



Peace Corps  
Office of  
**INSPECTOR  
GENERAL**

**SEMIANNUAL REPORT TO CONGRESS**

October 1, 2019 to March 31, 2020





# Office of Inspector General

TOGETHER WE MAKE A BETTER PEACE CORPS

800.233.5874 | 202.692.2915 | [OIG@PEACECORPSOIG.GOV](mailto:OIG@PEACECORPSOIG.GOV) | [PEACECORPS.GOV/OIG/CONTACTUS](https://PEACECORPS.GOV/OIG/CONTACTUS)

## Vision:

Be an agent of change to help make the Peace Corps the premier international volunteer service organization

## Mission:

Support Peace Corps Act goals and make the best use of taxpayer dollars through independent oversight of agency programs and operations

## Values:

Excellence, positive change, integrity, and collaboration

## Goals:

- To provide independent oversight
- To effectively communicate with stakeholders
- To strengthen OIG

Established in 1989, OIG receives its legal authority from the Inspector General Act of 1978, as amended. The law requires that OIG fully and currently inform the Peace Corps Director and the Congress about problems and deficiencies identified by OIG relating to the administration of agency programs and operations.

# Semiannual Report to Congress

## October 1, 2019 to March 31, 2020

PEACE CORPS OFFICE OF INSPECTOR GENERAL

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# Table of Contents

Highlights from this Report .....	1
Message from the Inspector General .....	1
Management and Administration Unit.....	4
Agency Context .....	4
Staffing.....	4
OIG Organizational Chart.....	5
Advice, Assistance, and Other Reportable Matters .....	8
Support to the Agency .....	8
Review of Agency Regulations, Policies, and Procedures .....	8
Participation in Overseas Staff Training .....	8
OIG Support for Background Checks.....	8
Other Reportable Matters .....	9
Interference with IG Independence .....	9
Audit Unit.....	12
Overview .....	12
Ongoing Work .....	12
Agency-wide Audits.....	13
Audit of the Peace Corps' Compliance with the Digital Accountability and Transparency Act.....	13
Audit of the Peace Corps' Financial Statements.....	14
Other Reports .....	16
Review of the Peace Corps' Information Security Program.....	16
Management Advisory Report: Peace Corps PEPFAR Financial Guidance .....	17
Evaluation Unit .....	20
Overview .....	20
Ongoing Work .....	20
Evaluations of Operations Abroad .....	21
Evaluation of Peace Corps/Panama .....	21
Evaluation of Peace Corps/Tanzania .....	22
Investigation Unit.....	24
Overview .....	24
Volunteer Death Investigations .....	25
Death of a Volunteer in the Africa Region .....	25
Sexual Misconduct Investigations.....	25
Report of PROTECT Act Violation in the EMA Region .....	25
Report of Volunteer-on-Volunteer Sexual Assault in the Africa Region.....	25
Report of Volunteer-on-Volunteer Sexual Assault in the IAP Region .....	25

## PEACE CORPS OFFICE OF INSPECTOR GENERAL

Report of Volunteer-on-Volunteer Sexual Assault in the IAP Region .....	26
Investigations of Other Misconduct .....	26
Report of Staff Involvement in a Traffic Death in the Africa Region (UPDATE) .....	26
Report of Housing Kickbacks in the Africa Region (UPDATE).....	26
Report of False Travel Claims by Staff in the Africa Region.....	26
Report of Theft in the Africa Region .....	26
Report of Staff Member Possession of Marijuana and Violation of Federal Ethics Rules .....	27
Investigations of Cases Involving Senior Government Employees .....	27
Tables.....	30
1: List of Reports: Audits, Program Evaluations, and Other Reports .....	30
2: Reports with Questioned Costs, Unsupported Costs, and Funds to Be Put to Better Use .....	30
3: Status of Reports Issued by OIG with Questioned and Unsupported Costs.....	31
4: Status of Reports Issued by OIG with Funds to Be Put to Better Use.....	31
5: Recommendations on Which Corrective Action Has Not Been Completed .....	32
6: Summary of Hotline and Other Complaints.....	50
7: Summary of Investigative Activities and Outcomes.....	51
8: References to Reporting Requirements of the Inspector General Act, as Amended .....	52
Appendices .....	54
Appendix A: Reporting of Peer Reviews .....	54
Audit Unit .....	54
Evaluation Unit .....	54
Investigation Unit .....	54
Appendix B: Contract Audit Reports.....	56

# Highlights from this Report

## Message from the Inspector General

I am pleased to present the Peace Corps Office of Inspector General's (OIG's) Semiannual Report to Congress for the period of October 1, 2019, to March 31, 2020. Our work underscores OIG's commitment to promoting efficiency, effectiveness, and accountability within the Peace Corps.

In March, my office faced new challenges that arose from the COVID-19 pandemic. All Volunteers were evacuated from Peace Corps posts globally, and travel became heavily restricted. Consequently, we postponed our upcoming fieldwork for planned post audits and evaluations, and we are pivoting to audits and evaluations of headquarters programs that we can achieve through telework. Investigators are also teleworking, conducting complainant and witness interviews telephonically. Non-urgent subject interviews involving alleged criminal conduct or serious administrative misconduct are being deferred until conditions permit face-to-face encounters. Investigations that may require a departure from these protocols are evaluated on a case-by-case basis.



During this reporting period, the Audit Unit issued reports on audits of the agency's compliance with the Digital Accountability and Transparency Act and the agency's FY 2019 financial statements; a review of the agency's information security program; and a review of the agency's PEPFAR financial guidance. The Unit also continued work on audits of posts in Ghana, Thailand, and Ethiopia, for which fieldwork was completed prior to Volunteer evacuations.

The Evaluation Unit issued reports on the evaluations of posts in Panama and Tanzania. The Unit initiated work on evaluations of posts in the Eastern Caribbean, Morocco, and Mongolia, though fieldwork was postponed for Morocco and Mongolia due to Volunteer evacuations. The Unit also initiated a review of the circumstances surrounding the death of a Volunteer in Ghana.

The Investigation Unit conducted investigations of fraud, waste, abuse, and mismanagement in Peace Corps programs and operations. Overall complaints were substantially lower in the second half of this reporting period, presumably because staff and Volunteers were focused on the pandemic.

At the end of the reporting period, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to address the wide-ranging impacts of the pandemic. The law provides the Peace Corps with \$88 million to prevent, prepare for, and respond to the pandemic, or to reimburse accounts already used for those purposes. As part of our ongoing oversight, my office will be monitoring how the Peace Corps manages these funds.

PEACE CORPS OFFICE OF INSPECTOR GENERAL

Lastly, I was designated to serve on the Council of Inspectors General for Integrity and Efficiency's (CIGIE) Pandemic Response Accountability Committee (PRAC), which was created by the CARES Act. I look forward to contributing to the PRAC's efforts to promote transparency and conduct and support independent oversight of the Federal government's response to the COVID-19 pandemic.



Kathy A. Buller  
Inspector General

# Management and Administration

Agency Context.....	4
Staffing.....	4
OIG Organizational Chart .....	5



# Management and Administration Unit

## Agency Context

As the COVID-19 virus spread and international travel became increasingly challenging, the agency suspended Volunteer operations, first in China<sup>1</sup> and Mongolia, then globally on March 15, 2020. The agency evacuated all Volunteers and trainees from posts in an effort to protect their health and prevent a situation in which Volunteers and trainees would not be able to leave their host countries.

As of March 31, 2020, the agency had concluded service for the vast majority of the more than 6,800 evacuated Volunteers and trainees and was in the process of ending service for those remaining. The agency continued to maintain 57 posts in 60 countries, keeping them ready for the return of Volunteers as soon as conditions allow. Posts were supported by 2,855 locally-hired personnel in host countries and 944 U.S. direct hire staff, of whom 188 worked abroad, 646 worked at headquarters, and 110 worked in regional recruiting offices and other domestic locations. The Peace Corps had domestic and international commercial contracts with vendors and service providers. These included agreements for guard services, training, Volunteer healthcare services, information technology, communications, and other services.

Of the 57 posts, 12 received funding from the President's Emergency Plan for AIDS Relief (PEPFAR) for work on HIV/AIDS projects. Volunteers also managed approximately 450 Peace Corps Partnership Program projects and 400 Small Project Assistance grant projects and training programs, all of which the agency reports will be closed due to the evacuation.

## Staffing

Renita Davis rejoined OIG as a lead auditor in November 2019. Renita was previously a Peace Corps OIG auditor from 2013 to 2017. She returned to Peace Corps as a lead auditor after 2 years as an auditor manager with the Department of Health and Human Services (HHS) OIG, where she conducted internal quality control reviews and Federal Managers Financial Integrity Act reviews, as well as managed audit resolution for HHS programs. Renita holds a bachelor's degree in accounting from the Carlson School of Management at the University of Minnesota and is a certified public accountant.

Paul Desautels joined OIG as a senior investigator in January 2020. Paul has been in law enforcement since 2000. He came to Peace Corps OIG from the Treasury Inspector General for Tax Administration, where he served as an assistant special agent in charge of procurement fraud and a senior special agent in special investigations. Paul previously served as a superintendent in the U.S. Air Force Office of Special Investigations in Denver, Colorado. He served in the U.S. Air Force for 22 years, and has deployed to locations in Saudi Arabia, Oman, and Afghanistan, supporting Operation Desert Shield/Desert Storm, Operation Iraqi Freedom, and Operation Enduring

