



Peace Corps
Office of
**INSPECTOR
GENERAL**

SEMIANNUAL REPORT TO CONGRESS

April 1, 2023 to September 30, 2023

The Role of OIG

Established in February 1989, the Peace Corps Office of Inspector General (OIG) receives its legal authority from the Inspector General Act of 1978, as amended (IG Act). The IG Act establishes OIG as an independent entity within the Peace Corps. The law requires that the Inspector General keeps the Peace Corps Director and the Congress fully and currently informed about problems and deficiencies relating to the administration of agency programs and operations. OIG is authorized by law to review all Peace Corps programs and operations. OIG's work typically examines the agency's operational efficiency, effectiveness, financial stewardship, and compliance with Federal law, regulations, and agency policy.

OIG's role is to:

- Promote integrity, efficiency, effectiveness, and economy;
- Prevent and detect waste, fraud, abuse, and mismanagement; and
- Identify risk and vulnerabilities and offer expert assistance to improve the Peace Corps' programs and operations.

OIG accomplishes its mission through audits, evaluations, investigations, and other reviews.

In accomplishing its mission, OIG is committed to:

Excellence: issuing accurate, timely, and reliable work products.

Positive change: making value-added recommendations to address issues and challenges with agency programs and operations.

Integrity: maintaining independence from the agency, meeting professional and ethical standards, and committing to continual improvement.

Collaboration: working together and promoting best practices within the office, with the agency, and with external stakeholders.



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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) Semiannual Report to Congress for the period ending September 30, 2023. This report highlights OIG's work over the past 6 months; issuing audits, evaluations, investigations, and other reviews to promote efficiency and effectiveness of Peace Corps' programs and operations.

In April of 2023, I was appointed by Peace Corps Director Carol Spahn as the new Inspector General of the Peace Corps. The opportunity to serve in such a vital role is truly an honor, and I am eager to continue working in support of our mission to provide independent oversight for the Peace Corps.

During this reporting period, the Evaluation Unit produced two Post Re-entry Health and Safety Reviews that assessed the posts' compliance with specified agency policies and guidance. The evaluations reviewed country programs in the Dominican Republic and Morocco, following the evacuation of all Volunteers. The Evaluation Unit also produced a Management Implication Report on the impact of the agency's migration of historical crime incident data to its new Security Incident Management System. Finally, we evaluated the agency's oversight of its human resources management for overseas contract staff, focusing on the posts' operations and the support they receive from agency offices and staff.

The Audit Unit focused on agency-wide reviews, producing three separate reports, including the agency's compliance with the Payment Integrity Information Act for fiscal year 2022 and a review of the agency's allocation funding procedures for the U.S. President's Emergency Plan for AIDS Relief. For its third report, the Audit Unit issued its annual review of the agency's compliance with the Federal Information Security Modernization Act of 2014, which assessed the health of the agency's current information technology infrastructure. The auditors provided an overall rating at Level 2, Defined.

The Investigation Unit continued to carry out its responsibility to investigate allegations of fraud, waste, abuse, and mismanagement in Peace Corps programs and operations. The Investigation Unit also provided in-person training to Peace Corps' Sexual Assault Response Liaison personnel, thereby assisting the agency in improving its support for Volunteers who experience sexual assaults.

To communicate OIG's role and available resources to agency managers and staff more effectively, we have participated as presenters in two virtual overseas staff trainings and three in-person meetings with country directors from the Africa Region, Europe, the Mediterranean, and Asia Region, and the Inter-America and Pacific Region. Additionally, at the request of outside agency partners, I participated in various outreach initiatives, including the GAO's International Audit Fellows Program, and the Department of State's International Visitors Leadership Program, where I spoke on a panel titled "Transparency and Accountability in Government." We look forward to continuing our involvement with our external stakeholders and fellow OIGs to exchange ideas and best practices as well as to further support the integrity of the Peace Corps.

A handwritten signature in blue ink that reads "Joaquin Ferrao".

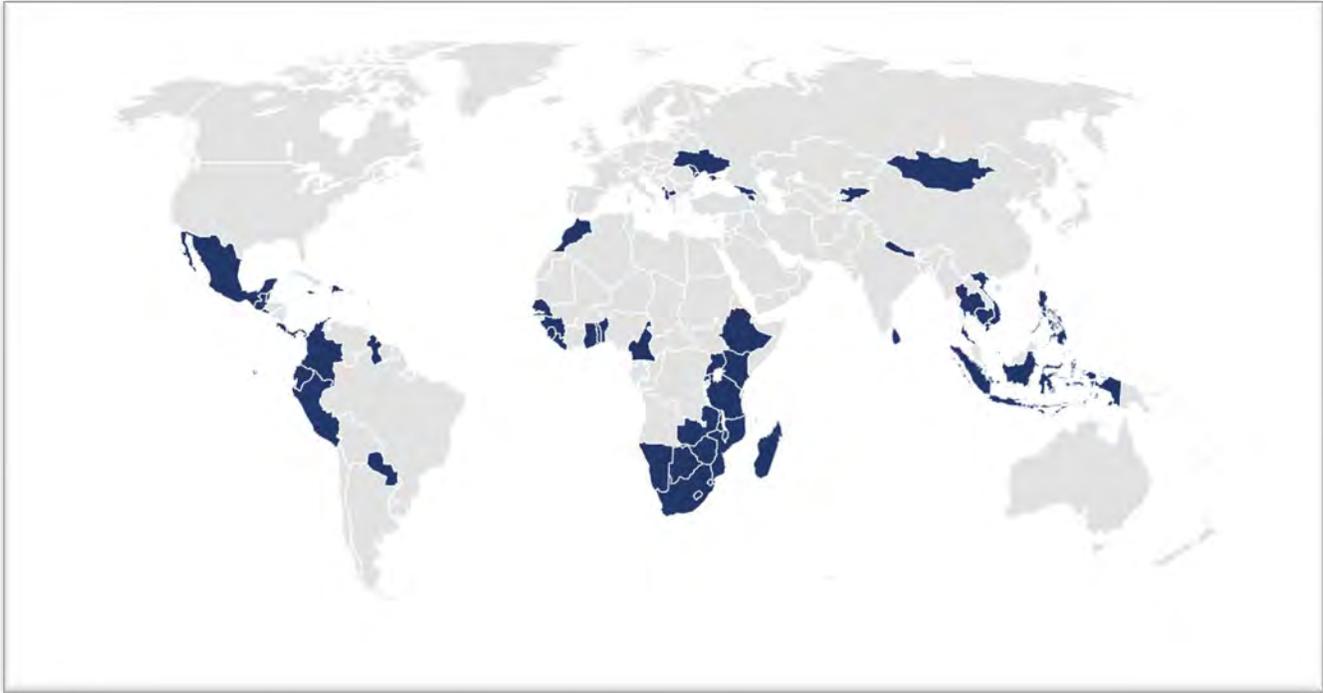
Joaquin Ferrao
Inspector General

Management and Administration

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Management and Administration Unit



Countries that have received Volunteers as of September 30, 2023*

Zambia	Paraguay	Panama	Guyana	Timor-Leste
Dominican Republic	Togo	Madagascar	Guatemala	Philippines
Colombia	Senegal	Botswana	Guinea	Samoa
Namibia	The Gambia	Eswatini	South Africa	Tanzania
Uganda	Benin	Morocco	Kenya	Georgia
Mexico	Rwanda	Cambodia	Mongolia	Armenia
Ecuador	Kyrgyz Republic	Albania & Montenegro	Thailand	Tonga
Eastern Caribbean	Ghana	North Macedonia	Cameroon	Liberia
Belize	Sierra Leone	Lesotho	Fiji	Nepal
Peru	Costa Rica	Jamaica	Vietnam	Malawi
	Kosovo		Indonesia	Moldova

* The countries listed are ordered sequentially, based on when the first Volunteers arrived in each country post-evacuation, between March 2022 through September 2023

Agency Context

In March 2022, the Peace Corps began its first overseas redeployment of Volunteers since March 2020, when more than 6,000 Volunteers were evacuated from posts in 61 countries due to the COVID-19 pandemic. As of September 30, 2023, the Peace Corps has active Volunteer operations in 57 countries and 53 posts, with a total of 2,354 Volunteers, to include 1,523 Volunteers, 736 trainees, and 100 Peace Corps Response Volunteers.

During this six-month reporting period, the Peace Corps received 7,439 new Volunteer applications, consisting of 2,252 Peace Corps response applications and 5,187 applications for the two-year program.

These efforts were supported by 2,711 locally hired personnel in host countries (Personal Services Contractors and Foreign Service Nationals) and 906 U.S. direct hire staff, of whom 191 worked abroad and 715 worked at headquarters and other domestic locations.

