



Peace Corps
Office of
**INSPECTOR
GENERAL**

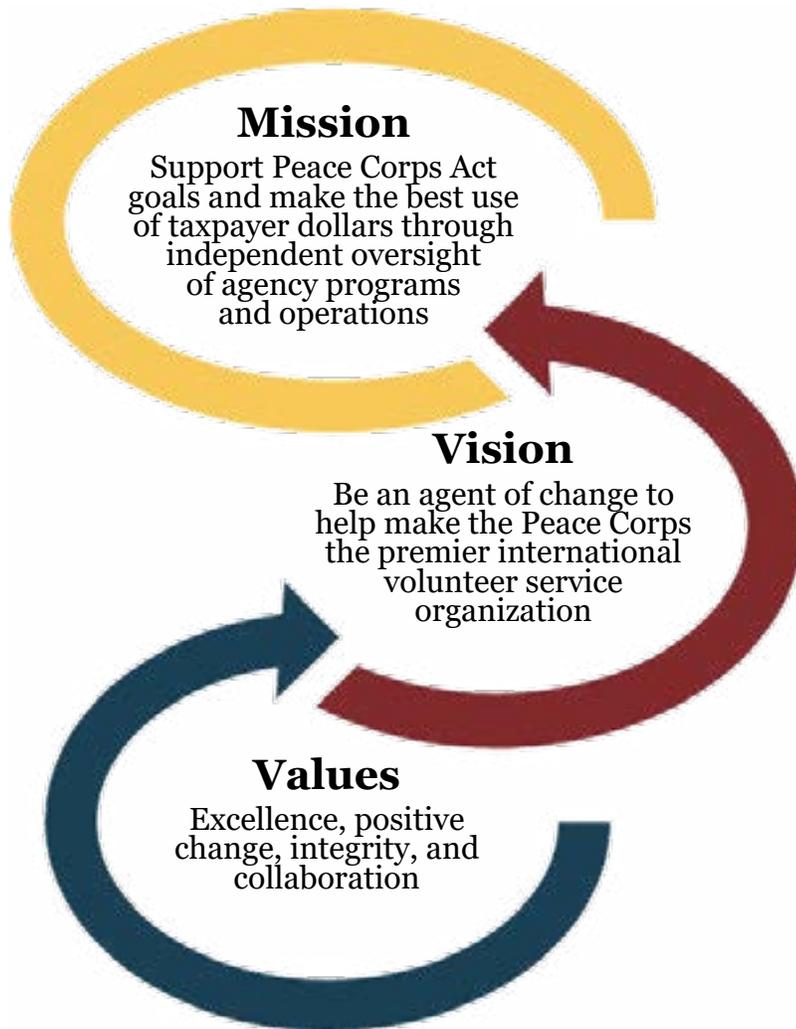
SEMIANNUAL REPORT TO CONGRESS

April 1, 2021 to September 30, 2021



Office of Inspector General

TOGETHER WE MAKE A BETTER PEACE CORPS



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.

Goals

- 1** Provide independent oversight
- 2** Effectively communicate with stakeholders
- 3** Strengthen OIG

Semiannual Report to Congress
April 1, 2021, to September 30, 2021

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Highlights from this Report

Message from the Inspector General

I am pleased to present the Peace Corps Office of Inspector General's (OIG's) Semiannual Report to Congress for the period of April 1, 2021, to September 30, 2021. Our work underscores OIG's commitment to promoting efficiency, effectiveness, and accountability within the Peace Corps.

My office continues to adapt to the challenges arising from the COVID-19 pandemic by accomplishing our work on audits, investigations, evaluations, and other reviews of headquarters and post programs remotely. We continue to conduct field work, when necessary, in the US and overseas.

During this reporting period, the Audit Unit issued reports from independent public accounting firm, Williams-Adley, on an audit of the agency's FY 2020 financial statements and a review of the agency's information security program. The unit also initiated an audit of the Peace Corps' CARES Act supplemental funding and continued work on an audit of the agency's management of payroll and benefits for U.S. direct hires.

The Evaluation Unit issued a final report reviewing the agency's response to a gas tank cooking accident that ultimately resulted in a Peace Corps/Ghana Volunteer death. The report focused on whether the agency was sufficiently prepared to respond to this medical emergency and assessed whether the evacuation of the Volunteer was appropriately managed. The Evaluation Unit also initiated a review on how the Peace Corps responded to Volunteer sexual assaults reported by *USA Today*.

The Investigation Unit conducted investigations of fraud, waste, abuse, and mismanagement in Peace Corps programs and operations, including alleged sexual assault mismanagement. The number of overall complaints continued to be substantially reduced during this reporting period, presumably because Volunteers were evacuated at the end of March 2020.

As part of our ongoing oversight, my office is monitoring how the Peace Corps manages the planning and implementation of its global re-entry process, as well as the short-term domestic deployment of Peace Corps Response Volunteers to assist with COVID-19 vaccine distribution. We will continue to focus on the health and safety of the Volunteers as the agency takes the necessary steps to safely redeploy them.

Additionally, on April 20, 2021, as Chair of the Legislation Committee for the Council of the Inspectors General for Integrity and Efficiency (CIGIE), I had the opportunity to address the U.S. House of Representatives, Committee on Oversight and Government Reform, Subcommittee on Government Operations, about the challenges facing the Inspector General community and opportunities to address those challenges through



PEACE CORPS OFFICE OF INSPECTOR GENERAL

the CIGIE Legislation Committee's Legislative Priorities for the 117th Congress. See my full testimony in Appendix C.

Finally, our office continues to grieve the loss of Assistant Inspector General for Evaluation, Jeremy "Jerry" Black who worked at Peace Corps headquarters for more than 13 years. Jerry had a passion for service and was known for his dedication to the Peace Corps' mission. Throughout the years, he conducted more than a dozen evaluations that ensured a more economic, efficient, and effective execution of OIG's mission to create a better Peace Corps. He is greatly missed.



Kathy A. Buller
Inspector General



ASSISTANT INSPECTOR GENERAL FOR EVALUATION

JEREMY BLACK

1968 - 2021

The Acting Director, Inspector General, and Peace Corps staff remember Jeremy “Jerry” Black, as a dedicated member of the Peace Corps family. Assistant Inspector General for Evaluation Jerry, worked at Peace Corps headquarters for more than 13 years and served as a Volunteer in the Comoros Islands from 1992 to 1994.

Jerry had a passion for service and was known for his dedication to the Peace Corps’ mission. His invaluable contributions to reporting on the “Impacts of the Five-Year Rule on Operations of the Peace Corps” informed legislation under the Kate Puzey Peace Corps Volunteer Protection Act of 2011. Throughout the years, he conducted more than a dozen evaluations that ensured a more economic, efficient, and effective execution of OIG’s mission to create a better Peace Corps.

His advocacy and compassion for others created an environment of openness and creativity within the office of OIG. Under his leadership as Assistant Inspector General, the Evaluations Unit received five Awards for Excellence from the Council of Inspectors General for Integrity and Efficiency. As a supervisor and colleague, he was a joy to work with and will be remembered for his love of golfing and the outdoors, his good-natured humor, and his dedication to others.

Each of us grieves not only for the passing of a tremendous individual but also for the loss his family suffers. Jerry will be sincerely missed by Peace Corps staff world-wide, friends, and most of all, his loving family. He leaves behind wife Cathy, sons Myles and Alex, a loving sister, extended family, and a global community of dear friends.

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Management and Administration Unit

Agency Context

Since the evacuation of all Volunteers from posts in March 2020, the Peace Corps reported that it is making progress with its plans and preparations to safely return Volunteers to service. As of September 30, 2021, headquarters was working closely with 60 posts in 64 countries to ensure that it makes informed plans and preparations to resume Volunteer operations. These efforts were supported by 2,495 locally hired personnel in host countries and 935 U.S. direct hire staff, of whom 177 worked abroad, and 758 from headquarters, regional recruiting offices, and other domestic locations.

The Peace Corps reportedly received 3,044 new Volunteer applications during this reporting period, as well as 528 applications for reinstatement from evacuated Volunteers. While continuing to plan its overseas return, the agency swore in 158 Peace Corps Response Volunteers to assist with COVID-19 vaccine distribution in Community Vaccination Centers across the United States through administrative, logistical, and language support.

During this reporting period, the agency also continued to engage in the Peace Corps Virtual Service Pilot service whereby Virtual Service Pilot Participants (VSPPs) donate time and voluntary services to the agency to participate virtually and contribute to the requests of interested Host Country Partners for support. Since October 2010, the agency increased in number of posts and VSPPs. The agency reported that 230 VSPPs have engaged in virtual service in 27 countries.

Following Volunteer evacuation, the agency reported that it was in the process of closing all Volunteer-managed Peace Corps Partnership Program (PCPP) and Small Project Assistance (SPA) grant projects. The agency reported closing 223 PCPP projects¹ and 4 SPA grant projects during the reporting period, leaving 3 PCPP projects and 1 SPA grant projects² still open.

The Peace Corps continued to maintain 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.

¹ Peace Corps staff reportedly discovered 3 new backlogged projects as the result of an internal audit of Peace Corps tracking documents.

² Peace Corps staff reportedly discovered 149 projects that were in “draft” or “cancelled, no obligation” status in PCGO and required additional action to be closed.

Staffing

Belén Carriedo joined OIG in July 2021 as an administrative specialist. Belén has over three years of working in international development. She previously served as a Policy Fellow for Accountability Counsel where she promoted corporate and institutional accountability and the protection of human and environmental rights. Belén proudly served as a Peace Corps Volunteer in Fiji from 2016-2018. She holds bachelor's degrees in criminal justice and sociology from Washington State University, and a master's degree in global affairs with a concentration in human rights from the University of Notre Dame. Belén is fluent in Spanish and continuing to improve her iTaukei (Fijian) language skills.

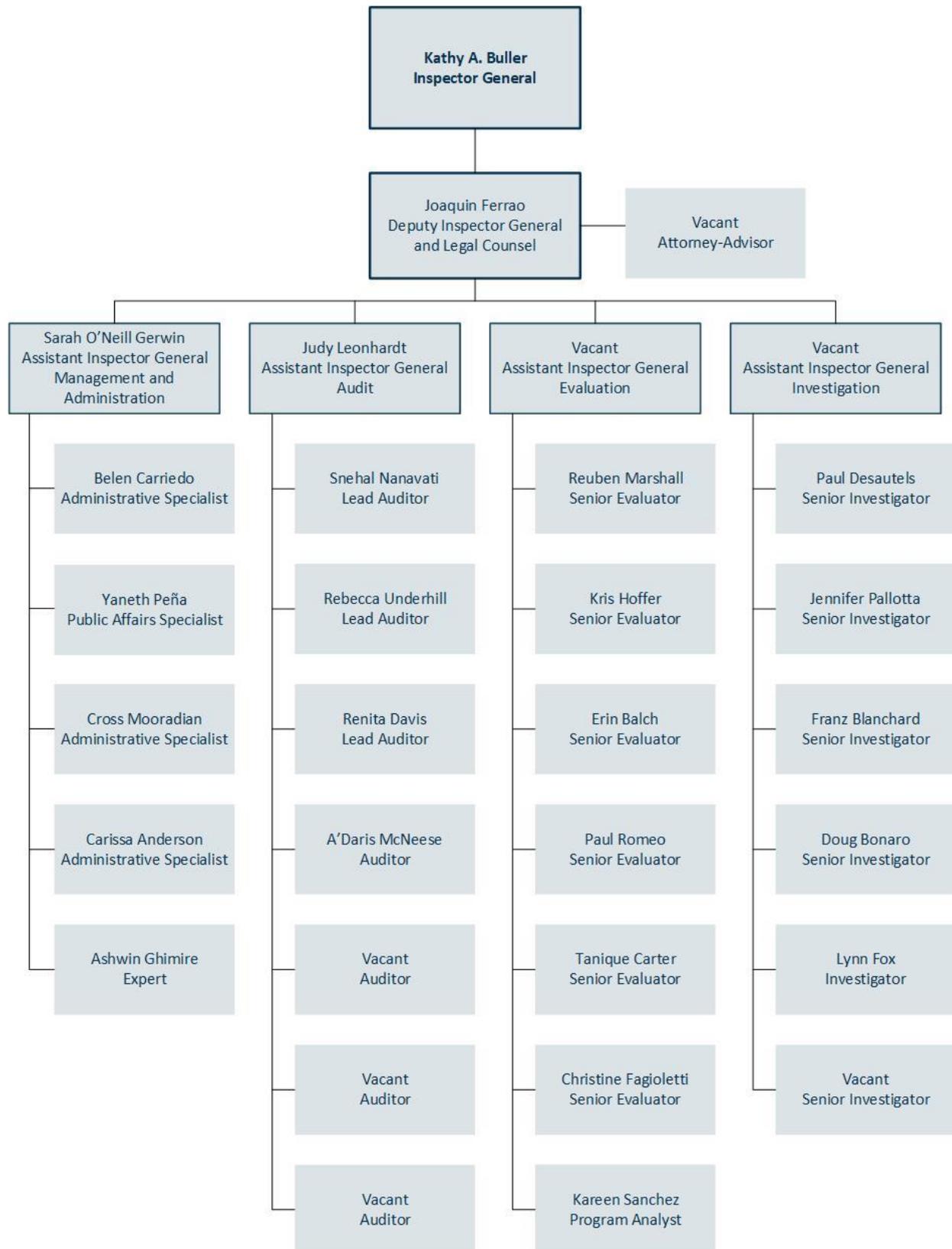
Tanique Carter joined OIG in July 2021 as a senior evaluator. Previously, Tanique spent 8 years as an Inspector with the Department of Justice (DOJ) OIG performing program evaluations of components within DOJ. While with the DOJ OIG, Tanique received numerous awards, including an Attorney General's award for Distinguished Service for her work on aging inmates. Tanique served as a Peace Corps Health Volunteer in Tanzania from 2011-2013. Tanique holds a bachelor's degree in sociology from James Madison University and a master's degree in urban and regional planning with a concentration in developing areas from Florida State University.

Christine Fagioletti joined OIG in July of 2021 as a senior evaluator. Christine's background is in public health. Previously, Christine spent nine years working at the Department of Defense (DoD) OIG with a focus on conducting evaluations related to the Military Health System. She is a recipient of the DoD OIG's Meritorious Civilian Service Award for her work leading evaluations related to the Military Health System's response to the COVID-19 pandemic. Christine served as an AmeriCorps volunteer with the Pittsburgh Health Corps in 2010. Christine holds a bachelor's degree in biobehavioral health from Penn State University and a master's degree in public health and epidemiology from George Washington University.

Carissa Anderson joined OIG in August 2021 as an administrative specialist. Previously, she worked as a veteran's case specialist at the Department of Veterans Affairs, connecting military veterans with medical benefits and compensation. She served as a Peace Corps Volunteer in Thailand from 2018-2020 as a youth development specialist. Carissa holds a bachelor's degree in global political science from Washington State University. She is advanced in the Thai and is currently learning Korean.