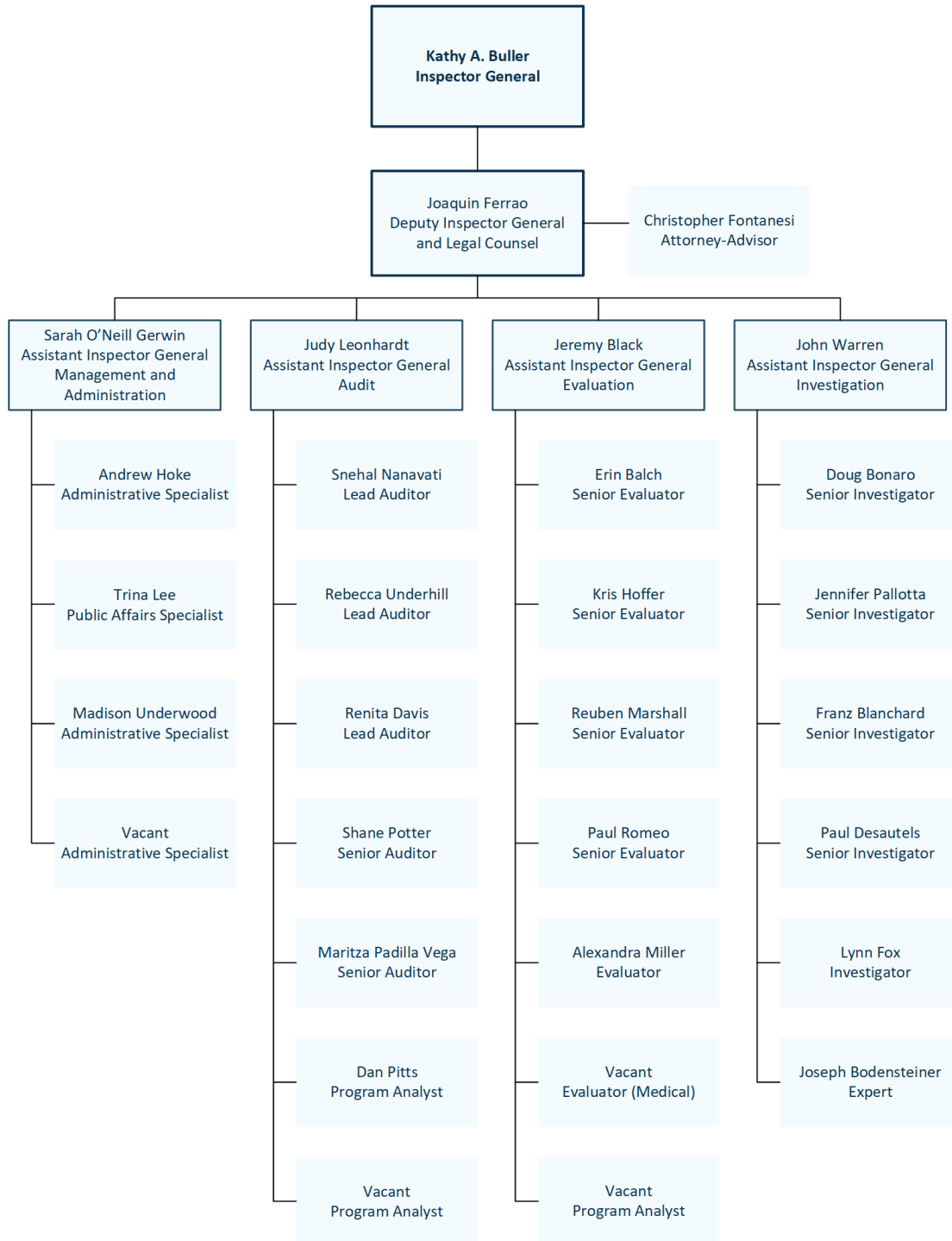
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<sup>1</sup> The agency had already planned the closure of the China program before the spread of COVID-19 necessitated the early evacuation of Volunteers.

## PEACE CORPS OFFICE OF INSPECTOR GENERAL

Freedom. Paul holds a bachelor's degree in finance and a master's degree in international studies from Touro University.

### OIG Organizational Chart



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# Advice, Assistance, and Other Reportable Matters

Review of Agency Regulations, Policies, and Procedures ..... 8

Participation in Overseas Staff Training..... 8

OIG Support for Background Checks ..... 8

Interference with Inspector General Independence..... 9



# Advice, Assistance, and Other Reportable Matters

## Support to the Agency

### Review of Agency Regulations, Policies, and Procedures

OIG continues to provide advice and assistance to the Peace Corps Senior Policy Committee and other offices by commenting on drafts of new or updated policies, procedures, and other documents governing agency organization or practice. During this reporting period, OIG reviewed 22 policies, charters, and other guidance documents. Topics included the agency acquisition rules; Volunteer conduct and early termination of Volunteer service; and the missions, responsibilities, and functions of various agency offices.

#### *Senior Policy Committee Charter & Technology Advisory Board Charter*

In the FY 2019 FISMA review, our office made several recommendations focused on the structure and involvement of senior IT positions in agency business decisions. (For more details on this review, see the Audit Unit Section.) Subsequent to our report being issued, the Peace Corps took two positive steps to address these recommendations through changes to relevant agency policy. Notably, the agency added the Chief Information Officer as a member of the Senior Policy Committee, the group with oversight responsibility for the Peace Corps Manual. Additionally, the agency also approved adding the Chief Information Security Officer to the Technical Advisory Board, the group that provides executive direction and business-centered guidance for investment of agency resources (human, financial, and capital) in information technology.

### Participation in Overseas Staff Training

OIG participated in overseas staff training in March, briefing five country directors on best practices and common deficiencies noted by OIG. Unfortunately, due to the growing concerns over the COVID-19 pandemic, a large portion of the 3-week training was cancelled, including sessions by OIG for directors of programming and training, directors of management and operations, and medical officers. A continuation of the interrupted training is being planned for June, in which sessions will be held virtually.

### OIG Support for Background Checks

OIG's Investigation Unit worked with various Peace Corps offices to incorporate OIG database checks as part of the records checks performed during Peace Corps employment inquiries. Additionally, employment checks conducted by Peace Corps offices on returned Peace Corps Volunteers include an OIG database check. This program has enhanced the agency's employment inquiry and security process. During this reporting period, OIG conducted 12 records checks.

## Other Reportable Matters

### Interference with IG Independence

Ensuring that staff and volunteer misconduct is independently and thoroughly investigated is essential to the health, safety, and wellbeing of our Volunteers. The Inspector General Act of 1978, as amended, and agency policy make OIG responsible for investigative policy related to the integrity of Peace Corps programs, including investigations into Volunteer misconduct. Peace Corps policy unequivocally supports and encourages reporting to and cooperating with OIG.

In the prior semiannual report, OIG expressed concern that actions by the Peace Corps' Office of General Counsel threatened the independence with which the Inspector General conducts investigations of serious Volunteer misconduct. We noted that negatively affecting OIG's ability to investigate serious Volunteer misconduct risks Volunteer safety and security.

The Peace Corps has a zero-tolerance policy on Volunteer drug use, and notes that "drug involvement by [Volunteers/trainees] in any country could seriously jeopardize the entire Peace Corps program, as well as the safety and health of the [Volunteers/trainees]." Through OIG investigations and reporting, OIG expressed concern that the agency's efforts to address Volunteer drug use had been insufficient. In response, the Office of General Counsel unilaterally issued guidance to key staff re-interpreting longstanding policy that would:

- curtail OIG investigative independence,
- inhibit cooperation between post staff and OIG investigators,
- reduce types of serious misconduct that must be reported to OIG, and
- chill whistleblowing by telling post staff to report certain misconduct to OIG through senior management.

We had noted that the guidance affected more than just OIG's ability to investigate drug cases. It also negatively affected OIG's ability to provide key investigative support to post staff trying to handle other serious misconduct by Volunteers, such as Volunteer-on-Volunteer sexual misconduct. The guidance also set a concerning precedent whereby certain allegations of misconduct must be reported through senior management. This guidance is inconsistent with both the Inspector General Act of 1978, as amended, and with agency policy.

At the end of this reporting period, all Volunteers and trainees were evacuated from their sites and returned to the U.S. due to the COVID 19 pandemic. While Volunteers and trainees are not currently serving, OIG remains committed to helping ensure that agency management is supported by independent, thorough investigations when handling serious Volunteer misconduct. We are further committed to ensuring that whistleblowers are free to report any matter directly to OIG, and that Volunteers and staff are properly educated on their associated rights and protections. Dialogue with agency leadership on this matter is ongoing. The agency has welcomed a new General Counsel, and we are hopeful that agency leadership will work expeditiously to remediate the situation.

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# Audit Unit

Overview .....	12
Ongoing Work.....	12
Audit of the Peace Corps' Compliance with the Digital Accountability and Transparency Act .....	13
Audit of the Peace Corps' Financial Statements.....	14
Review of the Peace Corps' Information Security Program ....	16
Management Advisory Report: Peace Corps/PEPFAR Financial Guidance .....	17





# Audit Unit

## Overview

The Audit Unit conducts independent audits and reviews of agency programs and operations that support the Peace Corps mission. The objectives of OIG audits are to independently examine the financial and administrative operations of the Peace Corps, to promote economy and efficiency, and to ensure compliance with Federal law, regulations, and Peace Corps policy. Audits are wide ranging, covering agency activities carried out at overseas posts, as well as agency-wide operations that affect multiple offices. Auditors report their conclusions and recommendations based on data and document analyses, interviews, and direct observation. OIG also monitors the agency's progress in correcting systemic weaknesses identified in audit reports.

Audits and reviews are conducted under the direction and guidance of the Assistant Inspector General for Audits. Audits are performed in accordance with the U.S. Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States.

## Ongoing Work

Along with the final reports detailed in the following sections, the Audit Unit continued work on audits of the Peace Corps' compliance with the Improper Payments Elimination and Recovery Act and the posts in Ghana, Ethiopia, and Thailand.

### *Audit Fieldwork - Peace Corps/Thailand*

During our fieldwork in Thailand we found that Peace Corps medical officers (PCMOs) were dispensing prescription amphetamines to Volunteers with attention-deficit/hyperactivity disorder (ADHD), but these medications were illegal in Thailand. While the Office of Health Services placed full responsibility on the judgment and knowledge of the PCMOs to determine if ADHD medications can be used in-country, for the past 3 years Peace Corps/Thailand did not identify restrictions in supporting Volunteers who require ADHD medication. This situation placed Volunteers and the agency at risk of violating local laws through the import, distribution, and possession of banned medications.

Due to the urgent nature of our concern and the possibility of similar situations in other posts, we issued a memo to the Offices of Health Services and Global Operations making them aware of the issue and affording them the opportunity to take immediate steps to address it. We expect the matter will be treated as a finding in our upcoming report on the audit of Peace Corps/Thailand, which will be reported on in the next semi-annual reporting period.

## Agency-wide Audits

### **Audit of the Peace Corps' Compliance with the Digital Accountability and Transparency Act**

*IG-20-01-A*

In November 2019, OIG issued a final report on the audit of the Peace Corps' compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act requires the OIG of each Federal agency to periodically review a sample of the spending data submitted to USASpending.gov by its Federal agency. The OIGs must submit a report to Congress that assesses the completeness, timeliness, accuracy, and quality of the data sampled and the implementation and use of the Government-wide financial data standards by the Federal agency.

