal Year	Report Number	Report Title	Date Issued
2015	<b>2014-01-FIN</b>	<b>FY 2014 Financial Statement Audit</b>	11/17/14

- EEOC should update its controls over the maintenance of its official personnel files. Additionally, management should perform a thorough review of its employees’ personnel files to ensure that documentation is current and complete.
- EEOC should implement procedures to ensure that it has a complete understanding of its service providers’ policies and procedures.

Fiscal Year	Report Number	Report Title	Date Issued
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2015	<b>2014-02-FIN</b>	<b>FY 2014 Financial Statement Audit Management Letter Report</b>	1/13/15
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- EEOC should monitor and enforce its policies and procedures over sensitive property. EEOC should monitor these controls to ensure that the controls remain adequate and continue to operate effectively.
- EEOC should update its policies and procedures to correctly state its current process.
- EEOC should monitor and enforce its policies and procedures over record retention for purchase and travel card transactions. EEOC should monitor these controls to ensure that the controls remain adequate and continue to operate effectively. Additionally, management should enforce penalties, such as disciplinary action, including restitution to the government and/or dismissal.
- EEOC should implement and monitor controls to ensure approving officials' review and approval is documented for each purchase and travel card transaction. The policy or procedure should establish an appropriate period of time for retention of records, monitoring by the purchase card program manager, and appropriate disciplinary actions for noncompliance.
- EEOC should follow its guidelines for all expense transactions. We also recommend developing an assessment of EEOC's internal control process in order to proactively manage internal controls and get the most from them.
- EEOC should work with its service provider to implement internal controls that will catch all transactions with a zero object class. A monthly review of expense transactions will identify those with a zero object class.

Fiscal Year	Report Number	Report Title	Date Issued
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2015	<b>2014-08-EOIG</b>	<b>FY 2014 Federal Information Security Management Act Report</b>	12/16/14
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- Implementation of background checks for student interns to ensure that international visas are current.
- Development of policies and procedures to properly manage physical security access cards.
- Development of Continuity of Operations plans for field offices.
- Improved control over physical access to the data center and technology storage room.

Fiscal Year	Report Number	Report Title	Date Issued
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2014	<b>2013-FIN-01</b>	<b>FY 2013 Financial Statement Audit</b>	12/16/13
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- EEOC should update and revise the manner in which it controls the maintenance of its official personnel files. Additionally, management should perform a thorough review of its employees' personnel files to ensure that documentation is current and complete. (**Repeat finding since 2012**)

Fiscal Year	Report Number	Report Title	Date Issued
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2014	<b>2013-02-FIN</b>	<b>FY 2013 Financial Statement Management Letter Report</b>	1/31/14
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- EEOC management should consistently review and approve all documents as prescribed by its policies and procedures. Policies and procedures should be reviewed and updated to ensure they reflect the most current protocol.
- EEOC should establish and implement controls to prevent waste, fraud, and misuse in the credit card program. On an annual basis, EEOC should review and update the Charge Card Program Guide for substantial changes. Additionally, EEOC should monitor the controls to ensure that they are working effectively.

Fiscal Year	Report Number	Report Title	Date Issued
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2014	<b>2013-05-FISMA</b>	<b>FY 2013 Federal Information Security Management Act Report</b>	12/10/13
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- The OIG recommends that the EEOC OIT implement multifactor authentication for remote access. The OIG further recommends that the multifactor authentication use one factor provided by a device separate from the computer gaining access. (**Repeat finding since 2008**)

Fiscal Year	Report Number	Report Title	Date Issued
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2013	<b>2012-09-REV</b>	<b>Review of Evaluations</b>	04/09/2013
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- EEOC should document criteria for determining Category C charges.
- EEOC should investigate the merits of expanding the information it obtains related to employee hiring and terminations.

Fiscal Year	Report Number	Report Title	Date Issued
2013	<b>2012-01-FIN</b>	<b>FY 2012 Financial Statement Audit Report</b>	11/16/2012

- EEOC should document and monitor implementation of all complementary user control considerations. **(Repeat finding since 2010)**

Fiscal Year	Report Number	Report Title	Date Issued
2013	<b>2012-08-PUR</b>	<b>Performance Audit of EEOC Charge Card Program</b>	03/28/2013

- EEOC should perform further analysis on its government charge card operations to identify the controls to be implemented in compliance with OMB directives. Specifically, the EEOC must review and update the identification of procedures performed using the new accounting system (FCS) as well as the current duties of personnel interacting with the system. The EEOC should meet with all process lead personnel to determine what controls are or should be in place to ensure that fraud, waste, abuse, and misuse are not present in the charge card program. The EEOC should identify all requirements in OMB Circular A-123, Appendix B, and determine the procedures necessary to comply with the requirements and ensure that policies and procedures are reviewed on an annual basis or more frequently if substantial changes have occurred in EEOC's systems or if laws and regulations have been issued. This will help to ensure that policies and procedures are appropriate for the current environment.
- EEOC should monitor controls over transaction approval, whether performed at EEOC or at a service provider.
- EEOC should develop and implement policies to require reviews of total cardholder activity to ensure compliance with monthly spending authority for all cardholders. Management should maintain documentation of authority to exceed cardholders' spending limits. Penalties

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for exceeding authorized spending limits should be established and enforced.

