Peace Corps
Office of

INSPECTOR
GENERAL

SEMIANNUAL REPORT TO CONGRESS

April 1, 2018 to September 30, 2018

Semiannual Report to Congress

April 1, 2018 to September 30, 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

This year we mark the 40th anniversary of the Inspector General Act and the creation of the original 12 Offices of Inspector General. Our office was created in 1989. Since that time, we have been part of a community that has grown to include 73 statutory Inspectors General who collectively oversee the operations of nearly every aspect of the Federal Government. Every 6 months, we provide Congress with a report detailing our independent oversight of the Peace Corps during the reporting period. This report is our 59th semiannual report. In the years to come, we look forward to continuing our efforts to provide independent and effective oversight of the Peace Corps and working with the Council of Inspectors General on Integrity and Efficiency (CIGIE) on important issues that cut across our government.

I am pleased to present the Peace Corps Office of Inspector General's (OIG's) Semiannual Report to Congress for the period of April 1, 2018 to September 30, 2018. Our work underscores OIG's commitment to promoting efficiency, effectiveness, and accountability within the Peace Corps.

The Audit Unit issued reports on the audits of posts in Panama, Botswana, and the Philippines. The unit produced a management advisory report concerning the Peace Corps' purchase card usage. The unit also initiated work on audits of posts in Guatemala and eSwatini (formerly Swaziland).

The Evaluation Unit issued reports on the evaluation of the post in Senegal and the follow up review of the post in Uganda. The unit also issued a management advisory report which focused on the unnecessary delay in staffing reductions during the suspension of the post in Kenya. The unit began evaluations of the posts in Thailand and Paraguay. Additionally, the unit continued work on a study of best practices related to Volunteer site identification and preparation, a review of program-opening guidance for post-conflict environments, and an evaluation of policies and practices regarding host families.

The Investigation Unit conducted investigations of alleged criminal and administrative violations of law, regulation, and policy in Peace Corps programs and operations. Notably, the unit's investigative work led to a former Peace Corps trainee being charged with three counts of video voyeurism. The case is being jointly prosecuted by a trial attorney in the Criminal Division's Human Rights and Special Prosecutions Section at

the Department of Justice and an assistant U.S. attorney for the Northern District of Florida. The Investigation Unit also worked with the Management and Administration Unit to produce a management advisory report which included recommendations that the agency re-examine its strategy in addressing Volunteer drug use.

Finally, I am honored to share that the Council of the Inspectors General on Integrity and Efficiency (CIGIE) announced that my office will receive two awards for excellence at its annual award ceremony scheduled for October 17, 2018.

Kathy A. Buller
Inspector General

Management and Administration

Management and Administration

Agency Context

As of September 30, 2018, there were 7,367 Peace Corps Volunteers and trainees serving in 61 countries at 58 posts. This total includes 735 Volunteers and trainees funded by the President's Emergency Plan for AIDS Relief (PEPFAR) to work on HIV/AIDS projects at 12 posts and 182 Peace Corps Response Volunteers serving in short-term assignments at 22 posts.

Peace Corps Volunteers and programs were supported by 949 U.S. direct hire staff, of whom 187 worked abroad, 656 worked at headquarters, and the remaining 106 worked in regional recruiting offices and other domestic locations. There were also 2,940 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.

Staffing

Maritza Padilla-Vega joined OIG as a senior auditor in April 2018. Before joining Peace Corps OIG, Maritza spent 3 years as an auditor with Corporation for National and Community Service OIG. She also spent 7 years as a contract auditor for Defense Contract Audit Agency. Maritza is a U.S. Army veteran who completed two tours in Iraq. Maritza holds a bachelor's degree in accounting from the University of Puerto Rico and is fluent in Spanish. She is also a Certified Public Accountant and a Certified Fraud Examiner.

Andrew Hoke joined OIG as an administrative specialist in June 2018, having been with OIG on a temporary appointment since July 2017. Andrew taught English while serving as a Peace Corps Volunteer in Kosovo from 2014 to 2016. Prior to Volunteer service, he worked for 2 years as an administrative assistant for Armstrong State University in Savannah, Georgia. He was also a staff assistant for the Dian Fossey Gorilla Fund International and an English teacher in South Korea. Andrew holds a bachelor's degree in political science from Georgia College and State University.

Dan Pitts joined OIG as an administrative specialist in June 2018, having been with OIG on a temporary appointment since August 2017. Dan taught English while serving as a Peace Corps Volunteer in Indonesia from 2013 to 2015. During his service, he established a library at his host site and introduced his community to American football. Dan holds a bachelor's degree in English from Western Washington University and a master's degree in public administration from the University of Washington.

Trina Lee joined OIG as a public affairs specialist in September 2018. She served as a Peace Corps Volunteer from 2014 to 2016 in China, where she taught English language and British and American culture classes to university students. She holds bachelor's degrees in communications and political science/international relations from the University of California, San Diego, and a master's degree in law and diplomacy from The Fletcher School at Tufts University.

OIG Organizational Chart

Kathy A. Buller
Inspector General

Joaquin Ferrao
Deputy Inspector General and Legal Counsel

Christopher Fontanesi
Attorney-Advisor

Judy Leonhardt
AIG/Audit

Jerry Black
AIG/Evaluation

John Warren
AIG/Investigation

Sarah O'Neill Gerwin
AIG/Management and Administration

Snehal Nanavati Lead Auditor	Erin Balch Senior Evaluator	Douglas Bonaro Senior Investigator	Katherine Noble Administrative Specialist
Rebecca Underhill Lead Auditor	Kris Hoffer Senior Evaluator	Jennifer Pallotta Senior Investigator	Andrew Hoke Administrative Specialist
Ann Lawrence Senior Auditor	Paul Romeo Senior Evaluator	German Melo Senior Investigator	Dan Pitts Administrative Specialist
Maritza Padilla-Vega Senior Auditor	Reuben Marshall Senior Evaluator	Joe Bodensteiner Expert	Trina Lee Public Affairs Specialist
Shane Potter Auditor	Kaitlyn Large Senior Evaluator	Vacant Investigator (2)	
A'Daris McNeese Program Analyst	Alexandra Miller Program Analyst		
Vacant Auditor			

Management and Performance Challenges

Management and Performance Challenges

Inspector General's Statement

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is submitting what it has determined to be the most significant management and performance challenges facing the Peace Corps. The challenges discussed in the attachment to this memo are to be included in the Agency Financial Report for Fiscal Year (FY) 2018. The IG's management challenges are observations of the IG based on the work performed by the OIG as well as information uncovered during the performance of our oversight responsibilities.

OIG has concluded that the following five areas present significant challenges at the Peace Corps:

- Planning and Implementation
- Volunteer Health and Safety
- Human Capital Management
- Information Technology Security Management
- Compliance

These challenges illustrate the most significant areas OIG believes need improvement for the Peace Corps to effectively manage its resources and minimize the potential for fraud, waste, and abuse occurring in its operations. Addressing the issues related to these challenge areas will enable the agency to increase operational efficiencies and improve mission effectiveness.

Fiscal Year 2018 Challenges

Challenge: Planning and Implementation

Why This Is a Challenge

Although the Peace Corps continues to improve key business processes and critical Volunteer support functions, it struggles to plan for the long-term impacts of risk and capital needs of the entire organization. Specifically, OIG has highlighted areas of concern where the agency did not apply sufficient time and resources to document decisions, ensure the appropriate resources are assigned, and review lessons learned. In conducting planning and implementation, the agency has been hampered by the lack of an effective enterprise risk management framework that would allow the agency to

ensure that decisions made align with or ultimately benefit the Peace Corps' overall mission and agency priorities. Furthermore, insufficient planning exacerbates inefficiencies caused by decentralized processes and a relative lack of automated modern systems.

Decision Making, Documentation, and Accountability

Our management advisory report on the suspension of Peace Corps/Kenya found that the agency did not sufficiently document decisions and recommendations concerning continued operations in country.[1] While Volunteers were evacuated from Peace Corps/Kenya in July 2014, Peace Corps did not reduce staff at post until June 2017. During this 3-year time period, headquarters management made numerous assessments and decisions about the viability of resuming operations. However, the agency did not take the appropriate steps to document all major decisions or the factors that influenced them and could not clearly justify decisions or ensure timely action. This proved especially disruptive because of leadership turnover in late 2016 and early 2017. The incoming management team lacked important information to guide their decision making about the Kenya suspension. In addition, because the agency does not have official guidance concerning post suspensions, maintaining experiential knowledge from past suspensions is critical.

Our management advisory report on Volunteer Drug Use, demonstrated that the agency has not sufficiently addressed the serious issue of drug use among Volunteers.[2] The lack of action is partially due to the agency's failure to gather accurate and sufficient information on the reasons why Volunteers separate from Peace Corps service. Information concerning Volunteer separation is captured and transmitted to headquarters manually, but in cases of substance abuse, staff often fill out the forms inaccurately or incorrectly. Both of the databases containing separation information were frequently missing key records. In the case of the database holding the administrative separation documentation (including resignation in lieu of administrative separation), records cannot be aggregated for statistical analysis purposes. With inaccurate, incomplete, or inconsistent information on Volunteer separations, the agency lacks insight into the pervasiveness of Volunteer misconduct and risks making uninformed decisions about mitigation or corrective action to address serious issues like Volunteer drug use. Furthermore, the agency cannot establish accountability, action plans, or performance standards without understanding the full scope of the problem.

Appropriately Assigning Resources

In recent country program evaluations, we have identified the need for Peace Corps to improve Volunteer activity reporting. Specifically, the current system creates a

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[1] Management Advisory Report: Managing the Suspension of Peace Corps/Kenya: A Case Study
[2] Management Advisory Report: Volunteer Drug Use

significant burden on post staff to clean up the data to make it useable at the post. Additionally, Volunteers reported that the tool is not user-friendly, and many have to travel out of their sites to complete the report due to insufficient internet access in their site. Further, we found that Volunteers need coaching and help with errors which requires excessive time and effort that programming staff need for other higher priority activities. Despite all these defects, the agency does not have plans to address these issues until the tool is redesigned and re-issued in late 2019. Volunteer activity reporting is also integrated into the agency's performance reporting to the Office of Management and Budget (OMB). Performance reporting is used by the agency and OMB in determining the Peace Corps' resource needs, and existing challenges with the volunteer reporting tool could distort agency performance reporting.