The objectives of this audit were to assess (1) the completeness, accuracy, timeliness, and quality of the Peace Corps' FY 2019, Quarter 1 (Q1) financial and award data submitted for publication on USASpending.gov; and (2) implementation and use of the Government-wide financial data standards established by the Office of Management and Budget (OMB) and the Department of the Treasury.

While the Peace Corps' FY 2019, Q1 DATA Act submission was of high quality, the agency lacked a comprehensive data quality plan outlining the risks and what mitigating controls it has in place to demonstrate that data submitted is of high quality. This is because the agency lacked a risk focused approach to managing its operations. Without a comprehensive quality control program, the Peace Corps risked not having appropriate and proper controls for all aspects of the financial and procurement data. OIG issued four recommendations to strengthen the agency's data quality.

Management concurred with all four recommendations made, and 4 remained open at the end of this reporting period.

## Audit of the Peace Corps' Financial Statements

FY 2019

The Accountability of Tax Dollars Act of 2002 mandates an annual audit of the Peace Corps' financial statements. We contracted with accounting and management consulting firm Williams, Adley & Company-DC (Williams Adley) to audit the Peace Corps' consolidated financial statements as of September 30, 2019. The audit was conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in GAGAS; and OMB Bulletin No. 19-03, Audit Requirements for Federal Financial Statements.

Williams Adley's report for FY 2019 includes: an opinion on the financial statements; conclusions on internal controls over financial reporting; and compliance with laws, regulations, contracts, and grant agreements. In its audit of the Peace Corps, Williams Adley found:

- The financial statements were fairly presented, in all material respects, in conformity with GAGAS principles.
- There were no material weaknesses<sup>2</sup> in internal controls.
- Two significant deficiencies<sup>3</sup> related to internal controls were:
  - Lack of effective information technology security—Williams Adley cited a lack of a comprehensive risk management program. Additionally, there are weaknesses in the IT control environment related to its design and operations that placed Peace Corps data at risk.
  - Inadequate internal controls over property, plant, and equipment—Williams Adley cited gaps in the internal control framework in the areas of recording and tracking property, assigning the proper useful life of assets, and performing necessary reconciliations of property data.
- One instance of reportable noncompliance was found relating to applicable provisions of laws, regulations, contracts, and grant agreements which are required to be reported under GAGAS or OMB guidance. Williams Adley found that the Peace Corps did not fully comply with:
  - The Federal Information Security Modernization Act of 2014 pertaining to continuous monitoring and the agency's risk management program.

OIG's review of Williams Adley's report and related documentation disclosed no instances where Williams Adley did not comply, in all material respects, with GAGAS. As required by OMB Circular A-136, "Financial Reporting Requirements," the auditors' report was published within the Peace Corps' FY 2019 Agency Financial Report.

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<sup>2</sup> A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

<sup>3</sup> A significant deficiency is defined as a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Additionally, a separate letter describing internal controls weaknesses considered less severe than a significant deficiency was issued by Williams Adley and provided to Peace Corps management. Williams Adley noted six concerns regarding internal controls:

- The logical access controls at overseas posts were not designed and operating effectively.
- The Peace Corps did not maintain effective controls to close unneeded unliquidated obligations and de-obligate unnecessary funds in a timely manner.
- The Information System Contingency Plan for financial systems was outdated and did not reflect current network/infrastructure capabilities.
- The Peace Corps did not consistently implement controls to provide reasonable assurance that incompatible duties were effectively segregated within the Odyssey system.
- The Peace Corps' quality control review process for the June 30, 2019, financial statements did not identify material errors in lease disclosures.
- Obligations were created in FORPost prior to approval of the obligating documents.<sup>4</sup>

Management concurred with all 22 recommendations, and all 22 remained open at the end of this reporting period.

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<sup>4</sup> As no payments were found to have been made during the lapse of time between the obligating documents being signed and the obligations being created, no Anti-deficiency Act violations were identified.

## Other Reports

### Review of the Peace Corps' Information Security Program

*FY 2019*

The Federal Information Security Modernization Act of 2014 (FISMA) requires each Federal agency to develop, document, and implement an agency-wide program to provide security for the information systems that support the operations and assets of the agency. FISMA requires inspectors general to annually review the agency's information security program and report the results to the Department of Homeland Security.

OIG contracted with accounting and management consulting firm Williams, Adley & Company-DC (Williams Adley) to assess the Peace Corps' compliance with the provisions of FISMA. The objective of this review was to perform an independent assessment of the Peace Corps' information security program, including testing the effectiveness of security controls for a subset of systems as required, for FY 2019.

Since 2009, OIG has reported in our statements on management and performance challenges that the Peace Corps had not achieved full compliance with FISMA or implemented an effective IT security program. There were several FISMA findings that had been outstanding for over a decade and the agency had struggled to implement corrective actions. The FY 2019 maturity model put the Peace Corps at an ad hoc level, or operating in a reactive manner, while OMB expects the agency to operate at Level 4, managed and measurable.

We found problems relating to people, processes, and technology. These problems were crippling the IT security program and posed a significant risk to the agency. The problems existed because there was a lack of understanding of how IT security affects critical business operations. The agency, including the leadership of OCIO, had taken a hands-off approach, and those with the necessary knowledge had not been empowered to make decisions.

The Peace Corps continued to disregard key OMB and National Institute of Standards and Technology requirements and OIG recommendations. While the agency had not suffered a catastrophic operational or cybersecurity failure, the risk of such an event remained high. The agency's failure to implement an effective risk management program further compounded the risk.

In FY 2018, the Peace Corps made strides to improve its IT security process; however, in FY 2019, the agency took steps that undermined the progress it had made. As the agency underwent the largest change to its IT infrastructure, moving the data center offsite, IT security was neglected. Some of the more egregious examples of the long outstanding problems included:

- Disregarding key Federal regulations for access control;
- Inability to protect sensitive data from insider threat;
- Lacking a complete understanding of the Peace Corps' IT environment; and
- Failure to ensure critical business processes and the IT environment can be recovered in the event of a disaster.

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

## **Management Advisory Report: Peace Corps PEPFAR Financial Guidance**

*IG-20-01-SR*

In March 2020, OIG issued a management advisory report to bring management's attention to needed improvements that we identified while reviewing the implementation of Peace Corps PEPFAR Financial Guidance. For this review, we assessed how overseas posts followed the Peace Corps' guidance when using the President's Emergency Plan for AIDS Relief (PEPFAR) funding for payments.

Our review found that the Peace Corps does not have adequate policy, procedures, and guidance to ensure that PEPFAR funds received by the Peace Corps are appropriately managed. Further, we found that the Peace Corps is not adequately complying with the limited PEPFAR financial management guidance it has disseminated. Specifically, Peace Corps PEPFAR financial management issues were:

- The allocation of PEPFAR funds was not consistently applied in accordance with Peace Corps financial guidance.
- The agency used PEPFAR funds to pay for expenses unrelated to PEPFAR.
- The agency did not apply its own PEPFAR financial guidance for headquarters' oversight of paid vouchers.
- The agency handled PEPFAR value added tax refunds inappropriately.

Our report made six recommendations to help enhance the administration of PEPFAR funds, all of which remained open at the end of this reporting period.

### ***Questioned Costs***

Recommendation 3: Volunteers' supplies, \$152,704

Recommendation 3: Medical supplies, \$52,431

Recommendation 3: Conference Costs, \$146,185

Recommendation 3: Non-PEPFAR Volunteers and staff costs, \$10,801

Recommendations 4, 5, and 6: PEPFAR VAT, \$364,351

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# Evaluation Unit

Overview .....	20
Ongoing Work.....	20
Evaluation of Peace Corps/Panama .....	21
Evaluation of Peace Corps/Tanzania.....	22



# Evaluation Unit

## Overview

The Evaluation Unit provides the agency with independent evaluations of agency programs, operations, and management at overseas posts and domestic offices. Evaluations promote greater efficiency and effectiveness by identifying best management practices and by recommending program improvements. Evaluators also participate in cross-functional reviews of agency programs and operations undertaken with OIG auditors and investigators.

Evaluations are conducted under the direction and guidance of the Assistant Inspector General for Evaluations and in accordance with the CIGIE *Quality Standards for Inspection and Evaluation*. These standards are instrumental in maintaining impartiality, reliability, and credibility, and set the bar for competence, independence, professional judgment, and internal quality controls.

## Ongoing Work

Along with the final reports detailed in the following section, the Evaluation Unit initiated a review of the circumstances surrounding the death of a Volunteer in Ghana and evaluations of programs at the posts in Eastern Caribbean, Morocco, and Mongolia. However, due to present concerns about the COVID-19 pandemic, fieldwork has been postponed for the evaluations of Morocco and Mongolia.

## Evaluations of Operations Abroad

### Evaluation of Peace Corps/Panama

*IG-20-01-E*

OIG issued a program evaluation of Peace Corps/Panama in March 2020. More than 2,800 Volunteers have served in Panama since the post first opened in 1963. At the time of our evaluation, there were 193 Volunteers serving in 4 project sectors—education, environment, agriculture, and health—as well as a Peace Corps Response program.

We identified several areas of operation that functioned well. Volunteers were largely working in areas of need, and staff provided them with sufficient programmatic support. We found that post staff successfully assessed the effectiveness of training in preparing Volunteers for service. Language and cultural training in Panama was effective, and this training helped facilitate the integration of Volunteers into their communities. We also found that the post's site identification strategy was effective. Staff trained host families and counterparts and conducted visits to Volunteers during service, as required. The post communicated and collaborated well with headquarters staff, the embassy, local partners, and Volunteers.

We also identified areas of post operations that required management attention. In the areas of programming and training, the post's HIV activities were not aligned with the country's stated development priorities or project framework. Staff across all project sectors reported challenges with the project objective indicators and targets, resulting in an ineffective system for accountability and program improvement. Also, training on mental health care required improvement.

When evaluating site management, we found that several Volunteer houses did not meet the post's requirement for locks on the doors. Also, site history files were not complete and organized, and staff did not use them for site development. This could lead to staff placing Volunteers in unsafe sites.

While assessing Volunteer health and safety support, we found that some Volunteers were not able to correctly identify their consolidation point, and the post's medical action plan did not fully comply with agency-wide guidelines, meaning the post may not be sufficiently prepared for emergency situations.