Sam Blurton joined OIG as an Audit Fellow in September 2021. Sam is currently a second-year Public Policy and Management master's student at Carnegie Mellon University. Prior to his graduate education, he served as a Community Development Volunteer with Peace Corps North Macedonia from 2017 to 2020. Sam also served as an AmeriCorps member with City Year Philadelphia. He holds a bachelor's degree in history from The University of Maryland, College Park.

OIG Organizational Chart



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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 Inspector General's (IG) management challenges are observations of the IG based on the work performed by OIG, as well as information uncovered during the performance of our oversight responsibilities.

Extraordinary Developments Impacting the Peace Corps

In March 2020, the Peace Corps responded to the COVID-19 pandemic by suspending all Volunteer activities and evacuating nearly 6,900 Volunteers from approximately 60 countries of service. In a matter of a few weeks, the agency brought all of its Volunteers back to the United States. Evacuating all of its Volunteers at the same time was unprecedented and required the agency to take extraordinary steps, including the chartering of international flights, to complete the task. For the first time in its 60-year history, the Peace Corps does not have a single active overseas Volunteer. The agency faces the tremendous challenge of planning and executing the resumption of its overseas Volunteer programs in the uncertain environment created by the COVID-19 pandemic.

Significant Management Challenges Facing the Peace Corps:

- *Volunteer Health and Safety*
- *Human Capital Management*
- *Information Technology Security Management*
- *Planning and Implementation*
- *Diversity and Inclusion of Staff and Volunteers*

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

Challenge: Volunteer Health and Safety

Why This Is a Challenge

Volunteer Medical Care

In a 2016 evaluation of Volunteer health care, OIG found that the agency's medical technical guidelines provided unclear and ambiguous oversight responsibilities. Although the agency updated the guidelines related to health unit oversight responsibilities, our oversight activities documented additional problems related to the medical technical guidelines. For example, a 2016 evaluation of the agency's sexual assault risk reduction and response program found that the agency lacked a communication plan to inform staff about changes to the medical technical guidelines. In our 2019 review of the death of a Volunteer in Comoros, we found that the medical technical guidelines for treatment of malaria were outdated and not aligned with guidelines from the World Health Organization. Our 2021 review of the death of a Volunteer in Ghana identified unclear medical technical guidelines related to medical action plans. Due to these ongoing issues, OIG included an evaluation of the medical technical guidelines on the OIG annual plan for FY 2022.

In August 2021, OIG issued a report on the death of Peace Corps/Ghana Volunteer Chidinma Ezeani, who was medically evacuated to South Africa for treatment of severe burns after the gas stove in her home exploded. Our review identified systemic failures that contributed to significant delays in PCV Ezeani's care. For example, our finding that Peace Corps/Ghana's medical action plan did not fully comply with agency guidelines reflected a common area of finding from previous OIG oversight activities. We also found that the Peace Corps' Root Cause Analysis of the incident did not detect critical vulnerabilities and did not comply with industry standards, which prompted us to reopen a previously closed finding in this area.

Recent OIG evaluations of Peace Corps posts identified problems related to Volunteer resilience and mental health as a persistent challenge for the agency. The OIG's 2020 review of recurring issues at Peace Corps posts found that, from FY 2016 through FY 2019, five post evaluations included findings related to Volunteer mental health. Two of these evaluations found that Volunteers avoided mental health support out of fear of being medically separated.

The COVID-19 pandemic will continue to pose an unprecedented challenge for maintaining the health of Volunteers. In June 2020, the agency issued the Country Re-Entry Guide (CREG) to provide guidance for returning Volunteers to service, with an emphasis on mitigating the risks of the COVID-19 pandemic. Areas of Peace Corps operations that are impacted by COVID-19 considerations include pre-departure and staging; Volunteer training; housing, communities, and worksites; travel and transportation; Peace Corps offices and the health unit; psychosocial stressors; and medical screening. In FY 2022, OIG plans to initiate health and safety compliance reviews of posts to ensure CREG requirements and relevant health and safety measures have been met.

Volunteer Site Development

The agency requires that posts use site selection criteria to ensure Volunteer sites, housing, and work assignments are appropriate. The OIG's 2020 review of recurring issues at Peace Corps posts found that all OIG post evaluation reports issued between FY 2016 to FY 2019 included findings related to site selection criteria. For example, OIG found that doors and windows were missing required locks or required mosquito screens in areas with malaria. OIG found housing without required access to treatable water. OIG also found that sites were not always approved by staff efficiently and effectively. In 2021, we conducted a follow-up review of an evaluation of Peace Corps/Moldova and found that staff did not properly document their housing inspections.

The agency requires that posts maintain site history files, which comprise programming and safety and security information about past and current sites that could affect a future decision to use a site. OIG findings related to site history files are a longstanding issue, and OIG has previously identified weaknesses with agency oversight, guidance, and systems that increase the risk that Volunteers may be placed in unsafe sites. In 2016, OIG issued a management advisory report to highlight systemic deficiencies with site history files that included a recommendation to improve the data management system for site history files. The OIG's 2020 review of recurring issues at Peace Corps posts found that between FY 2016 and FY 2019, 12 post evaluations contained findings related to site history files, including missing documentation and missing crime information. In 2021, we conducted a follow-up review of an evaluation of Peace Corps/Moldova and found that crime incidents were not documented in the site history files as required, the same finding we reported in our 2013 country program evaluation of Peace Corps/Moldova.

In 2021, the Peace Corps began recording Volunteer crime data in a new system. The Peace Corps archived the historical crime data from the previous system, and those records became inaccessible to staff. However, historical crime data are required to be included in site history files, and OIG raised concerns that this issue would impact staff's ability to select and approve appropriate sites. In response to OIG concerns, the agency agreed to migrate the historical crime data to the new system by the end of 2021.

OIG is concerned that the COVID-19 pandemic may increase the difficulty of Volunteer site development. Steps to mitigate the risks of COVID-19 transmission will likely impact decisions regarding appropriate Volunteer housing, communities, and worksites, in addition to travel and transportation.

Volunteer Drug Use

Due to the absence of Volunteers, OIG does not presently have concerns related to Volunteer drug use. In the past, OIG was concerned 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. OIG will continue to monitor this issue when Volunteers return to service. Five out of six recommendations issued in a 2018 OIG management advisory report on Volunteer drug use remain open.³

³ [Management Advisory Report: Volunteer Drug Use \(2018\)](#)

Progress in Addressing the Challenge

Volunteer Medical Care

As mentioned above, the agency developed the CREG in June 2020, which includes tools and deliverables for returning Volunteers to service and reducing the risk of COVID-19 transmission once there. See the *Planning and Implementation* Challenge for more information on the CREG.

In September 2021, the agency updated manual section 261 to provide at least two qualified medical officers at all posts with an active Volunteer population. Moreover, OIG closed two recommendations from a 2016 evaluation of Volunteer health care after the agency updated agency guidance related to health unit oversight responsibilities and ensured CDs receive clear guidance on their oversight responsibilities.

Volunteer Site Development

In 2021, OIG closed recommendations at three Peace Corps posts related to Volunteer housing and site development, such as improving compliance with housing safety criteria and providing staff more time to conduct housing checks. In addition, OIG closed a global site development recommendation related to cooking safety. OIG also closed recommendations at five Peace Corps posts related to improving the quality of site history files.

What Needs to Be Done

Ensuring the health of Volunteers as they return to the field will require extensive coordination between work units at posts and between posts and headquarters. In addition to CREG requirements, the agency is requiring posts to complete a COVID-19 response plan as part of their emergency action plan. Posts should implement these requirements to ensure the health of Volunteers during the pandemic.

Volunteer Medical Care

To improve the Volunteer health care program, the agency should implement the open recommendations from the 2016 Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care. We also recommended in this report that the agency ensure patient safety event reviews include key components like root cause and effect statements and outcome measures. The agency should provide sufficient and appropriate staffing for case reviews. To achieve the agency's strategic objective on increased Volunteer resiliency, the agency should: (1) provide clear communication to Volunteers on how to access counseling and support, (2) improve training for Volunteers on managing the challenges of service, and (3) intensify efforts to increase the capacity of non-clinical staff to support Volunteer resiliency.

The CREG requires each post to conduct a comprehensive review of their medical action plan, and the agency should improve its oversight to ensure each post has complete and updated medical action plans.

Volunteer Site Development

Furthermore, posts must ensure that site selection criteria are clear, that Volunteers' sites, housing, and work assignments meet their criteria, and that appropriate staff inspect and approve housing and properly document the results. The agency should continue to provide training and technical assistance to overseas field staff to improve the use of the electronic system to manage site history files.

To mitigate the risks associated with operating during the COVID-19 pandemic, the agency has established a broad set of considerations for field staff concerning the selection of Volunteer sites. Posts will need to implement a site development process that accounts for these considerations while also avoiding the longstanding issues with site development that OIG has identified during oversight activities.

Key OIG Resources:

[Follow up Evaluation of Peace Corps/Moldova \(2021\)](#)

[Review of the Facts and Circumstances Surrounding the Death of a Peace Corps/Ghana Volunteer \(2021\)](#)

[Recurring Issues Report: Common Challenges Facing Peace Corps Posts, FYs 2016-2019 \(2020\)](#)

[Management Advisory Report: Peace Corps/Ghana Gas Tank Cooking Safety \(2020\)](#)

[Evaluation of Peace Corps/Eastern Caribbean \(2020\)](#)

[Evaluation of Peace Corps/Tanzania \(2020\)](#)

[Evaluation of Peace Corps/Panama \(2020\)](#)

[Management Advisory Report: Review of the Circumstances Surrounding the Death of a Volunteer in Peace Corps/Comoros \(2019\)](#)

[Evaluation of Peace Corps/Kyrgyz Republic \(2019\)](#)

[Evaluation of Peace Corps/Paraguay \(2019\)](#)

[Evaluation of Peace Corps/Comoros \(2019\)](#)

[Evaluation of Peace Corps/Thailand \(2019\)](#)

[Evaluation of Peace Corps/Mozambique \(2019\)](#)

[Review of New Country Entry Guidance for Conflict-Affected Countries \(2019\)](#)

[Follow-Up Review of Peace Corps/Namibia \(2019\)](#)

[Follow-Up Review of Peace Corps/Nepal \(2019\)](#)

[Evaluation on Homestay Impact \(2019\)](#)

[Evaluation of Peace Corps/Senegal \(2018\)](#)

[Management Advisory Report: Volunteer Drug Use \(2018\)](#)

[Evaluation of Peace Corps/Albania \(2018\)](#)

[Case Study of Effective Site Development Practices \(2018\)](#)

PEACE CORPS OFFICE OF INSPECTOR GENERAL

[Follow-Up Review of Peace Corps/Uganda \(2018\)](#)

[Follow-up Review of Peace Corps/Peru \(2018\)](#)

[Management Advisory Report: Managing the Suspension of Peace Corps/Kenya \(2018\)](#)

[Evaluation of Peace Corps/South Africa \(2017\)](#)

[Evaluation of Peace Corps/Costa Rica \(2017\)](#)

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

[Evaluation of Peace Corps/Kosovo \(2017\)](#)

[Management Advisory Report: Site History Files \(2016\)](#)

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

[Follow-Up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care \(2016\)](#)

[Evaluation of Peace Corps/Rwanda \(2016\)](#)

[Evaluation on Training Peace Corps' Overseas Staff \(2014\)](#)

[Evaluation of Peace Corps Sexual Assault Risk-Reduction and Response Training \(2013\)](#)

Challenge: Human Capital Management

Why This is a Challenge

OIG oversight activities have frequently identified concerns with staff hiring and retention and knowledge management, which are pillars of human capital management.

Nearly all Peace Corps U.S. direct-hire (USDH) staff are subject to a 5-year term limit called the “5-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, an OIG evaluation of the FYR in 2012 found that it resulted in high turnover – the rate was quadruple the government-wide average – compromised the agency’s ability to attract and retain qualified personnel for core management functions and contributed to brief staff tenures. These factors impaired the agency’s institutional memory and knowledge management practices.

Hiring and Retaining Qualified Staff

The OIG’s 2020 review of recurring issues at Peace Corps posts found that, from FY 2016 to FY 2019, staff turnover and staffing gaps impaired emergency medical preparedness, led to ineffective Volunteer technical training, and resulted in heavy staff workloads that in some cases left required tasks incomplete. A 2019 Office of Personnel Management (OPM) assessment of the agency’s organizational design and performance found that the FYR contributed to increased turnover and extended vacancies that resulted in a lack of continuity and curtailed the agency’s productivity.

Available data demonstrates that staff do not wait five years to take other positions, rather they abbreviate their tenure. High turnover can also lead to vacancy gaps. For example, the key HR leadership role of Chief Human Capital Officer (CHCO) position for the agency remained unfilled for the entirety of FY2021. The CHCO role was occupied by the previous incumbent from May 2018 until September 2020; a 2-year 4-month tenure. In its FY 2018 to 2022 Strategic Plan, Peace Corps acknowledged that vacancy gaps decrease the agency’s knowledge management capabilities, decrease staff and volunteer engagement and satisfaction, and complicate project management.

Knowledge Management

Knowledge management, defined as capturing, distributing, and effectively using knowledge, becomes critical in environments with high turnover. OIG’s 2012 evaluation of the FYR unearthed a trove of internal and external reviews and studies from as early as 1974 that documented the agency’s dearth of institutional memory caused by the FYR. The 2019 OPM assessment also identified work process inefficiencies caused by inadequate documentation of past problem-solving and initiatives and siloed work practices.

As the agency updates business processes to improve core infrastructure, the OIG is concerned that it has not adequately ensured that all users receive sufficient training on new processes and systems. The agency launched a new talent acquisition system in June 2021 that included vendor-provided intensive training for HR staff that contributed to

delays in processing staffing actions. Supervisors and non-HR staff will receive ad-hoc training on the new system from HR staff rather than training specialists. This approach may further burden HR staff. According to the Peace Corps, process improvements should lead to a decrease in the time it takes for vacancies to be filled. This is a critical outcome because vacancy gaps are considered a major risk factor for domestic and overseas operations.

Progress in Addressing the Challenge

Staff training is one aspect of human capital management that has improved since the previous management challenges report. In FY 2021, OIG closed 9 recommendations related to improving and tracking staff training in the areas of sexual assault and risk reduction; safety and security; annual training; and supervisory training. OIG no longer considers staff training a management challenge.

Hiring and Retaining Qualified Staff

The 2018 Sam Farr and Nick Castle Peace Corps Reform Act authorized the agency to extend the appointments of positions designated by the Director as management or management support positions that require specialized technical or professional skills and knowledge of agency operations. The authority provides for additional five-year terms beyond the term limits provided in the Peace Corps Act. The agency has designated a total of 41 positions. In April 2021, the agency designated 30 positions critical to the agency's goals to redeploy Volunteers and support their health and well-being and the critical CHCO position in May 2021.

Knowledge Management

In January 2021, the agency launched an offboarding process in SharePoint to replace a paper-based system. The agency has reported that in 2022 it will begin using a global onboarding program for new hires. One of the goals of this program is to ensure all staff regardless of position or location receive organized, motivational, and impactful onboarding when they begin at the Peace Corps.