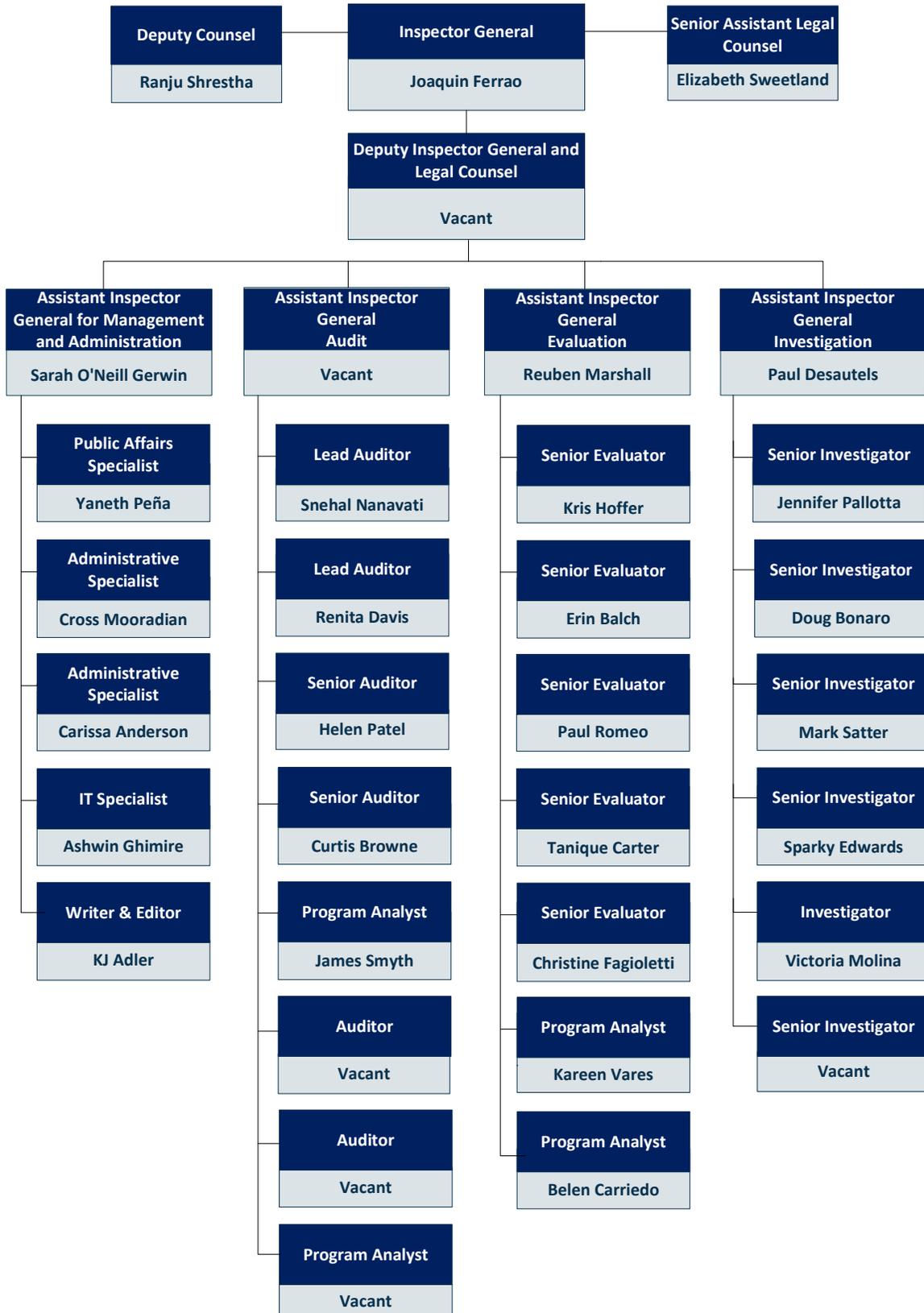
Staffing

Victoria Molina joined OIG in June 2023 as an investigator. Previously, Victoria worked with Peace Corps Office of Safety and Security, where she assisted posts in applying physical security measures to overseas facilities. Victoria served as a Peace Corps education Volunteer in the Kyrgyz Republic from 2017 to 2019, where she taught English and conducted trainings to improve teaching methodologies. Victoria holds a bachelor's degree in journalism from the University of Florida and is fluent in Spanish.

Helen Patel joined OIG in September 2023 as a lead auditor. Helen previously worked as an auditor for the Air Force Audit Agency, where she conducted performance audits of various Air Force programs. She was also an auditor with the Department of Health and Human Services (HHS), where she audited HHS programs and grantees' performances in carrying out their responsibilities and conducted independent assessments of HHS programs and operations. She received a bachelor's degree in accounting and finance from the Ohio State University and is a certified public accountant.

Elizabeth "Liz" Sweetland joined OIG in June 2023 as a senior assistant legal counsel. Liz has worked in the IG community since 2012, when she retired from active duty in the Army Judge Advocate General's Corps. Prior to Liz's military service, she served as a judicial law clerk with the Court of Appeals of Virginia, followed by another judicial clerkship for the Superior Court of Guam. Liz studied at the University of Virginia, where she earned both a B.A. and a J.D.

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) submits the Inspector General's (IG) statement on the Peace Corps' top management and performance challenges for fiscal year 2023.

Developments Impacting the Peace Corps in 2023

In March 2022, Volunteers began to return to the posts following the Peace Corps' evacuation of all Volunteers in March 2020. As of September 30, 2023, 53 posts have received Volunteers, with 2,358 Volunteers currently serving in the field, and 55 posts are issuing invitations for Volunteers to serve. OIG reviewed the agency's reentry process at three posts in fiscal year 2023 and found the posts were in compliance with the procedures outlined in the Peace Corps' Country Re-Entry Guide (CREG). These results also reflected the findings of two previous reentry reviews conducted in fiscal year 2022. Based on the results of all five reviews, OIG determined that the CREG, which provides comprehensive guidance for returning Volunteers to service, has been effectively implemented.

Despite having an effective process for returning Volunteers to service, the post-pandemic environment has significantly challenged the Peace Corps in meeting its recruitment goals. The agency's challenges in recruiting and delivering additional Volunteers to the posts have a significant impact on overseas operations.

Significant Management and Performance Challenges Facing the Peace Corps

OIG identified the Peace Corps' most significant challenges based on the results and findings of its audit, evaluation, and investigation work, as well as the information uncovered from OIG's oversight responsibilities:

- Volunteer Health and Safety
- Human Capital Management
- Information Technology Security Management
- Volunteer Delivery System (VDS)

This year OIG removed "Planning and Implementation" as a separate challenge area because the most significant issues for FY 2023 are already incorporated into the challenges above.

Addressing the issues related to these challenge and performance areas will enhance the agency's operational efficiencies, minimize potential fraud, waste, and abuse, and improve mission effectiveness.

Challenge: Volunteer Health and Safety

OIG has repeatedly observed agency challenges related to site development, such as incomplete site history files, poor site selection criteria, and noncompliance with site development procedures. In fiscal years 2022 and 2023, OIG completed five post reentry health and safety reviews that included limited assessments of site history files and site development. OIG found no instances of recurring or significant non-compliance with agency and post requirements.

Further, OIG reviewed the impact of the agency's transition between its crime incident tracking systems, from the Coordinated Incident Reporting System (CIRS) to the Security Incident Management System (SIMS). While CIRS required staff to manually add crime incident information into the Volunteer Information Database Application (VIDA), which resulted in errors and missing information, OIG found that SIMS effectively linked crime incidents to VIDA automatically. OIG is encouraged by these improvements to site history file management and does not consider Volunteer site development to be a management and performance challenge for fiscal year 2023.

In fiscal year 2023, the Peace Corps closed two longstanding recommendations from a 2018 management advisory report (MAR) on Volunteer drug use by improving its data collection policies and systems. By closing these recommendations, the agency can now analyze data on Volunteer and trainee involvement with drugs and misconduct. The Peace Corps' progress has led the OIG to determine that, while any instance of Volunteer involvement with drugs is concerning, the topic does not rise to the level of a management and performance challenge for fiscal year 2023.¹

Why This Is a Challenge

Volunteer Healthcare

Since the Peace Corps' establishment in 1961, Volunteer healthcare has been a critical component of agency operations. The variability in health conditions and medical infrastructure between the 57 countries where Volunteers currently serve presents significant challenges for the agency. Post-pandemic mental health issues, and what the Surgeon General of the United States has called an epidemic of loneliness and isolation, further strains the agency's capacity to support Volunteers.

One area of Volunteer healthcare that has been the focus of OIG findings is the posts' preparations for medical emergencies. OIG's 2021 review of the death of a Volunteer from Ghana found that the emergency response actions of agency and post staff did not fully comply with agency procedures due to unclear guidelines on emergency staff roles and responsibilities. In addition, OIG found that the post's emergency preparedness drill was not effective because it did not include the steps for an international evacuation or identify the key responders. In two of the five post reentry health and safety reviews completed in fiscal years 2022 and 2023, OIG found that the posts' Medical Action Plans, their primary mechanisms for medical emergency planning, did not fully comply with agency policies.

¹ Two recommendations in the 2018 MAR remain open, which are more closely related to the evidentiary standard and support needed to resolve allegations of drug involvement.

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OIG also found that the agency struggles to implement its policy to assess, at least once every 3 years, all healthcare providers and facilities that the posts intend to use. This is a longstanding issue that OIG identified in a 2010 evaluation of the organizational structure and provision of medical care for Volunteers in Morocco, and again in a 2020 recurring issues report. In 2022, OIG reviewed a medical case from 2018 in which a Volunteer had surgery at a facility that the Peace Corps had not assessed and found that the post's medical unit had not implemented the related recommendations from an Office of Health Services (OHS) review. During fiscal year 2023, OIG completed three post reentry health and safety reviews and found that posts' medical provider facility assessments did not meet agency requirements.

Along with OIG's finding in our 2010 evaluation of medical care, a 2021 OIG report on a Volunteer's death found that the agency's analysis of the incident did not comply with industry standards for patient safety or detect critical emergency response vulnerabilities. Similarly, the OIG's 2022 medical case review found that the patient safety reporting process was not effectively implemented.

Sexual Assault Prevention and Response

In April 2021, a news outlet published a story asserting that the Peace Corps failed to support Volunteers who reported being sexual assaulted. From fiscal year 2021 through fiscal year 2023, OIG issued eight Management Implication Reports (MIR) that assessed the agency's compliance with its requirements for supporting sexual assault victims, as established by the Kate Puzey Peace Corps Volunteer Protection Act of 2011 (Kate Puzey Act). OIG found evidence that disputed some of the news story's reported claims, but also found instances of Kate Puzey Act noncompliance. For example, some services that the victims requested were not provided, or were provided poorly or untimely. In three separate MIRs, OIG reported that it was unable to determine whether all the services that Volunteers requested had been provided due to a lack of agency documentation.

Progress in Addressing the Challenge

Volunteer Healthcare

In fiscal year 2023, the Peace Corps made substantial progress in closing OIG recommendations impacting Volunteer healthcare. OIG's recommendation to improve the agency's patient safety event review and reporting process was closed after the agency collaborated with an external Patient Safety Organization to review and update its process for identifying patient safety events. The Peace Corps has one outstanding recommendation related to patient safety, which will remain open until an actual serious patient safety event occurs and OIG assesses the Peace Corps' response.

OIG closed three recommendations for the agency to strengthen its medical emergency preparedness. One recommendation focused on improving institutional memory in OHS. Another recommendation called for developing guidance and training for non-clinical staff that addressed medical emergency preparedness when conducting site visits, including providing its emergency contact number to community contacts and visiting local medical facilities. The third recommendation was for emergency drills to include international evacuations and involve all relevant staff.

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Additionally, OIG closed the recommendations for Peace Corps/Colombia and Peace Corps/Dominican Republic to improve their Medical Action Plans and their healthcare provider and facility assessments. OIG closed two additional recommendations after OHS developed a process to ensure the agency sufficiently reviews and addresses its recommendations from the periodic OHS health unit assessments; one from the 2021 review of the death of a Volunteer from Ghana, and the other from the 2022 medical case review.

OIG is encouraged to learn that the agency has taken additional steps to improve Volunteer healthcare. For example, OHS is deploying new software that will support its quality improvement unit by automating updates to the Peace Corps medical technical guidelines. As outlined in last year's Management and Performance Challenges report, the agency is developing a system to integrate quality assurance functions at the posts and headquarters. In addition to placing quality assurance experts in each region, the agency has begun hiring quality assurance specialists at the posts to help manage and track their Volunteer health-related processes and procedures, as well as address OIG recommendations.