With regard to management and administration, post internal communication and collaboration were problematic, specifically between the executive team and senior staff and between the administrative unit and other units, which contributed to divisiveness and a lack of trust among staff. Also, staffing was inadequate in the administrative and medical units, and post leadership did not provide sufficient guidance to staff about responsibilities delegated to them or oversee their completion of required trainings.

Management concurred with all 14 recommendations made, and all 14 remained open at the end of this reporting period.

## Evaluation of Peace Corps/Tanzania

*IG-20-02-E*

OIG issued a program evaluation of Peace Corps/Tanzania in March 2020. More than 3,000 Peace Corps Volunteers have served in Tanzania since the program was first launched in 1961 as one of the Peace Corps' first posts. At the time of our evaluation, there were 207 Volunteers serving in 3 project sectors—agriculture, health education, and education.

There were several strong aspects of this program. For example, we found that projects were appropriately focused on Tanzania's development priorities, and Volunteers were making progress towards achieving project goals and objectives in their work with poor and vulnerable communities. They used community assessment tools to understand community needs. They had motivated and engaged counterparts, and their projects were well supported by local host country officials and Peace Corps programming staff. Training was also an area of strength, and the post met the Peace Corps' global learning standards. Volunteers were technically-prepared for their work assignments, and Swahili language and cultural integration training was highly rated.

The post faced several challenges which required management attention. We found that Volunteer housing did not meet the post's criteria for health and safety when Volunteers arrived at site. Staff reported that they struggled to find adequate housing, and some staff felt pressured to approve housing that did not meet the post's criteria.

Furthermore, the post's site history file procedure did not conform to agency guidance, and site history files did not include site contact forms and notes about crime incidents. The post also needed to finalize a new site management manual to make procedures more consistent, build in enough time to get houses ready, and provide better oversight of the site management process to ensure that procedures were followed. The post also needed to ensure that they had the correct contact information for Volunteers in the Volunteer Information Database Application.

The post was also having difficulty securing exemption certificates (also referred to as 'work permits') for some Volunteers. We found that the post did not sufficiently engage and coordinate with the host country government and the PEPFAR country team. Many of the challenges at the post related to its unconventional staffing structure with a director of programming and a director of training, rather than one director of programming and training. This structure created inefficiencies in post operations and conflict between staff. We also found that a member of senior staff inappropriately shared private and protected Volunteer information, and we provided a separate referral to management on this matter.

Management concurred with all 22 recommendations, and all 22 remained open at the end of this reporting period.



# Investigation Unit

Overview .....	24
Death of a Volunteer in the Africa Region .....	25
Report of PROTECT Act Violation in the Europe, Mediterranean, and Asia Region .....	25
Report of Volunteer-on-Volunteer Sexual Assault in the Africa Region .....	25
Report of Volunteer-on-Volunteer Sexual Assault in the Inter-Americas and the Pacific Region .....	25
Report of Volunteer-on-Volunteer Sexual Assault in the Inter-Americas and the Pacific Region .....	26
Report of Staff Involvement in a Traffic Death in the Africa Region (UPDATE) .....	26
Report of Housing Kickbacks in the Africa Region (UPDATE) .....	26
Report of False Travel Claims by Staff in the Africa Region .....	26
Report of Theft in the Africa Region .....	26
Report of Staff Member Possession of Marijuana and Violation of Federal Ethics Rules .....	27
Investigations of Cases Involving Senior Government Employees .....	27



# Investigation Unit

## Overview

The Investigation Unit is authorized to conduct investigations of alleged criminal and administrative violations of law, regulation, and policy in Peace Corps programs and operations, both domestically and internationally. The unit investigates allegations involving Peace Corps staff, contractors, Volunteers, and other individuals conducting transactions with the Peace Corps. Allegations are made by Peace Corps stakeholders such as Volunteers, trainees, staff, contractors, other Federal entities, and the general public. OIG receives these allegations through audits, evaluations, Hotline complaints, and other means. OIG investigators have full law enforcement authority, including the authority, upon probable cause, to seek and execute warrants for arrest, search premises, and seize evidence. They are authorized to carry firearms and to make arrests without a warrant while engaged in official duties. In addition, OIG receives investigative support from the Department of State, Bureau of Diplomatic Security.

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

## **Volunteer Death Investigations**

### **Death of a Volunteer in the Africa Region**

OIG initiated an inquiry following the death of a Volunteer in Africa. Investigators coordinated with the Peace Corps Office of Safety and Security, as well as host country counterparts to determine the sequence of events and contributing factors in the cause of the accident at the Volunteer's residence that preceded the Volunteer's death. Investigators are supporting further review led by the Evaluations Unit. The work is ongoing.

## **Sexual Misconduct Investigations**

### **Report of PROTECT Act Violation in the Europe, Mediterranean, and Asia (EMA) Region**

OIG received a report from a host country national that a Volunteer was under investigation by host country law enforcement for having inappropriate relationships with children. Host country law enforcement denied having ever received any allegations of misconduct with minors in relation to the Volunteer, and OIG's inquiry determined there was no evidence to support that any such investigation or inquiry took place. Further, OIG's inquiry did not uncover any abusive or wrongful behaviors with minors on the part of the Volunteer.

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

OIG received a report from a Volunteer that a fellow Volunteer sexually assaulted the reporting Volunteer at a local establishment. Although U.S. criminal law could not be applied, the matter was investigated administratively to determine whether the accused Volunteer had violated Peace Corps policy. OIG interviewed the witnesses present. OIG interviewed the accused Volunteer, who stated that all sexual actions that took place between the two Volunteers were consensual in nature. The Peace Corps Sexual Misconduct Hearing Panel found that the accused Volunteer had committed a sexual assault under the agency's sexual misconduct policy, and the accused Volunteer was placed on a Corrective Action Plan.

### **Report of Volunteer-on-Volunteer Sexual Assault in the Inter-Americas and the Pacific (IAP) Region**

OIG received a report that a Volunteer sexually assaulted a fellow Volunteer in a local establishment. Although U.S. criminal law could not be applied, the matter was investigated administratively to determine whether the accused Volunteer had violated Peace Corps policy. The accused Volunteer made admissions to Peace Corps staff, but resigned while under investigation, before an interview with OIG could take place. The Peace Corps annotated the accused Volunteer's file to show the Volunteer resigned while under investigation for sexual misconduct.

## **Report of Volunteer-on-Volunteer Sexual Assault in the IAP Region**

OIG received a report that a Volunteer sexually assaulted a fellow Volunteer in the fellow Volunteer's residence. OIG interviewed the accused Volunteer, who admitted to the reported sexual assault. The U.S. Department of Justice (DOJ) declined criminal prosecution of this matter. The accused Volunteer resigned in lieu of administrative separation.

## **Investigations of Other Misconduct**

### **Report of Staff Involvement in a Traffic Death in the Africa Region (UPDATE)**

OIG previously reported that a Peace Corps staff member was involved in the traffic death of a host country national. The investigation remains ongoing.

### **Report of Housing Kickbacks in the Africa Region (UPDATE)**

During a previous reporting period, OIG investigated a report that a regional coordinator circumvented housing selection procedures and security criteria by placing a Volunteer in a sub-standard residence based on their personal relationship with the landlord. As reported in the previous semiannual report, the regional coordinator confessed to the allegation, and administrative adjudication of the matter was pending. During this reporting period, the regional coordinator's contract was terminated.

### **Report of False Travel Claims by Staff in the Africa Region**

OIG received a report that two post staff had potentially committed fraud by submitting falsified travel vouchers. OIG and post management, with assistance from the U.S. Department of State, Diplomatic Security Service, Regional Security Officer (RSO), conducted a review of travel vouchers submitted by several staff members. This investigation identified several instances where staff members submitted inflated, fraudulent hotel receipts with their travel vouchers. DOJ declined to prosecute staff for travel voucher fraud in favor of administrative remedies. As a result of this investigation, four full-time staff members and one former part-time staff member, who would have been eligible for re-employment in the future, had their security certificates revoked and their employment terminated.

### **Report of Theft in the Africa Region**

OIG received a report that several Peace Corps staff members were possibly involved in the theft of fuel from a post. Surveillance disclosed a fuel truck leaving the Peace Corps facility after a fuel delivery and filling a 55-gallon drum on the side of the road (activity consistent with black market fuel theft). In another instance, OIG discreetly took fuel-level readings directly before and after a scheduled delivery of fuel. The investigation disclosed that a staff member misreported the fuel levels in the fuel tanks, permitting a delivery shortage of approximately 1000 liters. The employment of the staff member was terminated.

## **Report of Staff Member Possession of Marijuana and Violation of Federal Ethics Rules**

OIG received a report that a staff member had Volunteers provide personal services at the staff member's residence and used and/or provided Volunteers with marijuana. The investigation established that the staff member had Volunteers perform personal work at the staff member's residence several times. The investigation did not uncover any evidence that the staff member possessed, shared, or used marijuana, and the agency declined to require the staff member to submit to a drug test. The Peace Corps issued the staff member a letter of reprimand for violating agency and Federal government ethical conduct standards. Additionally, the agency issued a reminder to all overseas posts about the obligation to adhere to ethical standards of conduct.