What Needs To Be Done

Hiring and Retaining Qualified Staff

The agency has not addressed two recommendations (recommendations 2 and 3) from our 2012 evaluation of the FYR relating to better management of turnover and retention of qualified personnel in core business functions. Although the agency has in effect exempted 41 positions from the 5-year term limit as authorized by the 2018 Peace Corps Reform Act, OIG believes that additional designations could increase the agency's ability to attract and retain qualified personnel for core management functions, such as contracting, financial management, information technology management, and human resources management. Moreover, the agency should consider offering additional workplace flexibilities and employment incentives to lengthen staff's tenure closer to five years.

The agency should continue its efforts to improve employee satisfaction to reduce vacancies and attract and retain qualified staff. Results of the 2020 Federal Viewpoint Survey (FEVS) show that, among small agencies, the Peace Corps ranks 6th as one of the

best places to work. The FEVS indicates that employee satisfaction at the Peace Corps remains high and continues to increase year-over-year. However, just 68 percent of respondents believe that the Peace Corps' senior leaders are effective. While an improvement from previous years, this category is still the lowest scored, and remains an area of employee satisfaction that could be improved.

Knowledge Management

Peace Corps leadership should develop and enact an agency-wide strategy to formalize knowledge management practices related to recording institutional memory, developing standard operating procedures for key processes, and ensuring information accessibility. Also, the agency should consider and where appropriate implement the recommendations from the 2019 OPM assessment of the agency's organizational design and performance.

Key OIG Resources

[Recurring Issues Report: Common Challenges Facing Peace Corps Posts \(2020\)](#)

[Fiscal Year 2018-2022 Strategic Plan \(2018\)](#)

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

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

[Evaluation of Impacts of the Five-Year Rule on Operations of the Peace Corps \(2012\)](#)

Challenge: Information Technology Security Management

Why This Is a Challenge

Effective information technology (IT) security programs help protect agency data from being misused by internal and external actors 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 overall operations. They also provide significant guidance to help prevent serious information security incidents. The Federal Information Security Modernization Act of 2014 (FISMA) is central to the Federal IT security program. The objective of FISMA is to ensure agencies develop, document, and implement an agency-wide program to provide information security for the information and systems that support their operations and assets.

While the agency has worked to get some formalized policies and procedures in place, such as an Information Security Continuous Monitoring strategy, the Peace Corps continues to lack an effective information security program. Foundational IT elements, such as having clearly defined boundaries and a complete listing of hardware, are missing. Some of the identified issues have been outstanding for over a decade, and the agency has struggled to implement corrective actions. Weaknesses across all five FISMA reportable areas exist because the agency has not integrated information security into business operations. OIG is concerned about the quality of the agency's IT security program, especially considering the sensitive data that the Peace Corps maintains, notably employee personnel records, Volunteer health records, and Volunteer sexual assault incident information.

Implementing change at the organizational level requires a serious and sustained undertaking with involvement and dedication from agency leadership. However, it also requires that those making decisions have access to and understand pertinent information security risks and impacts that could result from business decisions. Unfortunately, the agency does not have the appropriate planning, resource, and communications structures in place to facilitate those conversations. Specifically, the Chief Information Security Officer (CISO) position has been vacant for the majority of this fiscal year. The Deputy Chief Information Officer has been serving as Acting CISO, but the lack of an independent voice within the Office of the Chief Information Officer (OCIO) to advocate for security focused decisions continues to negatively impact IT security. For yet another year, the OCIO failed to fully assess the security controls around its General Support System, which is the backbone of the agency's IT infrastructure. Since this system supports all operations within the organization, this leaves all aspects of agency operations vulnerable to attacks and puts Volunteer data at risk.

A key foundational issue 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. See the *Planning and Implementation* challenge. Without a robust risk management process, the Peace Corps is exposed to risk of attacks,

environmental disruptions, and business failures.

Progress in Addressing the Challenge

As part of our annual review of the agency's compliance with FISMA, a score is assessed to provide a consistent and comparable metric across government agencies. The five-level scale ranges from Level 1, Ad-hoc to Level 5, Optimized. A Level 4, Managed and Measurable is considered to be an effective level of security.

In FY 2021, the agency advanced to Level 2, Defined. Since we began reporting IT security as a management challenge in 2009, the agency's cybersecurity posture was at Level 1 Ad-hoc, indicating a reactive program without formalized policies and procedures. Moving to Level 2 indicates policies, procedures, and strategy are formalized and documented but not consistently implemented. During the past year, the Peace Corps has made progress in formalizing several core policies and procedures, such as an Information Security Continuous Monitoring strategy.

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. Our reviews of the Peace Corps' Information Security Program have contained several actionable steps that the agency should take to improve its security program. However, over the last decade, the agency has failed to make systemic changes to fully address these recommendations.

The Peace Corps will need to focus on improving its IT security program by elevating IT security decision making, ensuring agency policies are comprehensive; fostering individual and organizational accountability for poor program implementation; and prioritizing the time and resources necessary to become fully FISMA compliant and eliminate weaknesses. Also, a fully implemented, comprehensive risk management program would establish a platform for the Peace Corps to evaluate information security risks that could impact the agency's ability to fulfill its mission and conduct critical business processes. Moreover, elevating the role and responsibilities of critical information security positions, including the CISO, will help ensure that information security risks will be integrated into operational decisions. Until senior leadership is sufficiently involved and provided the full picture of IT security risks, the Peace Corps will not make notable progress in securing its information systems.

Key OIG Resources

[Review of the Peace Corps' Information Security Program \(2021\)](#)

[Summary of Internal Control Issues Over the Peace Corps Financial Reporting \(FY 2020\)](#)

Challenge: Planning and Implementation

Why This Is a Challenge

OIG's 2019 management challenges reported concerns about the agency's struggle to plan for the long-term impacts of risk and resource needs of the organization. Specifically, OIG highlighted areas of concern where the agency did not apply sufficient time and resources to document decisions, ensure the appropriate assignment of resources, and establish oversight to comprehensively consider risks to plan and implement new initiatives and programs.

Informed decision making involves consideration of data quality and consultation with those with applicable knowledge. Decisions should be documented for future consultation, to assign responsibility, and to ensure accountability as management develops programs and policies. 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 the country.⁴ In addition, our management advisory report on Volunteer drug use found that an important obstacle to prioritizing and addressing Volunteer drug use was the agency's inadequate approach to maintaining the information it needs to understand the scope of the problem and ensuring data quality of the information it collected.⁵

Establishing sufficient oversight should be a key consideration when planning and implementing programs. Our management implication report on Peace Corps/Ukraine's PEPFAR Food Voucher Program communicated concerns that there was insufficient management awareness and oversight at headquarters for Peace Corps staff implementing PEPFAR-funded activities without Volunteers. Proper oversight helps to identify and address risks and ensure that programmatic activities are consistent with the Peace Corps Act and further the agency's mission and goals. Our recurring issues report also highlighted how programmatic issues could be addressed by strengthening oversight over internal control systems and assigning responsibility or delegating authority appropriately. In addition, when investing resources, the agency focuses on functions that directly relate to its mission and priorities, which largely revolve around direct Volunteer support, but management should also consider the administrative functions that enable the Peace Corps to provide that support. Namely, enterprise risk management (ERM) and information technology security are critical programs for efficient business processes, effective programming, and the safeguarding of data. The agency committed to developing an ERM program in 2018. Information technology security meanwhile suffers from inadequate action and resources. See the *Information Technology Security Management* challenge.

The COVID-19 pandemic continues to pose unique challenges for the Peace Corps that affect every aspect of operation as the agency attempts to resume normal operations by redeploying Volunteers to over 60 countries with varying pandemic responses, supporting infrastructure, and data reliability. Effective planning and implementation will be key to

⁴ [Management Advisory Report: Managing the Suspension of Peace Corps/Kenya: A Case Study \(2018\)](#)

⁵ [Management Advisory Report: Volunteer Drug Use \(2018\)](#)

success. Even in countries with fewer COVID-19 cases, the agency must carefully consider the reliability of transportation and the quality of medical care. Re-entry has proven complicated since part of the Peace Corps mission is to provide resources to countries in need where infrastructure may not be as well developed for protecting Volunteer and staff health and safety during the pandemic. Moreover, the changing nature of the pandemic, including new variants, have forced the agency to reconsider plans it had initially developed for Volunteer re-entry.

In addition, on September 9, 2021, the White House issued an executive order (EO) mandating Federal agencies to implement a program to require COVID-19 vaccination of all employees and contractors. The order applies to all USDHs, experts, and applicable contractors regardless of duty station, location, schedule, or remote/telework status and requires full vaccination by November 22, 2021, except in cases of reasonable exception. Employees who do not satisfy the requirements may be subject to disciplinary measures. Given the worldwide presence of Peace Corps staff, implementing this EO and other related mitigation measures will have broad impact on the agency.

Progress in Addressing the Challenge

As part of its effort to implement an ERM framework, the agency developed risk registers for several large offices critical to its business processes. The agency also added risk management responsibilities to the Chief Compliance Officer's job description and is in the process of hiring additional personnel to support advancement of the ERM program.

In response to the COVID-19 pandemic, the agency has taken some important steps, particularly in implementing President Biden's executive mandates that Federal agencies require Federal personnel and onsite contractors to attest to their vaccination status initially, and then demonstrate proof of vaccination. In accordance with the Presidential mandate, the Peace Corps required all domestic USDH staff to submit certification of vaccination forms by August 20, 2021, then established a portal for employees to submit proof of vaccination. In addition, the Peace Corps notified employees that anyone accessing Federal buildings at headquarters and U.S. regional offices must always wear a mask regardless of vaccination status.

The agency has expended significant amounts of time and resources in planning re-entry and continuation of Peace Corps activities. The COVID-19 Continuity of Operations Working Group has actively monitored multiple sources to implement a data-driven, phased approach to return to optimal domestic operations. The group has made timely decisions about the headquarters re-entry plan and coordinates with office directors to implement changes and next steps. The agency developed key planning documents collected in the CREG, which guides management decision-making with the purpose of mitigating the risks of the global COVID-19 pandemic to staff and Volunteers. In April 2021, the agency issued CREG 2.0 which extended review of the external factors checklist during the approval process, added new criteria related to the vaccine rollout, and streamlined the review process. The agency also launched the re-entry portal which provides a platform for posts to update the external and internal checklists and agency leadership to view the completion status for all posts. In the past year, the Peace Corps completed the approval process and sent congressional notification for re-entry for five posts, but continued assessment of complicated and changing environmental factors,

including new variants, halted efforts to re-enter these countries. Lastly, the agency administered a survey to gauge staff preferences for the future of telework and continues to monitor the changing environment and practices of other Federal agencies while assessing the ability to return to facilities.

What Needs to Be Done

The Peace Corps must take critical steps to ensure appropriate planning and implementation of their programs and operations. Decisions about Peace Corps priorities and initiatives should be consistently assessed at the agency level and properly documented to support appropriate planning. Implementation of agency policies and procedures should be timely, fully integrated with the program or function, and ensure sufficient oversight. Additionally, the Peace Corps should continue to prioritize development of an ERM program to improve the agency's ability to successfully plan and implement new programs while properly considering possible setbacks and how to address them.

These considerations are especially pertinent to resumption of Volunteer operations and the return to facilities. The agency will have to define exceptions and disciplinary actions for noncompliance with the vaccine mandate and determine appropriate ways to incorporate staff feedback about returning to facilities while ensuring their safety. The challenge moving forward is to ensure effective and agile implementation of internal and external requirements.

Key OIG Resources

[2019 Review of the Peace Corps' Information Security Program](#)

[Management Advisory Report: Managing the Suspension of Peace Corps/Kenya: A Case Study \(2018\)](#)

[Management Advisory Report: Volunteer Drug Use \(2018\)](#)

[Recurring Issues Report: Common Challenges Facing Peace Corps Posts - FYs 2016-2019 \(2020\)](#)

[Management Implication Report: Peace Corps/Ukraine's PEPFAR Food Voucher Program \(2021\)](#)

[Executive Order on Requiring Coronavirus Disease 2019 Vaccination for Federal Employees](#)

Challenge: Diversity and Inclusion of Staff and Volunteers

Why this is a Challenge

In 2020, the Peace Corps identified and prioritized the need to improve diversity and inclusion within the agency to better achieve the mission of promoting understanding of Americans on the part of the peoples served. The inclusion of a diverse workforce, leadership, and Volunteer corps is integral to the agency's ability to accurately represent America around the world. While the agency's mission and work incorporate these concepts, Peace Corps leadership recognized outstanding needs, especially considering the U.S. social climate in 2020.

Upon taking office, President Biden issued an EO mandating that the federal government pursue a comprehensive approach to advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality. Through directives and implementing guidance, the administration has placed equity at the center of its agenda with a government-wide approach to embed racial justice across Federal agencies, policies, and programs. In FY 2021, the agency continued to prioritize and expand activities that address this challenge. OIG is including diversity and inclusion in this statement of management challenges because of the significant focus of agency leadership and resources on this topic, and to provide a summary of the diversity and inclusion efforts underway.

In response to concerns about the agency's commitment to racial and social justice, former Director Olsen committed resources on multiple fronts to address this challenge. She established a Diversity and Inclusion Taskforce, hired a senior advisor to strengthen strategies to support diversity, and designated funds for multiple activities supporting diversity initiatives among staff and Volunteers. Peace Corps leadership communicated the importance of minority representation of historically underrepresented groups in post leadership, especially when supporting Volunteers of color. Peace Corps staff also stated that while Volunteers serve overseas, their effectiveness personally and professionally is dependent on understanding the environment of the countries in which they serve. Even before this initiative, the agency had taken steps to address this challenge. In September 2019, the agency approved a plan and funding to conduct a comprehensive barrier analysis to satisfy the Management Directive 715⁶ requirement instead of the perfunctory analysis usually performed by agencies' Equal Employment Opportunity functions. The government-wide directive instructs agencies to uncover and examine barriers to equal participation at all levels of the workforce and develop strategic plans to eliminate them.⁷

Data from the agency and OIG activities supports the need for increased inclusion and support of under-represented staff and Volunteers. Historically, one source of agency data showed a lower prevalence of racial and ethnic minorities in senior positions at headquarters (FP 1 and 2, and experts) and USDHs at posts than at lower grades of

⁶ Management Directive 715 (MD-715) is the policy guidance which the Equal Employment Opportunity Commission (EEOC) provides to federal agencies for their use in establishing and maintaining effective programs of equal employment opportunity.

⁷ <https://www.eeoc.gov/federal-sector/management-directive/instructions-federal-agencies-eeo-md-715-1>

employment and in the Federal government at-large. During our oversight activities, several senior leaders at the Peace Corps have voiced concerns over the way racial inequality and bias impacts the agency, its effectiveness, and its ability to support diverse Volunteers. In fact, results of the Annual Volunteer Survey show that an increasing number of Volunteers do not think that the Peace Corps is sufficiently inclusive and supportive of people of diverse backgrounds, the percentage rising from 6 percent in 2014 to 17 percent in 2019.