Sexual Assault Prevention and Response

The agency issued a response to the MIRs regarding the agency's support of Volunteers who reported sexual assaults, which detailed the actions taken at the posts where the cases occurred. The agency also described other improvements, such as conducting periodic case reviews to improve its overall response to Volunteer victims, providing Return to Service training for designated staff, and building compliance dashboards to identify when a requirement for supporting a sexual assault victim is not being met. In September 2023, the agency provided training to Sexual Assault Response Liaisons on trauma-informed facilitation techniques.

What Needs to Be Done

Volunteer Healthcare

To further improve Volunteer healthcare, the agency should continue to ensure that the posts meet the agency's requirement to assess all healthcare providers and facilities at least once every 3 years. When needed, the agency should collaborate with their external patient safety organizations to identify patient safety events and submit documentation of root cause analyses that includes key components, such as a system focus, an explanation of the cause and effect, an action plan, and measures.

Sexual Assault Prevention and Response

The Peace Corps should continue its efforts to ensure its compliance with the Kate Puzey Act requirements and provide compassionate and supportive responses to all Volunteers who have been sexually assaulted. It is important that the Peace Corps ensures that all sexual assault cases are accurately documented (including the agency's response to such cases), that support services are timely offered and effectively provided, and that staff are properly trained.

Key OIG Resources:

[Post Re-Entry Health and Safety Review of Peace Corps/Morocco \(2023\)](#)

[Semiannual Report to Congress, October 1, 2022, to March 31, 2023](#)

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[Post Re-Entry Health and Safety Review of Peace Corps/Dominican Republic \(2023\)](#)

[Post Re-Entry Health and Safety Review of Peace Corps/Colombia \(2022\)](#)

[Semiannual Report to Congress, April 1, 2022, to September 30, 2022](#)

[Post Re-Entry Health and Safety Review of Peace Corps/Zambia \(2022\)](#)

[Post Re-Entry Health and Safety Review of Peace Corps/Ecuador \(2022\)](#)

[Management Advisory Report: Peace Corps Medical Case Review \(2022\)](#)

[Semiannual Report to Congress, October 1, 2021, to March 31, 2022](#)

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

[Semiannual Report to Congress, April 1, 2021, to September 30, 2021](#)

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

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

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

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

Challenge: Human Capital Management

Why This Is a Challenge

Since 2001, strategic human capital management has been listed in the U.S. Government Accountability Office’s (GAO) annual report² as one of the highest risk areas facing the Federal Government. Additionally, the Council of Inspectors General on Integrity and Efficiency (CIGIE) highlighted human capital management in its 2023 Top Management and Performance Challenges Facing Multiple Federal Agencies (herein CIGIE’s Top Challenges Report). The report cites that the Federal Government’s lack of timeliness in filling vacancies is a detriment to workforce growth, noting that, “The inability to hire required staff directly impacts agency operations, often leading to heavy workloads and burnout, further exacerbating attrition, and the need to fill vacancies. In addition, high turnover compromises an agency’s ability to retain qualified personnel.”

For years, OIG has underscored the impact of excessive turnover in the Peace Corps’ programs and operations. The 2012 OIG Statement on the Peace Corps’ Management and Performance Challenges identified excessive personnel turnover as a significant management and performance challenge facing the Peace Corps. This report concluded that staff turnover resulting from Peace Corps’ Five-Year Rule (FYR) “...made it very difficult for the Peace Corps to manage its personnel system in keeping with Federal standards for human capital management...undermined the agency’s ability or weakened its incentives to: retain employees on the basis of their performance; plan for their eventual succession; ensure continuity of needed skills and abilities; provide training and education to improve performance; and deploy its workforce efficiently.”

In July 2017, OIG issued a MIR that outlined the negative effects the agency’s high staff turnover rate had on its ability to maintain high quality Volunteer support and improve core business functions. The Office of Personnel Management’s (OPM) 2019 Human Capital Framework (HCF) 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. The Peace Corps’ progress to mitigate the FYR’s negative impacts has been slow.

Hiring and Retaining Qualified Staff

Traditionally, the Peace Corps has relied on Returned Peace Corps Volunteers (RPCVs), who earn noncompetitive eligibility (NCE) after serving as Volunteers, to help meet their hiring needs. NCE appointments streamline the Office of Human Resources’ (OHR) hiring process by bypassing competitive-based personnel actions, providing the agency with talented mission driven workers. However, because of the March 2020 evacuation of all Volunteers, the RPCV pipeline has become virtually empty. OHR previously struggled to keep up with the agency’s excessive turnover and was not adequately staffed to process the rising agency vacancies through competitive based personnel actions. Moreover, as discussed in CIGIE’s Top Challenges Report, Federal agencies are challenged by a “...competitive labor market wherein multiple organizations are contending for the same

² GAO-23-106203 High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas.

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limited pool of highly skilled candidates,” the agency with talented mission driven workers. However, because of the March 2020 evacuation of all Volunteers, the RPCV pipeline has become virtually empty. OHR previously struggled to keep up with the agency’s excessive turnover and was not adequately staffed to process the rising agency vacancies through competitive based personnel actions. Moreover, as discussed in CIGIE’s Top Challenges Report, Federal agencies are challenged by a “...competitive labor market wherein multiple organizations are contending for the same limited pool of highly skilled candidates.”

The agency reports that its staff vacancy rate (excluding Personnel Service Contractors (PSC)) is at 19.6 percent as of August 2023, compared to 15.8 percent in August 2022 and 12.9 percent in August 2021. Two offices that have key roles in supporting the Volunteer Delivery System³ (VDS) reported experiencing significant staffing gaps. The agency reported staff vacancy rates of 27.5 percent for Volunteer Recruitment and Selection (VRS) and 19.2 percent for OHS in August 2023. OIG notes that OHR faces a vacancy rate of 26.7 percent as of August 2023, an increase from last year’s rate of 22 percent. OPM’s 2020 Strategic Human Resources Solutions Findings and Results report (OPM 2020 report) cited that 36 percent of agency overtime was logged by OHR employees.

GAO reports that agencies often experience skills gaps due to shortfalls in talent management activities, such as workforce planning and training. For example, the agency’s fiscal year 2022 Annual Performance Report stated skills gaps resulted in delays to the agency’s implementation of its strategic plan. As a result, nearly one third of its performance goals were not achieved as planned (7 of 22 performance goals).

According to agency leadership’s strategic plan reporting, goal lead and project management staffing gaps, as well as general understaffing, have impacted the agency’s ability to support the VDS. In addition, an OIG review of recurring issues at Peace Corps posts found that from fiscal year 2016 to fiscal year 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.

Knowledge Management

Other facets of human capital management, such as knowledge and performance management, are also impacted by excessive turnover and high vacancies. CIGIE’s Top Challenges Report notes how “Small agencies face a greater impact when an employee departs the agency. The loss of one employee can be critical, highlighting the need to plan to avoid disruption in agency operations and increasing the need for strong policies, complete records, and standard operating procedures. Succession planning ensures that institutional knowledge and experiences are passed on to new employees.”

While the agency has implemented domestic quarterly staffing reviews, which address workforce requirements and ensure the alignment of workforce composition with the agency’s strategic goals and priorities, there are few formal processes for succession planning in place for either domestic or overseas staffing. OPM’s 2020 report stated that most focus group participants mentioned that mission critical work is being accomplished, but the quality of work is suffering because there is no

³ The Volunteer Delivery System is the cycle of activities that the agency employs to recruit and place Volunteers at overseas posts.

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time for strategic planning, monitoring and evaluation of program success, or improving processes and systems.

The Peace Corps operations are spread across approximately 60 overseas posts, with approximately 92 percent of all overseas Peace Corps staff working as PSCs. As a result, the overseas human capital management for PSCs is framed by approximately 60 unique operating environments, each with separate and distinct laws, regulations, cultures, resources, and other host-country considerations. Consequently, the overwhelming majority of the Peace Corps' overseas staff cannot rely on the resources and centralized support that Federal organizations, such as OPM and the National Finance Center, provide for the human capital management of U.S. Government direct hires. This makes it difficult to organize and share information that could help the agency leverage resources, expertise, and information for staff in unique posts across the world. A 2023 OIG evaluation of human resources management for overseas contract staff found that the agency needed to improve its management coordination to hire, train, and retain quality overseas PSCs staff more effectively.

Payroll and Benefits

In November 2022, OIG issued The Peace Corps Management of Payroll and Benefits for U.S. Direct Hires audit report (payroll audit). The audit found that OHR and the Office of the Chief Financial Officer (OCFO) did not establish effective oversight procedures to reconcile payroll transactions or remediate deficiencies related to ensuring the accuracy of payroll adjustments. This report outlined that OHR lacked a process to detect erroneous payroll submissions reported from the National Finance Center. After completing a risk assessment, management has not established the necessary policies, procedures, or monitoring systems that would effectively identify any inaccuracies related to employee salary and benefits. OIG's payroll audit recommended that OCFO establishes adequate monitoring structures over USDH payroll transactions to mitigate the effect of these risks.

Progress in Addressing the 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 certain ("exempt") positions designated by the Director as "critical management" or "management support" that require specialized technical or professional skills, as well as knowledge of agency operations. The authority allows for additional 5-year terms beyond the term limits provided in the Peace Corps Act. About 76 percent of exempted positions are in OHS, Office of Safety and Security, the Office of Victim Advocacy, and at the regional offices where staff are responsible for the safety and security of Volunteers. During fiscal year 2023, the agency exempted an additional 11 positions, including key roles in the Office of General Counsel. As of August 2023, the agency identified 91 positions as exempt from the FYR, including 55 positions that have been exempt since 2019.

In May 2023, the OHR Office of Quality Control and Compliance issued an internal assessment of the agency's Human Capital Framework (herein 2023 OQC/OHR HCF). The assessment looked at four areas in human resources: strategic planning and alignment; talent management; performance culture; and evaluation. The assessment recommended 70 actions for OHR to take to strengthen its

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human capital framework. OHR reports that activities to strengthen its human capital framework have commenced, to include: a refresh of the questions asked on the agency staff exit survey to assess how the FYR may impact staff departures, a review to identify and exempt from the FYR appropriate positions in OHR, and a review and revision of OHR SOPs to minimize skill gaps, transfer knowledge, and ensure new hires experience smooth transitions.

In July 2023, OIG closed the last two recommendations (recommendations 10 and 11) from a 2013 audit report entitled Peace Corps Overseas Staffing, which addressed the need for post rating officials to be trained on their role in conducting performance reviews, providing adequate feedback, and developing improved guidance on senior staff performance appraisals and performance elements.

While there were adjustments in the scope or timing for some of the agency's Strategic Plan 2022-2026 performance goals, OHR made incremental progress, albeit at a slower pace and through alternative methods. The agency reports that it is conducting a staffing review to address gaps and delays in achieving its performance goals. OIG is also encouraged to learn that the agency has entered into an interagency agreement with OPM to obtain recruitment and staffing support services. In addition, OHR has procured contractors to help OHR address the VRS staffing gaps.