## **Investigations of Cases Involving Senior Government Employees**

The IG Empowerment Act of 2016 modified the IG Act of 1978 to require reporting of investigations involving senior Government employees (FP-2 and above) where the allegations of misconduct were substantiated or closed and not disclosed to the public. The following cases involved senior Government employees:

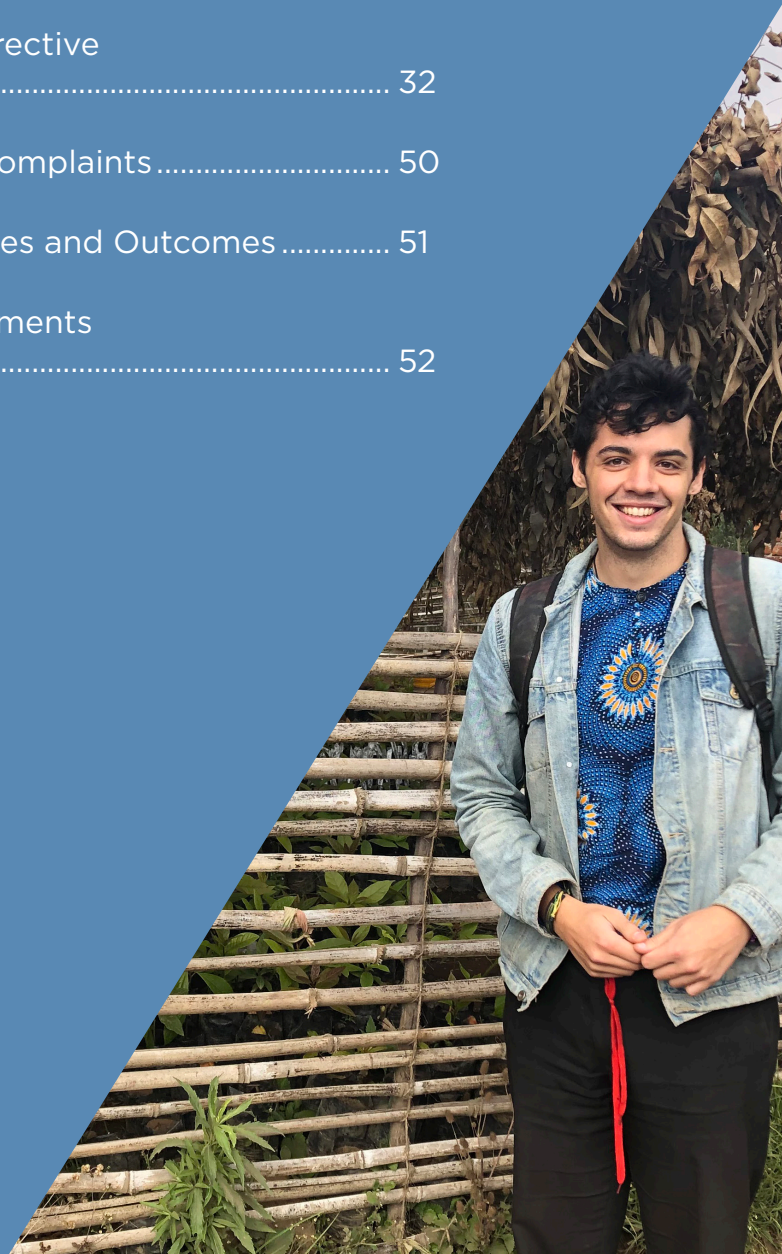
- OIG received a complaint that senior Peace Corps employees had covered up false statements provided to Congress. The allegation was not substantiated.
- OIG received a complaint that senior Peace Corps employees had retaliated against an individual for having raised a concern alleging senior employee misconduct. The allegation was not substantiated.
- OIG received a complaint that an overseas staff member's employment contract was terminated in retaliation for reports made to management. The allegation was not substantiated.
- OIG received complaints from three individuals who alleged that senior Peace Corps employees retaliated against them for having raised concerns related to staff hiring. The matters were reviewed by the Office of Special Counsel.
- OIG received a complaint that senior Peace Corps employees retaliated against an individual for having provided information to another employee who was allegedly retaliated against. The allegation was not substantiated.

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# Tables

1: List of Reports: Audits and Program Evaluations .....	30
2: Reports with Questioned Costs, Unsupported Costs, and Funds to Be Put to Better Use .....	30
3: Status of Reports Issued by OIG with Questioned and Unsupported Costs.....	31
4: Status of Reports Issued by OIG with Funds to Be Put to Better Use.....	31
5: Recommendations on which Corrective Action Has not Been Completed .....	32
6: Summary of Hotline and Other Complaints .....	50
7: Summary of Investigative Activities and Outcomes .....	51
8: References to Reporting Requirements of the Inspector General Act .....	52



# Tables

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

Agency-wide Audits	Page
Audit of the Peace Corps' Compliance with the Digital Accountability and Transparency Act (IG-20-01-A)	11
Audit of the Peace Corps' Financial Statements (FY 2019)	12
Post Evaluations	Page
Evaluation of Peace Corps/Panama (IG-20-01-E)	18
Evaluation of Peace Corps/Tanzania (IG-20-02-E)	19
Other Reports	Page
Review of the Peace Corps' Information Security Program (FY 2019)	14
Management Advisory Report: Peace Corps PEPFAR Financial Guidance (IG-20-01-SR)	15

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

Report	Questioned Costs <sup>5</sup>	Unsupported Costs <sup>6</sup>	Funds to Be Put to Better Use <sup>7</sup>
Management Advisory Report: Peace Corps PEPFAR Financial Guidance (IG-20-01-SR)	\$726,472		
Subtotal	\$726,472		
<b>Total</b>			<b>\$726,472</b>

<sup>5</sup> 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.

<sup>6</sup> Unsupported Cost – A cost that is not supported by adequate documentation.

<sup>7</sup> Funds to Be Put to Better Use – Funds that could be used more efficiently if management took actions to implement and complete a recommendation.



### 3: Status of Reports Issued by OIG with Questioned and Unsupported Costs

Recommendation Status	Number of Reports	Questioned Costs	Unsupported Costs
No management decision made by the start of the reporting period	4	\$3,640,996	\$659,186
Issued during the reporting period			
Management Advisory Report	1	\$726,472	-
<b>Total</b>	<b>5</b>	<b>\$4,367,468</b>	<b>\$659,186</b>
Management decision made during the reporting period			
(i) Disallowed costs <sup>8</sup>	2	\$1,496	\$9,886
(ii) Costs not disallowed <sup>9</sup>	-	-	-
Subtotal	2	\$1,496	\$9,886
<b>Total for which no management decision had been made by the end of the reporting period</b>	<b>5</b>	<b>\$4,365,972</b>	<b>\$649,300</b>

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

Recommendation Status	Number of Reports	Funds to Be Put to Better Use
No management decision made by the start of the reporting period	1	\$350,000
Issued during the reporting period		
Audits	-	-
<b>Total</b>	<b>1</b>	<b>\$350,000</b>
Management decision made during the reporting period		
(i) Dollar value of recommendations agreed to by management	-	-
(ii) Dollar value of recommendations not agreed to by management	-	-
Subtotal	-	-
<b>Total for which no management decision had been made by the end of the reporting period</b>	<b>1</b>	<b>\$350,000</b>

<sup>8</sup> "Disallowed costs" are costs that, upon review, management determined that they are not allowable.

<sup>9</sup> "Costs not disallowed" are costs that, upon review, management determined that they are allowable.

## 5: Recommendations on Which Corrective Action Has Not Been Completed

Number of Recommendations Open at the End of the Reporting Period	Number of Recommendations Open for More than 180 Days
238	173

### *Audits and Evaluations*

#### **Follow-up Evaluation of the Volunteer Delivery System (IG-11-01-E)**

1 of 23 recommendations open since December 6, 2010

**Recommendation 18:** OIG recommended that the agency systematically collect and analyze data to determine whether Volunteer medical accommodations pose an undue hardship on the operation of the Peace Corps or any component thereof.

#### **Evaluation of the 5-Year Rule (IG-12-05-E)**

2 of 5 recommendations open since June 20, 2012

**Recommendation 2:** OIG recommended that the Director identify which functions should be subject to periodic turnover to meet the needs of the agency, and implement a process to manage turnover so that the agency retains qualified personnel on the basis of merit and performance.

**Recommendation 3:** OIG recommended that the Director identify the agency's core business functions and positions that currently suffer from frequent staff turnover and lack of continuity, and determine and implement a process for acquiring and retaining qualified personnel to perform those functions on the basis of merit and performance.

#### **Audit of Peace Corps Overseas Staffing (IG-14-01-A)**

5 of 13 recommendations open since November 21, 2013

**Recommendation 9:** OIG recommended that the Office of Global Operations, in coordination with the Office of Human Resource Management, determine how to overcome the timing differences between the Annual Volunteer Survey and annual written appraisals to better match the performance appraisal period and provide timely Annual Volunteer Survey results for inclusion in the annual written performance appraisals.

**Recommendation 10:** OIG recommended that the Office of Human Resource Management provide biennial training and guidance to all post rating officials on their role in conducting performance appraisals and the level of detail needed to provide adequate feedback.

**Recommendation 11:** OIG recommended that the Office of Global Operations develop guidance and provide oversight of post senior staff performance appraisals to verify that each performance element is consistently addressed in the appraisal.

**Recommendation 12:** OIG recommended that the Office of Global Operations develop an accountability process to ensure all post senior staff appraisals are conducted and turned in within 30 days of the end of the performance period as required by policy.

**Recommendation 13:** OIG recommended that the Office of Global Operations, in coordination with the Office of Human Resource Management, issue guidance and provide support to regional directors on how to handle performance issues and, when required, termination of country directors.

**Evaluation of Peace Corps Volunteer Sexual Assault Policy (IG-14-02-E)**

2 of 8 recommendations open since November 21, 2013

**Recommendation 7:** OIG recommended that the agency develop and communicate expectations for training newly hired overseas staff, including training methods and deadlines.

**Recommendation 8:** OIG recommended that the agency develop and implement a method to track training records to verify that it is meeting the requirements of the Kate Puzey Act.

**Evaluation of Overseas Staff Training (IG-14-07-E)**

13 of 23 recommendations open since September 30, 2014

**Recommendation 1:** OIG recommended that the chief of staff develop and implement a process to ensure that all overseas staff, including newly hired staff, complete the sexual assault policy training.

**Recommendation 2:** OIG recommended that the chief of staff monitor the victim sensitivity training and ensure staff takes it, as needed.

**Recommendation 3:** OIG recommended that the associate director for global operations periodically review and redistribute the standardized training on the confidential handling of Volunteer allegations and create a process to ensure it is provided to all overseas staff.

**Recommendation 4:** OIG recommended that the director for human resource management maintain a complete list of supervisors and provide initial and refresher supervisor training to all staff in a supervisory role, regardless of employment classification.

**Recommendation 5:** OIG recommended that the director for human resource management develop and implement a method to track supervisor training for overseas staff and hold staff accountable for completion of the training.

**Recommendation 8:** OIG recommended that the associate director for global operations develop and implement an approach that ensures that overseas American staff have the language skills they need for their jobs.

**Recommendation 14:** OIG recommended that the chief acquisition officer establish and implement a formal verification and follow-up process to ensure purchase cardholders and approving officials are receiving required training.

**Recommendation 18:** OIG recommended that the chief information officer develop and implement a method to track information security training completion for overseas staff and enforce consequences for staff who do not meet the training requirement.

**Recommendation 20:** OIG recommended that the chief of staff ensure that there are standard operating procedures that document how required trainings are delivered and monitored.

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

**Recommendation 22:** OIG recommended that the associate director for global operations develop and implement a training program that is required for all new overseas staff who do not attend overseas staff training within a determined timeframe.