To improve diversity and inclusion, the Peace Corps has implemented initiatives in the past with varying effects and degrees of longevity. One of the most enduring is Intercultural Competence, Diversity, Equity, Inclusion, and Accessibility (ICDEIA) training delivered to post staff and Volunteers. This training was created in 2014 to help build understanding of cultural differences among local staff and U.S. citizens, including values and perceptions of Americans going overseas. The ICDEIA team, in conjunction with local staff, tailors each training to the post and its historical and cultural context to better enable post staff to support people from different backgrounds. This training had been delivered to 80 percent of posts by the end of FY 21. Another initiative is the Agency Equity Council, which advises the agency's ICDEIA strategic planning. Some other initiatives in the past did not produce sustained action or results largely due to a lack of follow-through related to personnel turnover and insufficient knowledge management. See the *Human Capital Management* challenge.

Progress in Addressing the Challenge

The Peace Corps has prioritized diversity, equity, inclusion, and accessibility in several ways over the last fiscal year. ICDEIA was a key component of the most recent strategic planning process. The Chief Diversity Officer was added as a voting member of the Senior Policy Committee to have an ICDEIA lens on all policy initiatives within the Agency. In addition, the agency's senior leadership doubled from six to 12 people of color—increasing the racial diversity of the leadership from 16 to 32 percent.

This year, the Office of Civil Rights and Diversity (OCRD) completed the second stage of the comprehensive barrier analysis: identify specific barriers. Their analysis uncovered three issues: lack of transparency and consistency in the expert appointment process; insufficient processes to increase hiring of people with targeted disabilities; and lack of a formal recruitment plan to reach potential applicants from underserved communities. In the next phases of the process, OCRD will develop a plan to address and eliminate identified barriers.

The purpose of the Diversity and Inclusion Taskforce is to receive information and recommendations from the Peace Corps community, develop short-, medium-, and long-term action plans, and determine which offices should have ownership to move initiatives forward. The taskforce consists of three working groups: one focused on staff recommendations and two focused on Volunteers, from recruitment to completion of service and Third Goal.⁸ In the past fiscal year, the taskforce has analyzed feedback and is scheduled to submit its final report to leadership in early FY 22.

⁸ "Third Goal" refers to the third goal of the Peace Corps mission "to help promote a better understanding of other peoples on the part of Americans."

The Biden administration issued four EO's and two Presidential Memos with requirements affecting the Peace Corps. The agency designated the Deputy Chief of Staff as the primary point of contact to coordinate fulfillment of deliverables, update senior leadership, and implement a communication strategy. The agency is tracking these deliverables to help align critical resources and funding that will be needed to advance this work in the future. For example, in compliance with EO 14035 (Diversity, Equity, Inclusion, and Accessibility of the Federal Workforce), agency leadership completed a survey on the agency's use of inclusive practices. Leaders used this tool to identify gaps and short to long-term goals to enhance the agency's strategy.

What Needs to be Done

Besides including and supporting Volunteers and staff of diverse backgrounds, another goal communicated by agency leadership is to embed inclusion-oriented practices in all aspects of operations such as human resources, recruitment, Volunteer training, and program evaluation, instead of discrete or siloed programs. Staff further expressed that this is especially important to the Peace Corps' future as Volunteers and applicants look further into the Peace Corps' responsible and inclusive community engagement around the world. Agency leadership communicated the need to ensure sustainability by investing in long-term solutions, institutionalizing processes to continuously gather and use data, and determining how the Peace Corps' workforce will be involved in ongoing implementation.

The barrier analysis team will begin its third stage in October 2021. The fourth stage, which involves assessing and adjusting the action plan to increase effectiveness, is planned to begin in December 2021.

Key OIG Resources

[The Peace Corps' Commitment to Addressing Racial and Social Injustice \(Press Release 2020\)](#)

[The Peace Corps Welcomes New Senior Advisor to the Director Dr. Darlene Grant \(Press Release 2020\)](#)

[Executive Order 13950 on Combating Race and Sex Stereotyping](#)

[Executive Order 14035 on Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce](#)

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Advice, Assistance, and Other Reportable Matters

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 13 policies and procedures. Topics included the following: Peace Corps organization, Peace Corps domestic program, trainee allowances, medical offices and medical officers, medical services program, death of a Volunteer, invitee enter-on-duty date, and employee workers compensation program.

Revisions to MS 262 Peace Corps Medical Services Program

The revisions to MS 262 add new provisions concerning the investigating and reporting of a Peace Corps Patient Safety Event. The changes establish that, when investigating adverse events like a Volunteer death, permanent harm, or severe temporary harm that requires intervention to sustain life, the agency will utilize an outside independent Patient Safety Organization (PSO) to conduct peer review and root cause analysis⁹ (RCA).

OIG suggested that the agency's scope of work and other terms and conditions with the PSO that will conduct RCA should describe how the PSO will conduct RCAs and how the external organization will interact with Peace Corps staff to focus on systemic issues, in accordance with best practices, including RCA² Improving Root Cause Analyses and Actions to Prevent Harm,¹⁰ and Veterans Administration National Center for Patient Safety RCA Step-By-Step Guide.

OIG expressed concern that if Peace Corps simply outsources root cause analyses to an external entity it may not develop a more effective quality improvement system because an external entity is unlikely to have a comprehensive and current understanding of Peace Corps policies.

⁹ Root cause analysis is a systemic process widely used by health professionals for identifying the root causes of problems or events and approach for responding to them.

¹⁰ Unlike the standard RCA, RCA² methodologies improve the way health care professionals investigate hazards and vulnerabilities by concentrating on preventing future harm. The National Patient Safety Foundation renames the root cause analysis process to RCA² to emphasize this point.

Participation in Overseas Staff Training

OIG participated in virtual overseas staff training (OST) in April 2021, briefing three country directors, seven directors of programming and training, six directors of management and operations, one financial specialist, one administrative specialist, and nine Peace Corps medical officers on best practices and common deficiencies noted by OIG.

On both April 30th and August 20th, we held two smaller informative sessions briefing two country directors respectively.

OIG Support for Background Checks

During the reporting period, OIG continued to implement the new standard operating procedure established with key Peace Corps offices, by which those offices would integrate, and automate, background checks on any individual who worked or volunteered for the Peace Corps and is seeking to return as an employee or Volunteer. This program has helped the agency comply with the employee and Volunteer background check requirements in the Sam Farr Nick Castle Peace Corps Reform Act of 2018,¹¹ and enhances the agency's employment inquiry and security process. During this reporting period, OIG conducted 792 records checks, of which 164 were for staff and 628 were for Volunteers.

¹¹ Pub. L. No. 115-256, Sec. 303(4), 132 Stat. 3657 (Oct. 9, 2018) (codified at Section 8B(A)(7)-(8) of the Peace Corps Act).

Management Implication Reports

Compliance with the Kate Puzey Peace Corps Volunteer Protection Act Regarding Peace Corps Volunteers Reporting Sexual Assaults

IG-21-04-SR

In August 2021, OIG issued a management implication report (MIR) after reviewing the facts and circumstances of incidents published in *USA Today*¹² in April 2021. The article asserted that the Peace Corps failed to support Volunteers after they reported sexual assaults. The article described nine sexual assaults that occurred in Peace Corps host countries between 2017 and 2020. Acting Director Carol Spahn asked OIG to review the cases. The Evaluation Unit is undergoing assessment of each case for compliance with the agency's sexual assault response procedures. This MIR provided the results of the review of one case. Our review found no evidence that the agency failed to comply with its sexual assault response procedures. However, Volunteer survey results from the year of the reported assault in the country where the Volunteer served indicated below average levels of satisfaction with safety and security training and support. Our review also revealed errors with the agency's documentation of the reported sexual assault.

Peace Corps/Ukraine's PEPFAR Food Voucher Program

IG-21-02-SR

In July 2021, OIG issued a MIR in response to a complaint received in March 2021 about Peace Corps/Ukraine's U.S. President's Emergency Plan for Aids Relief (PEPFAR) Food Voucher Program. The voucher program was initiated and expanded after Volunteers had been evacuated from Peace Corps/Ukraine due to COVID-19. The complaints indicated that Peace Corps/Ukraine inaccurately reported voucher program data, mismanaged the project plan, and the program lacked sufficient oversight.

In May, OIG learned that the program had been paused from late March to April while post and regional leadership established additional program oversight, and that the program was set to end after the current vouchers were expended. OIG did not have ongoing concerns related to the Peace Corps/Ukraine voucher program.

However, OIG is concerned about inadequate oversight of ongoing PEPFAR-funded activities at posts that no longer have Volunteers. Peace Corps' small grant program, like PEPFAR, have traditionally relied on Volunteers to implement and manage projects. Staff may now be performing roles unfamiliar to them, which warrants increased attention from agency leadership to ensure staff-led projects are consistent with the Peace Corps Act, advance the agency's mission and goals, and can be effectively transitioned to Volunteers upon their return.

¹² Slack, Donovan and Nadoiny, L. Tricia, "Sexual Assaults rise as the Peace Corps fails its Volunteers," USA Today, April 22, 2021, and Gaber, Hannah, "The Peace Corps failed these women after they were sexually assaulted while volunteering," USA Today video, April 22, 2021

Audit Unit

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Audit Unit

Overview

The Audit Unit conducts independent audits and reviews of agency programs and operations that support the Peace Corps mission. The objectives of OIG audits are to independently examine the financial and administrative operations of the Peace Corps, to promote economy and efficiency, and to 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 and other reviews¹³ are conducted under the direction and guidance of the Assistant Inspector General for Audits. Audits are performed 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 fiscal year (FY) 2021 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 2021 financial report to be issued by November 15, 2021.

OIG also engaged Williams, Adley & Company-DC, LLC to conduct the FY 2021 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 29, 2021, and a summary of the results will be posted on our website.

Along with the final reports detailed in the following sections, the Audit Unit initiated work on an audit of the Peace Corps' compliance with the Digital Accountability and Transparency Act of 2014. The Audit Unit also continued work on an audit of the Peace Corps' management of payroll and benefits for U.S. direct hires and the Peace Corps' compliance with CARES Act supplemental funding report.

¹³ Other reviews include MIRs/MARs, which are conducted in accordance with OIG Directive 2020-03 – Revision to Reporting Procedures for MIRs and MARs.

Agency-wide Audit

Review of the Peace Corps' Compliance with the Payment Integrity Information Act for FY 2020

IG-21-01-SR

In May 2021, OIG issued a report on the audit of the Peace Corps' compliance with the Payment Integrity Information Act of 2019 (PIIA) for FY 2020. The PIIA requires OIG to annually review the agency's compliance with improper payment reporting made in the annual Performance and Accountability Report (PAR) or Agency Financial Report (AFR). OIG performed a review to assess whether the Peace Corps complied with the PIIA reporting requirements and provided adequate disclosure within the annual AFR and accompanying materials. In addition, we evaluated the accuracy and completeness of the agency's reporting.

Our review determined that the Peace Corps was compliant with PIIA for FY 2020. OIG found that the agency published improper payment information in the AFR for FY 2020, posted that report on the agency website, and performed a risk assessment to assess improper payment risk to their program. We concluded that it is unlikely that the Peace Corps reached the significant improper payment threshold in FY 2020. The dollar values of the individual payments are lower in comparison to the significant improper payment threshold amounts. Furthermore, we did not identify any significant improper payments that met or exceeded the Improper Payments Elimination and Recover Act established threshold during our FY 2020 audits, the independent public accountant's audit of the agency's FY 2020 financial statements, or any other audit or review sources from the fiscal year.

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Evaluation Unit

Overview

The Evaluation Unit provides the agency with systematic and independent evaluations and reviews of agency programs, operations, or policies at overseas posts and domestic offices. Evaluations address efficiency and effectiveness, identify best practices, and recommend improvements. Evaluators also participate in cross-unit reviews with OIG auditors and investigators. The Evaluation Unit reports provide timely, credible information that is useful to managers, policymakers, and others.

Evaluations and other reviews¹⁴ are conducted under the direction and guidance of the Assistant Inspector General for Evaluations. Evaluations are performed in accordance with the CIGIE *Quality Standards for Inspection and Evaluation*.

Ongoing Work

The Evaluation Unit has continued work on several ongoing projects including the Evaluation of Human Resources Management for Overseas Contract Staff, the Review of the Medical Care of a Peace Corps Volunteer in Guinea, and the Review of Agency Sexual Assault Risk Reduction and Response for Cases Cited in *USA Today*, which is a cross-unit review with OIG investigators. Evaluators also performed preparatory survey work for other projects yet to be announced.

¹⁴ Other reviews include MIRs/MARs, which are conducted in accordance with OIG Directive 2020-03 – Revision to Reporting Procedures for MIRs and MARs.

Agency-Wide Evaluations

Review of the Facts and Circumstances Surrounding the Death of a Peace Corps/Ghana Volunteer

IG-21-03-SR

In August 2021, OIG issued a special report on the death of Peace Corps/Ghana Volunteer (PCV) Chidinma Ezeani. On October 18, 2019, Volunteer Ezeani was cooking at home when her gas stove exploded, resulting in severe burns to a large portion of her body. She was medically evacuated to South Africa on October 20 where she succumbed to her injuries several days later. The objectives of this report were to review the facts and circumstances of PCV Ezeani's death, to determine if deficiencies in the post's evacuation plan delayed or obstructed her evacuation, and to determine if the evacuation was appropriately managed.

Our review determined that no one individual was at fault; however, we identified systemic failures that contributed to significant delays in PCV Ezeani's care. We found that Peace Corps/Ghana's medical action plan did not fully comply with agency guidelines. We determined that a medical emergency preparedness drill conducted at the post prior to PCV Ezeani's accident did not effectively prepare staff to conduct an international evacuation from a remote location.

We found that the Peace Corps did not contact the U.S. Embassy in Ghana to request evacuation assistance, which could potentially have been provided in a timely manner by a Department of Defense surgical team with critical care capability stationed in a neighboring country. Travel delays with the Peace Corps' contracted air lift provider resulted in a total evacuation time of approximately 64.5 hours. We also found that the Peace Corps' Root Cause Analysis of the incident did not detect critical vulnerabilities and did not comply with industry standards, resulting in missed opportunities for institutional improvement.

Our report made 12 recommendations that management concurred with and all 12 remain open. We also re-opened a previously closed recommendation on root cause analysis.

Evaluations of Operations Abroad

Follow-Up Review of Peace Corps/Moldova

IG-21-01-E

In July 2021, OIG issued a report on the follow-up review of issues identified in the Final Report on the Program Evaluation of Peace Corps/Moldova (IG-13-04-E). The objective of this review was to determine if selected corrective actions were fully implemented and had the intended effects.

In 2013, we found that Peace Corps/Moldova faced various operational challenges. Firstly, Volunteers placed in urban sites faced challenges integrating into their communities. Further, the post's trainee assessment tool was found to be time-consuming and did not incorporate relevant data. Additionally, we found that the post did not use the results of language proficiency interviews. We also identified inconsistencies regarding housing checklists and safety incidents that were not properly documented in the post's site history files.

Our follow-up report identified that staff had undertaken several corrective actions to strengthen post operations. Firstly, the post established specific criteria for placing only 3rd year Volunteers in the capital and we found that Volunteers in urban sites reported fewer integration challenges than in previous years. Furthermore, the post had developed and implemented a new tool, improving their trainee assessment tool, now called the trainee assessment portfolio. Additionally, we observed greater consistency of staff using the appropriate housing checklist, but staff did not fully document their housing inspections.