Reviewing Lessons Learned

In 2014, OIG reported on lessons learned from new country entries and noted that an inadequate time frame for opening a post can result in several problems, including inadequate Volunteer training, poorly developed sites, and an uneven quality in staff hiring or training.[3] However, 3 years later when we conducted our country program evaluation of Peace Corps/Kosovo, we again found that there was not an adequate amount of time allotted to onboard and train new staff and prepare for Volunteers.[4] By not applying these lessons learned to new country entries, the agency spent undue time, money, and effort.

Further, our report on recurring issues identified many common struggles that overseas posts faced over the last 5 years.[5] While our country-specific evaluations and audits identify issues at the post level, our recurring issues report identified many agency-wide themes that the Peace Corps should tackle at the organization level, including cash management and training needs assessments. These issues have also been highlighted in OIG work at the agency level, but changes have been slow or incremental.

Automated Systems

OIG audits and evaluations have found that several essential business functions remain largely paper-based, including processes for travel, medical supply management, payment vouchers, purchase card logs, contract files, several human resource functions, and employee off-boarding. Recently, when the agency switched its human resources system, it even replaced certain automated HR functions with paper processes. Lack of automation makes planning and implementation more challenging and impacts data reliability, as manual data processes are more prone to error.

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[3] New Country Entries: Lessons Learned
[4] Evaluation of Peace Corps/Kosovo
[5] Recurring Issues Report FY 2012 - 2015

Progress in Addressing the Challenge

The Peace Corps has made a commitment to implement an enterprise risk management framework in its FY 2018-2022 Strategic Plan. During the last several months, the agency has assigned senior level officials to lead this initiative, and these officials have worked to develop an approach to identify agency risks, risk tolerance, and any mitigating factors. The agency has worked with another Federal agency's chief risk officer to ensure the Peace Corps' approach is comprehensive. The agency has also developed management and staff level trainings geared to help employees understand individual roles in an enterprise risk management program. The agency plans to pilot these trainings in the upcoming month. However, to achieve full implementation of this framework, the agency will need to develop comprehensive policies and necessitate involvement of all agency offices and staff at all levels. Implementation of this framework will enable the agency to ensure that decisions and programs align with or ultimately benefit the Peace Corps' overall mission and agency priorities.

What Needs to Be Done

While the enterprise risk management framework is still under development, the agency needs to assess the planning, coordinating, and implementation of agency-wide policies or initiatives. Specifically, decisions should be assessed at the agency level and properly documented, efforts should be appropriately planned, and their implementation into agency policies and procedures should be timely and fully integrated.

Key OIG Resources

[Management Advisory Report: Managing the Suspension of Peace Corps/Kenya: A Case Study (2018)](#)
[Management Advisory Report: Volunteer Drug Use (2018)](#)
[Evaluation of Peace Corps/Kosovo (2017)](#)
[Evaluation of Peace Corps/Albania (2017)](#)
[Recurring Issues Report: Common Challenges Facing Peace Corps Posts, FYs 2012-2015](#)
[New Country Entries: Lessons Learned (2014)](#)
[Peace Corps Applicant Screening Process Final Audit Report (2014)](#)

Challenge: Volunteer Health and Safety

Why This Is a Challenge

While the Peace Corps works to prioritize the safety, security, and physical and mental health of its Volunteers, OIG country program evaluations and audits have identified aspects of the agency's safety and security and Volunteer medical care programs that present management challenges. Specifically, these challenges relate to the Volunteer health care program, Volunteer site selection and approval processes, transportation policies, Volunteer drug use, and sexual assault risk reduction and response.

Volunteer Health Care

In 2010, OIG reviewed the medical care provided to Volunteers following the death of a Volunteer in Morocco.[6] The review found that the methods used to measure and monitor the quality of Volunteer health care were insufficient. A follow-up review released in March 2016 found that the agency enhanced the Volunteer health care program with regard to our 2010 findings, but further improvements were still needed.[7] Specifically, overseas health units had experienced turnover and staffing gaps that resulted in poor transfer of patient information and documentation which can put Volunteers' health and safety at risk.

Our 2016 follow-up review also found that while the agency had established a policy to identify root causes of "sentinel events,"[8] its sentinel event reviews had not resulted in any systemic change. The process was ineffective for multiple reasons: the agency categorized too many events as sentinel to review them effectively, sentinel event committee members often had conflicts of interest with the cases, and root cause analyses were not comprehensive. It is important for the Peace Corps to establish a robust sentinel event review process that identifies and addresses root or systemic causes of adverse events such as preventable Volunteer deaths.

In OIG's 2017 country program evaluation of Peace Corps/South Africa, we found that the process for placing Volunteers with medical accommodations in South Africa was insufficient.[9] We recommended that the agency consider the nature of service in the country as well as the availability of support services, when making placement decisions for Volunteers with medical accommodations, especially those with mental health accommodations. Beyond considering the availability of health services in the country,

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[6] Death Inquiry and Assessment of Medical Care in Peace Corps Morocco (2010)
[7] Final Program Evaluation: Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care (2016)
[8] In February 2018 the agency issued a revised medical technical guideline (TG 167) which described categories of "Patient Safety Events" including: adverse events (death, permanent harm, temporary severe harm and intervention to save life); unusual events; and close calls. The previous version of TG167 was called "Sentinel Event Procedure."
[9] Final Country Program Evaluation: Peace Corps/South Africa (2017)

the agency did not have a process to determine what types of medical accommodations might be reasonable in South Africa, a post where it was exceptionally challenging for Volunteers to serve. The agency stated that it lacked sufficient and defensible data to make these considerations. OIG had previously recommended in a 2010 report on the Volunteer delivery system that the agency collect and analyze data to determine to what extent Volunteer medical accommodations pose an undue hardship on the operations of the Peace Corps, and that recommendation remains open.[10]

Volunteer Site Development

OIG found issues with site development at a number of posts. The agency requires that posts maintain site history files with relevant safety and security information, and that post staff review these files when considering Volunteer site placement. However, between 2012 and 2016, OIG found site history files were incomplete, insufficiently organized, or not being used to inform site selection in multiple posts and regions. OIG also found that several posts did not comply with their self-identified housing criteria, and appropriate staff (including the safety and security managers and Peace Corps medical officers) were not always sufficiently included in the site development process.

In addition, in several recent country program evaluation reports, we found that Volunteers were violating the posts' transportation policies which banned or limited the use of motorcycle taxis. Although they often said motorcycle taxis were simply more convenient, Volunteers also commonly reported that there were limited Peace Corps-approved transportation options to and from their sites, especially in rural areas. Available transportation should be considered during the site development process. The risk of an accident while riding on motorcycles poses serious danger to Volunteer safety. Without housing checks and proper site development, the agency may inadvertently place Volunteers in houses and sites that impose increased safety and security risks.

Volunteer Drug Use

In August 2018, OIG issued a management advisory report on Volunteer drug use alerting the agency that efforts to address Volunteer drug use had been insufficient and that drug use continued to pose a serious risk to the integrity and reputation of Peace Corps and to the health and safety of Volunteers.[11] OIG found that country directors struggled to resolve allegations of drug use through administrative action due to a high burden of proof and a lack of tools necessary to address the allegations in a fair and consistent manner. We also found that agency records on Volunteer misconduct related to drug use were incomplete, inaccurate, and inconsistent. See the Management Challenge section titled *Planning and Implementation*.

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[10] Volunteer Delivery System Follow-up Final Program Evaluation Report (2010)
[11] Management Advisory Report: Volunteer Drug Use (2018)

Sexual Assault Risk Reduction and Response

In November 2016, OIG issued a report on the Peace Corps' Sexual Assault Risk Reduction and Response (SARRR) program as required by the Kate Puzey Peace Corps Volunteer Protection Act of 2011.[12] We found that the agency lacked a comprehensive approach to gathering data about the effectiveness of the SARRR program to inform future program adjustments, including feedback from Volunteers and staff. In addition, we recommended that the agency develop guidance for Peace Corps medical officers to clarify expectations related to the provision of counseling services and communicate the guidance about available mental health support to Volunteers.

Progress in Addressing the Challenge

In February 2018, the agency updated its medical technical guidelines for Patient Safety Events (TG 167, previously referred to as Sentinel Events). These updates aim to address some of the concerns we noted in our 2016 assessment of the agency's sentinel event review process. OIG, however, has not assessed the effectiveness of the 2018 guidelines.

The agency has taken steps to update its guidance on Volunteer site development procedures and requirements for medical action plans. Medical action plans and facility assessments we reviewed in recent country program evaluations have complied with agency guidance.

To address challenges with site history files, the agency released improved guidance on management of site history files, requiring posts to develop standard operating procedures for maintaining and using site history files. The agency is piloting a new volunteer information database application where site history files will be maintained. The application is expected to be rolled out to all posts by the end of November 2018.

The agency clarified the roles and responsibilities of key staff members in the SARRR program, including the Peace Corps safety and security officers, sexual assault response liaisons, and the Office of Civil Rights and Diversity. The agency has also worked to improve both Volunteer- and staff-related trainings. It made adjustments to its training of SARRR trainers that focused on helping staff talk sensitively and candidly about risk reduction. and incorporating inclusive language about sexual assault risks for male and LGBTQ Volunteers in Volunteer training. The agency provided guidance to posts on how to integrate response to sexual harassment into Volunteer training, provided guidance to Volunteers on how and when to report harassment, and asserted that SARRR trainings should continue throughout a Volunteer's service, not only at the beginning of service. The agency also created a new safety and security assessment to help posts better understand Volunteer comprehension of SARRR training and issued guidance to

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[12] Evaluation of the Peace Corps' Sexual Assault Risk Reduction and Response Program (2016)

posts clarifying expectations regarding SARRR training for permanent and temporary staff serving in senior leadership positions.

What Needs to Be Done

Volunteer Health Care

To improve the Volunteer health care program, the agency should implement recommendations from the 2016 Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care, including updating agency guidance to clarify oversight responsibility for health units at Peace Corps posts. We also recommended in this report that the agency should work to improve their patient safety event review process, since this process will better ensure that the Peace Corps continuously learns how to better support Volunteer health and safety. Specifically, the agency should ensure reviews include key components like root cause identification and a focus on addressing systemic issues. The agency also needs to provide sufficient and appropriate staffing for case reviews.