**Recommendation 23:** OIG recommended that the associate director for global operations monitor completion of the training program for new overseas staff.

**Recommendation 24:** OIG recommended that the chief of staff conduct a comprehensive assessment of the applicability and relevance of federally mandated trainings to overseas staff and develop training requirements and training programs as necessary.

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

4 of 15 recommendations open since January 21, 2016

**Recommendation 6:** OIG recommended that the chief acquisition officer direct the contracting officer to modify the present contract to correctly identify the contract type.<sup>10</sup>

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

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

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

**Recommendation 12:** OIG recommended that the Office of Health Services associate director, ensure that the contracting officer's representative develop a detailed plan for reviewing and testing sufficient selected data supporting contractor invoices submitted to the Peace Corps for payment. The plan should be designed to achieve better assurance that the amounts billed are accurate, fully supported, and authorized by the contract.

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

7 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).

**Recommendation 9:** OIG recommended that the associate director of the Office of Health Services improve staff understanding of best practices for selecting sentinel events for review and for carrying out root cause analyses.

**Recommendation 16:** OIG recommended that the associate director of the Office of Health Services and the associate director for Global Operations ensure that country directors receive clear guidance on all of their health unit oversight responsibilities.

**Recommendation 17:** OIG recommended that the associate director of the Office of Health Services and the associate director for Global Operations update agency guidance to ensure that the division of oversight responsibility for the health unit is clear and that all health unit responsibilities are covered.

**Recommendation 21:** OIG recommended that the associate director of the Office of Health Services assess the amount of administrative support required to allow regional medical officers to work effectively and efficiently, and request the required resources.

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

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

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<sup>10</sup> The agency did not concur with this recommendation.

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

6 of 36 recommendations open since November 28, 2016

**Recommendation 2:** OIG recommended that the Director improve the presentation of crimes and risks information (including qualitative information on the risk of sexual harassment) for applicants by making this information more accessible to all applicants and easier to understand.

**Recommendation 16:** OIG recommended that the Director establish a process to gather information on Volunteers' use of risk reduction and response skills taught in the training, and use it to make improvements to the training.

**Recommendation 18:** OIG recommended that the Director develop and implement mental health access to care timeliness standards for victims of sexual assault with a mechanism to notify management when these standards are not met.

**Recommendation 26:** OIG recommended that the Director expand the monitoring and evaluation plan for the sexual assault risk reduction and response program to include sexual assault risk reduction measures.

**Recommendation 29:** OIG recommended that the Director dedicate additional administrative support to maintain accurate, up-to-date, centralized, and easily accessible overseas staff sexual assault risk reduction and response training records.

**Recommendation 35:** OIG recommended that the Director develop specific guidance to Peace Corps medical officers to clarify the standards and expectations for the provision of counseling services, and communicate that guidance to Volunteers.

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

1 of 13 recommendations open since June 19, 2017

**Recommendation 2:** OIG recommended that the Office of Health Service in consultation with the country director and Peace Corps medical officers in South Africa take into account the nature of service in the country when making decisions about placing and supporting medically accommodated Volunteers, especially those with mental health accommodations.<sup>11</sup>

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

2 of 21 recommendations open since September 29, 2017

**Recommendation 1:** OIG recommended that the directors of the Office of Global Operations, in coordination with the Acting Chief Financial Officer and Acting Associate Director for Management issue guidance to posts for implementing best practices and internal controls over management of fuel cards and purchase and use of fuel for vehicles and generators.

**Recommendation 19:** OIG recommended that the Office of the Chief Financial Officer/Acquisition and Contract Management issue a policy requiring post management to enter in to a contract with the auctioneer as warranted by the nature of the auction arrangement.

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

3 of 7 recommendations open since April 9, 2018

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

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<sup>11</sup> The agency did not concur with this recommendation.

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

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

#### **Evaluation of Peace Corps/Senegal (IG-18-05-E)**

1 of 12 recommendations open since September 18, 2018

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

#### **Evaluation of Peace Corps/Mozambique (IG-19-01-E)**

7 of 24 recommendations open since November 1, 2018

**Recommendation 1:** OIG recommended that the country deputy director improve health technical training to make it more practical and applicable for Volunteers.

**Recommendation 6:** OIG recommended that the country deputy director, the director of programming and training, and programming staff uniformly define primary and secondary activities following the definitions provided in the Programming, Training, and Evaluation Guidance.

**Recommendation 7:** OIG recommended that the country director define how staff should provide enhanced oversight and management over the grants projects that exceed \$10,000, especially the four national projects.

**Recommendation 10:** OIG recommended that the country deputy director and director of programming and training clearly define the range of acceptable transportation options for site selection criteria.

**Recommendation 11:** OIG recommended that the country deputy director and director of programming and training ensure Volunteer transportation options are accurately assessed according to site assessment procedure prior to approving sites for Volunteer placement.

**Recommendation 20:** OIG recommended that the country director review the settling-in allowance and ensure that it is adequate to cover reasonable expenses Volunteers incur.

**Recommendation 21:** OIG recommended that the country director clarify and communicate the process for obtaining reimbursement for additional settling-in expenses.

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

3 of 30 recommendations open since June 6, 2019

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

*Potential Cost Savings Identified: \$4,500*

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

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



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

17 of 21 recommendations open since June 14, 2019

**Recommendation 2:** OIG recommended that the chief of operations for the Africa Region work with post leadership to develop a plan to implement the post's transition to a new staffing model and clarify staff roles and responsibilities.

**Recommendation 3:** OIG recommended that the country director and the program manager work with the agency's education specialist to modify the TEFL training sessions in both pre-service and in-service training to incorporate more information about teaching in Comorian schools.

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

**Recommendation 5:** OIG recommended that the country director and the program manager improve training for any temporary technical trainer to ensure that he or she is well prepared to present the TEFL technical training during pre-service or in-service training events.

**Recommendation 6:** OIG recommended that the country director and the language and culture coordinator increase training for language and culture facilitators prior to pre-service training.

**Recommendation 7:** OIG recommended that the country director and the language and culture coordinator explore ways to improve ongoing language training opportunities for Volunteers.

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

**Recommendation 11:** OIG recommended that the country director develop standard operating procedures for the post's site history files.

**Recommendation 13:** OIG recommended that the country director improve the processes post uses to install mosquito screens in Volunteer homes prior to occupancy, and ensure that screens have been installed at the housing of currently serving Volunteers.

**Recommendation 14:** OIG recommended that the country director work with programming staff and the safety and security manager to review and update Volunteer housing criteria.

**Recommendation 15:** OIG recommended that the country director and Peace Corps medical officer update medical site selection criteria and train programming staff who use it when carrying out site identification activities.

**Recommendation 16:** OIG recommended that the country director ensure that medical staff is included in site approval decisions.

**Recommendation 17:** OIG recommended the country director establish and oversee implementation of more effective protocols, schedules and documentation requirements for programmatic site visits.

**Recommendation 18:** That the country director and Peace Corps medical officer develop a plan to formalize relationships with local medical providers.

**Recommendation 19:** OIG recommended that the country director and Peace Corps medical officer develop regional medical action plans for each island.

**Recommendation 20:** OIG recommended that the country director and Peace Corps medical officer develop a plan to ensure the medical unit meets Peace Corps standards.

**Recommendation 21:** OIG recommended that the country director and Peace Corps medical officer develop a plan to provide regular, scheduled staff support for Volunteers on Anjouan and Moheli.

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

11 of 16 recommendations open since July 16, 2019

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

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

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

**Recommendation 4:** OIG recommended that the director of programming and training improve completeness, management, and use of site history information consistent with agency guidance on site history files.

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

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

**Recommendation 8:** OIG recommended that the country director establish procedures to ensure more timely availability of a driver for medical emergency response.

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

**Recommendation 11:** OIG recommended that the country director clarify roles and train staff to support Volunteer resiliency and adjustment challenges.

**Recommendation 12:** OIG recommended that the country director develop a process to identify and address Volunteer concerns about the protection of sensitive and confidential Volunteer information.

**Recommendation 16:** OIG recommended that the country director and director of management and operations work with Volunteers to increase settling-in allowance survey participation and the post's understanding of Volunteer settling-in challenges.

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

4 of 4 recommendations open since July 29, 2019

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

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



**Recommendation 3:** OIG recommended that the associate director of the Office of Global Operations issue guidance to posts that describes how and why to emphasize both privacy and support when training host families.<sup>12</sup>

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

#### **Follow-up Review of Peace Corps/Namibia (IG-19-07-E)**

3 of 4 recommendations open since August 30, 2019

**Recommendation 2:** OIG recommended that the programming and training staff review, clarify, and codify local language proficiency benchmarks.

**Recommendation 3:** OIG recommended that the Peace Corps medical officers complete the post's medical action plan.

**Recommendation 4:** OIG recommended that the Peace Corps medical officers create a plan for visiting, assessing, and documenting local healthcare facilities and providers within the timeframe required by agency guidance.

#### **Evaluation of Peace Corps/Kyrgyz Republic (IG-19-08-E)**

6 of 9 recommendations open since September 27, 2019

**Recommendation 1:** OIG recommended that the Europe, Mediterranean, and Asia regional director develop a strategy to deploy to the post a leadership team with sufficient experience and expertise to support and facilitate effective communication and collaboration with staff, Volunteers, and stakeholders.

**Recommendation 3:** OIG recommended that the country director implement a procedure to annually review and update an earthquake checklist with the safety and security manager and incorporate the checklist into the emergency action plan.

**Recommendation 6:** OIG recommended that the director of programming and training ensure sexual assault and harassment training includes practical response techniques.

**Recommendation 7:** OIG recommended that the director of programming and training improve training to establish appropriate expectations regarding sexual assault and harassment.

**Recommendation 8:** OIG recommended that the country director implement procedures to ensure "safe drivers" are suitable.

**Recommendation 9:** OIG recommended that the safety and security manager ensure relevant safety and security information is included in all site history files.

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

2 of 12 recommendations open since September 30, 2019

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

*Potential Cost Savings Identified: \$439,500*

**Recommendation 10:** OIG recommended that the Office of the Chief Financial Officer/Acquisition and Contract Management issue a policy requiring post management to enter in to a contract with the auctioneer as warranted by the nature of the auction arrangement.

<sup>12</sup> The agency partially concurred with this recommendation.

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

4 of 4 recommendations open since November 7, 2019

**Recommendation 1:** OIG recommended that the chief financial officer designate a senior accountable officer at a high enough level to coordinate across the multiple divisions of the Office of the Chief Financial Officer.