Fiscal Year	Report Number	Report Title	Date Issued
2008	<b>2008-03-AMR</b>	<b>Oversight of Federal Agency Reporting Management Directive 715 (MD-715) and Related Topics</b>	09/26/2008
		<ul style="list-style-type: none"><li>• EEOC should require Federal agencies to submit Part G of their Equal Employment Opportunity assessment with their annual EEOC Management Directive MD-715 submissions.</li></ul>	

As required by Section 5(a)(10) of the Inspector General Act of 1978, as amended, semiannual reports must include a summary of each audit report issued before the start of the reporting period for which no management decision has been made by the end of the reporting period. The OIG has no audit or evaluation reports that were issued before the reporting period began for which no management decision has been made.

Fiscal Year	Number of Reports with Unimplemented Recommendations (such as report title, report number, hyperlink to report, etc.)	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings	For which no establishment comment was returned within 60 days of providing the report to the establishment
2017	0	0	0	N/A

We have no audit, evaluation, or review reports that were issued before the reporting period began for which no management decision has been made. We do not issue inspection reports.



## The Investigation Program

*The Investigation Program supports the OIG's strategic goal to focus limited investigative resources on issues that represent the greatest risk and offer the maximum opportunity to detect and prevent fraud, waste, and abuse in EEOC programs and operations*

The Office of Inspector General received 524 calls on the OIG Hotline, received 253 emails on the Inspector General address and had 55 written inquiries for a total of 832 investigative contacts through April 1, 2017 and September 30, 2017, resulting in the following:

### Investigative Inquiries

<b>Investigative Inquires Received April 1, 2017 – September 30, 2017</b>	
<b>Allegations</b>	<b>Number</b>
Charge Processing	117
Other Statutes	87
Title VII	82
Mismanagement	1
Ethics Violations	3
Backgrounds	6
Theft	0
Threats	1
FOIA Request	1
Fraud	2
Other Criminal Allegations	2
Congressional Inquiries	0
<b>Total</b>	<b>302</b>

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## **Completed Investigative Activities:**

### ***Ethical Violation***

OIG received an email complaint from an anonymous source regarding the actions of an EEOC supervisor. The complainant alleged that the EEOC supervisor acted unethically and possibly illegally by accepting an expensive gift from a subordinate EEOC employee, in violation of *Standards of Ethical Conduct for Employees of the Executive Branch – 5 C.F.R. SEC. 2635.302, Gifts Between Employees.*

After conducting a thorough investigation into the complaint, OIG concluded that the EEOC supervisor did not violate the *Standards of Ethical Conduct for Employees of the Executive Branch – 5 C.F.R. SEC. 2635.302*, as both parties stated that the EEOC supervisor paid for the expensive gift. Therefore, there is no violation.

A Management Advisory was also issued in this matter to address additional issues that were raised in the complaint.

## **ONGOING INVESTIGATIVE ACTIVITY**

The OIG has ongoing investigations in several field offices involving ethics violations, conflicts of interest, fraud, falsification of government records, impersonation of a Federal official, misuse of travel and purchase cards, misuse of government property, misuse of position, misuse of the Agency seal, prohibited personnel practices, Federal Employees' Compensation Act (FECA) fraud allegations and threats against Agency/personnel.

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## Appendices

### Appendix I. Final OIG Audit and Evaluation Reports

Report Title	Date Issued	Questioned Costs	Funds Put to Better Use	Unsupported Costs
Report on Compliance with Improper Payments Elimination and Recovery Improvement Act	5/11/17	\$0	\$0	\$0

### Appendix II.

#### Investigative Statistical Report

Report Title	Number
Total number of investigative reports	1
Total number of persons referred to the Department of Justice for criminal prosecution during the reporting period	0
Total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period	0
Total number of indictments and criminal information during the reporting period that resulted from any prior referral to prosecuting authorities	0

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### Appendix III.

