Peace Corps Office of **INSPECTOR GENERAL** 

SEMMIANNUAL REPORT TO CONGRESS

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## Contents

Message from the Inspector General	.1
Top Management Challenges	.3
Volunteer Delivery System	.3
Why This Is a Challenge	.3
Progress in Addressing the Challenge	.3
What Needs to Be Done	.4
Volunteer Health and Safety	.6
Why This Is a Challenge	.6
Progress in Addressing the Challenge	.7
What Needs to Be Done	.9
Human Capital Management1	1
Why This Is a Challenge1	1
Progress in Addressing the Challenge1	3
What Needs to Be Done1	6
Information Technology Security Management1	8
Why This Is a Challenge1	8
Progress in Addressing the Challenge1	9
What Needs to Be Done	20
Advice, Assistance, and Other Reportable Matters2	21
Agency Context	22
OIG Organizational Chart as of September 30, 2024	22
Review of Agency Regulations, Policies, and Procedures2	23
OIG Outreach	23
OIG Support for Background Checks	24

## Contents

Audit
Ongoing Work25
Agency-Wide Audits26
Other Reviews
Evaluation29
Ongoing Work
Evaluations of Agency Programs and Operations
Investigation
Investigations of Criminal or Administrative Misconduct32
Sexual Misconduct Investigations
Investigations of Senior Government Employees
Tables
1. List of Reports: Audits, Program Evaluations, and Other Reports
2. Reports with Questioned Costs, Unsupported Costs, and Funds to Be Put to Better Use
3. Recommendations on Which Corrective Action Has Not Been Completed
4. Summary of Hotline and Other Complaints45
5. Summary of Investigative Activities and Outcomes46
6. References to Reporting Requirements of the Inspector General Act, as Amended47
Appendix A: Reporting of Peer Review49
Appendix B: Contract Audit Reports51
Appendix C: Human Trafficking Reporting52

## Message from the Inspector General



I am pleased to present the Fall 2024 Semiannual Report to Congress, highlighting our office's key work and accomplishments from April 1, 2024, through September 30, 2024, which also includes the Management and Performance Challenges facing Peace Corps in the coming fiscal year.

This year marks the 35<sup>th</sup> anniversary since the Peace Corps Office of Inspector General (OIG) was established. I am proud of what we have accomplished and honored to continue to lead OIG as we work to advance positive change for the Peace Corps.

OIG reports often develop findings and make recommendations that result in improvements to Peace Corps programs and operations; Volunteer health, safety and security; programming; contracting; budget formulation; and staff training. All of these are examples of the complex areas that have benefitted from OIG's independent oversight. Throughout our 35-year

history, we have issued more than 600 reports, and our Audit and Evaluation Units have made nearly 3,000 recommendations. Moreover, the Inspector General community, through the Council of the Inspectors General on Integrity and Efficiency (CIGIE), has recognized our office with 12 CIGIE Awards for Excellence in the past 10 years. Our OIG staff's commitment, passion, and professionalism have played critical roles in shaping the Peace Corps' success and ensuring that the agency's essential mission endures. OIG staff collaboration with Peace Corps has created a stronger, more efficient organization, and I am proud of all that we have accomplished together. I want to recognize Peace Corps headquarters and field staff whose support and partnership have been vital in helping OIG perform our work more effectively. I look forward to continuing to collaborate for the benefit of Peace Corps and all who we serve.

During this reporting period, our Evaluation Unit assessed the Peace Corps Office of Health Services' (OHS) policies and procedures for updating its Technical Guidelines (TGs) and issued two related recommendations. The report found that TGs are a valuable tool for Peace Corps Medical Officers (PCMOs), however, OHS's process for updating TGs could be improved. Specifically, a significant number of TGs were consistently out of date and OHS found it difficult to ensure that the TGs were, at a minimum, updated every 3 years as required. We also concluded that PCMOs rarely report problems to OHS staff regarding the TG's informational content and accessibility and that they don't have a clear process for reporting TGs that need to be reviewed.

In addition, our Audit Unit reviewed the agency's management of its domestically awarded contracts and assessed to what extent the Peace Corps has established an effective framework for overseeing and monitoring these contracts. We found that while the Peace Corps does have an established framework, it can improve its management in contract oversight. The report included nine recommendations to improve the agency's internal controls and oversight of domestic contract management.