In addition, the Peace Corps should establish more systematic data collection and analysis to determine to what extent Volunteer medical accommodations pose an undue hardship on its operations.

Volunteer Site Development

In order to reduce safety and security risks to Volunteers, the agency should ensure that the planned electronic system to manage site history files is implemented effectively. Furthermore, posts need to ensure Volunteer housing meets their specified housing criteria and ensure that appropriate staff are involved in housing checks.

To reduce the risks associated with Volunteer transportation, the agency should improve implementation and enforcement of motorcycle policies at Peace Corps posts. It should clarify with posts the importance of collecting more accurate information about the transportation options Volunteers will have at their sites and consider those options in relation to the post's transportation policy and standards. Staff should take this information into consideration when approving sites for Volunteers, to determine mitigation strategies and the appropriateness of sites especially in rural areas or more remote locations.

Volunteer Drug Use

The agency should take additional measures to better address Volunteer use of unauthorized drugs. Country directors need greater support in resolving drug use allegations at post. The agency needs to gather and analyze more accurate information on drug use among Volunteers. The agency should also increase Volunteer awareness about the impacts of drug use on their safety and the effectiveness of their service.

Sexual Assault Risk Reduction and Response
The agency should expand its monitoring and evaluation plan to improve collection of feedback from staff and Volunteers on the effectiveness of the sexual assault risk reduction and response program. It should also improve communication to Volunteers regarding the availability of counseling services.

Key OIG Resources

Management Advisory Report: Volunteer Drug Use (2018)
Follow Up Review of Peace Corps/Uganda (2018)
Management Advisory Report: Volunteer Drug Use (2018)
Final Country Program Evaluation: Peace Corps/South Africa (2017)
Management Advisory Report: Site History Files (2016)
Recurring Issues Report: Common Challenges Facing Peace Corps Posts, FYs 2012-2015 (2016)
Final Program Evaluation: Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care (2016)
Evaluation of the Peace Corps' Sexual Assault Risk Reduction and Response Program (2016)
Peace Corps' Response to OIG Investigative Review of the Circumstances Surrounding the Death of a Volunteer in Peace Corps/China (2015)
Investigative Review of the Circumstances Surrounding the Death of a Volunteer in Peace Corps/China (2014)
Death Inquiry and Assessment of Medical Care in Peace Corps Morocco (2010)
Volunteer Delivery System Follow-up Final Program Evaluation Report (2010)

Challenge: Human Capital Management

Why This is a Challenge

Key pillars of human capital management include hiring, recruitment, training, and knowledge management. In performing oversight over agency operations, OIG has highlighted areas of concern in all four sectors. Most importantly, we have noted how excessive personnel turnover has substantially exacerbated these challenges.

Hiring and Recruitment

Nearly all Peace Corps U.S. direct-hire staff are subject to a 5-year term limit called the "five-year rule" (FYR). Congress enacted the FYR in 1965 to create a constant flow of new employees, including returned Peace Corps Volunteers; avoid the inflexibility associated with the civil service system; and prevent employees from working their entire career at the Peace Corps. However, when OIG analyzed the impact of the FYR in June 2012,[13] we found that between 2005 and 2009 the annual pace of employee turnover was between 25 percent and 38 percent, quadruple the average turnover rate in the Federal government. OIG estimated that excessive turnover driven by the FYR accounted for approximately 60 percent of $20.7 million in total turnover management costs.

In July 2017, OIG issued the "Management Implication Report: Challenges Associated with Staff Turnover" to the acting Director.[14] This report outlined the negative effects of staff turnover on the agency's ability to maintain high quality Volunteer support and improve core business functions, illustrating that high staff turnover is a persistent challenge for the agency that spans multiple levels and areas of operation.

Almost all leadership positions at the Peace Corps, both at headquarters and overseas, are subject to the FYR. Since these positions directly impact the agency's operations, recruiting and hiring skilled personnel to fill these vacancies is critical. In 2013, OIG reported on these challenges in our audit of Peace Corps overseas staffing.[15] We found that the agency struggled to maintain a robust pool of qualified applicants and fill positions in a timely manner. It had difficulty managing hiring and administrative timelines for open positions, maintaining consistency in the interview and hiring process, planning for transfers, and dealing with unexpected vacancies. These challenges were aggravated by the agency's accelerated rate of overseas staff turnover.

Headquarters personnel recruitment is similarly challenged because many of the positions require specialized knowledge and the ability to perform government contracting, financial management, information technology, and human resources

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[13] Final Evaluation Report: Impacts of the Five-Year Rule on Operations of the Peace Corps (2012)

[14] Management Implication Report: Challenges Associated with Staff Turnover (2017)

[15] Final Report on the Program Evaluation if the Peace Corps' Training of Overseas Staff (2014)

management. We found that the FYR exacerbated the agency's challenges in attracting and retaining qualified personnel and contributed to an abbreviated average tenure of about 3 years. For example, the agency has struggled to recruit qualified staff to the Office of the Chief Financial Officer (OCFO) contracting group and short tenures within this group have compromised the agency's ability to conduct adequate acquisition planning. Between December 2016 and August 2018, OCFO did not appoint a permanent Chief Acquisition Officer, who has the authority to administer all contracts, interagency agreements, and suspend and debar non-responsible vendors. Further, this position has faced a high level of turnover. Between July 2013 and August 2018, four staff members served in this role, but only one was fully designated, non-acting personnel. As part of their workforce reduction plan, [16] the agency also cut 50% of the headquarters team that provides oversight of overseas contracting, even though overseas contracts comprise the majority of Peace Corps procurements. The reduction from six to three contracting officers will slow overseas contract review and approval significantly, and overseas contracting officers will not receive the same level of support. This is critical since overseas contracting officers undergo limited training.

In addition, OCFO struggled to abide by timelines and sufficiently compete contracts partially due to difficulties retaining staff. During fieldwork for the review of a large cooperative agreement, we identified that 7 different people served as officers for the agreement between 2012 and 2018. This turnover contributed to insufficient planning and reportedly impacted the agency's decision not to compete the extension of the agreement, but instead to sole-source the award. Failure to follow acquisition timelines and regulations, like ensuring competition when appropriate, increases the risk of fraud, waste, and abuse of government funds.

Training and Knowledge Management

Several internal and external evaluations of the FYR highlight the importance of knowledge management, the systematic documentation and maintenance of information. The field advisory board[17] emphasized knowledge management as a critical support function for post operations. Our 2012 FYR and 2017 management implication reports specifically highlight how excessive turnover makes this process simultaneously more difficult and more critical to ensure continuity of operations. Shortened tenures contribute to insufficient institutional memory. With high turnover, the Peace Corps must rely on its policies, reports, and other office-level operating procedures to act as its centralized source of knowledge and agency history. However, as identified in the *Planning and Implementation* section of this report, Peace Corps has struggled with

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[16]In response to the Office of Management and Budget memorandum M-17-22 on reforming the Federal government and reducing the civilian workforce, issued April 12, 2017, heads of executive departments and agencies were required to develop a comprehensive plan to comply including long-term workforce reductions.

[17] A committee of overseas staff that advises the agency on ways to fully enable posts to support Volunteers and the communities they serve.

systematically recording, maintaining, and propagating such guidance. For example, during fieldwork for the 2016 SARRR program report, OIG found that the Office of Victim Advocacy had very few written operating procedures to orient the new director of that office.[18]

The agency's primary training and orientation program for overseas staff members was not available to most host country national (HCN) staff, and the agency lacked a mechanism for orienting all new overseas staff members. Last year the agency decided to no longer include HCNs (except for new Peace Corps Medical Officers) in overseas staff training as part of a plan to reduce expenditures, even though they comprise almost 90% of overseas staff.[19] Plans to digitize a training program for HCN staff will not be initialized until late 2019. In the absence of a comprehensive, standardized orientation and training program for all overseas staff, each post decided what information to provide to new staff. This created variability in the quality of staff training, and there was no assurance that new staff had been properly trained on important policies and procedures. Further, in both the 2013[20] and 2016 evaluation reports on the Peace Corps Sexual Assault Risk Reduction and Response (SARRR) program, OIG again found that there was inconsistent onboarding and continuing education processes for critical staff positions that deliver safety, security, and medical support to Volunteers. During fieldwork in 2016, OIG also could not verify that all overseas staff had received the mandatory SARRR training required by the Kate Puzey Peace Corps Volunteer Protection Act of 2011, nor could we identify who among overseas staff were required to take these trainings.

Progress in Addressing the Challenge

Hiring and Recruitment
The President signed into law the Sam Farr and Nick Castle Peace Corps Reform Act of 2018 (H.R. 2259) on October 10, 2018. The new law will allow the Director to exempt certain critical positions from the FYR if they require specialized technical or professional skills and knowledge of Peace Corps operations, such as those relating to Volunteer health services, financial management, information technology, procurement, personnel, legal services, or safety and security. That provision is supported by agency management.

The agency has been developing processes to forecast and fill vacancies to reduce the length of gaps in overseas leadership positions. It has begun using a general roster of

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[18] Final Evaluation Report on the Peace Corps Sexual Assault Risk Reduction and Response Program (2016)

[19] According to OIG's 2014 Evaluation of Overseas Staff Training, 91.8% of overseas staff are personal service contractors or foreign service nationals who are primarily citizens of the host country, but a few may be American citizens or citizens of a third country.

[20] Evaluation of the Peace Corps Volunteer Sexual Assault Policy (2013)

candidates for overseas direct hire positions, with an expectation that candidates will have worldwide availability.

Training and Knowledge Management

In 2018, OSLD implemented a new learning management tool to manage training requirements and track completions for staff and Volunteers. In addition, the office hired a knowledge management specialist to institutionalize content and improve knowledge management related to staffing and development. The office is also continuing to make progress on key recommendations such as conducting a needs assessment and monitoring and updating Federal training requirements.

The agency took steps to assess staff SARRR training needs, including interpersonal skills and teamwork, and modified the training accordingly. The agency also created an overarching policy roadmap that outlines all policies and procedures related to the SARRR program and made it accessible to staff on the Peace Corps intranet workspace.