**A report on each investigation conducted by the Office involving a senior government employee where allegations of misconduct were substantiated**

<b>Facts and circumstances of the investigation</b>	<b>(B) the status and disposition of the matter, including- (i) if the matter was referred to the Department of Justice, the date of the referral; and (ii) if the Department of Justice declined the referral, the date of the declination</b>
N/A	N/A

### Appendix IV.

**A detailed description of any instance of whistleblower retaliation**

<b>Information about the official found to have engaged in retaliation</b>	<b>Consequences the establishment imposed to hold that official accountable</b>
N/A	N/A

### Appendix V.

**A detailed description of any attempt by the establishment to interfere with the independence of the Office**

<b>Issue</b>	<b>Description</b>
With budget constraints designed to limit the capabilities of the Office	N/A

<p>Incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action</p>	<p>N/A</p>
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**Appendix VI.**

**Detailed descriptions of the particular circumstances**

<p><b>Issue</b></p>	<p><b>Description</b></p>
<p>Inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public</p>	<p>N/A</p>
<p>Investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public</p>	<p>N/A</p>

**Appendix VII.**

**Index of Reporting Requirements**

<p><b>Inspector General Act Citation</b></p>	<p><b>Reporting Requirements</b></p>	<p><b>Page</b></p>
<p>Section 4(a)(2)</p>	<p>Review of Legislation and Regulations</p>	<p>N/A</p>
<p>Section 5(a)(1)</p>	<p>Significant Problems, Abuses, and Deficiencies</p>	<p>10</p>
<p>Section 5(a)(2)</p>	<p>Recommendations with Respect to Significant Problems, Abuses, and Deficiencies</p>	<p>N/A</p>

Section 5(a)(3)	Significant Recommendations Included in Previous Reports on Which Corrective Action Has Not Been Completed	10
Section 5(a)(4)	Matters Referred to Prosecutorial Authorities	22
Section 5(a)(5)	Summary of Instances Where Information Was Refused	N/A
Section 5(a)(6)	List of Audit Reports	10
Section 5(a)(7)	Summary of Significant Reports	8
Section 5(a)(8)	Questioned and Unsupported Costs	22
Section 5(a)(9)	Recommendations That Funds Be Put to Better Use	22
Section 5(a)(10)	Summary of each audit report, inspection reports, and evaluation reports issued before the commencement of the reporting period:(A) for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report;  (B) for which no establishment comment was returned within 60 days of providing the report to the establishment; and  (C) for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations.	19
Section 5(a)(11)	Significant Management Decisions That Were Revised During the Reporting Period	N/A

Section 5(a)(12)	Significant Management Decisions with Which the Office of Inspector General Disagreed	N/A
Section 5(a)(17)	<p>Statistical tables showing:</p> <p>(A) the total number of investigative reports issued during the reporting period;</p> <p>(B) the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period;</p> <p>(C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and</p> <p>(D) the total number of indictments and criminal information during the reporting period that resulted from any prior referral to prosecuting authorities.</p>	22
Section 5(a)(19)	<p>A report on each investigation conducted by the Office involving a senior Government employee where allegations of misconduct were substantiated, including a detailed description of:</p> <p>(A) the facts and circumstances of the investigation; and</p> <p>(B) the status and disposition of the matter, including:</p> <p>(i) if the matter was referred to the Department of Justice, the date of the referral; and</p> <p>(ii) if the Department of Justice declined the referral, the date of the declination.</p>	23
Section 5(a)(20)	A detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any, consequences the establishment imposed to hold that official accountable.	23

Section 5(a)(21)	<p>A detailed description of any attempt by the establishment to interfere with the independence of the Office, including</p> <p>(A) with budget constraints designed to limit the capabilities of the Office; and</p> <p>(B) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action.</p>	23, 24
Section 5(a)(22)	<p>Detailed descriptions of the particular circumstances of each:</p> <p>(A) inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public; and</p> <p>(B) investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public.</p>	24

## **Appendix VIII.**

### **Single Audit Act Reports**

During the reporting period, OIG received no audit reports issued by public accounting firms concerning Fair Employment Practices Agencies that have work-sharing agreements with EEOC

## **Appendix IX.**

### **Peer Review Reporting**

Office of Inspectors General are required to include their peer review results as an appendix in semiannual reports to Congress in accordance with section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203).

### **Peer Review of the OIG Audit Function**

The National Endowment for the Arts conducted a peer review of OIG's system of quality controls. The peer review covered the period ending April 1, 2017. The report was issued September 19, 2017. OIG received a Modified Opinion that the audit function policies and procedures were current and consistent with applicable professional standards.



## EEOC-OIG The Hotline

The EEOC Hotline Program was established for Agency employees, other Government employees, contractors, and the general public to report fraud, waste, abuse, or wrongdoing by phone, website form, or by U.S. mail.

## What Should you Report

You should report any concern you may have over a situation in which EEOC is the potential victim of fraudulent acts by employees, contractors, or others. It includes any violations of laws, rules, regulations, gross mismanagement, gross waste or misappropriation of funds, and abuses of authority.

## OIG Hotline Contact Information



**To contact our OIG Hotline please call:  
Toll-free 1-800-849-4230**



**For general information inquiries please visit our Contact webpage:  
[HTTPS://OIG.EEOC.GOV/CONTACT](https://oig.eeoc.gov/contact)  
To submit report fraud/waste/ abuse please visit our  
Hotline webpage:  
[HTTPS://OIG.EEOC.GOV/HOTLINE](https://oig.eeoc.gov/hotline)**



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