Our Audit Unit also completed a Federally mandated report on Peace Corps' compliance with the Payment Integrity Information Act (PIIA). This annual report analyzes the agency's estimate of improper and unknown payments and risk assessment for the fiscal year. We found that in fiscal year 2023, the agency managed its financial information in accordance with PIIA requirements.

## Message from the Inspector General

Additionally, this reporting period, our Investigation Unit produced nine reports of investigation regarding fraud, waste, abuse, and mismanagement in Peace Corps programs and operations, including two investigations of reported sexual misconduct.

Finally, OIG's leadership team will soon be fully staffed. Along with onboarding a new Assistant Inspector General for Audits this fiscal year, I am pleased to announce that OIG will welcome its new Deputy Inspector General, Amanda Seese, in October. Ms. Seese has a distinguished career in the Federal oversight community, most recently as a senior leader at the Pandemic Response Accountability Committee. Given her extensive experience, I am certain that she will partner with me and our fellow OIG senior leaders to strengthen our work and impact as we all strive to help the Peace Corps operate more efficiently and effectively.

Joaquin Jenas

Joaquin Ferrao Peace Corps Inspector General

## VOLUNTEER DELIVERY SYSTEM

### Why This Is a Challenge

As the Peace Corps continues to return Volunteers to the field following the COVID-19 global pandemic, Volunteer applicant numbers are low compared to years prior to the 2020 global evacuation of Volunteers. In its Fiscal Year (FY) 2025 Congressional Budget Justification (CBJ), the Peace Corps reported that "application numbers remain well below pre-pandemic levels and are insufficient to fully meet the robust demand for Volunteers worldwide."

Based on agency reporting, the Peace Corps has seen a steady decline in the agency's global fill rate at enteron-duty, from 94 percent in FY 2019 to 63 percent in FY 2023. The fill rate for FY 2024 was recorded as 45 percent. During this period, the Peace Corps had a total of 1,577 Volunteers who entered on duty; however, participating countries requested a combined total of 3,508 Volunteers.

In the past few years, the Peace Corps has not met its own Volunteer and Trainee onboard strength expectations. In March 2023, the agency reported in its FY 2024 CBJ that it expected a total of 5,180 Volunteers by the end of FY 2024. However, the agency lowered its expected numbers in the FY 2025 CBJ, stating that they planned to onboard 3,620 Volunteers instead; a more than 30 percent decrease from initial expectations.

At the end of FY 2024, the agency had only 3,338 Volunteers in service. The Peace Corps is currently projecting 4,590 Volunteers by the end of FY 2025. However, if current trends do not improve, the agency again risks not meeting its expectations.

The agency explained in its FY 2025 CBJ that: "In the face of robust economic growth and one of history's most competitive job markets, the Peace Corps is experiencing the same recruiting headwinds that have negatively affected other service-focused organizations. As trends show volunteerism is on the decline in the U.S., effective recruitment and marketing are more critical than ever to inspire the next generation of Volunteers to serve."

The Council of the Inspectors General on Integrity and Efficiency's (CIGIE) 2023 Top Management and Performance Challenges Facing Multiple Federal Agencies (herein CIGIE's Top Challenges Report) also noted that the competitive labor market poses a challenge for hiring within the Federal Government, as private sector positions can be more attractive to new and established professionals.

The Peace Corps' personnel turnover and vacancies have also hampered the agency's ability to recruit and place returned Volunteers into available agency positions. Staff in the Office of Volunteer Recruitment and Selection (VRS) report that there are widespread and longstanding vacancies for Peace Corps Recruiter positions. In FY 2024, the agency reported that it did not meet its related strategic plan performance goal to make improvements to the Volunteer Delivery System (VDS) due to high turnover and understaffing.

### **Progress in Addressing the Challenge**

The VDS Steering Committee, a group consisting of agency senior leadership from each office that oversees the VDS, developed 12 priorities to help with Volunteer recruitment and selection challenges.

## VOLUNTEER DELIVERY SYSTEM

In 2023, the agency hired and onboarded a new Associate Director of VRS who has engaged in a review on how to improve VRS's Federal Employee Viewpoint Survey (FEVS) results. Between 2022 and 2023, staff ratings on leadership improved somewhat. In 2022, nearly half (47.5 percent) of staff in VRS had a negative response to the statement, "In my organization, senior leaders generate high levels of motivation and commitment in the workforce." In 2023, the percentage of staff who provided a negative response went down to 36.1 percent.