What Needs to Be Done

Hiring and Recruitment

Following the recent workforce reduction, the agency must ensure that headquarters offices are properly equipped to provide quality support and oversight of overseas operations. The agency still needs to address two open recommendations (recommendations 2 and 3) from our 2012 FYR report relating to better management of turnover and acquisition and retention of qualified personnel in core business functions. In addition, the agency should take action to improve how it hires certain overseas managers by developing policies and procedures and should work to close the rest of the recommendations from our 2014 overseas staff training report.

Training and Knowledge Management

Peace Corps leadership must commit to developing and enacting an agency-wide strategy to formalize knowledge management practices related to recording institutional memory, transferring knowledge to new hires, and ensuring accessibility. Also, the agency needs to act on many recommendations related to training and knowledge management like creating a standardized training program for overseas staff. In addition, the agency still needs to develop, communicate, and track expectations and results for headquarters and overseas staff compliance with training-related laws and policies.

Key OIG Resources

Management Implication Report: Challenges Associated with Staff Turnover (2017)
Final Evaluation Report on the Peace Corps Sexual Assault Risk Reduction and Response Program (2016)

Final Report on the Program Evaluation of the Peace Corps' Training of Overseas Staff (2014)

Final Audit Report: Peace Corps Overseas Staffing (2013)

Evaluation of the Peace Corps Volunteer Sexual Assault Policy (2013)

Final Evaluation Report: Impacts of the Five-Year Rule on Operations of the Peace Corps (2012)

Recurring Issues: OIG Post Audits and Evaluations FY 2009-2011 (2012)

Challenge: Information Technology Security Management

Why This Is a Challenge

Effective information technology (IT) security programs help protect agency data from being misused by both internal and external sources and minimize the risk of threats to sensitive data. Federal laws and regulations governing IT security are designed to strengthen an agency's management of its operations. They also provide significant guidance to help prevent serious information security incidents. The Federal Information Security Management Act of 2002 (FISMA), as amended, is central to the Federal IT security program.[21] The objective of FISMA is to develop a comprehensive framework to protect government information, operations, and assets.

OIG is concerned about the quality of the agency's IT security program, especially considering the sensitive data that the Peace Corps maintains about Volunteers, such as health records and sexual assault incident information. Since FY 2009, we have reported in our management and performance challenges that the Peace Corps has not achieved full compliance with FISMA or fully implemented an effective IT security program.[22] Some of the identified issues have been outstanding for over 8 years, and the agency has struggled to implement corrective actions. Year after year, our results demonstrate that the Peace Corps lacks an effective information security program because of problems related to people, processes, technology, and culture.

A key foundational issue impeding the maturity of the agency's security program is the absence of a fully-implemented, comprehensive, agency-wide risk management program that is effective at monitoring, identifying, and assessing security weaknesses and resolving related problems at the entity, business process, and information system levels. Without a robust risk management process, the Peace Corps is exposed to attacks, environmental disruptions, and business failures due to human error. See the Management Challenge section titled *Planning and Implementation*.

Further, the agency lacks a comprehensive contingency plan that would support a unified agency response to a disruption. Without this plan the agency is unable to prioritize its resources to restore and recover mission-critical business functions in the event of a disaster. By approaching contingency planning in a piece-meal approach, the agency is not being cost effective in protecting critical assets.

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[21] FISMA was amended in December 2014 by the Federal Information Security Modernization Act of 2014 (Pub. L. No. 113-283).

[22] Review of Peace Corps' Information Security Program (2016)

Progress in Addressing the Challenge

Peace Corps management has made some progress in strengthening IT security management programs and FISMA compliance. Specifically, we have seen a shift in senior management attention with the prioritization of IT security at the highest level. Further, the agency has been developing some foundational level policies and procedures to formalize the IT security program. However, a number of FISMA issue areas discussed in prior years' management challenge statements have not been fully resolved and require full agency involvement to complete.

What Needs to Be Done

In order to ensure 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 will need to focus on improving its IT 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. Focusing on the implementation of the risk management framework will facilitate tailoring an information security program that meets the Peace Corps' mission and business needs across a decentralized organization. See the Management Challenge section titled *Planning and Implementation*.

Furthermore, as Peace Corps undertakes physically moving the headquarters facility, the agency should take this opportunity to renew and formalize a comprehensive contingency plan. Specifically, the agency should ensure that the Continuity of Operations Plan, Disaster Recovery Plan, and all information system contingency plans support a unified agency response to a disruption. This contingency plan should have input from all involved offices and include the entity, business, and information system levels.

Key OIG Resources

[Review of Peace Corps' Information Security Program (2017)](#)
[Peace Corps' FY 2017 Annual Performance Report](#)
[Report on Protecting Sensitive Information in Peace Corps Computer Systems (2016)](#)

Challenge: Compliance

Why This Is a Challenge

The Peace Corps is a small agency that finds itself challenged to meet its global mission while at the same time complying with all the requirements of a Federal agency. While the Peace Corps has shaped its core values around Volunteer wellbeing, commitment to national service, and other areas related to quality programming, diversity, and innovation, the agency has not made complying with Federal laws, regulations, and other requirements a priority. Compliance is a significant objective in the government sector. To effectively comply with relevant requirements, the Peace Corps should initiate a comprehensive effort to align policies and procedures with requirements and establish a system and authority that better support implementation.[23]

The agency lacks a system to ensure policies and procedures align with Federal and other requirements. According to Peace Corps policy, the Office of the Chief Compliance Officer has the mission to develop and coordinate a compliance system with Office of Inspector General reports, Congressional mandates, and other regulations and laws. However, the office mainly focuses on IG reports due to resource constraints, as it is staffed by just two individuals. In addition, according to agency policy, the senior policy committee is responsible for ensuring that Peace Corps policies accurately reflect applicable laws, but the compliance office is not a member of the senior policy committee. This creates a gap in translating Federal and other requirements into implementable Peace Corps policies.

The agency does not have an overall manager for compliance related topics and struggles to coordinate timely and effective actions. In some cases, individuals are responsible for ensuring compliance, but don't have the authority over the programs to implement these changes. For example, the Chief Information Security Officer is responsible for ensuring agency compliance with Federal laws regarding the security of the agency's information systems. Through our work to assess the health of the agency's cybersecurity program, we have documented longstanding concerns. However, many of these issues are outside of this security group's purview and require larger, agency-wide involvement. See Management Challenge section titled *Information Technology Security Management.*

Further, with Peace Corps lacking an effective coordinating mechanism to support implementation, individual offices and staff members are responsible for knowing what has been enacted and working within their respective teams to meet requirements. For example, the Office of the Chief Financial Officer has established a new group to align financial policies and manage compliance. While this helps OCFO become more

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[23] See GAO Green Book Section OV2.16-OV2.25 for agency management guidance for establishing objectives.

efficient, there needs to be an overarching manager to ensure that decisions made at the office level align with agency operations and priorities. See the Management Challenge section titled *Planning and Implementation*.

Progress in Addressing the Challenge

In the last year, in addition to establishing the OCFO policy group mentioned above, the agency has taken steps to come into compliance with some long outstanding Federal requirements. Specifically, the agency received a three-year certification for their whistleblower program in 2017, which brings them into compliance with the 2014 requirement. Furthermore, the agency formalized their drug free workplace plan, which helps bring them into compliance with a 1986 Executive Order. However, while the agency has begun drug testing headquarters-based positions, the testing group does not include any sensitive senior agency managers who are located overseas. Lastly, the agency has made progress in coming into compliance with part of Homeland Security Presidential Directive-12 (signed August 27, 2004) by implementing logical access controls at headquarters. However, they have postponed their compliance for physical access requirements until the Peace Corps headquarters building moves locations in FY 2020.

What Needs to Be Done

While the Peace Corps has taken recent steps to address specific Federal requirements, the agency lacks a robust and unified program to ensure Federal compliance. Through OIG work and informal discussions with the agency, we have stressed the importance of complying with Federal laws; however, the agency continues to struggle in knowing when new laws and regulations exist or how to ensure compliance. An effective compliance program would establish an appropriate authority to help ensure identification, coordination, and implementation of federal requirements As the Federal government continues to face resource challenges and the agency streamlines operations to focus on Volunteer support, the Peace Corps must adopt a deliberate and comprehensive approach to ensure compliance with all relevant rules and regulations.

Key OIG Resources

Management Advisory Report: Purchase Card Review (2018)
Agency Financial Report FY 2017
2016 Review of Peace Corps' Information Security Program
Management Advisory Report: Peace Corps Drug-Free Workplace Plan (2012)

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Advice and Assistance

Advice and Assistance Provided to the Agency and Others

Management Advisory Reports

Volunteer Drug Use
IG-18-01-SR

OIG issued a management advisory report in August 2018 outlining our concerns that the Peace Corps' efforts to address Volunteer drug use were insufficient and that drug use continued to pose a serious risk to the integrity and reputation of the Peace Corps, as well as the health and safety of Volunteers. Research for the report consisted of the analysis of data from multiple Peace Corps and OIG systems, interviews with headquarters staff, and the observations of OIG investigators who responded to allegations of drug use at posts.

As evident from its zero-tolerance policy, the Peace Corps recognizes the serious dangers of drug use to the health and safety of Volunteers, as well as to the integrity and reputation of the agency. However, OIG found that the agency still struggled to fully understand and address the problem.

We found that, from 2015 to 2018, at least 152 Volunteers from 26 country programs separated from service in connection with drug use. Agency systems intended to record these instances of Volunteer misconduct contained incomplete, inaccurate, and inconsistent information, causing the agency to have limited understanding of the widespread nature of the problem.

Further, we found that country directors struggled to establish a finding of drug use without a Volunteer's own admission, because the agency required a high evidentiary standard in cases of Volunteer drug use. This allowed Volunteers to simply deny an accusation and return to service. In response to this challenge, we recommended that the agency consider implementing reasonable suspicion drug testing as a means of supporting country directors in resolving drug use allegations.

The report made six recommendations encouraging the agency to examine all facets of its drug policy, including enforcement, record keeping, research, and training, so that it may properly address this problem going forward.