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

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

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

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

14 of 14 recommendations open since March 6, 2020

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

**Recommendation 2:** OIG recommended that the monitoring, reporting, and evaluation specialist develop an action plan to improve monitoring, reporting, and evaluation that addresses staff and Volunteer capacity, data quality, reporting to stakeholders, and data driven program improvement.

**Recommendation 3:** OIG recommended that the Peace Corps medical officers collaborate with the training manager and the Counseling and Outreach Unit to revise the post's training about mental health care so that it clarifies the process for accessing mental health services and sufficiently acknowledges the adjustment challenges and risks of mental health complications during service.

**Recommendation 4:** OIG recommended that the director of programming and training collaborate with the safety and security manager to develop a plan to improve the post's compliance with safety criteria for Volunteer housing.

**Recommendation 5:** OIG recommended that the director of programming and training organize site history files by site, ensure that staff are properly documenting crime incidents in the files, and institute a procedure to consult site history files as part of site development.

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

**Recommendation 7:** OIG recommended that the Peace Corps medical officers update the post's medical action plan so that it complies with all agency guidelines.

**Recommendation 8:** OIG recommended that the director of management and operations develop a plan to differentiate settling-in costs between Volunteers with furnished and unfurnished houses.

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

**Recommendation 10:** OIG recommended that the director of management and operations develop a plan to improve the administrative unit's collaboration with other staff.

**Recommendation 11:** OIG recommended that the country director hire a medical assistant and return the shared staff to the administrative unit.

**Recommendation 12:** OIG recommended that the country director revise the post's plan to more effectively mitigate the risks of self-driving for staff.

**Recommendation 13:** OIG recommended that the country director develop a plan to improve the decision-making structure at the post so that senior staff are sufficiently involved in operational decisions and supervision and oversight of delegated responsibilities are adequate.

**Recommendation 14:** OIG recommended that the country director develop and implement a plan to oversee the completion of Sexual Assault Risk Reduction and Response trainings, as required.

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

22 of 22 recommendations open since March 31, 2020

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

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

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

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

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

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

**Recommendation 7:** OIG recommended that the country director ensure staff required to use the Volunteer information database application have been fully trained to use the most recent version.

**Recommendation 8:** OIG recommended that the programming staff get updated phone numbers for Volunteers and a contact at each Volunteer's site for all currently serving Volunteers and ensure that information is entered in the Volunteer information database application (Version 2.0).

**Recommendation 9:** OIG recommended that the country director create a standard operating procedure which designates responsibilities and procedures for different functions in the Volunteer information database application (Version 2.0).

**Recommendation 10:** OIG recommended that the Peace Corps safety and security officer conduct a Peace Corps manual section 270 review.

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

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

**Recommendation 13:** OIG recommended that the country director and director of management and operations evaluate whether settling-in allowances should be changed to reflect different living situations.

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

**Recommendation 15:** OIG recommended that the director of programming establish more active and regular participation in PEPFAR country-level planning and coordination.

**Recommendation 16:** OIG recommended that the country director develop and pursue a strategy to formalize agreements between the Government of Tanzania and the Peace Corps.

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

**Recommendation 18:** OIG recommended the country director revise the post staffing structure to a more conventional director of programming and training, and deputy director of programming and training.

**Recommendation 19:** OIG recommended that the country director, director of programming, and director of training establish a formal plan to improve planning and coordination of programming and site management activities with training and other staff.

**Recommendation 20:** OIG recommended that the country director address personnel performance issues per agency policy.

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

**Recommendation 22:** OIG recommended that the country director and Africa regional director take appropriate corrective action to ensure that all staff at the post protect Volunteer confidentiality and do not share protected or sensitive information without written permission from Volunteers, in accordance with Peace Corps manual section 294.

### *Special Reports and Management Advisory Reports*

#### **Capstone Report: 2012 Medical Inventory Issues (IG-13-01-SR)**

2 of 4 recommendations open since August 26, 2013

**Recommendation 2:** OIG recommended that the Office of Health Services track the total procurement of the different classifications of medical supplies: controlled, specially designated, and other. Additionally, that the Office of Health Services use this information to monitor the amount of medical supplies covered by the policies, to determine what is included in the list of specially designated medical supplies, and to establish appropriate controls for the different classifications.

**Recommendation 3:** OIG recommended that the Office of Health Services enhance the monitoring of medical supply inventories to include conducting additional analysis, requiring explanations for significant discrepancies, and assisting posts that continue to struggle with implementing procedures.

#### **Management Advisory Report: Site History Files (IG-16-03-SR)**

3 of 3 recommendations open since August 24, 2016

**Recommendation 1:** OIG recommended that the associate director for Safety and Security, the associate director of Global Operations, and regional directors collaborate to strengthen oversight mechanisms to improve the completeness, organization, and use of site history files for site development and selection.

**Recommendation 2:** OIG recommended that the associate director for Safety and Security collaborate with the associate director of Global Operations and regional directors to provide clear, easily accessible and explicit agency-wide guidance to posts on the processes and procedures for maintaining site history files.

**Recommendation 3:** OIG recommended that the associate director for Safety and Security, the associate director for Global Operations, regional directors, and the chief information officer collaborate as needed to provide systems for post for maintaining site history files.

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

6 of 6 recommendations open since August 7, 2018

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

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

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

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

**Recommendation 5:** OIG recommended that the Director of the Peace Corps gather and analyze continuous information on the prevalence of, and factors contributing to, unauthorized drug use in the context of Volunteer service, through the Annual Volunteer Survey or another data gathering tool.<sup>13</sup>

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

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

2 of 2 recommendations open since September 14, 2018

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

*Potential Cost Savings Identified: \$350,000*

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

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<sup>13</sup> The agency partially concurred with this recommendation.

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

6 of 6 recommendations open since September 27, 2018

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

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

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

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

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

*Potential Cost Savings Identified: \$636,300*

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

*Potential Cost Savings Identified: \$8,500*

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

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

5 of 5 recommendations open since October 25, 2018

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

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

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



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

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

**Management Advisory Report: Review of the Circumstances Surrounding the Death of a Volunteer in Peace Corps/Comoros (IG-19-04-SR)**

3 of 7 recommendations open since April 9, 2019

**Recommendation 1:** OIG recommended that the Director deploy at least two qualified medical officers to Comoros and assess the need to have a minimum of two qualified medical officer at posts with an active Volunteer population, prioritizing in the short term those posts with just one medical officer and additional vulnerabilities or factors (e.g. a medical officer with limited clinical experience, a remote archipelago with inadequate local medical facilities) that complicate the agency's ability to meet Volunteers health care needs.

**Recommendation 2:** OIG recommended that the associate director for the office of health services establish during hiring, chart review, mentoring, continuing medical education events or other clinical oversight and support processes, improved training for medical officers on diagnosing and treating sick patients in malaria areas that incorporates critical diagnostic considerations found in WHO Guidelines, including the importance of early consideration of a malaria diagnosis based on initial non-specific symptoms, particularly for non-immune patients such as Peace Corps Volunteers.<sup>14</sup>

**Recommendation 7:** OIG recommended that the Peace Corps medical officer(s) in Comoros institute a process to track and provide Volunteers with malaria chemoprophylaxis on a schedule that makes it possible for Volunteers to rigorously adhere to their antimalarial medication requirement, and administratively separate Volunteers who fail to adhere to their malaria prophylaxis schedules.

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

14 of 14 recommendations open since September 19, 2019

**Recommendation 1:** OIG recommended that the associate director of the Office of Global Operations establish a procedure to determine whether a new country entry, re-entry, or expansion should be assessed as a conflict-affected environment.

**Recommendation 2:** OIG recommended that the associate director of the Office of Global Operations adapt the country assessment process to more fully assess the implications of conflict on Peace Corps operations in conflict-affected environments.

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

**Recommendation 4:** OIG recommended that the associate director of the Office of Global Operations create additional new country assessment guidance that furthers a trauma-informed approach in conflict-affected environments that addresses:

- Local capacity for supporting Volunteer resiliency/post-traumatic stress disorder awareness training;
- Strategies for providing additional mental health support and enhanced self-care; and
- Effects of the conflict and trauma on host communities and implications for site management.

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<sup>14</sup> The agency partially concurred with this recommendation.

**Recommendation 5:** OIG recommended that the associate director of the Office of Global Operations establish specific criteria for selecting and training new country assessment team members to ensure that they have the appropriate experience and skills to identify issues and concerns which are unique to post-conflict/traumatized environments.

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

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

**Recommendation 8:** OIG recommended that the associate director of the Office of Global Operations revise the "New Country Entry Guide" to include additional provisions for the training and support needs of staff working in conflict-affected environments.

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

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

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

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

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

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

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

6 of 6 recommendations open since March 31, 2020

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

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

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

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

*Potential Cost Savings Identified: \$362,121*



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

*Potential Cost Savings Identified: \$364,351*

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

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

### *Financial Statement Audit Recommendations<sup>15</sup>*

<b>Summary of Internal Control Issues Over the Peace Corps' Financial Reporting</b>			
Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Internal Control over Information Security	2013	Concur	5
Untimely De-Obligation of Unliquidated Obligations	2013	Concur	2
Testing of Financial System Contingency Plan	2018	Concur	1
Inadequate Internal Controls over Property, Plant, and Equipment	2019	Concur	5
Least Privilege at Overseas Post	2019	Concur	3
Separation of Duties Conflict	2019	Concur	2
Inadequate Controls for Financial Statement Presentation and Disclosure	2019	Concur	3
Improper Creation of Obligation	2019	Concur	1
<b>Total Open Recommendations</b>			<b>22</b>

<sup>15</sup> All recommendations issued in conjunction with this report are part of a normal 12-month audit cycle. As a result, recommendations made during a given fiscal year will remain in an open status during the entire subsequent fiscal year. At the beginning of each new fiscal year, the auditors will notify management of whether sufficient corrective actions have been taken regarding the prior year recommendations and issue their current notification of findings and recommendations.

*Federal Information Security Management Act (FISMA) Review Recommendations<sup>16</sup>***Review of the Peace Corps' Information Security Program (FY 2019)**

5 of 5 recommendations open since October 31, 2019

**Recommendation 1:** OIG recommended that the Director move the chief information security officer position and staff to a new office that is independent from the chief information officer. These two separate offices should both report to the same senior executive.<sup>17</sup>

**Recommendation 2:** OIG recommended that the Director appoint the chief information officer and the chief information security officer to serve on the Senior Policy Committee.<sup>18</sup>

**Recommendation 3:** OIG recommended that the Director appoint the chief information security officer to serve on the Technical Advisory Board.

