



PEACE CORPS  
Office of  
**INSPECTOR  
GENERAL**

# Management and Performance Challenges

## Fiscal Year 2023

---

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is submitting what it has determined to be the most significant management and performance challenges facing the Peace Corps.

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

### **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 2,354 Volunteers currently serving in the field, and 55 posts are issuing invitations for Volunteers to serve. OIG reviewed the agency's re-entry 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 re-entry 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, has been successfully 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 re-entry 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<sup>1</sup>.

## 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 re-entry health and safety reviews

---

<sup>1</sup> 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.

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.

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 re-entry 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.

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](#)

[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 report <sup>2</sup> 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

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

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 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 System (VDS)<sup>3</sup> 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

---

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

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 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 human capital framework.

OHR reports that activities 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 to 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 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 Agency <sup>4</sup> (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

<sup>4</sup> 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.

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.

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 effect 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 rate<sup>5</sup> 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.

---

<sup>5</sup> 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.

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. 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

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 \(2008\)](#)