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

Managing the Suspension of Peace Corps/Kenya: A Case Study
IG-18-02-SR

OIG issued a management advisory report in September 2018 to alert Peace Corps leadership to untimely decisions and the wasteful staffing structure during the suspension of Peace Corps/Kenya. In May 2017, OIG requested information from agency management concerning the prolonged suspension of Peace Corps/Kenya without a reduction in staff. Due to increasing security threats and violence, all Volunteers were evacuated, and the post was suspended in July 2014. However, it maintained 30 to 35 staff until June 2017 without any Volunteers in service. In June 2017 and June 2018, agency management implemented two reductions in staff, retaining 18 and 3 staff respectively. Finally, the remaining staff were released in July 2018.

We found that Africa Region management at headquarters did not assess staffing needs at the post in a timely manner. In April 2016, after two in-country security assessments, the Peace Corps Director approved re-entry as a much smaller, decentralized program. We determined that following approval of the re-entry plan, Africa Region management should have reduced staffing to a level appropriate for the down-sized program. However, the first staff reduction took place over a year later. Ultimately, the Peace Corps abandoned the plan for re-entry and initiated the closure of the office in Kenya in June 2018 because of the limited size and growth potential of the program.

OIG determined several causes for the delay in staff reduction. The re-entry plan approved by the Director did not sufficiently address staffing needs, nor did it clearly depict how the plan would affect staffing the new, decentralized office. High-level managers did not adequately record key decisions and recommendations, so the incoming management team lacked important information after the 2017 leadership transition. Further, we could not identify guidance or policy concerning the management of post suspensions that would direct senior staff to determine staffing levels at suspended posts.

The combined salaries of non-essential staff members released in June 2017 amounted to approximately $25,000 per month. Based on this approximation, if the agency had not unnecessarily delayed staff reductions, it could have put to better use at least $350,000 in staffing expenses alone. This limited review did not undertake a comprehensive analysis of the post's operating costs.

Management concurred with both recommendations made in the report, and both remained open at the end of this reporting period.

Funds to Be Put to Better Use

Recommendation 1: Assessments of Staffing Levels - $350,000

Purchase Card Review
IG-18-03-SR

OIG issued a management advisory report in September 2018 to bring management's attention to the needed improvements identified while reviewing the Peace Corps' purchase card program. We found that inadequate controls resulted in non-compliance with agency policies and guidance from the Office of Management and Budget. To reduce the risk of fraudulent behavior and financial abuse, the agency needs to improve its policies and procedures, training, and oversight provided to the purchase card program.

We found that the rejection reports for 7 months included over 1,4oo purchase card transactions with a total value of approximately $531,000 USDE, and approximately 13 percent of the statements were auto-closed over a 6-month period with over 400 transactions amounting to approximately $192,000 USDE. We noted instances of split purchases, purchases over the micro-purchase limit, purchases made without creating budget obligations, and document retention issues. Peace Corps management neither provided adequate training nor used the data analytics tools available from Citibank, Visa, or General Services Administration's SmartPay2 program to manage purchase card usage.

By not maintaining sufficient controls to assure compliance with Peace Corps and Federal requirements, the Peace Corps put itself at risk for fraudulent behavior and financial abuse. We found several weaknesses caused by insufficient controls: inadequate policies and procedures, lack of required training, inadequate oversight, and inadequate use of the available data analytic tools.

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

Questioned Costs

Recommendation 4: Controls, monitoring and oversight - $636,300
Recommendation 5: Purchase over micro-purchase limit - $8,500

Other Support to the Agency

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 26 policies, procedures, policy attachments, and other guidance documents. Topics included agency response to sexual assault; the personnel security program; agency action in response to the death of a Volunteer; in-service training; and the missions, responsibilities, and functions of various agency offices.

MS 243, "Responding to Sexual Assault"

As discussed in previous semiannual reports to Congress and Congressional testimony, the passage of the Inspector General Empowerment Act of 2016 restored OIG's access to all agency records and information. As a result, on April 5, 2018, the agency updated MS 243, "Responding to Sexual Assault," as well as corresponding implementing procedures, to remove access-denying provisions and to reflect that OIG may access all Peace Corps records, including restricted reports, in connection with our oversight duties. Key whistleblower provisions allowing staff to report sexual assault response mismanagement to OIG without violating agency policy were included. OIG is continuing to monitor how the agency communicates those changes to staff and Volunteers, modifying and delivering training materials, and making other technical changes to agency operations.

In addition to addressing OIG access, the agency made several policy and procedural changes to how it responds to sexual assault. The agency amended the overly restrictive definition of "Restricted Information" (previously defined as a combination of Personally Identifying Information and "explicit details of the sexual assault") and replaced it with a more administrable definition of "Personally Identifying Information." The agency also expanded the list of potential "designated staff"[24] to include counseling and other healthcare professionals, Peace Corps safety and security officers, and backup safety and security managers.

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[24] Designated staff are overseas staff with Sexual Assault Risk Reduction and Response program responsibilities who are allowed to receive restricted reports of sexual assault. Other staff, including the Country Director, are involved in the SARRR program but do not have responsibilities for directly providing services and support to sexual assault victims.

Participation in Overseas Staff Training

OIG participated in overseas staff training in June 2018, briefing eight staff members on best practices and common deficiencies noted by OIG. Participants included directors of management and operations and directors of programming and training.

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 58 records checks.

Audits

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. 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.

Ongoing Work

OIG engaged the independent public accounting firm Williams, Adley & Company-DC, LLC to perform an audit of the agency's FY 2018 financial statements. In accordance with applicable law, OIG reviews the audit work to assure that the work performed by non-Federal auditors complies with the standards established by the Comptroller General. The auditors' report will be included in the agency's FY 2018 financial report to be issued by November 15, 2018.

OIG also engaged Williams, Adley & Company-DC, LLC to conduct the FY 2018 review of the agency's information systems security. In accordance with the Federal Information Security Modernization Act of 2014 (FISMA), OIG annually reviews the agency's information security program and reports results to the Office of Management and Budget. We will complete our FISMA reporting by October 31, 2018, and a summary of the results will be posted on our website.

Along with the final reports detailed in the following section, the Audit Unit also continued work on the audits of Peace Corps posts in Guatemala and eSwatini (formerly Swaziland).

Audits of Operations Abroad

Audit of Peace Corps/Panama

IG-18-01-A

OIG issued a final audit report on Peace Corps/Panama in May 2018. Approximately 2,470 Volunteers have served in Panama since the post first opened in 1963. At the time of our audit, 3 U.S. direct hires, 1 foreign service national, and 44 full-time personal services contractors (PSCs) were supporting 194 Volunteers working in the following sectors: sustainable agriculture systems; community environmental conservation; water, sanitation, and hygiene; and English education. In FY 2016, the post's budget was approximately $4.5 million. Additionally, the Inter-America and the Pacific region at headquarters incurred an average cost of approximately $375,619 per overseas post.

The post's financial and administrative operations required improvement to comply with agency policies. Specifically, the post did not transfer accountability to the alternate cashier when the principal cashier was on leave, incurred substantial expenses for additional dental care, and unnecessarily paid value added taxes. Additionally, the post lacked adequate controls over access to Peace Corps information technology (IT) systems and the cashier's payments of issued bills of collection.

Management concurred with all 11 recommendations, and 1 remained open at the end of this reporting period.

Funds to Be Put to Better Use:

Recommendation 8: Unnecessarily Paid Value Added Taxes - $232

Questioned Costs:

Recommendation 3: Unapproved Dental Treatments - $9,770

Audit of Peace Corps/Botswana
IG-18-02-A

OIG issued a final audit report on Peace Corps/Botswana in August 2018. Approximately 2,445 Volunteers have served in Botswana since the post first opened in 1966. At the time of our audit, 3 U.S. direct hires, 2 foreign service nationals, 2 U.S. PSCs, and 32 full-time PSCs supported 144 Volunteers working in the health and community youth development sectors. In FY 2017, the post's budget was approximately $3.9 million. In addition, the Africa Region at headquarters incurred an average cost of $536,042 per overseas post.

The post's financial and administrative operations required significant improvement to comply with agency policies and applicable Federal laws and regulations. OIG found that post management did not exercise sufficient oversight over multiple administrative functions, including ensuring adherence to imprest controls, submitting correct and sufficient documentation for bills of collection and vouchers, and responding in a timely manner to requests for information to process payments. Specifically, the post violated multiple policies concerning interim advances, did not consistently perform daily imprest fund reconciliations, made several unallowed purchases, and failed to reconcile and approve credit card transactions. In addition, the post had difficulties claiming refunds for all value added taxes paid, collecting overpaid living allowances from Volunteers, and maintaining up-to-date security certifications for PSCs.

Management concurred with all 25 recommendations, and all remained open at the end of this reporting period.

Funds to Be Put to Better Use

Recommendation 11: Unclaimed value added taxes - $7,166

Questioned Costs

Recommendation 12: Improperly allocated value added tax - $1,550
Recommendation 17: Unsupported Volunteer grant expenses - $9,560
Recommendation 20: Unallowed purchase - $658
Recommendation 23: Uncollected overpayment of allowances for departed Volunteers - $3,649

Audit of Peace Corps/Philippines

IG-18-03-A

OIG issued a final audit report on Peace Corps/Philippines in September 2018. Approximately 8,800 Volunteers have served in the Philippines since the post first opened in 1961. At the time of our audit, 3 U.S. direct hires, 1 foreign service national, and 41 full-time PSCs supported 124 Volunteers working in the coastal resource management; children, youth, and families; and English education sectors. In FY 2017, the post's budget was approximately $3.9 million. In addition, the Europe, Mediterranean, and Asia (EMA) Region at headquarters incurred an average cost of $450,743 per overseas post.

The post's financial and administrative operations required improvement to comply with agency policies and applicable Federal laws and regulations. Specifically, the post experienced difficulties with medical supply management including not disposing of medical waste, not properly securing expired controlled substances, and purchasing medication from an unauthorized vendor. The post also had deficiencies in imprest fund management. We found instances where the post did not liquidate interim advances in a timely manner, the cashier intermingled personal and imprest funds, and the post disbursed more than the authorized amount for sub-cashier advances without receiving authorization. We also found improper management of IT systems with unauthorized access allowed in some areas. In addition, personal services contracts did not comply with Peace Corps policy, which could have led to confusion about what benefits PSCs were entitled to receive.

Management concurred with all 15 recommendations, and 5 remained open at the end of this reporting period.