Our follow-up also found that the post supported Volunteers with language improvement action plans for swearing in without meeting the language requirements. Lastly, we found that security incidents continued not to be properly documented in site history files.

Our follow-up report contained three recommendations. Management concurred with all three recommendations which were implemented and closed by the agency.

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Investigation Unit

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 substantial investigative support from the Department of State, Bureau of Diplomatic Security.

The Investigation Unit continues to implement the Sam Farr and Nick Castle Peace Corps Reform Act of 2018 provisions regarding independent reviews of the facts and circumstances surrounding Volunteer deaths. It is the practice of the Investigation Unit to review the details of each incident to assess whether further investigation is required.

Because of the COVID-19 pandemic, all Peace Corps Volunteers were evacuated from posts to the United States, and most Peace Corps staff were placed on full-time telework prior to the beginning of this reporting period. As such, the Investigation Unit experienced a significant decline in the number of complaints received.

Investigations of Criminal and Administrative Misconduct

Subject Pleads Guilty to Wire Fraud (Update)

OIG previously reported that Jaime Walsh was charged in an eight-count Federal indictment for multiple forms of fraud, including wire fraud, mail fraud, bank fraud, and fraudulent claims against the Peace Corps. Walsh pleaded guilty to one count of bank fraud. During this semiannual reporting period, Walsh was sentenced to 78 months imprisonment, 3 years of supervised release, and restitution to his victims of \$241,397.33.

Between June 2013 and March 2019, Walsh carried out a scheme to defraud various organizations including charities, nonprofit entities, and the Peace Corps. Walsh's scheme was to make an online donation to an organization, then request a refund from the organization claiming the donation amount was in error. Once refunded, he would withdraw the money from his account, and the original donation payment would be rejected due to insufficient funds, resulting in a complete loss to the organization of the refunded amount.

This case was investigated by the U.S. Postal Inspection Service, U.S. Secret Service, Tennessee Highway Patrol, and Peace Corps OIG.

Volunteer Homicide in Africa Region (Update)

OIG investigators are partnered with the Federal Bureau of Investigation to investigate a decade-old Volunteer homicide. OIG deployed to the country where the murder occurred and obtained additional information leading to further investigative leads. The resolution of this case is an ongoing priority.

Report of Sexual Assault Mismanagement in the Inter-America and the Pacific Region

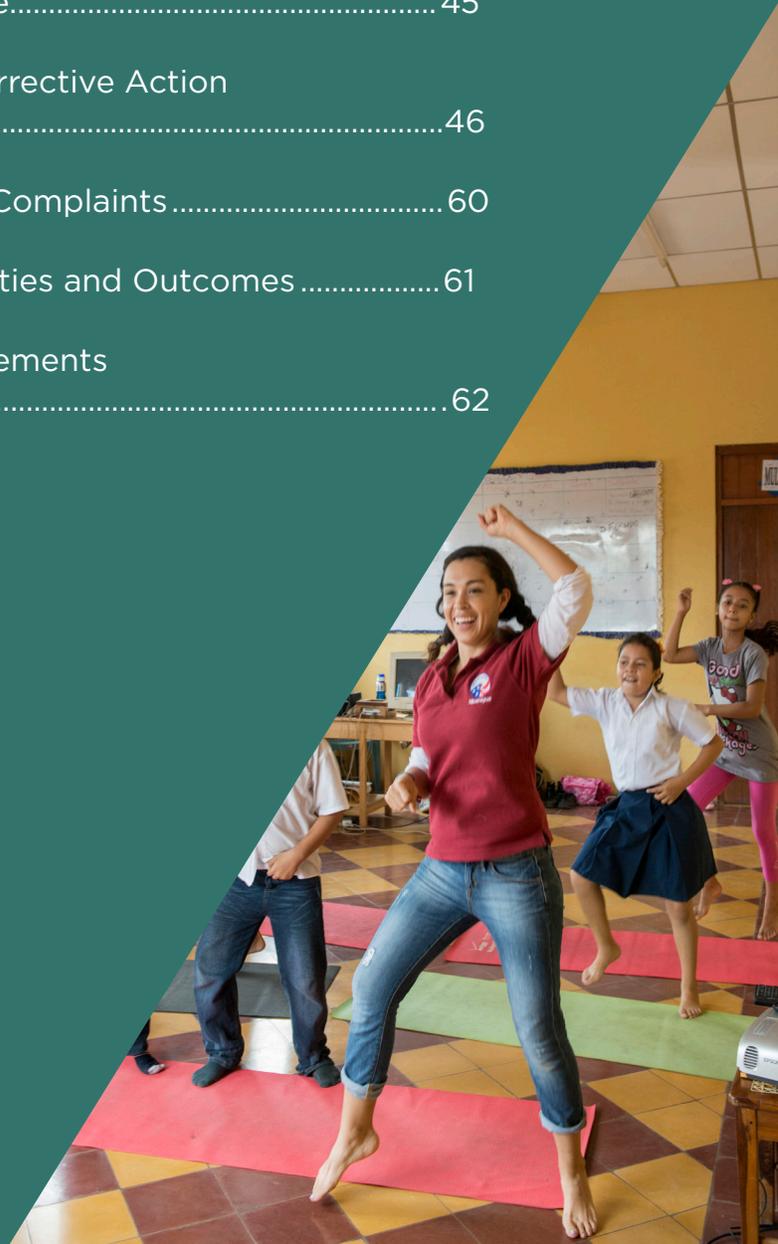
OIG received allegations, that a Volunteer was physically and sexually assaulted by the Volunteer's host father; sexually assaulted by the Volunteer's host brother; and raped by an acquaintance in the Volunteer's host site. According to the allegations, the Volunteer reported the initial incident but did not report the assault by the Volunteer's host brother to the Peace Corps for fear of how Peace Corps staff would respond. Further, according to the allegations, after the rape by the acquaintance, the Volunteer stopped short of conveying the rape when the Volunteer reported the incident to Peace Corps staff.

OIG made multiple attempts to interview the Volunteer to follow up on the allegations; however, the Volunteer elected to not participate with the investigation. Therefore, the investigation was closed.

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1: List of Reports: Audits, Program Evaluations, and Other Reports

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

Report	Questioned Costs ¹⁵	Unsupported Costs ¹⁶	Funds to Be Put to Better Use ¹⁷
-	-	-	-
Subtotal	-	-	-
Total			\$-

¹⁵ Questioned Cost – 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.

¹⁶ Unsupported Cost – A cost that is not supported by adequate documentation.

¹⁷ Funds to Be Put to Better Use – Funds that could be used more efficiently if management took actions to implement and complete a recommendation.

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	6	\$4,681,577	\$649,300
Issued during the reporting period			
Audits	-	-	-
Total	6	\$4,681,577	\$649,300
Management decision made during the reporting period			
(i) Disallowed costs ¹⁸	1	\$227,397	-
(ii) Costs not disallowed ¹⁹	-	-	-
Subtotal	1	\$227,397	-
Total for which no management decision had been made by the end of the reporting period	6	\$4,454,180	\$649,300

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	2	\$354,199
Issued during the reporting period		
Audits	-	-
Total	2	\$354,199
Management decision made during the reporting period		
(i) Dollar value of recommendations agreed to by management	-	\$-
(ii) Dollar value of recommendations not agreed to by management	-	-
Subtotal	-	-
Total for which no management decision had been made by the end of the reporting period	2	\$354,199

¹⁸ “Disallowed costs” are costs that, upon review, management determined that they are not allowable.

¹⁹ “Costs not disallowed” are costs that, upon review, management determined that they are allowable.

5: Recommendations on Which Corrective Action Has Not Been Completed

Number of Recommendations Open at the End of the Reporting Period	Number of Recommendations Open for More than 180 Days
144	132

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 the 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)

4 of 13 recommendations open since November 21, 2013

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 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)

1 of 8 recommendations open since November 21, 2013

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)

4 of 23 recommendations open since September 30, 2014

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

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)

4 of 15 recommendations open since January 21, 2016

Recommendation 6: OIG recommended that the chief acquisition officer direct the contracting officer to modify the present contract to correctly identify the contract type.²⁰

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

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

Potential Cost Savings Identified: \$3,200,000

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.

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

5 of 23 recommendations open since March 23, 2016

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).

²⁰ The agency did not concur with this recommendation.

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

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

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

4 of 36 recommendations open since November 28, 2016

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 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 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/South Africa (IG-17-03-E)

1 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.²¹

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

2 of 7 recommendations open since April 9, 2018

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 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.

²¹ The agency did not concur with this recommendation.

Audit of Peace Corps/eSwatini (IG-19-02-A)

3 of 30 recommendations open since June 6, 2019

Recommendation 26: OIG recommended that the country director and director of management and operations consult with the Office of the Chief Financial Officer on the corrections necessary regarding this purchase and follow their guidance, as necessary.

Potential Cost Savings Identified: \$4,500

Recommendation 27: OIG recommended that the director of management and operations follow the PEPFAR guidance for allocating funds.

Recommendation 28: OIG recommended that the director of management and operations implement post specific controls to record and track the use of fuel for generators.

Evaluation of Peace Corps/Comoros (IG-19-03-E)

2 of 21 recommendations open since June 14, 2019

Recommendation 4: OIG recommended that the country director and the program manager improve the model school experience during pre-service training to provide trainees with a more relevant practicum that reflects what Volunteers will face in a typical Comorian classroom.

Recommendation 8: OIG recommended that the country director implement the trainee assessment portfolio to provide formative assessments to trainees, determine which trainees will be allowed to swear in, and document the assessment process.

Evaluation of Peace Corps/Paraguay (IG-19-04-E)

6 of 16 recommendations open since July 16, 2019

Recommendation 1: OIG recommended that the director of programming and training work with staff and Volunteers to integrate training on harassment into language, cultural, and other aspects of trainings so that Volunteers in Paraguay learn appropriate and practical ways to mitigate and respond to harassment they may experience.

Recommendation 2: OIG recommended that the director of programming and training ensure that project framework revisions are appropriately limited in focus to facilitate more in-depth technical training that prepares Volunteers to carry out their primary assignments.

Recommendation 3: OIG recommended that the director of programming and training improve collaboration between the programming and training teams in the design and delivery of technical training for Volunteers.

Recommendation 5: OIG recommended that the country director and director of programming and training develop a plan to improve management and oversight of a more consistent and efficient site identification and selection process.

Recommendation 6: OIG recommended that the director of programming and training develop, document, and implement site identification criteria that help the post select suitable host families, counterparts, organizations, and communities.

Recommendation 10: OIG recommended that the country director and Peace Corps medical officers adhere to Technical Guideline 510, and clarify to medical staff and Volunteers the referral process for providing mental health counseling support to Volunteers.

Homestay Impact Evaluation (IG-19-05-E)

4 of 4 recommendations open since July 29, 2019

Recommendation 1: OIG recommended that the deputy director of the Office of Strategic Information, Research, and Planning collaborate with the Office of Safety and Security to develop a plan to assess the impact of homestay requirements on Volunteer safety using Interrupted Time Series analysis or a similarly robust approach.

Recommendation 2: OIG recommended that the deputy director of the Office of Strategic Information, Research, and Planning collaborate with the Office of Overseas Programming and Training Support to develop a plan to assess the impact of homestay requirements on Volunteer language proficiency using Interrupted Time Series analysis or a similarly robust approach.

Recommendation 3: OIG recommended that the associate director of the Office of Global Operations issue guidance to posts that describes how and why to emphasize both privacy and support when training host families.²²

Recommendation 4: OIG recommended that the associate director of the Office of Global Operations provides guidance to posts about initiating, increasing, and implementing homestay requirements in order to mitigate the challenges associated with these policies.

Audit of Peace Corps/Fiji (IG-19-04-A)

1 of 12 recommendations open since September 30, 2019

Recommendation 1: OIG recommended that the country director work with the Office of General Counsel to initiate negotiations as called for in the country agreement, with the goal of achieving tax exempt status on certain purchases.

Potential Cost Savings Identified: \$439,500

Audit of the Peace Corps' Compliance with the Digital Accountability and Transparency Act (IG-20-01-A)

3 of 4 recommendations open since November 7, 2019

Recommendation 2: OIG recommended that the Director develop a risk profile in alignment with the agency's enterprise risk management policy and OMB Circular No. A-123, Management Responsibility for Enterprise Risk Management and Internal Control. This should include risks associated with the controls over the source systems and reporting for the Digital Accountability and Transparency Act of 2014.

Recommendation 3: OIG recommended that the chief financial officer develop and implement a data quality plan that aligns with the requirement of OMB memorandum 18-16 and outlines the risk and mitigating controls the agency has in place to demonstrate that the data submitted is of high quality.

Recommendation 4: OIG recommended that the chief financial officer require all quality review steps, outlines in the data quality plan, be performed prior to the senior accountable officer certification of the quarterly submissions for the Digital Accountability and Transparency Act of 2014.

Evaluation of Peace Corps/Panama (IG-20-01-E)

3 of 14 recommendations open since March 6, 2020

Recommendation 1: OIG recommended that the director of programming and training align the health project goals with national development goals and the work Volunteers can realistically accomplish as part of the agency's programming, training, and evaluation realignment process.

²² The agency partially concurred with this recommendation.

Recommendation 6: OIG recommended that the country director and the safety and security manager conduct consolidation tests to improve Volunteer awareness of their consolidation point.

Recommendation 9: OIG recommended that the director of management and operations improve the administration of allowance surveys to raise the Volunteer response rate.

Evaluation of Peace Corps/Tanzania (IG-20-02-E)

12 of 22 recommendations open since March 31, 2020

Recommendation 1: OIG recommended that the country director ensure there are sufficient funds at the post available to improve housing when communities are unable to pay for necessary upgrades.

Recommendation 2: OIG recommended that the director for programming provide sufficient oversight to ensure that the process of site development is well-planned and organized and staff are appropriately documenting and sharing information about the progress of each site.

Recommendation 3: OIG recommended that the director for programming revise the timeline for site development to conform with the Programming, Training, and Evaluation Guidance that the site identification process should begin a year before Volunteers arrive at site.

Recommendation 4: OIG recommended that the country director ensure that site and housing criteria checklists are accurately completed and approved before Volunteers move into their permanent sites.

Recommendation 5: OIG recommended that the country director develop and implement a post site history file standard operating procedure which conforms with the requirements of Safety and Security Instruction 401.

Recommendation 6: OIG recommended that the country director finalize the post's site management manual.

Recommendation 11: OIG recommended that the Peace Corps safety and security officer conduct a full country risk assessment for the post.

Recommendation 12: OIG recommended that the country director and director of management and operations work with Volunteers to increase settling-in allowance survey participation and the post's understanding of Volunteer settling-in challenges.

Recommendation 13: 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.

Recommendation 14: OIG recommended that the country director clarify and communicate the process for obtaining reimbursement for additional settling-in expenses.

Recommendation 17: OIG recommended that the country director establish more active and regular engagement with project advisory committees.