Knowledge Management

The agency has taken steps to help capture and apply knowledge that will **contribute to more effective and efficient operations**. The agency has exempted critical OHS positions from employment term limits with the intention to improve knowledge management issues that impact Peace Corps Volunteers' health overseas. Additionally, all posts have been encouraged to complete the Administrative Management Control Survey, a standardized management tool that the posts use to assess operations and risks.

The agency has also developed detailed, standardized, and easy-to-follow guidance in the Personal Services Contractor chapter of the Overseas Contracting Handbook, which directly impacts over 70 percent of all agency staff.

Finally, the agency has documented multiple performance goals in its 2022-26 strategic plan that, if met, should help the agency collect, organize, and apply institutional knowledge to improve processes and maximize impact for host countries, Volunteers, and staff.

Payroll and Benefits

At the end of fiscal year 2022, the Peace Corps developed risk registers for Office Human Resources functions, such as staffing, recruitment, workforce management and policy, and processing biweekly payroll.

What Needs to Be Done

Hiring and Retaining Qualified Staff

The agency should prioritize and take short- and medium-term steps to substantially reduce the Peace Corps' vacancy rate while incorporating strategies to attract and retain qualified staff. OHR needs to develop an implementation plan to address the 70 actions identified in the 2023 QCC/OHR

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HCF assessment and prioritize these actions based on agency needs, risks, and resources. The agency also needs to develop a data-informed strategy that addresses the diminished RPCV source of agency talent and its impact on OHR operations. Finally, OHR should address the recommendations made in OPM's 2019 HCF review.

The agency should develop concrete actions to improve employee engagement and satisfaction, which is a key component in retaining staff and reducing turnover rates. The Peace Corps will need to consider leveraging additional strategic human capital resources and flexibilities issued by OPM based on the Biden-Harris Management Agenda priority focus: Strengthening and Empowering the Federal Workforce.

The agency has not yet addressed two of the 2012 FYR evaluation report's recommendations (recommendations 2 and 3). OIG reviewed the current number of exempt positions and found that the agency's nine core support function positions represent only 9.8 percent of all exemptions. Exempting additional positions in these critical areas may contribute to increased tenure and lower vacancy rates.

Knowledge Management

The Peace Corps should work to meet the 2022-26 strategic performance goals that will help the agency collect, organize, and apply institutional knowledge. The agency can also improve its human capital management through standardization and knowledge management by addressing OIG's recommendations from the September 2023 Evaluation of Human Resources Management for Overseas Contract Staff.

Payroll and Benefits

The agency has not yet addressed 25 recommendations from OIG's 2022 payroll audit. Specifically, the agency did not ensure its policies and procedures are effectively designed or implemented to prevent and detect payroll transaction errors or establish waiver policies and payroll reconciliation procedures. The OCFO should be involved in payment reconciliation processes to improve its monitoring system. In addition, the Peace Corps must establish sufficient oversight and coordination structures for its core business functions, especially those requiring resources from multiple offices.

Key OIG Resources:

[Evaluation of Human Resources Management for Overseas Contract Staff \(2023\)](#)

[The Peace Corps' Management of Payroll and Benefits for U.S. Direct Hires \(2022\)](#)

[Final Audit Report: The Peace Corps Management of Payroll and Benefits for U.S. Direct Hires \(2022\)](#)

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

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

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

[Final Audit Report: Peace Corps Overseas Staffing \(2013\)](#)

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

Challenge: Information Technology Security Management

Why This Is a Challenge

As the role of technology continues to grow, in part due to rising hybrid and virtual work environments, protecting agency data and the security of information systems has become critical.

System outages and data loss can have catastrophic impacts to the agency, such as compromising Volunteers safety, staff productivity, and the Peace Corps' reputation. According to the Cybersecurity and Infrastructure Security Agency⁴ (CISA), cyber-attacks are ever evolving and are becoming increasingly complex and harder to detect. Cyber incidents can cause harm to national security interests, foreign relations, and the United States' economy.

The Federal Information Security Modernization Act of 2014 (FISMA) is designed to ensure agencies develop, document, and implement agencywide programs that provide comprehensive security for the information and systems that support their operations and assets. OIG's annual review of the agency's compliance with FISMA results in a score that is used as a consistent and comparable metric across government agencies. The five-level scale ranges from Level 1, Ad hoc, to Level 5, Optimized. In fiscal year 2023, the agency maintained its status at Level 2, Defined, as measured against the set of core FISMA and supplemental OIG metrics. Due to the agency's recent response to multiple cyber security incidents, the Peace Corps was assessed at Level 1, Ad hoc rating, in the Respond function.

Despite the agency's efforts to address the concerns identified in the fiscal year 2022 FISMA review, several major unresolved issues persist in fiscal year 2023, to include the following:

- Incomplete view of its IT environment due to the absence of an up-to-date, accurate, and complete inventory of its information systems, including hardware and software assets
- Inconsistent implementation of vulnerability and patch management
- Insufficient progress in establishing an Identity Credential and Access Management (ICAM) program
- Lack of a defined enterprise risk management (ERM) program

The agency has consistently encountered issues related to their IT assets' lack of visibility. Without a comprehensive inventory, it is difficult to identify all the hardware and software present in the Peace Corps' IT environment. This lack of awareness leaves gaps in security coverage, as vulnerabilities that need to be patched or updated can go unnoticed, leaving systems exposed to potential attacks.

⁴ The Cybersecurity and Infrastructure Security Agency is an agency of the United States Department of Homeland Security that is responsible for strengthening cybersecurity and infrastructure protection across all levels of government, coordinating cybersecurity programs with U.S. states, and improving the government's cybersecurity protection against private and nation-state hackers.

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Inconsistent vulnerability and patch management can have a range of negative impacts on an organization's cybersecurity and operational effectiveness. Based on the scan results examined this year, OIG identified several high and critical vulnerabilities that were not remediated within the timeframe outlined in the process. These unpatched vulnerabilities can create entry points for cybercriminals to breach systems and compromise sensitive data.

The agency has made insufficient progress in establishing or finalizing a strategy to guide an ICAM program. However, the agency has developed an ICAM strategy roadmap in fiscal year 2022 to identify all milestone deliverables required to complete a comprehensive ICAM program.

Another key foundational issue is the absence of a fully implemented and comprehensive agencywide ERM program that is effective in monitoring, identifying, and assessing security weaknesses and resolving any related problems at the entity, business process, and information system levels.

The agency has not yet defined a risk appetite or a risk tolerance within its ERM policies and procedures, which are foundational concepts in pursuing an effective information security program. The agency plans to update and republish its existing ERM policies and procedures to align with their current processes by December 2023.

The Peace Corps needs to enhance its incident response process to ensure incidents are properly defined, promptly identified, and effectively remediated. During its fiscal year 2023 review, OIG became aware of a security incident that the Peace Corps' incident response team did not identify and was instead notified by CISA that an unauthorized third-party accessed the network in the summer of 2022. Following the incident, the Peace Corps' incident review did not thoroughly analyze or remediate the potential incident due to a lack of resources and expertise.

Progress in Addressing the Challenge

This year, the Peace Corps has made some progress in meeting the ICAM roadmap's milestones. However, many of the policies and procedures are still in progress. The agency has stated that these deliverables will be finalized by the end of year and the project's deliverables are expected to be completed by the end of fiscal year 2024 Quarter 2.

Since the 2022 security breach, the agency has worked with a third-party cybersecurity contractor to strengthen its incident response program's detection and response mechanisms. Additionally, the Office of the Chief Information Officer has obtained software to assist in detecting future cybersecurity attacks. The software effectively detected an unrelated cybersecurity incident that occurred in fiscal year 2023 Quarter 3 and the agency was able to timely mitigate the threat.

In fiscal year 2023, the ERM Council began to convene quarterly and, on an as-needed basis, to discuss program updates such as office-level and agency-level risk registers, an agency risk appetite statement, and an agency risk profile. These meetings serve as a venue for different offices to discuss critical risks and monitor existing risks.

What Needs to Be Done

The agency needs to address the fiscal year 2023 FISMA report recommendations to cultivate an environment of continuous improvement and establish a foundation for long-term success. By focusing on improving and implementing its inventory management process, enhancing its vulnerability and patch management processes, further developing its incident response process, and improving ERM, the agency will foster a culture that fully integrates information security into its business operations. These enhancements will allow the Peace Corps to proactively mitigate vulnerabilities and addresses any weaknesses before they are exploited.

A well-structured incident response process is a critical component to a robust cybersecurity strategy. The agency can better manage and mitigate risks by proactively identifying potential threats and vulnerabilities and reducing the possibilities of future security incidents. It will also allow the Peace Corps to detect and respond to security incidents quickly and efficiently. The ability to promptly detect, analyze, and contain incidents helps minimize the damage caused by potential security threats, mitigating their overall impact on the agency. By investing in incident response preparedness, the Peace Corps can strengthen its security posture and be better equipped to handle the evolving cyberthreat landscape.

A well-defined ERM program that incorporates a comprehensive view of cybersecurity risks will improve the Peace Corps' awareness and response to the risks facing the organization. ERM programs help foster an organizational climate where cybersecurity risk is considered within the context of the agency's mission and business processes, the definition of an overarching enterprise architecture, and its system development life cycle processes.

Establishing the risk guidance at the executive level will help individuals who are responsible for information system implementation or operations to better understand how cybersecurity risks that are associated with their information systems could translate into enterprise-wide risk and affect their mission and business success. By setting up a solid ERM foundation, the Peace Corps can achieve:

- Enhanced confidence in the achievement of strategic objectives,
- Improved compliance with legal, regulatory, and reporting requirements, and
- Increased efficiency and effectiveness of operations.

By taking these steps the Peace Corps will be able to better identify its IT security and organization-wide risks and assess and respond to those risks in a timely manner. This, in turn, will reduce the agency's exposure to targeted attacks and environmental disruptions while ensuring its resources are used in a proactive manner to prevent and address the weaknesses before they are exploited, leading to an effective information security program.

Key OIG Resources:

[Review of the Peace Corps' Information Security Program \(2023\)](#)

[Audit of the Peace Corps' Fiscal Year 2022 Financial Statements \(2022\)](#)

Challenge: Volunteer Delivery System

Why This Is a Challenge

The number of Volunteer applicants is historically low compared to the years before the global evacuation. In its fiscal year 2024 Congressional Budget Justification (CBJ), the Peace Corps reported it was “currently receiving half the number of applications as it did in fiscal year 2018 and the levels of attrition between the time a prospective Volunteer (invitee) accepts an invitation and their entry on duty date had nearly doubled since fiscal year 2018.”