Questioned Cost

Recommendation 9: Volunteer allowances overpayment - $718

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Evaluations

Evaluations

Overview

The Evaluation Unit provides the agency with independent evaluations of agency 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 programs and 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 competence, independence, professional judgment, and internal quality controls.

Ongoing Work

Along with the final reports detailed in the following section, the Evaluation Unit continued work on agency-wide and post-specific projects. Ongoing agency-wide projects include an evaluation of policies and practices regarding host families, a review of program-opening guidance for post-conflict environments, and a study of best practices related to the identification and preparation of sites for Volunteers. Continuing post-specific projects include evaluations of programs in Mozambique, Paraguay, and Thailand.

Evaluations of Operations Abroad

Follow Up Review of Peace Corps/Uganda
IG-18-04-E

OIG issued a follow up review report on Peace Corps/Uganda in April 2018. The objective of this limited-scope review was to determine if selected corrective actions agreed to by the agency were fully implemented and resulted in the intended effects. We selected for review corrective actions addressing safety and security, emergency preparedness, crime reporting, and Volunteer site preparation recommendations made in our 2012 country program evaluation of Peace Corps/Uganda (IG-12-06-E). This review was conducted as a desk review from Peace Corps headquarters.

We found that the corrective actions implemented in response to several recommendations in our 2012 report had the intended effects. Specifically, we found that the corrective actions improved crime reporting, medical emergency preparedness, Volunteers' awareness of emergency consolidation points, medical site visits, and assessments of local medical facilities.

Additionally, prior to the announcement of this follow up review, staff at the post thought they were placing too many Volunteers in urban areas, where they believed Volunteers faced increased safety and security risks. As a result, post staff began shifting Volunteers away from urban sites, toward more rural placements. We found that the staff's efforts led to steady improvements in Volunteer perception of safety and Volunteer satisfaction with safety and security staff support. Moreover, the country director reported a significant drop in thefts, burglaries, and robberies from 2016 to 2017.

However, management did not address other recommendations as intended. These issues included the post's management of site contact forms and site history files, implementation of its transportation policy with respect to Volunteers' use of motorcycles, and its processes for site identification and development. Overall, we found that the post lacked efficient and effective site identification and development standards and processes, which impacted the effectiveness of the post's safety and security program.

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

Evaluation of Peace Corps/Senegal
IG-18-05-E

OIG issued a final country program evaluation report on Peace Corps/Senegal in September of 2018. Almost 4,000 Volunteers have served in Senegal uninterrupted since the program first opened in 1963. There are currently four projects in Senegal: agriculture, agroforestry, community economic development, and health.
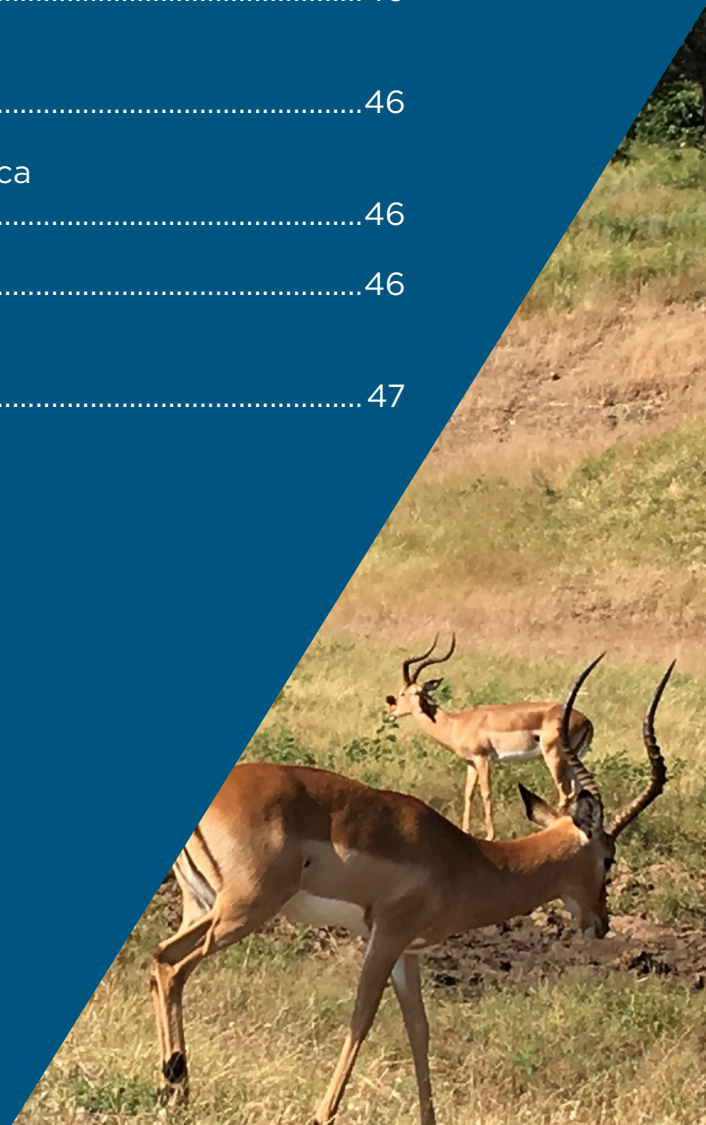
During this evaluation, we identified some areas of post operations that required management attention. Although the post's transportation policy restricts all Volunteers from riding motorcycles under any circumstances, Volunteers reported that many Volunteers rode motorcycle taxis for a variety of reasons. Volunteers also told us that many did not consistently report their whereabouts to the Peace Corps when absent from their sites. Furthermore, the post's site development manual was out of date. Ministry officials we interviewed wanted more information from the Peace Corps about what Volunteers in the country were doing, and the post did not have active project advisory committees for three of its four projects or agreements, such as memorandums of understanding, for two of its four projects. We also noted that Volunteers and staff felt that the Peace Corps' Volunteer Reporting Tool (VRT) was inefficient and not user-friendly. We chose not to issue a recommendation to Peace Corps/Senegal to address problems with the VRT because they were caused by systemic issues beyond the post's control. We announced in our annual plan our intent to do a more systemic review of "monitoring, reporting, and evaluation of Volunteer activities" during FY 2019.

Despite these challenges, Volunteers in Peace Corps/Senegal believed they were making a difference in their communities and achieving their project objectives, which aligned with the development priorities of the government of Senegal. Staff provided effective training to prepare Volunteers with the language, technical, and other skills they needed to serve in Senegal. We found that many areas of operation functioned well, including: medical support for Volunteers, safety and security support, programmatic feedback to Volunteers, staff collaboration, communication between the post and headquarters, the post's relationship with the U.S. Embassy in Senegal, and training for staff on the agency's Sexual Assault Risk Reduction and Response program. Furthermore, the post had taken steps to reduce Volunteers' exposure to potential security threats, and Volunteers reported that they felt safe at their sites.

Management concurred with all 12 recommendations, and all remained open at the end of this reporting period.

Investigations

Investigations

Overview

The Investigation Unit is authorized to conduct investigations of alleged criminal and administrative violations of law, regulation, and policy in Peace Corps programs and operations, both domestically and internationally. The unit investigates allegations 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 (Update)

OIG initiated a criminal investigation concerning the death of a Volunteer in the Africa region. Initial reporting indicated that the deceased Volunteer had believed someone had been poisoning the Volunteer's food prior to the Volunteer's death. The OIG investigation concluded that there was no indication of poisoning or other foul play. Investigators are currently supporting a broader review of the facts and circumstances surrounding the death of the Volunteer.

Criminal and Misconduct Investigations

Report of Volunteer-on-Volunteer Rape in the Africa Region

OIG received a report that a Volunteer raped another Volunteer in a hotel room. The evidence indicated that the accused Volunteer had sexual intercourse with the reporting Volunteer. However, the reporting Volunteer asserted being too intoxicated to provide consent. Although U.S. criminal law could not be applied, the matter was investigated administratively to determine whether the accused Volunteer had violated the Peace Corps sexual misconduct policy. However, the accused Volunteer refused to be interviewed by OIG and resigned from the Peace Corps while under investigation.

Report of Volunteer-on-Volunteer Rape in the EMA Region

OIG received a report that a Volunteer raped another Volunteer in the accused Volunteer's residence. The accused Volunteer acknowledged having consensual sexual contact with the reporting Volunteer. The Department of Justice (DOJ) declined criminal prosecution in favor of administrative action. OIG prepared a report of investigation, which was utilized by the sexual misconduct hearing panel. The hearing panel found the accused Volunteer to be in violation of Peace Corps' sexual misconduct policy, and the accused Volunteer was administratively separated from Peace Corps service pursuant to this finding.

Reports of Volunteer-on-Volunteer Sexual Assault in the Africa Region

OIG received reports from several Volunteers that another Volunteer sexually assaulted them on different occasions. OIG interviewed the accused Volunteer, who reported touching two Volunteers without consent in the accused Volunteer's residence and in the Peace Corps office. DOJ declined criminal prosecution in favor of administrative action. The accused Volunteer resigned in lieu of administrative separation.

Report of Volunteer-on-Volunteer Sexual Assault in the Africa Region

OIG received a report that a Volunteer sexually assaulted another Volunteer at the residence of a third Volunteer. OIG interviewed the accused Volunteer, who reported engaging in sexual contact with the reporting Volunteer when the reporting Volunteer was intoxicated. DOJ declined criminal prosecution in favor of administrative action. The accused Volunteer resigned in lieu of administrative separation.

Report of Volunteer-on-Volunteer Sexual Assault in the EMA Region

OIG received a report that a Volunteer sexually assaulted another Volunteer in a hotel room. Although U.S. criminal law could not be applied, the matter was investigated administratively to determine whether the accused volunteer had violated Peace Corps policy. When interviewed by OIG, the accused Volunteer admitted touching the other Volunteer at least twice without consent. The accused Volunteer resigned in lieu of administrative separation.

Former Peace Corps Trainee in the Africa Region Charged with Video Voyeurism

A former Peace Corps trainee was charged with three counts of video voyeurism in the Northern District of Florida. The OIG investigation disclosed that on three occasions the former Peace Corps trainee used a GoPro camera to record a fellow trainee, without consent, while the fellow trainee was naked and changing in areas where the fellow trainee had a reasonable expectation of privacy. The trial is scheduled to occur during the next reporting period.