Recommendation 21: OIG recommended that the Africa regional director provide resources for team building and conflict mediation between the programming and training units and United States direct hire staff.

Evaluation of Peace Corps/Eastern Caribbean (IG-20-03-E)

1 of 14 recommendations open since June 22, 2020

Recommendation 8: OIG recommended that the director of management and operations train staff on how to conduct market-basket surveys and have staff conduct a market-basket survey for each island, as required by Manual Section 221.

Audit of Peace Corps/Thailand (IG-20-03-A)

1 of 13 recommendations open since July 2, 2020

Recommendation 5: OIG recommended that the country director and the director of management and operations work with the Royal Thai Government to create a new memorandum of understanding regarding host country contributions.

Audit of Peace Corps/Ghana (IG-20-04-A)

11 of 52 recommendations open since July 23, 2020

Recommendation 4: OIG recommended that the country director ensure that the cash movement policy contains all the requirements listed in OFMH 13, is approved by the RSO, revised annually, and maintained as part of the cashier's files.

Recommendation 10: OIG recommended that the director of management and operations ensure that the training center sub-cashier's pass-through accounts is fully operational.

Recommendation 11: OIG recommended that the director of management and operations apply due diligence in collecting approximately \$3,379 USDE in overpaid living allowances.

Potential Cost Savings Identified: \$3,379

Recommendation 12: OIG recommended that the director of management and operations apply due diligence in returning approximately \$820 in over-collected living allowances and uncollected bank account balances to Volunteers.

Potential Cost Savings Identified: \$820

Recommendation 13: OIG recommended that the director of management and operations assess the need for a memorandum of agreement with the Volunteers' banks in order to formalize the administration of Volunteer bank accounts.

Recommendation 19: OIG recommended that the director of management and operations work with the U.S. Embassy to correct all erroneous vehicle registrations.

Potential Cost Savings Identified: \$376

Recommendation 22: OIG recommended that the director of management and operations make an effort to obtain itemized records of all property auctions from FY 2018 and FY 2019 and take action to correct asset management system records accordingly.

Potential Cost Savings Identified: \$87,832

Recommendation 25: OIG recommended that the country director evaluate the need for a process of reconciling monthly phone bills for personal usage that includes the prevention of unauthorized phone line additions.

Recommendation 43: OIG recommended that the director of management and operations review all users of Peace Corps information technology systems and update their forms to ensure that they have proper access to these systems.

Recommendation 51: OIG recommended that the director of management and operations ensure that the obligations under this guard-service contract are properly closed.

Recommendation 52: OIG recommended that the Office of Acquisition and Contract Management ensure that overseas contracting officers are trained in the process for exercising option years for existing contracts, including the need to update the Delegation of Additional Procurement Authority.

Audit of Peace Corps/Ethiopia (IG-20-05-A)

5 of 13 recommendations open since August 19, 2020

Recommendation 2: OIG recommended that the director of management and operations implement a procedure to manage the withdrawal of funds from Volunteer bank accounts, including tracking of funds withdrawn and compliance with the agency's policies for bills of collection and imprest funds.

Recommendation 3: OIG recommended that the Office of the Chief Financial Officer issue guidance to manage withdrawals of funds from Volunteer bank accounts where the post does not have power of attorney over them.

Recommendation 4: OIG recommended that the director of management and operations instruct the post staff to follow OFMH guidance for fuel purchases from travel advances.

Recommendation 7: OIG recommended that the country director and the director of management and operations work with the Offices of the Chief Financial Officer and the General Counsel to resolve the open grants and the amounts withheld from the prior grants coordinator.

Recommendation 10: OIG recommended that the director of management and operations ensure that staff obtain signed contractor's releases from vendors.

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-16-02-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)

5 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.²³

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)

4 of 6 recommendations open since September 27, 2018

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.

²³ 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

Management Advisory Report: Seed Global Health Services (IG-19-01-SR)

5 of 5 recommendations open since October 25, 2018

Recommendation 1: OIG recommended that the Director of the Peace Corps require the chief acquisition officer to implement procedures and practices that ensure proper segregation of duties to avoid potential conflicts and appearances of favoritism in the cooperative agreement award process.

Recommendation 2: OIG recommended that the Director of the Peace Corps establish comprehensive agency policy and procedures on cooperative agreements with non-governmental entities. At minimum, such policy should address the need for competition, circumstances where competition is not required, justifications for noncompetitive awards, and appropriate limitations on cooperative agreement extensions.

Recommendation 3: OIG recommended that the Director of the Peace Corps require the Chief Acquisition Officer to implement a record management system for cooperative agreements, to include maintaining specific written documentation to justify all future non-competitive agreements in the agreement file that will assist other staff in substantiating decisions made by former staff.

Recommendation 4: OIG recommended that the Director of the Peace Corps require the Chief Acquisition Officer to submit to GSA's Catalog of Federal Domestic Assistance complete and accurate information regarding all grants and cooperative agreements with the Peace Corps.

Recommendation 5: OIG recommended that the Director of the Peace Corps require the Chief Acquisition Officer to review relevant Peace Corps contracts, grants, and agreements to ascertain that each file contains the proper anti-lobbying certification, in compliance with applicable laws and regulations and report to OIG the failure of any entity to submit required certifications.

Review of New Country Entry Guidance for Conflict-Affected Environments (IG-19-05-SR)

9 of 14 recommendations open since September 19, 2019

Recommendation 3: OIG recommended that the associate director of the Office of Global Operations provide guidance regarding the use of internally and externally available data sources to understand the conflict context during assessments.

Recommendation 6: OIG recommended that the associate director of the Office of Global Operations centralize and consolidate reports, notes, and information collected during new country assessments.

Recommendation 7: OIG recommended that the country director ensure that screens are properly installed and functioning on doors and windows of all Volunteer residences.

Recommendation 9: OIG recommended that the associate director of the Office of Global Operations revise the "New Country Entry Guide" to provide for longer timelines, where appropriate, and additional resource requirements to support staff involved in completing start-up activities in conflict-affected countries.

Recommendation 10: OIG recommended that the associate director of the Office of Global Operations revise the "New Country Entry Guide" to include more guidance related to the appropriate use of regional staff or other temporary duty staff to assist with start-up operations in conflict-affected countries.

Recommendation 11: OIG recommended that the associate directors for the Offices of Volunteer Recruitment and Selection, Global Operations, and Peace Corps Response develop focused Volunteer recruitment protocols and pre-departure communications for conflict-affected environments which inform invitees about challenges of service.

Recommendation 12: OIG recommended that the associate director of the Office of Global Operations revise the "New Country Entry Guide" to provide guidance on Volunteer training competencies for conflict-affected environments.

Recommendation 13: OIG recommended that the associate director of the Office of Overseas Programming and Training Support create, collect, and make available appropriate references and trauma-informed training materials for conflict-affected posts.

Recommendation 14: OIG recommended that the associate director of the Office of Global Operations revise the "New Country Entry Guide" to include guidance related to the use of external local resources to assist with training Volunteers about the conflict.

Management Advisory Report: Peace Corps PEPFAR Financial Guidance (IG-20-01-SR)

6 of 6 recommendations open since March 31, 2020

Recommendation 1: OIG recommended that the Office of the Chief Financial Officer, in collaboration with the Office of Global Health and HIV, develop comprehensive guidance that fully defines:

- a. the roles and responsibilities of post and headquarters staff for the financial management of PEPFAR funds; and
- b. the documentation required to support PEPFAR payments.

Recommendation 2: OIG recommended that the Office of Global Health and HIV train voucher examiners on the requirements of the use of PEPFAR funds to ensure proper oversight of PEPFAR payments.

Recommendation 3: OIG recommended that the Office of Global Health and HIV train post financial staff in the documentation required to support PEPFAR payments for the full range of costs and expenses payable with PEPFAR funds.

Potential Cost Savings Identified: \$362,121

Recommendation 4: OIG recommended that the Office of the Chief Financial Officer identify any other authority allowing for the use of VAT refunds of PEPFAR funding towards non-PEPFAR programs, and, should no other authority be available, review past practices regarding the crediting and use of VAT refunds of PEPFAR funding to identify related Purpose Statute or Anti-deficiency Act violations and make any required reporting.

Potential Cost Savings Identified: \$364,351

Recommendation 5: OIG recommended that the Office of the Chief Financial Officer ensure that PEPFAR funds are not co-mingled with other sources of funds, or, if an authority is identified pursuant to recommendation 4, seek written permission to co-mingle funds pursuant to the Memorandum of Agreement.

Recommendation 6: OIG recommended that the Office of the Chief Financial Officer ensure that the PEPFAR value added tax that was incorrectly refunded to the general fund be transferred back to the PEPFAR account.

Management Advisory Report: Review of the Facts and Circumstances Surrounding the Death of a Peace Corps/Ghana Volunteer (IG-21-03-SR)

12 of 12 recommendations open since August 2, 2021

Recommendation 1: OIG recommended that Peace Corps/Ghana complete their medical action plan so that it fully complies with agency policy, using the specified form for facility assessments.

Recommendation 2: OIG recommended that the country director and Peace Corps medical officer in Ghana submit a plan that will ensure local emergency transportation options are sufficiently researched and coordinated.

Recommendation 3: OIG recommended that the Director develop a plan to fully staff the assessment of local medical resources internally or contract the responsibility to an external entity.

Recommendation 4: OIG recommended that the chief of staff work with the associate directors to ensure that drills to prepare for medical and life-threatening emergencies cover both local and international medical evacuations and that all potential responders (medical staff at headquarters and regional hubs, private medevac contractors, other federal agencies, Volunteers, etc.) are included.

Recommendation 5: OIG recommended that the associate director for the Office of Health Services collaborate with the associate director for the Office of Global Operations to develop guidance and training for non-clinical staff to address medical emergency preparedness when conducting site visits, including, but not limited to, providing community contacts with the Peace Corps' contact information and visiting local medical facilities, and integrate this guidance into existing site visit guidance.

Recommendation 6: OIG recommended that the associate director for the Office of Health Services clarify TG 385 to specify what Volunteer information is required in the Individual Medical Action Plan.

Recommendation 7: OIG recommended that the Office of Health Services develop and implement a process for managing its recommendations that includes a review of evidence and documentation prior to deciding to close recommendations.

Recommendation 8: OIG recommended that the Director develop a comprehensive plan to improve institutional memory in the Office of Health Services, including, but not limited to, identifying critical positions and exempting them from term limits.

Recommendation 9: OIG recommended that the Director ensure that international emergency transportation options, including Department of Defense and Department of State, are researched, documented, and incorporated into Peace Corps policies and procedures.

Recommendation 10: OIG recommended that the associate director for the Office of Health Services incorporate a mechanism and procedures into TG 370 to obtain teleconsults so that the Office of Health Services accesses medical experts during field consults.

Recommendation 11: OIG recommended that the Director develop agency-wide policy and procedures that define staff roles and responsibilities to respond to life-threatening medical emergencies.

Recommendation 12: OIG recommended that the associate director of the Office of Health Services include provisions for a Root Cause Analysis charter in TG 167.

Financial Statement Audit Recommendations²⁴

Summary of Internal Control Issues Over the Peace Corps' Financial Reporting			
Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Information Technology Security	2013	Concur	5
Inadequate Internal Controls over Property, Plant, and Equipment	2019	Concur	3
Inadequate Maintenance and Testing of Financial System Contingency Plan	2018	Concur	1
Inadequate Controls Surrounding Processing of Personnel Actions	2020	Concur	2
Plan of Action and Milestones Deficiencies	2020	Concur	1
Total Open Recommendations			12

Federal Information Security Management Act (FISMA) Review Recommendations²⁵

Review of the Peace Corps' Information Security Program (FY 2020)

4 of 4 recommendations open since October 31, 2020

Recommendation 1: OIG recommended that the Director move the chief information security officer position and staff to a new office that is independent from the chief information officer. These two separate offices should both report to the same senior executive.²⁶

Recommendation 2: OIG recommended that the Director appoint the chief information security officer to serve on the Enterprise Risk Management Council as a voting member.

Recommendation 3: OIG recommended that Peace Corps management enhance the communications protocols with different offices to ensure roles and responsibilities are clearly communicated and risks are consistently identified and communicated from system, business process, and entity levels.

Recommendation 4: OIG recommended that Peace Corps management add an IT security performance element to the annual performance plans for all staff members who have a role with IT security. This should include all system owners and staff members who have roles and responsibilities in managing and protecting Peace Corps sensitive data and information systems.

²⁴ 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.

²⁵ 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.

²⁶ The agency did not concur with this recommendation.

6: Summary of Hotline and Other Complaints

Complaints Received	
Complaints Received (Hotline)	55
Complaints Received (Other Sources) ²⁷	5
Total Complaints (All Sources)	60

Overview of Complaint Activity²⁸	
Resulted in Investigations	2
Resulted in Preliminary Inquiries	4
Resulted in Audits or Evaluations	0
Referred to Agency Management	32
Referred to Other Agency	0
No Action Needed	0

²⁷ These complaints are largely a result of outreach by OIG staff and were received by email, phone calls, and conversations.

²⁸ 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. The results reflect complaint activities that occurred during this reporting period; in some instances, the complaint may have been received during a prior reporting period.

7: Summary of Investigative Activities and Outcomes

Investigative Activities	Preliminary Inquiries²⁹	Cases
Open at the beginning of the reporting period	13	8
Opened during the reporting period	4	2
Closed during the reporting period	9	3
Total open at the end of the reporting period	8	7
Reports		
Investigative reports issued		1
Referrals		
Persons referred for criminal prosecution (Department of Justice)		-
Persons referred for criminal prosecution (state and local authorities) ³⁰		-
Cases referred to the Department of Justice		-
Cases referred to agency management for administrative action		1
Cases referred to agency management for other action		-
Referrals to other agencies		-
Court Actions		
Criminal information and indictments		-
Trial(s) pending		-
Ongoing prosecution ³¹		-
Convictions		1
Judgments		1
Fines/assessments/fees		1
Administrative Actions		
Employee ³² resignations and terminations		1
Other employee actions ³³		-
Suspension/debarment referrals		1
Monetary Results		
Annual savings		-
Recoveries/restitution ³⁴		\$258,091.83
Cost avoidance		-

²⁹ 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.

³⁰ Includes foreign courts.

³¹ Includes overseas criminal proceedings.

³² Volunteers/trainees are included as Peace Corps staff for the purpose of reporting investigative activity.

³³ Includes administrative actions that are less than resignation or termination, for example: letters of reprimand, counseling, and retraining.