Between fiscal year 2019 and fiscal year 2023, the fill rate⁵ at invitation deadline decreased from 148 percent to 139 percent. During that same period, the fill rate at enter-on-duty decreased steadily from 94 percent to 64 percent, indicating that attrition has steadily increased.

There are various reasons for attrition, for instance the invitee did not medically clear. Before the global evacuation, approximately 60 percent of invitees medically cleared. After the return to service, however, just over 40 percent medically cleared. The percentage of invitees that the pre-service unit did not clear in time to enter on duty increased slightly from 1 percent to approximately 5 percent after the return to service. Approximately 5 percent of invitees did not respond to communications from the Peace Corps, and about 25 percent of all invitees withdrew from the process for other reasons.

Moreover, the Peace Corps has not met its own Volunteer and trainee onboard strength expectations. In its fiscal year 2023 CBJ, the agency expected to have 3,900 Volunteers at the posts by the end of fiscal year 2023. In its fiscal year 2024 CBJ, the agency substantially revised its expected number of Volunteers, reducing its total onboard strength to 2,530 by the end of fiscal year 2023. As of September 30, 2023, however, the total onboard strength was 2,358. The Peace Corps projects 5,180 new Volunteers by the end of fiscal year 2024, however, if current trends continue, the agency risks not reaching their goal.

The agency explained in its fiscal year 2024 CBJ that: “The current labor market is one of the most competitive for employers in the nation’s history. The private, non-profit, and public sectors—including the military—are all facing significant challenges in recruiting talent. This has challenged the Peace Corps’ recruiting efforts and threatens to undermine the agency’s ability to fill Volunteer slots and meet its return to service goals.”

CIGIE’s Top Challenges also noted that the competitive labor market is posing a challenge for hiring in the Federal Government, as private sector positions can be more attractive to new and established professionals. The Peace Corps vacancies and turnover have also hampered the agency’s ability to recruit and place Volunteers.

Agency data from August 2023 indicates that VRS had 49 vacancies within its 182 positions. One of VRS’s units, the Office of Analysis and Evaluation, was vacant for months. There were also substantial vacancies in the OHS pre-service unit, which conducts medical clearance for invitees.

⁵ Fill rates reflect the number of invitees as a percentage of the total Volunteer Request. Fill rates should exceed the VR at invitation deadline to account for attrition.

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The agency has reported that it did not meet the related strategic plan performance goal to make improvements to the VDS due to high turnover and understaffing.

The 2022 Federal Employee Viewpoint Survey (FEVS) results indicate challenges with leadership in VRS. Nearly half (47.5 percent) of staff in VRS had a negative response toward the statement, “In my organization, senior leaders generate high levels of motivation and commitment in the workforce.” Similarly, almost a third of VRS employees had a negative response to the statement, “My organization’s senior leaders maintain high standards of honesty and integrity,” while, one quarter of VRS staff who responded to the survey had a negative response to this statement, “I have a high level of respect for my organization’s senior leaders.” Finally, the percentage of negative responses to each of these statements was higher for VRS than the rest of the agency.

Progress in Addressing the Challenge

The VDS Steering Committee developed 12 priorities to address the Peace Corps’ Volunteer recruitment and selection challenges. The agency is conducting a review to address the VRS’s understaffing and entered into an interagency agreement with OPM to obtain two HR specialists to support VRS staffing gaps. The agency has hired and onboarded a new Associate Director of VRS who has engaged in a review of how to improve VRS’s FEVS results.

In the summer of 2023, the Peace Corps contracted a market research service to better understand the public’s opinion of the agency and gauge individuals’ willingness to Volunteer. To address some of the medical clearance challenges, OHS contracted an outside organization to evaluate their process and received several recommendations that the agency is addressing.

The agency has established a performance goal to recruit and retain Volunteer candidates by updating VDS and related processes to deliver Volunteers who align with posts’ desired competencies and technical experiences. However, the agency has not met the goal’s targets and reported in August 2023 that the goal was reviewed and subsequently reframed to focus on recruitment operations impacting candidates until they enter-on-duty. The expected results of this effort are unclear. The agency established another performance goal to increase the percentage of Volunteers from underrepresented communities, which includes improvements in recruitment and retention. This goal has shifted to focus on the enter-on-duty through close of service portion of Volunteer service.

The agency has acknowledged its need to recruit and invite more applicants to reach the same number of Volunteers before the pandemic. To meet its Volunteer goals, the agency’s fiscal year 2024 CBJ requested an increase of \$6 million to elevate the Peace Corps’ brand and generate awareness among the American public. The agency notes that this budget increase will be used to recruit Volunteers from diverse backgrounds through consistent and regular messaging on a variety of media platforms. Earlier this year, the Peace Corps unveiled a new marketing campaign entitled “Bold Invitation,” which “calls on motivated changemakers to advance the agency’s mission to spread world peace and friendship through international service.” The initiative aims to recruit thousands of Volunteers over the next year.

What Needs to Be Done

To ensure that the posts' requests for Volunteers are met, the agency should prioritize its improvements to VRS, including staffing shortages and turnover, as well as address leadership and management concerns. Additionally, the Peace Corps should work to close recommendations 2 and 3 from the 2012 OIG evaluation of the FYR's impact, which relates to staff turnover. OIG is gathering additional data and actively monitoring this area and, in fiscal year 2024, anticipates launching an evaluation to assess VDS systems and operations.

The Peace Corps Director has emphasized that the agency's goals are not just about the Volunteer numbers, but also the quality of Peace Corps systems, its programs, and in making sure that the agency is meeting the needs of its host country partners. The agency has established "Reimagine Service" as one of its three Strategic Objectives, responding "to evolving host country priorities by returning skilled Volunteers to service and expanding service models." For example, the agency is proposing to expand virtual service to allow qualified Americans who cannot serve overseas to support the Peace Corps, and to enable the agency to partner with communities where in-person service is not possible.

The agency also intends to work with interested partners to establish or strengthen their domestic Volunteer programs. The agency should continue to communicate its expectation to implement new service models, closely coordinate with stakeholders, and align its authorities, resources, and policies to effectively advance its mission and vision. Moreover, as the agency makes progress with its goals to return skilled Volunteers to service and expand its service models, it is critical that the agency continues to address the challenges that impact the delivery of Volunteers to the posts.

Key OIG Resources:

Final Report on Evaluation of the Volunteer Delivery System (2003)

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

[Final Program Evaluation Report: Follow-up Evaluation of the Volunteer Delivery System \(2010\)](#)

[Evaluation of Peace Corps/Medical Clearance System \(2008\)](#)

Advice, Assistance, and Other Reportable Matters

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Advice, Assistance, and Other Reportable Matters

Review of Agency Regulations, Policies, and Procedures

OIG continues to advise and assist the Peace Corps Senior Policy Committee and Peace Corps offices by providing feedback on drafts of new or updated policies, procedures, and other documents governing agency organization or practice.

During this reporting period, OIG reviewed nine policies and procedures. Topics included the following:

- administration of the Peace Corps direct hire personnel system;
- Peace Corps evaluation policy;
- Office of the Director organization, mission, and functions;
- data governance and management;
- Office of the Chief Information Officer organization, mission, and functions;
- Volunteer early termination of service;
- conditions of service for overseas U.S. direct hire employees;
- Volunteer Descriptions of Service, certification of Volunteer Non-Competitive Eligibility and Peace Corps' Certificate of Group Health Plan Coverage; and
- food and refreshment expenses.

OIG Outreach

On April 6, 2023, OIG participated in two virtual overseas staff trainings. OIG briefed 10 Directors of Programming and Training in the first training and 7 Directors of Management and Operations in the second training on best practices and common deficiencies identified by OIG.

At the end of June, IG Joaquin Ferrao, along with the IGs from the Government Accountability Office (GAO), State Department, United States Agency for International Development, and the Department of Education participated in GAO's International Audit Fellows Program. During the event, the IGs shared information on best



Inspector General Joaquin Ferrao pictured center with members who participated in GAO's International Audit Fellows Program

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practices for Federal oversight work in the U.S. The program was held for mid- to senior-level auditors from around the world who represented countries that included China, Mongolia, Uganda, Georgia, Albania, and the Slovak Republic.

The IG attended three regional Country Director conferences where he presented on the oversight role of the office as well as on staff cooperation and reporting to the OIG. The IG participated in three in-person meetings with the Peace Corps country directors from the Africa Region, Europe, the Mediterranean, and Asia Region, and the Inter-America and Pacific Region. In all, the IG addressed 53 country directors, sharing crucial insights into the role of the Office of Inspector General, updates on emerging trends in the regions, and the importance of promoting transparency and collaboration.

Lastly, on August 16, 2023, IG Ferrao participated on a panel titled “Transparency and Accountability in Government,” for the Department of State’s International Visitors Leadership Program. During the panel discussion, IG Ferrao spoke with six other members about transparency and oversight issues. These participants represented Portuguese language countries, including Angola, Brazil, Cabo Verde, and Mozambique.

OIG Support for Background Checks

During the reporting period, OIG supported the agency’s standard operating procedures for background checks, which integrates and automates requests for OIG record checks. Any individual who worked or volunteered for the Peace Corps and seeks to return as staff or as a Volunteer undergoes an OIG record check. This supplements the agency’s onboarding process to produce accurate and complete background checks for employment and Volunteer Service. This process helps the agency comply with the employee and Volunteer background check requirements of the Sam Farr and Nick Castle Peace Corps Reform Act of 2018. During this reporting period, OIG conducted 410 records checks, of which 105 were for potential staff and 305 were for potential Volunteers and Virtual Service Pilot participants.

Audit Unit

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Audit Unit

Overview

The Audit Unit conducts independent audits and other reviews⁶ of agency programs and operations that support the Peace Corps mission. The objectives of OIG audits are to independently examine the Peace Corps' financial and administrative operations; promote economy and efficiency; and ensure compliance with Federal laws, regulations, and Peace Corps policy. Audit topics are extensive, ranging from activities carried out at specific overseas posts to agency-wide operations. Auditors report their conclusions and recommendations based on data and document analyses, interviews, and direct observations. OIG also monitors the agency's progress in correcting systemic weaknesses that are identified in audit reports.

OIG's audits and reviews are conducted under the direction and guidance of the Acting Assistant Inspector General for Audits. OIG 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 contracted with the independent certified public accounting firm Williams, Adley & Company-DC, LLC to perform an audit of the agency's fiscal year 2023 financial statements. In accordance with applicable laws, OIG reviews all independent audits to ensure that the work performed by non-Federal auditors complies with the GAGAS standards. The report will be included in the agency's fiscal year 2023 financial report, to be issued by November 15, 2023. Along with the final reports detailed in the following section, the Audit Unit continues its work on two additional reports: Oversight and Monitoring of Peace Corps' Domestic Awarded Contracts and Pre-award Process for Domestic Awarded Contracts.