Report of Fraud in the EMA Region

OIG received a report that a staff member submitted fraudulent school enrollment documentation for the staff member's adult child in order to receive reimbursement for the adult child's medical care. OIG verified that the school enrollment documentation was fraudulent, and the staff member admitted to knowingly submitting fraudulent documentation in order to receive reimbursement for medical care in the amount of $98.34. In response to these investigative findings, the Peace Corps terminated the employee.

Other Investigations

Overpayment of Transit Benefits at Peace Corps Headquarters (Update)

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 the Peace Corps. During this reporting period, the Peace Corps received $5,024.45 in reimbursement. Additionally, the agency reported that a third-party vendor reimbursed the Department of the Treasury $1,240 for overpayments OIG identified during this investigation.

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Tables

Tables

1: List of Reports: Audits and Program Evaluations

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

Report	Questioned Costs[25]	Unsupported Costs[26]	Funds to Be Put to Better Use[27]
Management Advisory Report: Managing the Suspension of Peace Corps/Kenya: A Case Study (IG-18-02-SR)	-	-	$350,000
Management Advisory Report: Purchase Card Review (IG-18-03-SR)	-	$644,800	-
Audit of Peace Corps/Panama (IG-18-01-A)	$9,770	-	$232
Audit of Peace Corps/Botswana (IG-18-02-A)	$15,417	-	$7,166
Audit of Peace Corps/Philippines (IG-18-03-A)	$718	-	-
Subtotal	$25,905	$644,800	$357,398
Total			**$1,028,103**

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[25] 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.

[26] Unsupported Costs – a cost that is not supported by adequate documentation.

[27] Funds to Be 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	3	$25,905	
Management Advisory Reports	1		$644,800
Total	**7**	**$4,432,175**	**$644,800**
Management decision made during the reporting period			
(i) Disallowed costs	3	$1,210,488	-
(ii) Costs not disallowed	-	-	-
Subtotal	**3**	**$1,210,488**	**-**
Total for which no management decision had been made by the end of the reporting period	**5**	**$3,221,687**	**$644,800**

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

Recommendation Status	Number of Reports	Funds to Be Put to Better Use
No management decision made by the start of the reporting period	-	-
Issued during the reporting period		
Audits	2	$7,398
Management Advisory Reports	1	$350,000
Total	**3**	**$357,398**
Management decision made during the reporting period		
(i) Dollar value of recommendations agreed to by management	1	$232
(ii) Dollar value of recommendations not agreed to by management	-	-
Subtotal	**1**	**$232**
Total for which no management decision had been made by the end of the reporting period	**2**	**$357,166**

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)

13 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.

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

7 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.[28]

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

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[28] The agency did not concur with this recommendation.

Recommendation 10: OIG recommended that the chief acquisition officer direct the contracting officer to determine if there has been and 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.

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)

12 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.

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 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 addresses 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)
12 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 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 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 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 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.

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

6 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 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 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 15: OIG recommended that the post develop a memorandum of understanding for the community development project with the appropriate Kosovar ministry.

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

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

2 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.[29]

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.

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.

Potential Cost Savings Identified: $270

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

15 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.

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[29] The agency did not concur with this recommendation.

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 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.

Potential Cost Savings Identified: $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 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.

Potential Cost Savings Identified: $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.

Potential Cost Savings Identified: $1,000

Evaluation of Peace Corps/Albania (IG-17-02-E)

10 of 23 recommendations open since December 12, 2017

Recommendation 1: OIG recommended 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: OIG recommended 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: OIG recommended that the director of programming and training finalize Peace Corps/Albania's site development standard operating procedures.

Recommendation 4: OIG recommended 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: OIG recommended 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: OIG recommended 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 11: OIG recommended 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 18: OIG recommended 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 21: OIG recommended 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 23: OIG recommended 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.

Follow-up Review Report of Peace Corps/Uganda (IG-18-04-E)

6 of 7 recommendations open since April 9, 2018

Recommendation 1: OIG recommended that the director of programming and training develop a standardized process by which site contact forms are filled out, updated, and recorded, and train staff on the process.

Recommendation 3: OIG recommended that the country director and the director of programming and training improve the implementation and enforcement of the post's motorcycle policy, clarifying the motorcycle waiver policy and application process with Volunteers and staff.

Recommendation 4: OIG recommended that the director of programming and training improve the post's practices during site identification and approval to collect information about transportation options at each site, including the physical distances from Volunteers' houses and work sites to a standard form of transportation.

Recommendation 5: OIG recommended that the director of programming and training collaborate with the Peace Corps medical officers and safety and security manager to define and approve health and safety criteria for the post's site identification and preparation process.

Recommendation 6: OIG recommended that the director of programming and training and the safety and security manager establish a process to ensure that safety and security incidents are properly documented in the post's site history files, filed in a centralized location, and made part of the site identification, preparation, and approval process.

Recommendation 7: OIG recommended that the director of programming and training create a plan to develop, implement and communicate a more standardized and effective site identification, preparation and approval process.

Audit of Peace Corps/Panama (IG-18-01-A)

1 of 11 recommendations open since May 2, 2018

Recommendation 5: OIG recommended that the post consult with the Office of the Chief Financial Officer/Acquisition and Contract Management on the potential use of a competitive contract or blanket purchase agreement vehicle for the purchase of medical/dental supplies and services.

Audit of Peace Corps/Botswana (IG-18-02-A)

25 of 25 recommendations open since August 30, 2018

Recommendation 1: OIG recommended that the country director and the director of management and operations ensure cashiers are performing daily cash counts according to policy.

Recommendation 2: OIG recommended that the director of management and operations ensure that the cashiers keep daily cash count records and supporting documents for two months after their creation.

Recommendation 3: OIG recommended that the director of management and operations monitor employees receiving cash advances to ensure advances are only given to authorized individuals.

Recommendation 4: OIG recommended that the director of management and operations work together with the cashier to collect all overdue interim advances.

Recommendation 5: OIG recommended that the country director and the director of management and operations ensure that unannounced cash counts are performed each month on a random basis.

Recommendation 6: OIG recommended that the cashier supervisor direct the cashier to organize the cashier office and routinely make unannounced visits to ensure that the folders and documents are being properly maintained.

Recommendation 7: OIG recommended that the country director ensure that the cashier provides the Peace Corps safe combination to the U.S. Embassy's regional security officer and that the cashier does so in accordance with policy.

Recommendation 8: OIG recommended that the director of management and operations ensure that the billing officer complies with policy to issue bills of collection as soon as the amount is due to the Peace Corps, even if the exact amount is unknown.

Recommendation 9: OIG recommended that the director of management and operations monitor the bills of collection reports and follow the Peace Corps policy in collecting all debts over 30 days old, in accordance with OFMH 7.2.2.

Recommendation 10: OIG recommended that the director of management and operations take steps to ensure that staff is maintaining appropriate documentation for all bills of collection.

Recommendation 11: OIG recommended that the country director and the director of management and operations establish a formal procedure to ensure that all expenditures subject to value added tax refunds are claimed and collected from the Government of Botswana revenue authorities.

Potential Cost Savings Identified: $7,166

Recommendation 12: OIG recommended that the director of management and operations establish a procedure to ensure that all refunds of value added tax paid from the host country contribution are allocated to post-specific funds to support in-country operations.

Potential Cost Savings Identified: $1,550

Recommendation 13: OIG recommended that the director of management and operations formalize procedures to account for and reconcile generator fuel purchases.

Recommendation 14: OIG recommended that the director of management and operations enhance the controls over verification of the Vehicle Management Information System to ensure the accuracy of entries.

Recommendation 15: OIG recommended that the country director ensure that security re-certifications are properly maintained for the post's long-term personal service contractors per Peace Corps policy, including the Foreign Service nationals.

Recommendation 16: OIG recommended that the director of management and operations provide intelligence background forms for all personal service contractors to the office of safety and security.

Recommendation 17: OIG recommended that the director of management and operations ensure that the financial unit adheres to the small grants handbook and participates in the financial management of grants.

Potential Cost Savings Identified: $9,560

Recommendation 18: OIG recommended that the country director impress upon all staff with delegated signature authority that it is their responsibility to ensure that all vouchers are prepared correctly, and necessary corrections are made in a timely manner.

Recommendation 19: OIG recommended that the country director request training from the Office of the Chief Financial Officer/Global Accounts Payable for all administrative staff involved in processing vouchers for payments.

Recommendation 20: OIG recommended that the director of management and operations work with the chief financial officer/global accounts payable to ensure post administrative staff involved in voucher processing receive guidance and training to identify questionable and prohibited expenses per policy.

Potential Cost Savings Identified: $658

Recommendation 21: OIG recommended that the director of management and operations ensure credit card transactions are correctly and timely reconciled and then timely approve all credit card statements to prevent auto-closure.

Recommendation 22: OIG recommended that the Office of the Chief Financial Officer ensure that current policies are applied to track all auto-closures and revoke credit cards as needed.

Recommendation 23: OIG recommended that the director of management of operations make every attempt in accordance with policy to recover the overpaid allowances and reimburse those Volunteers from whom funds were over-collected.

Potential Cost Savings Identified: $3,649

Recommendation 24: OIG recommended that the director of management of operations ensure that living allowance overpayments are collected prior to the Volunteer departing post or the funds are deducted from the Volunteer's readjustment allowance.

Recommendation 25: OIG recommended that the director of management and operations ensure that departed Volunteers' bank accounts are closed by conducting periodic reviews of their bank statements and contacting the bank to verify account closures, and collect any remaining funds.

Evaluation of Peace Corps/Senegal (IG-18-05-E)
12 of 12 recommendations open since September 18, 2018

Recommendation 1: OIG recommended that the country director, safety and security manager, and Peace Corps safety and security officer examine the transportation options of Volunteers required to travel in and out of remote sites in Senegal, and, if necessary, seek approval for any proposed changes to the post's transportation policy.

Recommendation 2: OIG recommended that the director of programming and training ensure that staff involved in identifying and approving Volunteer sites in remote parts of the country obtain and document accurate information about the transportation options Volunteers in those sites will be able to use.

Recommendation 3: OIG recommended that the country director, with input from the Volunteer Advisory Committee, update the Volunteer Handbook to clarify how non-safety and security staff members access and use whereabouts reporting data.