**Recommendation 4:** OIG recommended that the Director dedicate resources, with the knowledge, skills, and abilities, to fully implement a comprehensive Enterprise Risk Management program.

**Recommendation 5:** OIG recommended that the Director provide training to all senior management and Office of Chief Information Officer staff on risk-based, security focused approach, including FISMA framework and how it ties into business and IT operations.

**Review of the Peace Corps' Information Security Program (FY 2018)<sup>19</sup>**

Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Contingency Planning	2007	Concur	5
Identity and Access Management	2008	Concur	4
Configuration Management	2008	Concur	4
Continuous Monitoring Management	2013	Concur	1
Incident Response and Reporting	2013	Concur	1
Risk Management Framework	2013	Concur	4
Data Protection and Privacy	2018	Concur	3
<b>Total Open Recommendations</b>			<b>22</b>

<sup>16</sup> All recommendations issued in conjunction with this report are part of a normal 12-month audit cycle. As a result, recommendations made during a given fiscal year will remain in an open status during the entire subsequent fiscal year. At the beginning of each new fiscal year, the auditors will notify management of whether sufficient corrective actions have been taken regarding the prior year recommendations and issue their current notification of findings and recommendations.

<sup>17</sup> The agency did not concur with this recommendation.

<sup>18</sup> The agency did not concur with this recommendation.

<sup>19</sup> The status of FY 2018 FISMA Review recommendations were reviewed during the 2019 review; however, 22 of the 23 recommendations remained open. The 22 open recommendations will be re-examined for closure during the FY 2020 FISMA review.

*Digital Accountability and Transparency Act Audit Recommendations<sup>20</sup>*

<b>Audit of the Peace Corps' Implementation of the Digital Accountability and Transparency Act (FY 2017)</b>			
Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Quality Control Process	2017	Concur	2
<b>Total Open Recommendations</b>			<b>2</b>

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<sup>20</sup> All recommendations issued in conjunction with this report were reviewed when auditors conducted the 2019 Audit of the Peace Corps' Compliance with the Digital Accountability and Transparency Act (IG-20-A-01). The two remaining open recommendations from the 2017 audit have been replaced by the recommendations made in conjunction with the 2019 audit. Follow-up on the 2019 recommendations will be aligned with OIG's regular audit follow-up process and will be tracked in Table 5, "Audits and Evaluations" section.

## 6: Summary of Hotline and Other Complaints

Complaints Received	
Complaints Received (Hotline)	161
Complaints Received (Other Sources) <sup>21</sup>	23
Total Complaints (All Sources)	184
Overview of Complaint Activity <sup>22</sup>	
Resulted in Investigations	11
Resulted in Preliminary Inquiries	15
Resulted in Audits or Evaluations	0
Referred to Agency Management	101
Referred to Other Agency	0
No Action Needed	13

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<sup>21</sup> These complaints are largely a result of outreach by OIG staff and were received by email, phone calls, and conversations.

<sup>22</sup> The following actions summarize the disposition of complaints received by OIG. Please note that in some instances one complaint can result in multiple actions. In other cases, multiple complaints may be received about the same issue, resulting in one referral or result. The results reflect complaint activities that occurred during this reporting period; in some instances the complaint may have been received during a prior reporting period.

## 7: Summary of Investigative Activities and Outcomes

Investigative Activities	Preliminary Inquiries <sup>23</sup>	Cases
Open at the beginning of the reporting period	28	34
Opened during the reporting period	15	11
Closed during the reporting period	24	33
Total open at the end of the reporting period	19	12
<b>Reports</b>		
Investigative reports issued		2
<b>Referrals</b>		
Persons referred for criminal prosecution (Department of Justice)		12
Persons referred for criminal prosecution (state and local authorities) <sup>24</sup>		-
Cases referred to the Department of Justice		12
Cases referred to agency management for administrative action		2
Cases referred to agency management for other action		-
Referrals to other agencies		5
<b>Court Actions</b>		
Criminal informations and indictments		-
Trial(s) pending		-
Ongoing prosecution <sup>25</sup>		-
Convictions		-
Judgments		-
Fines/assessments/fees		-
<b>Administrative Actions</b>		
Employee <sup>26</sup> resignations and terminations		18
Other employee actions <sup>27</sup>		12
Suspension/debarment referrals		-
<b>Monetary Results</b>		
Annual savings		-
Recoveries/restitution <sup>28</sup>		-
Cost avoidance		-

<sup>23</sup> 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.

<sup>24</sup> Includes foreign courts.

<sup>25</sup> Includes overseas criminal proceedings.

<sup>26</sup> Volunteers/trainees are included as Peace Corps staff for the purpose of reporting investigative activity.

<sup>27</sup> Includes administrative actions that are less than resignation or termination, for example: letters of reprimand, counseling, and retraining.

<sup>28</sup> Includes potential recoveries.

## 8: References to Reporting Requirements of the Inspector General Act, as Amended

Section Reference	Reporting Requirements	Section	Page
§ 4(a)(2)	Review of legislation and regulations	Advice and Assistance	8
§ 5(a)(1)	Significant problems, abuses, and deficiencies	Advice and Assistance, Audits, and Evaluations	8-22
§ 5(a)(2)	Significant recommendations for corrective actions	Advice and Assistance, Audits, Evaluations, and Table 5	8-22, 32-49
§ 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	Table 5	32-49
§ 5(a)(4)	Matters referred to prosecuting authorities	Investigations and Table 7	24-27, 51
§ 5(a)(5)	Summary of instances where information was refused	N/A	-
§ 5(a)(6)	List of audit, inspection, and evaluation reports, including the total dollar value of questioned costs, unsupported costs, and funds to be put to better use	Audits, Evaluations, and Tables 1-4	12-22, 30-31
§ 5(a)(7)	Summary of significant reports	Audits, Evaluations, and Investigations	12-27
§ 5(a)(8)	Statistical table - questioned and unsupported costs	Tables 2 and 3	30-31
§ 5(a)(9)	Statistical table - funds to be put to better use	Tables 2 and 4	30-31
§ 5(a)(10)	Summary of previous reports with open recommendations	Table 5	32-49
§ 5(a)(11)	Significant revised management decisions	N/A	-
§ 5(a)(12)	Significant management decisions with which the Inspector General disagrees	N/A	-
§ 5(a)(13)	Information under the Federal Financial Management Improvement Act of 1996	N/A	-
§ 5(a)(14)-(16)	The results of the last peer review conducted by another OIG	Appendix A: Reporting of Peer Reviews	54-55
§ 5(a)(17)-(18)	Statistical table - investigative reports issued; persons referred for criminal prosecution; indictments and criminal information	Table 7	51
§ 5(a)(19)	Investigations involving a senior government employee where allegations of misconduct were substantiated	N/A	-
§ 5(a)(20)	Instances of whistleblower retaliation	N/A	-
§ 5(a)(21)	Interference with Independence	Advice and Assistance	9
§ 5(a)(22)	Detailed descriptions of the particular circumstances of each-		
	(A) inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public	N/A	-
	(B) investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public	Investigations	27

# Appendices

A: Reporting of Peer Reviews .....	54
B: Contract Audit Reports.....	56



# 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),<sup>29</sup> OIG reports the following peer review information:

### Audit Unit

In March 2020, the National Labor Relations Board (NLRB) OIG issued its System Review Report of the Peace Corps OIG Audit Unit for the period ending September 30, 2019. The Audit Unit received a rating of “pass,” the highest rating available. The peer review found that the Audit Unit’s system of quality control was suitably designed and achieved adequate compliance. This provided Peace Corps OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The NLRB did not provide any recommendations in the System Review Report.

In August 2016, Peace Corps OIG’s Audit Unit completed a peer review of the Library of Congress OIG for the period of April 1, 2013, through March 31, 2016. We provided our results to the Library of Congress OIG in October 2016. No formal recommendations were made.

### Evaluation Unit

In October 2019, Peace Corps OIG’s Evaluation Unit, with the assistance of the Office of Personnel Management OIG, completed a modified peer review of the Corporation for National and Community Service (CNCS) OIG. A modified external peer review was conducted because CNCS OIG did not perform inspection and evaluation activities in-house during the 3-year applicable period but wanted to develop the in-house capability to perform such activities in the future. The peer review team assessed the extent to which CNCS OIG met seven requirements of CIGIE’s Quality Standards for Inspection and Evaluation: (1) Quality Control; (2) Planning; (3) Data Collection and Analysis; (4) Evidence; (5) Records Maintenance; (6) Reporting; and (7) Follow-up. The review team determined that CNCS OIG’s internal policies and procedures generally met the seven quality standards addressed in the external peer review. No formal recommendations were made.

### Investigation Unit

In April 2019, the Export-Import Bank of the United States OIG conducted a peer review of the Peace Corps OIG Investigation Unit for the period ending February 15, 2019. The review focused on the Peace Corps OIG’s internal safeguards and management procedures for its investigative operations. The review team found all of

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<sup>29</sup> Section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act amended Section 5(a) of the Inspector General Act of 1978 (5 U.S.C. App.).



the examined areas to be compliant with CIGIE's quality standards for investigations and quality assessment review guidelines, as well as the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority.

In August 2017, Peace Corps OIG agents conducted an investigative peer review of the Department of Commerce OIG for the 12-month period ending April 30, 2017. The peer review was conducted by OIG's investigative staff under the direction of the assistant inspector general for investigations, with the support of the National Aeronautics and Space Administration OIG's resident agent in charge of the Computer Forensic Laboratory. We provided our results to the Department of Commerce OIG in October 2017. The review found that the Department of Commerce OIG was compliant with CIGIE's quality standards for investigations and quality assessment review guidelines, as well as the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority.

## **Appendix B: Contract Audit Reports**

Pursuant to Section 845A of the National Defense Authorization Act for Fiscal Year 2008 (Public Law No. 110-181), OIG reports on final contract audit reports with significant audit findings. During this reporting period, OIG did not issue any audit reports meeting the “significant audit findings” criteria established in Public Law No. 110-181.

# 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.

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**Peace Corps**  
**Office of Inspector General**

Paul D. Coverdell Peace Corps Headquarters  
1275 First Street NE, Washington, DC 20526

**[www.peacecorps.gov/oig](http://www.peacecorps.gov/oig)**