⁶ Other reviews include Management Implication Reports (MIR) and Management Advisory Reports (MAR), which are conducted in accordance with OIG Directive 2020-03 – Revision to Reporting Procedures for MIRs and MARs.

Agency-Wide Audits

Review of the Peace Corps' Compliance with the Payment Integrity Information Act for Fiscal Year 2022

IG-23-04-SR

In May 2023, OIG issued an audit report on the Peace Corps' compliance with the Payment Integrity Information Act of 2019 (PIIA) (Public Law 116-117) for fiscal year 2022. The PIIA requires OIG to annually review the annual Performance and Accountability Report, or Agency Financial Report (AFR) to assess the agency's compliance with improper payments and payment reporting requirements. OIG assessed whether the Peace Corps complied with the PIIA reporting requirements and provided adequate disclosure within the annual AFR and accompanying materials. In addition, OIG reviewed the accuracy and completeness of the agency's reports.

The review determined that the Peace Corps complied with the PIIA for fiscal year 2022. The agency:

- provided payment integrity information through the Office of Management and Budget's fiscal year 2022 Annual Data Call;
- published improper payment information in the AFR for fiscal year 2022;
- posted that report on the agency website; and
- performed a risk assessment to assess improper payment risk to their program.

OIG identified that the agency erroneously understated the estimated improper payments by approximately \$47,000. However, OIG concluded that it is unlikely that the Peace Corps reached the significant improper or unknown payment threshold of \$10,000,000 under the PIIA.

OIG made one recommendation and management concurred. The agency implemented the recommendation before OIG issued the final report, closing the recommendation made in this report.

Audit of the Peace Corps' Compliance with PEPFAR Funding Allocation Procedures

IG-23-03-A

In September 2023, OIG issued an audit report on the Peace Corps' basis and justification for allocating expenses to the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) funds following the global evacuation of Volunteers in March 2020. PEPFAR is a multi-year U.S. Government initiative to address the HIV pandemic. The PEPFAR program is managed and overseen by the U.S. Department of State's Office of the U.S. Global AIDS Coordinator and Health Diplomacy (OGAC). Congress appropriates PEPFAR funds to the Department of State, which OGAC allocates to the Peace Corps and other participating Federal agencies.

The Peace Corps Office of Global Health and HIV (OGHH) serves as the primary point of contact for Peace Corps posts, regions, and other headquarter offices regarding PEPFAR operations. The

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regions and posts are responsible for executing PEPFAR programs in the field, including its programmatic and administrative management. The Peace Corps Office of the Chief Financial Officer (OCFO) is responsible for providing OGHH and the posts with the necessary strategic, technical, and financial guidance. The OCFO and OGHH issue the Peace Corps PEPFAR Financial Guidance to document how the posts will request, plan, and execute PEPFAR funding and its programs. Post staff must ensure expenses are correctly applied and distributed between PEPFAR and the Peace Corps' direct appropriation and maintain the appropriate supporting documentation.

The objective of this audit was to determine the basis and justifications for allocating expenses to PEPFAR funds following the global evacuation of Volunteers in March 2020. OIG found that most PEPFAR allocations were processed accurately. However, several posts did not follow the prescribed policies and procedures and incorrectly allocated non-PEPFAR related expenses to PEPFAR funds. OCFO concluded that additional training for DMOs on the allocation of PEPFAR expenses would have made these allocations less likely from occurring.

Management concurred with and implemented the two recommendations in this report and all recommendations were closed with the issuance of the report.

Potential Cost Savings

This report identified \$13,863 in questioned costs. See Table 2 on page 35 for more details on these recommendations and actions taken by agency management.

Other Reviews

Review of the Peace Corps' Information Security Program

Fiscal Year 2023

In September 2023, OIG issued a report on the Peace Corps' information security program for fiscal year 2023. The Federal Information Security Modernization Act of 2014 (FISMA) requires the Inspector General of each agency to annually conduct an independent assessment of the agency's information security program. It is designed to ensure agencies develop, document, and implement agencywide programs to provide comprehensive security for the information and systems that support their operations and assets.

OIG contracted with Williams, Adley & Company-DC, LLC, an independent certified public accounting firm, to assess the agency's performance against a Government-wide maturity model. During fiscal year 2023, the Peace Corps was able to maintain an overall rating at Level 2 (Defined). The agency is still working on addressing several unresolved issues identified in the previous year's review, such as:

- incomplete view of its IT environment due to the absence of an up-to-date, accurate, and complete inventory of its information systems, including hardware and software assets,
- inconsistent implementation of vulnerability and patch management,
- insufficient progress in establishing an identity credential and access management program, and
- lack of a defined enterprise risk management program.

However, due to the agency's response to recent cyber security incidents, the Peace Corps' Respond function was given a Level 1 rating (Ad hoc). For the Peace Corps to advance their program to Level 3 (Consistently Implemented), the agency will need to demonstrate that their policies, procedures, and strategy have been consistently applied and followed throughout their daily operations. This requires all staff members to adopt and maintain an information security-focused mindset when engaging in their day-to-day activities. Creating such a shift requires involvement and dedication from every level of the organization, especially at the executive levels.

Evaluation Unit

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Evaluation Unit

Overview

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

Evaluations and other reviews⁷ 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

An evaluation team completed field work for an evaluation of the agency's Medical Technical Guidelines and is drafting a report that will be issued in the next reporting period. Another Evaluation Unit team began field work in Cambodia from September 25, 2023, to September 29, 2023. The team interviewed staff and assessed Volunteer housing and other requirements for a Post Re-Entry Health and Safety Review of Peace Corps/Cambodia. The Evaluation Unit is updating procedures and methodologies to resume overseas post evaluations in fiscal year 2024, as well as conducting survey work for other projects yet to be announced.

⁷ Other reviews include MIRs and MARs, which are conducted in accordance with OIG Directive 2020-03 – Revision to Reporting Procedures for MIRs and MARs.

Evaluations of Operations Abroad

Post Re-Entry Health and Safety Review of Peace Corps/Dominican Republic

IG-23-06-E

On August 24, 2021, the Peace Corps notified the United States Congress that Peace Corps/Dominican Republic intended to resume operations in December 2021. The first intake of 13 Volunteers arrived in March 2022, which included 2 reinstated Volunteers. In September 2022, OIG conducted a review to assess the post's compliance with specific agency policies and procedures related to Volunteer and trainee health and safety, and the reentry process.

The evaluation found that Peace Corps/Dominican Republic substantially complied with agency policies and procedures related to the reentry process, emergency preparedness, and Volunteer training. However, OIG identified six areas of noncompliance. OIG found that:

- the Medical Action Plan (MAP) was missing information;
- the Medical Facility Assessments were not completed for all facilities and the physician assessments were missing education and training information;
- post site history files did not contain all the required information regarding site development;
- the post did not properly record serious crime incidents in the Volunteer Information Database Application (VIDA) but did implement measures that mitigated risk;
- staff did not document approved exceptions to their site selection criteria; and
- some staff members did not complete the mandatory training prior to Volunteers arriving at the post.

OIG recommended that all the required sections of the MAP, Regional Medical Action Plan, and Individual Medical Action Plans are completed; all information fields on the provider assessment attachments are completed; the justifications for any exception approved in the relevant housing criteria checklist is documented; and that staff timely complete all mandatory trainings.

Management concurred with and implemented all four recommendations in the report and all recommendations were closed with the issuance of the report.

Post Re-Entry Health and Safety Review of Peace Corps/Morocco

IG-23-07-E

On March 18, 2022, the Peace Corps notified the United States Congress that Peace Corps/Morocco intended to resume operations in September 2022. The first intake of 51 Volunteers arrived in September 2022. On November 21, 2022, OIG conducted a review to assess the post's compliance with specific agency policies and procedures related to Volunteer and trainee health and safety, and the reentry process.

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OIG found that the post complied with most of the policies and procedures that were reviewed; however, OIG identified three areas of noncompliance. OIG found that:

- the medical provider and facility assessments were not completed;
- the post's site history files did not contain documentation of some crime incidents; and
- some staff did not participate in the annual Emergency Action Plan (EAP) refresher training.

OIG recommended that the Peace Corps Medical Officers (PCMO) strategically prioritize which facilities and providers to include in its MAP. OIG also recommended that the post improve its planning for future facility and provider assessments. Finally, OIG recommended that all post staff regularly take the annual EAP refresher training.

Management concurred with all three recommendations in the report, and two remained open at the end of this reporting period.

Evaluations of Agency Operations

Management Implication Report: Impact of the SIMS Data Migration on Site Development

IG-23-05-SR

In March 2021, the Peace Corps shut down its Coordinated Incident Reporting System (CIRS), a repository of historical crime incidents reported by Volunteers, and replaced it with the Security Incident Management System (SIMS). SIMS launched in April 2021 and the agency finished uploading the CIRS incident data into SIMS in December 2021. During this period, posts began to identify and assess potential sites for returning Volunteers, and OIG raised concerns and reviewed whether field staff had access to the historical crime data necessary to assess the safety of reused sites, consistent with site development requirements.

OIG determined that the SIMS data migration did not impair the posts' capacity to meet agency site development requirements. While OIG found some instances of non-compliance, it was determined that they were not caused by the SIMS data migration. However, OIG also found that the SIMS guidance provided to the field regarding access to historical crime data was not sufficiently clear and had not been implemented consistently or timely. The Peace Corps issued its SIMS guidance, then subsequently reissued it twice with confusing changes. OIG also found that nine posts received the historical CIRS data 3 months or less before Volunteers arrived at the post. Peace Corps guidance states that the posts should review site history information 3 to 9 months before Volunteer arrival.

OIG found that the posts that successfully completed the SIMS data migration did not face any significant ongoing risks related to accessing the historical CIRS data that could impact future site development. Unlike CIRS, SIMS auto populates crime incident report links into VIDA through the agency's Customer Relationship Management platform. OIG found that this automated process was more reliable than CIRS, which required staff to manually add the crime incident information into VIDA. OIG verified that the new procedure effectively linked crime incidents between SIMS and VIDA.

Evaluation of Human Resources Management for Overseas Contract Staff

IG-23-08-E

Approximately 92 percent of staff at the Peace Corps overseas posts are locally hired personal services contractors (PSC), who also make up 70 percent of overall agency staff. A significant part of the agency's success depends on how well it manages its human resources operations to hire, train, and retain quality PSC staff. OIG evaluated the agency's human resources management for overseas PSCs, focusing on the posts' operations and the support they received from agency offices and staff.