Recommendation 4: OIG recommended that the safety security manager accurately note each Volunteer's consolidation point in the Volunteer Information Database Application and the Emergency Action Manual and provide the correct information to Volunteers.

Recommendation 5: OIG recommended that the country director periodically remind Volunteers and trainees about the Quality Nurse Line.

Recommendation 6: OIG recommended that the director of management operations train staff how to conduct a market-basket survey and include market-basket data with the next living allowance analysis.

Recommendation 7: OIG recommended that the country director establish a project advisory committee for the agriculture project.

Recommendation 8: OIG recommended that the country director establish a project advisory committee for the agroforestry project.

Recommendation 9: OIG recommended that the country director establish a project advisory committee for the health project.

Recommendation 10: OIG recommended that the country director develop a memorandum of understanding or similar agreement between the agriculture project with the appropriate ministry or national-level government partner.

Recommendation 11: OIG recommended that the country director develop a memorandum of understanding or similar agreement between the agroforestry project with the appropriate ministry or national-level government partner.

Recommendation 12: OIG recommended that the Director of Programming and Training, with input from all staff involved in site development, review the post's current site development practices and update their site development and monitoring standards accordingly.

Audit of Peace Corps/Philippines (IG-18-03-A)
5 of 15 recommendations open since September 28, 2018

Recommendation 4: OIG recommended that the director of management and operations comply with their process to ensure interim advances are cleared within three days.

Recommendation 5: OIG recommended that the director of management and operations implement a process to ensure records of daily cash counts are maintained for two months.

Recommendation 6: OIG recommended that the director of management and operations ensure the cashier receives training on imprest policy.

Recommendation 11: OIG recommended that the director of management and operations ensure compliance with policy to issue bills of collection as soon as the amount is due to the Peace Corps.

Recommendation 15: OIG recommended that the director of management and operations file a justification for the ICASS travel cost center.

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: 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.

Management Advisory Report: Volunteer Drug Use (IG-18-01-SR)

6 of 6 recommendations open since August 7, 2018

Recommendation 1: OIG recommended that the Director of the Peace Corps provide country directors with additional support to resolve allegations of drug involvement under manual section 204, 3.5.1 and specifically consider the efficacy of reasonable suspicion drug testing as a means of doing so.

Recommendation 2: OIG recommended that the Office of General Counsel review the evidentiary standard required to administratively separate a Volunteer suspected of involvement with drugs to determine whether the standard, and its application, is consistent with promoting the integrity of the program and continues to serve the policy interest of the Peace Corps.

Recommendation 3: OIG recommended that the Director of the Peace Corps make necessary changes to policies, procedures, and forms related to Volunteer resignations and administrative separations, so that Volunteer files and early termination statistics include accurate information regarding unauthorized drug use.

Recommendation 4: OIG recommended that the Director of the Peace Corps take effective steps to ensure ongoing compliance and consistency in implementation of the Volunteer separation recordation processes.

Recommendation 5: OIG recommended that the Director of the Peace Corps gather and analyze continuous information on the prevalence of, and factors contributing to, unauthorized drug use in the context of Volunteer service, through the Annual Volunteer Survey or another data gathering tool.[30]

Recommendation 6: OIG recommended that the Director of the Peace Corps provide training to Volunteers that raises awareness of the risks that drug use poses to their health and safety, the effectiveness of their service, and the operations of the post itself.

Management Advisory Report: Managing the Suspension of Peace Corps/Kenya: A Case Study (IG-18-02-SR)

2 of 2 recommendations open since September 14, 2018

Recommendation 1: OIG recommended that the Director develop guidelines and a process for staff to periodically assess the suitability of staffing levels at suspended posts, and to make timely reduction in staff decisions. The process should include, at a minimum, staff from the Director's office, Regional Operations Office, Office of Safety and Security, Office of Global Operations, Congressional Relations, General Counsel, Office of the Chief Financial Officer.

Potential Cost Savings Identified: $350,000

Recommendation 2: OIG recommended that the Director maintain adequate documentation of key decisions and recommendations related to opening, closing, and suspending any overseas office or country program.

Management Advisory Report: Purchase Card Review (IG-18-03-SR)

6 of 6 recommendations open since September 27, 2018

Recommendation 1: OIG recommended that the Office of the Chief Financial Officer develop agency-wide procedures to ensure purchase card controls are appropriate to the Peace Corps purchasing environment, and fully define the roles and responsibilities of Peace Corps purchase cardholders, approving officials, and the Agency Program Coordinator.

Recommendation 2: OIG recommended that the Office of the Chief Financial Officer develop, provide and track Peace Corps-specific training for all purchase card program participants including obligating, reallocating, and approving procedures. Further, ensure that this training complies with OMB guidelines for both initial and refresher training.

Recommendation 3: OIG recommended that the Office of the Chief Financial Officer ensure appropriate oversight over the purchase card program to include monitoring of transactions, the use of available data analytics tools and ensuring that follow-up processes receive sufficient staffing and oversight, in both ACM and GAP.

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[30] The agency partially concurred with this recommendation.

Recommendation 4: OIG recommended that the Office of the Chief Financial Officer:

• develop controls to ensure the APC monitors, identifies, and follows-up potential split purchases.
• ensure rejected transactions are monitored and resolved in a timely manner.
• develop procedures for the APC to monitor auto-closed Citibank monthly statements and review transactions on auto-closed statements to verify for adequate support and authorization
• remind cardholders and approving officials to comply with Peace Corps policy for retaining supporting documents for appropriate period.

Potential Cost Savings Identified: $636,300

Recommendation 5: OIG recommended that the Office of the Chief Financial Officer review purchases over the micro-purchase limit identified, including the split purchase identified, and take appropriate action, consistent with GSA and agency policy on misuse or abuse of the purchase card. The agency should review each transaction and determine what action is appropriate (i.e. collection of funds or disciplinary action).

Potential Cost Savings Identified: $8,500

Recommendation 6: OIG recommended that the Office of the Chief Financial Officer correct the record retention requirements in MS 731 to be consistent with MS 892 and National Archives and Records Administration requirements.

Financial Statement Audit Recommendations[31]

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
		Total Open Recommendations	**22**

Federal Information Security Management Act Recommendations[32]

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
		Total Open Recommendations	**20**

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[31] 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.

[32] 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.

Digital Accountability and Transparency Act Audit Recommendations[33]

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
Total Open Recommendations			**4**

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[33] 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)	214
Complaints Received (Other Sources)[34]	34
Total Complaints (All Sources)	**248**

Overview of Complaint Activity[35]	
Resulted in Investigations	11
Resulted in Preliminary Inquiries	13
Resulted in Audits or Evaluations	-
Referred to Agency Management	104
Referred to Other Agency	2
No Action Needed	34

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[34] These complaints are largely a result of outreach by OIG staff and were received by email, phone calls, and conversations.

[35] 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[36]	Cases
Open at the beginning of the reporting period	17	21
Opened during the reporting period	13	11
Closed during the reporting period	17	15
Total open at the end of the reporting period	**13**	**17**

Reports	
Investigative reports issued	2

Referrals	
Persons referred for criminal prosecution (Department of Justice)	7
Persons referred for criminal prosecution (state and local authorities)[37]	-
Cases referred to the Department of Justice	8
Cases referred to agency management for administrative action	2
Cases referred to agency management for other action	-
Referrals to other agencies	2

Court Actions	
Criminal informations and indictments	1
Trial(s) pending	1
Ongoing prosecution[38]	1
Convictions	-
Judgments	-
Fines/restitution	-

Administrative Actions	
Employee[39] resignations and terminations	9
Other employee actions[40]	1
Suspension/debarment referrals	-

Monetary Results	
Annual savings	-
Recoveries/restitution[41]	$6,264
Cost avoidance	-

[36] 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. A preliminary inquiry is limited in scope to the verification of information in a complaint or allegation and to confirm that it falls within the jurisdiction of OIG.

[37] Includes foreign courts.

[38] Includes overseas criminal proceedings.

[39] Volunteers/trainees are included as Peace Corps staff for the purpose of reporting investigative activity.

[40] Includes administrative actions that are less than resignation or termination, for example: letters of reprimand, counseling, and retraining.

[41] 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	31
§ 5(a)(1)	Significant problems, abuses, and deficiencies	Advice and Assistance, Audits, and Evaluations	28-30, 36-38, 42-43
§ 5(a)(2)	Significant recommendations for corrective actions	Advice and Assistance, Audits, and Evaluations	28-30, 36-38, 42-43
§ 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	Table 5	52-68
§ 5(a)(4)	Matters referred to prosecuting authorities	Investigations and Table 7	46-47, 70
§ 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 questioned costs, unsupported costs, and funds to be put to better use	Audits, Evaluations, and Tables 1 - 4	36-38, 42-43, 50-51
§ 5(a)(7)	Summary of significant reports	Advice and Assistance, Audits, Evaluations, and Investigations	28-30, 36-38, 42-43, 46-48
§ 5(a)(8)	Statistical table - questioned and unsupported costs	Table 3	51
§ 5(a)(9)	Statistical table - funds to be put to better use	Table 4	51
§ 5(a)(10)	Summary of previous reports with open recommendations	Table 5	52-68
§ 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	73-74
§ 5(a)(17)-(18)	Statistical table - investigative reports issued; persons referred for criminal prosecution; indictments and criminal information	Table 7	70
§ 5(a)(19)	Investigations involving a senior government employee where allegations of misconduct were substantiated	N/A	-
§ 5(a)(20)	Instances of whistleblower retaliation	N/A	-

Appendices

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),[42] OIG reports the following peer review information:

Audit Unit

In November 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 the Audit Unit's system of quality control was suitably designed and achieved adequate compliance. This provided 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 documents were fully implemented by March 30, 2018 and are considered closed.[43]

In August 2016, Peace Corps 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 review guidelines, as well as the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority.

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[42] 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.).

[43] 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

In August 2017, Peace Corps 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. We provided our results to the Department of Commerce OIG in October 2017. 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 Guidelines for Offices of Inspector 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), 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.

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@peacecorpsoig.gov
Online Reporting Tool:	PeaceCorps.gov/OIG/ContactOIG
Mail:	Peace Corps Office of Inspector General
	P.O. Box 57129
	Washington, D.C. 20037-7129

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