³⁴ 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	28
§ 5(a)(1)	Significant problems, abuses, and deficiencies	Advice and Assistance, Audits, and Evaluations	28, 32, 36
§ 5(a)(2)	Significant recommendations for corrective actions	Advice and Assistance, Audits, Evaluations, and Table 5	28, 32, 36, 46
§ 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	Table 5	46
§ 5(a)(4)	Matters referred to prosecuting authorities	Investigations and Table 7	40, 60
§ 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	32, 36, 44-45
§ 5(a)(7)	Summary of significant reports	Audits, Evaluations, and Investigations	32-40
§ 5(a)(8)	Statistical table - questioned and unsupported costs	Tables 2 and 3	44-45
§ 5(a)(9)	Statistical table - funds to be put to better use	Tables 2 and 4	44-45
§ 5(a)(10)	Summary of previous reports with open recommendations	Table 5	46
§ 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	64
§ 5(a)(17)-(18)	Statistical table - investigative reports issued; persons referred for criminal prosecution; indictments and criminal information	Table 7	60
§ 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	-
§ 5(a)(21)	Interference with Independence	N/A	-
§ 5(a)(22)	Detailed descriptions of the particular circumstances of each-		
	(A) inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public	N/A	-
	(B) investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public	N/A	-

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Appendices

Appendix A: Reporting of Peer Reviews

Pursuant to Section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law No. 111-203),³⁵ OIG reports the following peer review information:

Audit Unit

In March 2020, the National Labor Relations Board (NLRB) OIG issued its System Review Report of the Peace Corps OIG Audit Unit for the period ending September 30, 2019. The Audit Unit received a rating of “pass,” the highest rating available. 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 NLRB did not provide any recommendations in the System Review Report.

In August 2016, Peace Corps OIG’s Audit Unit 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.

Evaluation Unit

In July 2020, the Corporation for Public Broadcasting OIG, with assistance from the Securities and Exchange Commission OIG, issued a final report after completing an external peer review of Peace Corps OIG’s Evaluation Unit for the period January 1, 2019 to December 31, 2019. The review assessed compliance with seven standards from CIGIE’s *Quality Standards for Inspection and Evaluation (Blue Book)* and determined that 1) Evaluation Unit policies and procedures generally met the standards; and, 2) two reviewed reports generally met the standards and complied with Evaluation Unit policies and procedures.

In October 2019, Peace Corps OIG’s Evaluation Unit, with the assistance of the Office of Personnel Management OIG, completed a modified peer review of the Corporation for National and Community Service OIG. A modified external peer review was conducted because CNCS OIG did not perform inspection and evaluation activities in-house during the 3-year applicable period but wanted to develop the in-house capability to perform such activities in the future. The peer review team assessed the extent to which CNCS OIG met seven Blue Book standards: (1) Quality Control; (2) Planning; (3) Data Collection and Analysis; (4) Evidence; (5) Records Maintenance; (6) Reporting; and (7) Follow-up. The review team determined that CNCS OIG’s internal policies and procedures generally met

³⁵ 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.).

the seven quality standards addressed in the external peer review. No formal recommendations were made.

In addition, the Evaluation Unit assisted the CNCS OIG in reviewing the inspection and evaluation program of the Pension Benefit Guaranty Corporation (PBGC) OIG. The review team conducted the review from August 3, 2020, through December 10, 2020, and the peer review report was issued December 16, 2020. The review team determined that the PBGC OIG policies and procedures and the three reports reviewed generally met the seven Blue Book standards, and the report therefore did not include any findings or recommendations.

Investigation Unit

In April 2019, the Export-Import Bank of the United States OIG conducted a peer review of the Peace Corps OIG Investigation Unit for the period ending February 15, 2019. 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.

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 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.

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.

Appendix C: Congressional Testimony

Statement of Kathy A. Buller

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

before the

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

concerning

“Restoring Independence: Rebuilding the Federal Offices of Inspectors General”

Introduction

Chairman Connolly, Ranking Member Hice, and distinguished Members of the Subcommittee:

Thank you for the invitation to appear before you today in my role as the Chair of the Legislation Committee of the Council of the Inspectors General on Integrity and Efficiency, known as CIGIE. I will discuss the challenges facing the Inspector General (IG) community and opportunities to address those challenges through the CIGIE Legislation Committee’s Legislative Priorities for the 117th Congress. The Legislation Committee of CIGIE, established in 2009, has expressed the IG community’s common positions on legislative initiatives impacting government oversight for over a decade. I have served as the Chair of that committee since 2015.

In my 35 years in the IG community, I have seen the community evolve from distinctly separate entities with a common authorizing statute into a strong community of practice that coordinates operations, shares resources and guidance, and uses our collective authority to provide effective oversight of the Government. CIGIE makes it possible for the community to conduct more efficient oversight, better train our employees, and provide improved technical assistance to Congress.

Individual IG and CIGIE leadership is particularly important today. At this moment, Inspectors General are operating amid a worldwide pandemic, with several offices fully remote, overseeing some of the most extensive government spending bills in recent history. Despite the 15 vacant Inspector General positions – at some of the largest and most influential agencies within the government – Inspectors General and their staff are working diligently to provide accountability and ensure integrity of government processes. While administrations and agency leadership change, IGs are required to be nonpartisan and objective. The IG community has a proven track record of acting with integrity and functioning fairly and objectively.

The Legislation Committee is doing its part to assist the IG community and more effectively work with Congress. While each IG is expected to maintain its own relationship with congressional stakeholders, we recognize that together, the IG community can more effectively provide technical assistance to Congress on common issues. One aspect of CIGIE's core mission is to "address integrity, economy, and effectiveness issues that transcend individual Government agencies."³⁶ A key objective of the Legislation Committee is to foster productive and enduring relationships with members of Congress, Committees, and Congressional staff that have an interest in government fraud, waste, abuse, mismanagement, and other issues paramount to the IG community.

Whistleblower Protections

Last year, with support from the leadership of this Committee, multiple members introduced legislation that would bolster and protect the independence and integrity of the IG community. While important reforms on IG vacancies and for cause removal were not enacted, CIGIE was especially pleased to see bipartisan support and passage of legislation in the Consolidated Appropriations Act, 2021, containing additional whistleblower protections. The protections, initially introduced in the Senate by Senators Braun and Hassan and in the House by Chairman Connolly, were, bolstered by bipartisan support, enacted in the last Congress. The legislation closes loopholes to clarify the scope of protections available for employees of Federal subgrantees who provide protected disclosures. Additionally, Congress passed legislation prohibiting the use of appropriated funds to implement or enforce agency policy or legal agreements that do not explicitly contain appropriate whistleblower protections. These new whistleblower protections will make it easier for whistleblowers to come forward without fear of reprisal.

Since the enactment of the Inspector General Act in 1978, the IG community has relied on whistleblowers, and the information they provide, to conduct non-partisan, independent oversight of the Federal Government. In July 2019, CIGIE released a report³⁷ that highlights the many contributions whistleblowers have made to uncovering waste and abuse in Federal agencies. Whistleblowers are often the first to alert us of a problem and can provide important evidence for IG investigations, audits, and evaluations. Because the effectiveness of our oversight work depends on the willingness of government employees, contractors, and grantees to come forward to us with their concerns about waste, fraud, abuse, and misconduct within government, those individuals must be protected from reprisal.

In 2016, through the hard work of former Chairmen of this Committee, Rep. Chaffetz, the late Rep. Cummings, and other members of this Subcommittee, Committee, and your Senate counterparts, the Inspector General Empowerment Act of 2016 was passed. Through the IG Empowerment Act, CIGIE, the Legislation Committee membership, and the broader IG community came together to provide Congress with technical advice and address wide-spread IG access issues. CIGIE conveyed to Congress the importance of strengthening IG's authority to access all information available to the agencies we

³⁶ Inspector General Act of 1978, as amended, 5 U.S.C. App. § 11(a)(2)

³⁷ https://www.oversight.gov/sites/default/files/oig-reports/Whistleblowing_Works.pdf

oversee. The IG Empowerment Act of 2016 brought important legislative changes that the IG community collectively identified to improve the independence and oversight of IGs.

While the IG Empowerment Act and other reforms in the last decade have ushered progress in the ability and capacity of IGs to perform independent oversight, serious challenges remain. My testimony will focus on areas identified by the Inspector General community to address these challenges and provide the community with additional tools that would significantly enhance our oversight capabilities.

Legislative Priorities

The IG community is ready to work with all members of this Subcommittee, this Committee, and Congress to address oversight challenges. With your assistance, we seek to further improve our ability to perform the important mission that Congress and the American people expect from the IG community. As Chair of the CIGIE Legislation Committee, I work with the Committee's 25 other IGs in determining the Committee's positions and priorities on legislative issues and coordinating our communication with Congress, the IG community, and other stakeholders.

During the beginning of each new Congress, the CIGIE Legislation Committee presents to the Office of Management and Budget and Congress a set of legislative initiatives.³⁸ If addressed, these initiatives would enhance government oversight and integrity or address legal challenges that the Inspector General community faces.

The CIGIE Legislation Committee is prepared to provide technical assistance on our legislative proposals to enhance the work of IGs and, more generally, improve government oversight. CIGIE welcomes the opportunity to engage on legislation related to our priorities which cover three main areas of emphasis:

- I. Strengthen the Independence of Inspectors General
- II. Develop Stronger Oversight Tools
- III. Enhance Capacity, Integrity, and Reporting

CIGIE's priorities strongly focus on IG independence because it is essential in order for IGs to be a critical, credible source for oversight of agency spending, and provide answers when controversial allegations of mismanagement or wrongdoing arise. Summaries of CIGIE's legislative proposals are provided below.

I. Strengthen the Independence of Inspectors General

A. Enhance the Institutional Independence of OIGs

To ensure the institutional independence of IGs, CIGIE recommends two changes to current law:

1. Enhance the independence of OIGs through Vacancies Act reform, and
2. Require congressional notification when an IG is placed on non-duty status.

³⁸ https://www.ignet.gov/sites/default/files/untracked/CIGIE_Legislative_Priorities_117th_Congress.pdf

First, to be effective, IGs must be independent both in mind and appearance. Being independent is no less important for individuals temporarily serving as head of an OIG. Under the Federal Vacancies Reform Act of 1998 (Vacancies Act), the IG's selected deputy and career oversight official typically assumes leadership of an OIG. However, the Vacancies Act does not limit the selection of an acting IG to that individual or someone in the oversight community. The Vacancies Act allows the President to direct a Presidentially appointed, Senate-confirmed (PAS) appointee or a senior management employee from the same agency overseen by the OIG to temporarily serve as acting IG. Doing so risks both actual and apparent conflicts that affect the acting IG's ability to maintain independence. Further, it may erode whistleblowers' trust that their identities will be protected. Accordingly, CIGIE recommends that the Vacancies Act be amended to require the "first assistant" to the IG (i.e., the deputy) assume leadership of an office if the IG position becomes vacant.

In 2020, CIGIE wrote to Congress on two occasions,^{39,40} both to ask that Congress take action to legislatively ensure the independence of acting Inspectors General. Of particular concern to CIGIE and the IG community was the selection of an agency or political official as an acting Inspector General. The May 2020 designation of a State Department PAS official and the subsequent September 2020 designation of a Foreign Service officer and appointed Ambassador to serve as the acting IG at the State Department raised independence concerns, as it did in past administrations. In May 2020, the Deputy IG at the U.S. Department of Transportation was replaced as the acting Inspector General with a PAS official who was dual-hatted as the head of the Department's Federal Pipeline and Hazardous Materials Safety Administration. Addressing independence principles for Inspectors General, GAO noted in June 2020 that, "the extended use of temporarily assigned agency management staff to head an OIG can affect the perceived independence of the entire office in its reviews of agency operations....the practice is not consistent with the independence requirements of generally accepted government auditing standards, other professional standards that IGs follow, and the purposes of the IG Act." In the same report, GAO recognized the potential for significant threats to independence posed by IGs with "dual-hatted" roles.

This concern is not new, nor is it unique to CIGIE. At a 2015 hearing to discuss OIG vacancies, Chairman Johnson and multiple witnesses discussed the perception that the State Department's acting IG had failed to conduct independent and effective oversight of then-Secretary Hillary Clinton because of the acting IG's temporary appointment and the inherent conflict of interest created when an official serves in both a management and an oversight role simultaneously.⁴¹ Similarly, in a letter to CIGIE and then-Secretary of State Kerry in 2015, Senator Grassley raised specific concerns about the performance of the State Department's acting IG, noting, "As these examples demonstrate, an inspector

³⁹ https://www.ignet.gov/sites/default/files/files/S3994_CIGIE_Views_letter_07082020.pdf

⁴⁰ https://www.ignet.gov/sites/default/files/files/CIGIE-Views-Letter-House-NDAA-HR-6395-Sec1115_10082020.pdf

⁴¹ Watchdogs Needed: Top Government Investigator Positions Left Unfilled for Years: Hearing Before the S. Comm. on Homeland Security and Governmental Affairs (June 3, 2015).

<https://www.hsgac.senate.gov/hearings/watchdogs-needed-topgovernment-investigator-positions-left-unfilled-for-years>

general must be independent, because agencies cannot be trusted to investigate themselves.”⁴²

CIGIE recommends that, if there is no “first assistant,” the President be allowed to direct another PAS IG or senior official within any OIG to serve as acting IG. We are grateful to the Subcommittee Vice Chair, Representative Porter for introducing an amendment in the House National Defense Authorization Act last year that is consistent with CIGIE’s recommendations. Enacting CIGIE’s recommended changes to the Vacancies Act would serve as deterrence for politically motivated removals, or removals because the IG was doing their job. Removing an IG in favor of the first assistant or another presidentially appointed IG or senior official in the IG community, arguably in such a scenario would be of no benefit. Moreover, such reforms would ensure that an acting IG is sufficiently independent in mind and appearance and would greatly expand the pool of professional oversight officials eligible to temporarily manage the OIG.

CIGIE also recommends requiring congressional notification when an IG is placed on non-duty status, whether it is paid or unpaid. Sections 3(b) and 8G(e) of the IG Act include language intended to protect the institutional independence of OIGs by requiring congressional notification on the reasons for removal no later than 30 days before the removal or transfer of an IG. These unparalleled safeguards were recently described by the Government Accountability Office as critical components to support IG independence. However, these safeguards are defeated when an IG is placed on “administrative leave” or “suspended without pay.” CIGIE recognizes that some very limited circumstance might require placing an IG on paid or unpaid, non-duty status immediately and that prior notification may not be practical. Therefore, CIGIE recommends amending the IG Act to require congressional notification no later than 48 hours after the Inspector General is placed in either a paid or unpaid, non-duty status. We note that last month Senator Grassley, along with Senator Peters and eleven bipartisan cosponsors, introduced the Securing Inspector General Independence Act (S. 587)⁴³. The bill would put in place a number of protections which support IG independence including provisions that bolster the congressional notification requirements when removing or transferring an IG and requirements for congressional notification when an IG is placed on non-duty status. The bill would also modify the Vacancies Reform Act so that acting Inspector Generals are either selected from senior-level employees within the IG community or the first assistant (usually the deputy) to the IG.