OIG determined that the agency's management of human resources for PSCs was adequate. OIG identified some strengths and highlighted other areas where the agency provided sufficient support. However, OIG also identified areas for the agency's attention to improve effectiveness and

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efficiency. OIG found that no single office or individual was responsible for managing human resources for PSCs, making it difficult for the agency to coordinate its resources and expertise to identify and support the needs of PSC human resources management. OIG also found that key human resources managers at posts were not sufficiently trained. Additionally, OIG found that the complex overseas human resources management functions that fall outside of PSC contract administration and management were not adequately supported. Furthermore, OIG found that the agency was not conducting effective oversight for the collection and analysis of human resources management data and feedback.

OIG's review revealed the need for improved policy and guidance. The agency recently completed The Overseas Contracting Handbook, which compiles all agency PSC human resources policies into one document, however, human resources managers still required additional guidance for their work in hiring, managing grievances, reviewing and updating staff handbooks, and implementing awards for PSC staff.

The report included nine recommendations. OIG recommended that the agency assigns a role that has overall responsibility to manage human resources for overseas PSCs. OIG also made recommendations for the agency to conduct a data driven review of human resources management for overseas PSCs and develop a plan to train human resources managers. Finally, OIG recommended that the agency develops and implements guidance for improving hiring, managing PSC grievances, updating staff handbooks, and implementing awards programs for overseas PSCs.

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

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Investigation Unit

Overview

The Investigation Unit conducts both domestic and international investigations of alleged criminal and administrative violations of laws, regulations, and policies in Peace Corps programs and operations. The Investigation Unit reviews and reports on allegations of fraud, waste, and abuse involving Peace Corps staff, contractors, Volunteers, and other individuals conducting transactions with the Peace Corps. Peace Corps stakeholders, such as Volunteers, trainees, staff, contractors, and other Federal entities, as well as the public, can make allegations.

The Investigation Unit receives allegations through audits, evaluations, direct 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, as well as carry firearms and 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 responsibility of the Investigation Unit to review the details of each incident and assess whether further investigation is required. During this reporting period, no Volunteer deaths were reported.

Investigations of Criminal or Administrative Misconduct

Report of Misconduct by a Staff Member in the Africa Region

OIG was notified of suspicious items observed in a PCMO's examination room, including items not appropriate for a medical office, some of which indicated possible safety concerns for Volunteers and Trainees treated at that location. An OIG investigation revealed the examination room was unsanitary, disorganized, and that controlled medications were left unattended and within reach of patient areas. The room also contained unserviceable equipment and expired personal protection equipment. However, the investigation did not find evidence of any misconduct toward Volunteers or Trainees and found no imminent threat to Peace Corps personnel. The matter was referred to the agency for action.

Report of Fraternalization in the Africa Region

OIG received an allegation that Host Country National (HCN) staff members were fraternizing with several Volunteers and Trainees. According to the complaint, at least one HCN staff member was also soliciting gifts from Trainees. OIG initially notified the Peace Corps management, who took significant action by terminating the contracts of two HCN staff. Amid this management action, OIG received a separate fraternization complaint, alleging an HCN staff at the same site had been fraternizing with a Volunteer, and transitioned from a part-time position to a full-time staff position involved in safety and security. OIG's investigation revealed evidence to support the allegation. During an OIG interview, the HCN staff member confirmed engaging in behavior with a Volunteer that was in violation of the Peace Corps fraternization policy. The HCN staff member subsequently resigned.⁸

⁸ The HCN staff member resigned shortly following the end of the SARC reporting period.

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

Agency-wide Audits	Page
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Final Special Report: Review of the Peace Corps' Compliance with the Payment Integrity Information Act of FY 2022 (IG-23-04-SR)	24

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Review of the Peace Corps' Information Security Program	26

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

Report	Rec. No.	Questioned Costs ⁹	Unsupported Costs ¹⁰	Funds to Be Put to Better Use ¹¹	Recommendation Status at the End of the Reporting Period
Reports Issued in a Previous Reporting					
<i>Audit of the Peace Corps Management of Peace Corps' Management of Payroll Benefits for U.S. Direct Hires (IG-23-01-A)</i>					
	2	\$1,550			Open
	3	\$4,383			Open
	12	\$13,011			Open
	13	\$3,880			Open
	22	\$135,612			Open
	24	\$1,279			Open
	27	\$48,501			Open
	28	\$153,738			Open
	30	\$112,690			Open
<i>Audit of the Peace Corps' Volunteer Payments and Collections at End of Service (IG-23-02-A)</i>					
	2	\$9,800			Closed
	4			\$2,912	Open
	5			\$128	Closed
Total	12	\$484,444		\$3,040	
Reports Issued This Reporting Period					
<i>Audit of the Peace Corps' Compliance with PEPFAR Funding Allocation Procedures (IG-23-03-A)</i>					
	1	\$13,863			Closed
Total	1	\$13,863			
Total recommendations which no final action has been taken at the end of the reporting period					
Total	10	\$474,644		\$2,912	Open

⁹ 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.

¹⁰ Unsupported Cost: A cost that is not supported by adequate documentation.

¹¹ 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. Recommendations on Which Corrective Action Has Not Been Completed

Type of Report	Number of Recommendations Open at the End of the Reporting Period	Number of Recommendations Open for More than 180 Days
Audits and Evaluations	44	33
Special Reports	4	4
Other	20	n/a ¹²

Audits and Evaluations

Impact of the Five-Year Rule on Operations of the Peace Corps (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.

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

1 of 23 recommendations open since March 23, 2016

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).

¹² All recommendations issued in conjunction with the Audit of the Peace Corps' Financial Statements and Review of the Peace Corps' Information Security Program 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.

The Peace Corps' Management of Payroll and Benefits for U.S. Direct Hires
(IG-23-01-A)

25 of 30 recommendations open since November 29, 2022

Recommendation 2: OIG recommended that the Chief Human Capital Officer ensure approximately \$1,550 in salary overpayments due to incorrect locality rates are resolved by issuing Administrative Billings and Collections bills and/or request waiver approvals from the Chief Financial Officer.

Potential Cost Savings Identified: \$1,550

Recommendation 3: OIG recommended that Chief Human Capital Officer issue retroactive locality payments to the three underpaid individuals for approximately \$4,383.

Potential Cost Savings Identified: \$4,383

Recommendation 4: OIG recommended that Chief Human Capital Officer and Office of Chief Financial Officer establish a process to review and reconcile retroactive adjustments to ensure that the correct amounts are reflected in the payroll transactions.

Recommendation 5: OIG recommended that the Chief Human Capital Officer ensures that human resource management staff are trained to research errors that need retroactive adjustments.

Recommendation 6: OIG recommended that the Chief Human Capital Officer ensures that the standard operating procedures for Position Management System Online are updated to include the review of duty station codes when employees are promoted.

Recommendation 9: OIG recommended that the Senior Policy Committee and Office of Chief Financial Officer update the waiver process to allow for increased transparency in the approval process timeline, require that waiver justifications have accurate waiver amounts, and document how the bill was ultimately resolved.

Recommendation 10: OIG recommended that Office of Chief Financial Officer develop a report to track payroll bills, collections, and waivers to properly account for improper payments for payroll transactions.

Recommendation 11: OIG recommended that the Chief Financial Officer and Office of General Counsel determine a resolution for the 18 unauthorized waivers.

Recommendation 12: OIG recommended that the Chief Human Capital Officer ensure employees receive appropriate retroactive compensation for delayed within grade increases totaling approximately \$13,011.

Potential Cost Savings Identified: \$13,011

Recommendation 13: OIG recommended that the Chief Human Capital Officer ensure that the employee is billed, or a Chief Financial Officer approved waiver is processed for the within grade salary overpayments totaling approximately \$3,880.

Potential Cost Savings Identified: \$3,880

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Recommendation 15: OIG recommended that the Chief Human Capital Officer establish and implement procedures to detect and prevent clerical errors from on-boarding, processing re-assignments, and multiple personnel actions that could affect other areas such as within grade increases.

Recommendation 17: OIG recommended that Office of Chief Financial Officer develop reports using data received from payroll files to assist with resolving discrepancies such as employee's names, social security numbers, pay period covered dates, and individual transaction amounts.

Recommendation 18: OIG recommended that Office of Chief Financial Officer ensure journal vouchers are timely processed to be included in the monthly reconciliation process.

Recommendation 19: OIG recommended that Office of Chief Financial Officer establish and implement a process to review, reconcile, and resolve discrepancies identified during the three-way reconciliation process between National Finance Center reports, Treasury, and the general ledger.

Recommendation 20: OIG recommended that Office of Chief Financial Officer document the monitoring process in a standard operating procedure that records the process and assigns accountability for reconciling, recording and correcting errors during the monthly reconciliation.

Recommendation 21: OIG recommended that Office of Chief Financial Officer and Chief Human Capital Officer develop and implement a process to track all unresolved errors, investigate, and record corrective actions.

Recommendation 22: OIG recommended that Chief Human Capital Officer and Office of Chief Financial Officer reconcile charges totaling approximately \$135,612 with National Finance Center to determine if the two payments (\$97,780 and \$37,832) were allowable and request a correction if they are unallowable.

Potential Cost Savings Identified: \$135,612

Recommendation 23: OIG recommended that the Office of Chief Financial Officer develop and implement a process to reconcile variances in employees' payroll to detect unusual transactions.

Recommendation 24: OIG recommended that Chief Human Capital Officer and Office of Chief Financial Officer bill, request CFO approval to waive, or collect the unallowable payments hazard pay totaling \$710 and health benefits paid by the agency for \$569.

Potential Cost Savings Identified: \$1,279

Recommendation 25: OIG recommended that the Chief Human Capital Officer develop checks lists or frequently asked questions that could assist new staff or supervisors when assessing the appropriate retirement rates and categories.

Recommendation 26: OIG recommended that the Chief Human Capital Officer ensure the incorrect retirement categories are changed and retroactively adjusted for 35 employees.

Recommendation 27: OIG recommended that the Chief Human Capital Officer ensure approximately \$48,501 in salary overpayments for retirement are resolved by issuing Administrative Billing and Collection bills and/or requesting waiver approvals from the Chief Financial Officer.

Potential Cost Savings Identified: \$48,501

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Recommendation 28: OIG recommended that the Chief Human Capital Officer ensure employees that were over charged approximately \$153,738 in retirement deductions receive refunds.

Potential Cost Savings Identified: \$153,738

Recommendation 29: OIG recommended that the Chief Human Capital Officer review the accuracy of the refunds already issued to employees and make necessary corrections.

Recommendation 30: OIG recommended that the Chief Human Capital Officer and Office of Chief Financial Officer ensure agency contribution rates were accurately adjusted to reflect retroactive corrections for approximately \$79,473 in underpayments and \$33,217 in overpayments.

Potential Cost Savings Identified: \$112,690

The Peace Corps' Volunteer Payments and Collections at the End of Service (IG-23-02-A)

5 of 9 recommendations open since March 31, 2023

Recommendation 3: OIG recommended that the Office of Chief Financial Officer develops an automated process to calculate evacuation allowance payments.¹³

Recommendation 4: OIG recommended that Office of Chief Financial Officer and the directors of management and operations determine whether the Volunteers can account for \$2,912 of VAST grant expenses and complete an unusual project expenditure memorandum and unusual project closure approval memo. If the Volunteer is unable to document the grant expenses, issue a bill of collection for \$2,912.

Potential Cost Savings Identified: \$2,912

Recommendation 7: OIG recommended that the Office of Gifts and Grants Management train the relevant post staff on how to reconcile small grants expenses, explain unusual project closure approval memos/ project expenditure memos, and how to calculate the amounts for bills of collection in local currency without using exchange rates.

Recommendation 8: OIG recommended that the agency updates MS 720 to include a headquarters review of final grant closure documentation for VAST, FTF, and GEF projects.

Recommendation 9: OIG recommended that the agency updates the small grant handbook and MS 720 with new procedures to include the new Volunteer Reporting and Grants system.

¹³ The agency did not concur with this recommendation.

Post Re-Entry Health and Safety Review of Peace Corps/Morocco (IG-23-07-E)

2 of 3 recommendations open since September 14, 2023

Recommendation 2: OIG recommended that the Peace Corps Medical Officers work with the Country Director and Director of Management and Operations to plan and conduct medical facility and provider visits so that each one listed in the Medical Action Plan is assessed at least once every 3 years, in accordance with Technical Guideline 204.

Recommendation 3: OIG recommended that the Country Director ensures that all staff take the annual Emergency Action Plan refresher training, in accordance with Safety and Security Instruction 101.

Evaluation of Human Resources Management for Overseas Contract Staff

(IG-23-08-E)

9 of 9 recommendations open since September 29, 2023

Recommendation 1: OIG recommended that the agency assigns a key role in the organizational structure that has the overall responsibility to manage human resources for overseas PSCs.

Recommendation 2: OIG recommended that the agency creates or modifies data collection tools to gather the data necessary to conduct comprehensive reviews of human resources management for overseas PSCs that could improve performance outcomes and operational effectiveness.

Recommendation 3: OIG recommended that the agency conducts a comprehensive review of human resources management for overseas PSCs to improve performance outcomes and operational effectiveness.

Recommendation 4: OIG recommended that the agency develops a plan to implement improvements identified in the comprehensive review of human resources management for overseas PSCs.

Recommendation 5: OIG recommended that the agency ensures that each post establishes a hiring process that includes a standard timeline for hiring and clarifies the responsibilities of staff that have a role in the process.

Recommendation 6: OIG recommended that the agency establishes grievance policies and procedures for overseas PSCs that includes guidance about how grievances are raised and resolved.

Recommendation 7: OIG recommended that the agency establishes a standard operating procedure that ensures staff handbooks are updated timely and effectively.

Recommendation 8: OIG recommended that the agency ensures that posts develop and document an awards program that outlines eligibility criteria and process.

Recommendation 9: OIG recommended that the agency develops and implements a plan to train USDH and local staff for their human resources management responsibilities.

Special Reports

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

2 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.

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

2 of 12 recommendations open since August 2, 2021

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.

Other

Financial Statement Audit Recommendations

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	5
Inadequate Controls Surrounding Processing of Personnel Actions	2020	Concur	3
Total Open Recommendations			13

Federal Information Security Management Act Review Recommendations

Review of the Peace Corps' Information Security Program (Fiscal Year 2023)

7 of 7 recommendations open since September 30, 2023

Recommendation 1: OIG recommended that the Peace Corps develops a strategy and structure that integrates information security into the agency's business operations. This should include an established responsibility for assessing information security risks in all agency programs and operations and providing this analysis to senior leadership, including the ERM Council, for decision-making.

Recommendation 2: OIG recommended that the Peace Corps include the CISO at the ERM Council meetings to provide insights on cybersecurity risks.

Recommendation 3: OIG recommended that the Peace Corps further define and implement the ERM program to ensure information security risks are communicated and monitored at the system, business process, and entity levels.

Recommendation 4: OIG recommended that the Peace Corps improve its incident response process to ensure incidents are properly defined, promptly identified, and effectively remediated.

Recommendation 5: OIG recommended that the Peace Corps consistently improve and implement its inventory management process to ensure information system, hardware, and software inventories are accurate, complete, and up to date.

Recommendation 6: OIG recommended that the Peace Corps improve its vulnerability and patch management processes by consistent and timely remediation of critical and high vulnerabilities as well as patching.

Recommendation 7: OIG recommended that the Peace Corps complete and fully implement an identity credential and access management program.

4. Summary of Hotline and Other Complaints

Complaints Received

Complaints	Total
Complaints Received via Hotline	43
Complaints Received via Other Sources ¹⁴	12
Total Complaints (All Sources)	55

Overview of Complaint Activity¹⁵

Complaint Activity	Total
Resulted in Investigations	4
Resulted in Preliminary Inquiries	8
Resulted in Audits or Evaluations	1
Referred to Agency Management	35
Referred to Other Agency	0
No Action Needed	15

¹⁴ These complaints are largely a result of outreach by OIG staff and were received by email, phone calls, and conversations.

¹⁵ The following actions summarize the disposition of complaints received by OIG. 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.

5. Summary of Investigative Activities and Outcomes

Investigative Activities	Preliminary Inquiries ¹⁶	Cases
Open at the beginning of the reporting period	7	7
Opened during the reporting period	9	4
Closed during the reporting period	7	1
Total open at the end of the reporting period	9	10

Reports	Total
Investigative reports issued	0

Referrals	Total
Persons referred for criminal prosecution (Department of Justice)	1
Persons referred for criminal prosecution (state and local authorities) ¹⁷	-
Cases referred to the Department of Justice	-
Cases referred to agency management for administrative action	-
Cases referred to agency management for other information/ action	-
Referrals to other agencies	-

Court Actions	Total
Criminal information and indictments	-
Trial(s) pending	-
Ongoing prosecution ¹⁸	-

¹⁶ 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.

¹⁷ Includes foreign courts.

¹⁸ Includes overseas criminal proceedings.

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Convictions	-
Judgments	-
Fines/assessments/fees	-

Administrative Actions	Total
Employee ¹⁹ resignations and terminations	2
Other employee actions ²⁰	-
Suspension/debarment referrals	-

Monetary Results	Total
Annual savings	-
Recoveries/restitution ²¹	-
Cost avoidance	-

¹⁹ Volunteers/trainees are included as Peace Corps staff for the purpose of reporting investigative activity.

²⁰ Includes administrative actions that are less than resignation or termination, for example: letters of reprimand, counseling, and retraining.

²¹ Includes potential recoveries.

5. References to Reporting Requirements of the Inspector General Act, as Amended

5 U.S.C Section Reference	Reporting Requirements	Section	Page
§ 404(a)(2)	Review of legislation and regulations	Advice and Assistance	21
§ 405(a)(1)*	Significant problems, abuses, and deficiencies and associated reports and recommendations for corrective action made by the Office	Advice and Assistance, Audits, and Evaluations	21, 23, 27
§ 405(a)(2)	Recommendations made before the reporting period for which corrective action has not been completed, including potential costs savings associated with the recommendation	Table 3	37
§ 405(a)(3)	Summary of significant investigations closed during the reporting period	Investigations and Table 5	32, 45
§ 405(a)(4)	Total number of convictions during the reporting period resulting from investigations	Investigations and Table 5	32, 45
§ 405(a)(5)	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, and if a management decision had been made by the end of the reporting period	Audits, Evaluations, and Table 2	23, 27, 33
§ 405(a)(6)	Information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period	Table 2	33
§ 405(a)(7)	Information under the Federal Financial Management Improvement Act of 1996	N/A	—
§ 405(a)(8) – (10)	The results of the last peer review conducted by another OIG	Appendix A: Reporting of Peer Reviews	49
§ 405(a)(11)	Statistical table - investigative reports issued; persons referred for criminal prosecution; indictments and criminal information	Table 5	45

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§ 405(a)(13)	Investigations involving a senior government employee where allegations of misconduct were substantiated	N/A	—
§ 405(a)(14)	Instances of whistleblower retaliation	N/A	—
§ 405(a)(15)	Interference with Independence	N/A	—
§ 405(a)(16)	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	—

* All references to 5 U.S.C. § 405 include the noted “Amendments Not Shown in Text.”

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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),²² OIG reports the following peer review information:

Audit Unit

No peer review of the Peace Corps OIG's Audit Unit was conducted within this reporting period. The date of the last peer review conducted by another OIG was in March 2023, when the Denali Commission OIG issued its System Review Report of the Peace Corps OIG Audit Unit for the period ending September 30, 2022. 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. The Denali Commission did not provide any recommendations in the System Review Report.

The Peace Corps OIG's Audit Unit did not conduct any peer reviews within this reporting period. Previously, the Audit Unit completed a peer review of the National Credit Union Administration (NCUA) Office of Inspector General (OIG) audit organization in March 2022, for the year ending September 30, 2021.

Evaluation Unit

In August 2023, the Corporation for Public Broadcasting (CPB) OIG completed an external peer review of Peace Corps OIG's Evaluation Unit for the period April 1, 2020, to March 31, 2023. The review assessed the extent to which the Peace Corps OIG complied with the CIGIE Quality Standards for Inspection and Evaluation, December 2020 (Blue Book), and included a review of the Peace Corps OIG's internal policies and procedures implementing the Blue Book standards, and a review of selected inspection and evaluation reports. CPB OIG determined that the Peace Corps OIG's policies and procedures generally were consistent with the Blue Book standards addressed in the external peer review, and that the reports reviewed generally complied with the Blue Book standards and the Peace Corps OIG's internal policies and procedures. CPB OIG did not issue any recommendations.

The Peace Corps OIG's Evaluation Unit did not conduct any external peer reviews within this reporting period. Previously, the Evaluation Unit completed an external peer review of the Export-Import Bank of the United States OIG in August 2022, for the period March 31, 2019, through March 31, 2022.

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

²² 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. § 405(a)).

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on the Peace Corps OIG's internal safeguards and management procedures for its investigative operations. The review team found all 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. OIG provided its 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 845(a) of the National Defense Authorization Act for Fiscal Year 2008 (Public Law No. 110-181), OIG reports on final contract audit reports with significant audit findings. During this reporting period, OIG did not issue any audit reports meeting the “significant audit findings” criteria established in Public Law No. 110-181.

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

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

Contact OIG

Reporting Hotline:

U.S./International: 202.692.2915

Toll-Free (U.S. only): 800.233.5874

Email: OIG@peacecorpsoig.gov

Online Reporting Tool: peacecorpsoig.gov/contact/hotline

Mail: Peace Corps Office of Inspector General
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