B. Prohibit the Use of Appropriated Funds to Deny IG Access

Despite the IG Act’s clear language authorizing IGs to have full and timely access to all agency information, IGs on occasion are denied the access they need to provide robust oversight. On an ad hoc basis, Congress has effectively resolved such denials by including, within subcommittee appropriations acts, a prohibition on an agency’s use of appropriated funds to deny full and prompt IG access. Such prohibitions, which

⁴² Letter from Senator Charles Grassley to the Honorable Michael Horowitz and the Honorable John Kerry (August 27, 2015). <https://www.grassley.senate.gov/sites/default/files/news/upload/2015-08-27%20CEG%20to%20CIGIE%20and%20State%20Dept%20%28IG%20Vacancy%29.pdf>

⁴³ <https://www.congress.gov/bill/117th-congress/senate-bill/587?q=%7B%22search%22%3A%5B%22s+587%22%5D%7D&s=1&r=1>

effectively freeze agency funds when the agency refuses full and prompt access to the IG or OIG staff, have had great practical effect because the consequences of denying the IG access could lead to an Antideficiency Act violation. However, the existing appropriation prohibitions and associated consequences apply to only those agencies funded under the particular appropriations act containing the language, not the IG community at large. Further, the appropriations prohibitions are often enacted only after the agency, OIG, and Congress have expended considerable time and resources trying to resolve access issues. CIGIE accordingly recommends a government-wide prohibition on the use of appropriated funds to deny an IG access and a requirement of congressional notification when access is denied. Consistent with current law and existing appropriation prohibitions, CIGIE believes the prohibition should recognize existing statutes that limit IG access and those that prevent the IG from further disclosing information protected by law.

II. Develop Stronger Oversight Tools

A. Testimonial Subpoena Authority

Inspector General oversight can be substantially hampered by the inability to compel the testimony of witnesses who have information that cannot be obtained by other means. Congress could address this concern by providing IGs with the authority to subpoena the testimony of certain witnesses as necessary in the performance of OIG oversight. For example, this authority is especially important in cases where a Federal employee resigns or retires. Without testimonial subpoena authority, that employee's resignation or retirement can limit an IG audit, investigation, or other review into matters pertaining to that individual's former responsibilities. IGs also face difficulty accessing key information during an inquiry into other individuals or entities with whom the Federal government does business. Examples include contractors, grantees, guarantors, volunteers, and entities that have no contractual relationship with the Federal Government but are suspected of defrauding a federally funded program. In these cases, IGs have limited recourse if these individuals refuse to provide information to the IG during an audit or investigation. CIGIE recommends testimonial subpoena authority for IGs mirror the IGs' current documentary subpoena authority, similar to the testimonial subpoena authority recently granted to the Pandemic Response Accountability Committee of CIGIE.

We want to express our appreciation to you Mr. Chairman, Committee Chairwoman Maloney, and the Vice Chair of the Committee on Oversight and Reform Congressman Gomez for introducing H.R. 2089. Providing Inspectors General with testimonial subpoena authority has been a bipartisan effort in this committee since 2014⁴⁴, culminating in 2018 with passage in the House of H.R. 4917.⁴⁵ We are committed to working with you and providing technical assistance, as appropriate, to help ensure the effectiveness of this oversight tool and the judicious exercise of the authority.

⁴⁴ Under Chairman Issa's leadership the committee passed the Inspector General Empowerment Act of 2014 (H.R.5492) which included testimonial subpoena authority for Inspectors General and was supported by CIGIE. See [https://www.ignet.gov/sites/default/files/files/CIGIE Views - H R 5492.pdf](https://www.ignet.gov/sites/default/files/files/CIGIE%20Views%20-%20H_R_5492.pdf)

⁴⁵ In 2018, the U.S. House of Representatives unanimously passed H.R.4917, the IG Subpoena Authority Act. The Act was strongly supported by CIGIE, see: [https://www.ignet.gov/sites/default/files/files/CIGIE%20Views%20letter HR4917 June7 2018.pdf](https://www.ignet.gov/sites/default/files/files/CIGIE%20Views%20letter%20HR4917_June7_2018.pdf)

B. Reform the Program Fraud Civil Remedies Act

The Program Fraud Civil Remedies Act (PFCRA), often referred to as the "Mini-False Claims Act," is an underutilized tool to provide administrative civil remedies for false claims of \$150,000 or less and for false statements. Despite inflation and other economic changes, dollar values set in the PFCRA have not changed since 1986. According to a 2012 GAO report, many agencies were not using the PFCRA for reasons that include: a lack of familiarity with the statute, insufficient resources, cumbersome and time-consuming procedures, availability of alternate remedies, and, in many agencies, the absence of administrative law judges to adjudicate PFCRA cases.

Nine years after GAO's findings, these problems persist. CIGIE recommends related statutory changes to improve and enhance the use and effectiveness of PFCRA. PFCRA's authorities have not been amended since 2008.⁴⁶ CIGIE's recommended improvements include updating and raising the decades-old dollar threshold for claims subject to PFCRA, allowing PFCRA decisions to be delegated within the Department of Justice, allowing agencies to be made whole from PFCRA recoveries, better aligning PFCRA with the False Claims Act, and expanding who can serve as a hearing official. Collectively implementing CIGIE's recommendations could transform PFCRA into a significant tool to recover fraudulent expenditures for the benefit of taxpayers, as well as deter individuals from committing small-dollar fraud.

What we have found is that often Federal prosecutors will decline to pursue fraud for cases that exceed the current PFCRA threshold of \$150,000. This reform would permit Federal agencies to pursue smaller-dollar fraud, resulting in substantial aggregate recoveries. There would be significant gains if the amount were raised. For context, between August 1, 2017, and July 31, 2018, the Federal Government made 177,469 payments between the amounts of \$150,000 and \$500,000, totaling over \$47 billion.⁴⁷ Furthermore, small dollar payments under multiple COVID relief packages totaling more than \$4 trillion would easily dwarf this amount several times over.

III. Enhance Capacity, Integrity, and Reporting

A. Improve CIGIE Transparency and Accountability through a Single Appropriation

Acting as the collective body of IGs, CIGIE fulfills its twin mission to (1) address integrity, economy, and effectiveness issues that transcend individual Government agencies and (2) increase the professionalism and effectiveness of IG community employees. While CIGIE has steadily increased the amount and scope of its work over its 10 years of existence, this independent agency is still primarily funded through an inefficient and complicated process of interagency collections individually deposited into a revolving fund. OIGs make

⁴⁶ In the Inspector General Reform Act of 2008, Congress amended the PFCRA to expand the scope of entities permitted to bring claims under the statute to "a designated Federal entity (as such term is defined under section 8G(a)(2) of the Inspector General Act of 1978)".

⁴⁷ These figures were provided by the U.S. Department of the Treasury's Bureau of Fiscal Service. The data is limited to two payment types: "vendor," a payment by a federal agency for goods or services rendered; and "miscellaneous," a payment by a federal agency supporting a specific program(s) sponsored by the agency and/or any other payment which cannot be categorized by any other specific payment type (e.g., benefit, refund, salary, child support, annuity, etc.).

these individual deposits without clear congressional direction regarding how much funding CIGIE should receive or how much any individual OIG should provide.

We appreciate the support that Congress and this Subcommittee and Committee have provided to Oversight.gov, which was launched by CIGIE in October 2017 and provides a publicly accessible, searchable website containing the latest public reports from the IG community. Last year, Congress appropriated \$850,000 for Oversight.gov and mandated that CIGIE maintain the site and that OIGs post their reports on a timely basis to the website. This requirement is now included in Section 11 of the Inspector General Act. The authorization provided by Congress further authorized an appropriation for CIGIE as an agency to carry out its mission under section 11 of the Inspector General Act of 1978. Committing to a direct, annual appropriation will streamline and make more transparent the process by which CIGIE is funded. Moreover, with a direct, annual appropriation, Congress and the President can better align funding with CIGIE's responsibilities, and the work congressional stakeholders frequently ask of it.

B. Authorize IGs to Provide Continuous Oversight During a Lapse in Appropriations

CIGIE proposes giving IGs specific authority to continue oversight of agency operations during lapses in appropriations. Lapses in appropriations generally require government agencies, including OIGs, to shut down and furlough employees. However, many agencies, contractors, grantees, and other program participants continue certain operations even during such lapses. As a result, critical government activities, such as law enforcement operations and awards of billions of dollars in contracts and grants, continue to operate under limited oversight. CIGIE recommends authorizing OIGs to continue operations during a lapse in appropriations as if they were operating under a continuing resolution to the extent necessary to oversee the programs and operations of their agency that also continue during a lapse in appropriations.

C. Reform OIG Semiannual Reports

Since the IG Act was enacted in 1978, IGs have been required to report semiannually on the major activities of their offices. The original IG Act semiannual requirements were just six broad reporting requirements calling for descriptions or summaries of major activities or findings, and a list of all audits. While the speed and methods by which information is shared has evolved in the intervening decades, the semiannual reporting requirements have not kept pace. To the contrary, over the years, many more requirements have been incorporated into the relevant legislation, and substantial IG resources that could be applied elsewhere are devoted to preparation of the semiannual report. CIGIE recommends reforming OIG semiannual reports to allow OIGs to focus on the most significant activities of the OIG and the most critical issues facing the agencies they oversee. The Committee's legislative proposal would streamline and enhance the semiannual reporting requirements. Improving the content, clarity, and relevance of information reported in the semiannual report will increase transparency. IGs will also have more flexibility to use the semiannual report as a conduit for already public information and leverage existing resources such as Oversight.gov.

Additional Recommendations for Improving Government Oversight

The CIGIE Legislative Priorities are not an exhaustive list of legislative reforms. While issues arise during the course of a Congress that may result in additional proposals, below are three CIGIE-recommended reforms that are worthy of consideration.

Protecting Cybersecurity Vulnerability Information

For years, Offices of Inspector General (OIGs) across the Federal Government have raised serious concerns that information related to Federal agencies' information security may be unprotected from disclosure under the Freedom of Information Act (FOIA). Although other FOIA exemptions apply to classified information and documents compiled for law enforcement purposes, no single exemption covers the varied area of documents that analyze, audit, and discuss in detail the information security vulnerabilities of the Federal Government. Accordingly, CIGIE believes that FOIA's Exemption 3 (which incorporates other statutes prohibiting disclosure) would be an appropriate vehicle to address CIGIE's concerns.

CIGIE is aware of the requirements under the FOIA to take reasonable steps necessary to segregate and release nonexempt information. Here, CIGIE is proposing a narrow protection covering information that "could reasonably be expected to lead to or result in unauthorized access, use, disclosure, disruption, modification, or destruction of an agency's information system or the information that system controls, processes, stores, or transmits". This language emulates existing FISMA language found in 44 USC § 3552(b)(3), and CIGIE suggests that this intention be included in any legislative history that may be developed.

Statutory Exclusion for Felony Fraud Convicts to Protect Federal Funds

CIGIE recommends enhancing existing law by making exclusion actions automatic for those convicted of violating certain felony fraud statutes involving any agency contract, grant, cooperative agreement, loan, or other financial assistance. Under current law, there is no mandatory exclusion for individuals convicted of, or who plead guilty to felony fraud against the government. Instead, both the Federal Acquisition Regulation and the Non-Procurement Common Rule allow agencies to take discretionary, time-limited actions to exclude felony fraud convicts from receiving Federal grants and contracts through government-wide suspensions or debarments.

Many felony fraud convictions involving Federal program funds do not result in suspension or debarment action against the felon. An internal CIGIE analysis of 250 felony fraud convictions involving Federal program funds over a 4-year period found that over 70 percent of those convicted were not suspended or debarred from doing business with the government. While a lack of resources or information may also be to blame, the current law has allowed many felony fraud convicts to remain eligible to receive Federal funds after their criminal activities involving Federal funds.

CIGIE recommends establishing a floor by which such individuals are automatically prohibited from receiving additional Federal program funds for 3 years. Further, applying the mandatory exclusion to a limited number of felony convictions involving Government programs ensures that (1) the individual has already been provided due process for the

underlying misconduct in the Federal criminal justice system and (2) the misconduct involved a question of integrity with respect to Federal programs.

Enhancing CIGIE's Role in Recommending IG Candidates.

Over a decade ago, the Inspector General Reform Act of 2008 required the then newly created CIGIE to “submit recommendations of individuals to the appropriate appointing authority for any appointment to an office of Inspector General”. In January 2009, CIGIE established the Inspector General Candidate Recommendations Panel (Panel), which began considering and recommending candidates for both Inspectors General that are appointed by the President and confirmed by the Senate and those who are appointed by the head of their respective agency. After a decade of experience, CIGIE recommends further statutory enhancements to better help those who appoint IGs, and those who confirm them, to quickly identify and consider IG candidates “without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations”.⁴⁸

CIGIE recommends codifying the best-practices the Panel has identified or developed. The Panel has worked with Presidential administrations and agency heads since its inception, including meeting with senior officials in recent administrations to discuss IG vacancies. However, the process by which CIGIE's input is given has been dependent upon particular individuals within the various administrations with whom CIGIE has worked. This can cause confusion for the appointing authority, Senators who expect CIGIE's involvement, the Panel, and the IG candidates themselves.

To clarify CIGIE's role for all involved, CIGIE recommends codifying the CIGIE-identified best practice of interviewing potential IG candidates for Establishment and Title 50 OIGs⁴⁹. CIGIE also recommends that designated Federal Entities be required to consult with the Panel so that it can effectively assist the appointing authority to select a qualified candidate without restricting the appointing authority's discretion. Additionally, designated Federal entities, which ordinarily fill vacant IG positions through a competitive process, have often sought CIGIE's expertise or participation in deciding which candidate is right for its designated Federal entity. In the past, the Panel has supported such hiring actions by reviewing and sharing feedback on applications, providing questions to be used in applications or interviews, and serving on interview panels. Accordingly, CIGIE recommends providing additional flexibility for the Panel to “provide support” to designated Federal entities. Finally, to ensure transparency CIGIE recommends that Congress require that it be informed when an IG nomination or appointment is made without the Panel having interviewed the candidate to assess the individual's ability to meet the statutory basis upon which such nomination must be made or been consulted by the appointing authority prior to the initiation of a hiring action to fill a vacant IG position.

⁴⁸ E.g., 5 U.S.C. App. 3, §§ 3(a), 8G(c).

⁴⁹ From time to time, Congress creates a “Special Inspector General” to oversee discreet matters (*e.g.*, Pandemic Recovery) that are not limited to the programs and operations of a particular agency. While CIGIE has not identified a need to address Special Inspectors General in this recommendation Congress is encouraged to consider this resource when drafting legislation creating a Special Inspector General.

CIGIE also recommends that the composition of the Panel be statutorily defined. The Panel, currently led by CIGIE's Vice Chair, includes both Presidentially appointed and agency head-appointed IGs. Codifying the composition of the Panel will ensure the Panel includes members with backgrounds that equip them to consider both the qualifications of the candidate and the context of the OIG and agency in which the candidate would serve. Further, designating the CIGIE Vice Chair as the leader of the Panel ensures a proper flow of communication between the Panel and the appointing authorities. Through the proposed statutory enhancements, CIGIE's Candidate Panel will be able to better fulfill its mandate to find qualified IG candidates and support the President or other appointing authority.

Conclusion

Since its establishment, CIGIE's mission has included helping IGs to address issues of the integrity, economy, and effectiveness that transcend individual Government agencies. CIGIE continues to increase its role in helping IGs identify and recommend ways to address those transcendent issues. Like CIGIE, the Legislation Committee has strived to help the IG community formulate and express our collective views on the most pressing legislative issues affecting oversight and the common issues in the programs we oversee. Towards that aim, we continue to look forward to engaging with any member of Congress on ways to further enhance IG oversight.

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