In FY 2024, the Peace Corps Director announced the agency will launch three recruitment pilots in select Posts in the Africa region to gauge whether these changes will increase the number of approved applications and accepted invitations. The first pilot is a one-year service model; the second pilot will allow Volunteers to take 15 days of leave midway through service; and the third pilot will increase the readjustment allowance for Volunteers.

The agency also established a performance goal to recruit and retain Volunteer candidates by updating the VDS and related processes to align with the Posts' desired Volunteer competencies and technical experiences. In August 2023, the agency reviewed this goal and subsequently readjusted it to focus on retention by strengthening recruitment and outreach activities across VRS and the Peace Corps Response Office (which includes Response Volunteers and Virtual Service Pilot operations). The Peace Corps has taken actions to integrate Peace Corps Response Volunteer recruitment, placement, and pre-departure activities into agency operations to streamline the process for the Posts to request and receive Volunteers for all service types.

Additionally, OHS worked with a process improvement contractor to enhance its medical clearance process. In July 2024, the Peace Corps reported that the process improvements implemented thus far have resulted in a reduction in time it takes to clear invitees.

In FY 2023, the Peace Corps unveiled a new marketing campaign, entitled "Bold Invitation," which called on "motivated changemakers to advance the agency's mission to spread world peace and friendship through international service." In the FY 2025 CBJ, the Peace Corps reports that the Bold Invitation campaign supported an 82 percent increase in applications compared to FY 2022 applications.

However, the agency recognizes that it needs to continue its targeted marketing campaign. Peace Corps included an increased request of \$2.5 million in its FY 2025 CBJ to "continue investments to attract and recruit talented and motivated Volunteers who represent the wide diversity of our nation's communities, geographies, and cultures. The additional investment will allow the Peace Corps to conduct more targeted outreach and meet potential Volunteers where they are: traditional media, social media, colleges, universities, professional organizations, and communities across the U.S."

### What Needs to Be Done

To ensure that the Posts' requests for Volunteers are met, the agency should prioritize improvements to VRS's programmatic deficiencies, including staffing shortages and turnover, as well as address leadership and management concerns expressed in the FEVS results. In FY 2024, OIG launched an evaluation to assess the challenges impacting VDS.

## VOLUNTEER DELIVERY SYSTEM

The Peace Corps Director has emphasized that the agency's goals are not just about the Volunteer numbers, but also in the quality of Peace Corps' systems, its programs, and in meeting the needs of its host country partners. The agency established "Reimagine Service" as one of its three strategic objectives in the Peace Corps' Strategic Plan FY 2022 - 2026 in response "to evolving host country priorities by returning skilled Volunteers to service and expanding service models."

For example, the agency reports that it is planning to continue its virtual service pilot in 52 Posts in FY 2025, allowing qualified U.S. citizens who cannot currently serve overseas to support the Peace Corps by donating their voluntary services, and allowing the agency to partner with communities where in-person service is not possible.

The agency should continue to communicate its expectation to implement new service models, closely coordinate with stakeholders, and align its authorities, resources, and policies to effectively advance its mission and vision. As the agency makes progress with its goals to return skilled Volunteers to service and expand its service models, it is critical that the agency continues to address the challenges that impact the deployment of Volunteers to the Posts.

Key OIG Resources:

<u>Final Report on Evaluation of the Volunteer Delivery System (2003)</u>
<u>Evaluation of Impacts of the Five-Year Rule on Operations of the Peace Corps (2012)</u>
<u>Final Program Evaluation Report: Follow-up Evaluation of the Volunteer Delivery System (2010)</u>
<u>Evaluation of Peace Corps/Medical Clearance System (2008)</u>

6

## Why This Is a Challenge

Since the Peace Corps' establishment in 1961, Volunteer healthcare has been a critical component of agency operations. The variability in health conditions and medical infrastructure among the 61 countries where Volunteers currently serve will always present significant challenges for the agency. In addition, post-pandemic mental health issues have further strained the agency's capacity to support Volunteers. According to Peace Corps' FY 2025 CBJ, the Peace Corps requested an additional \$2.7 million due to an increased need to provide Volunteers with mental health services.

#### Volunteer Healthcare

Recent OIG findings on Volunteer healthcare have highlighted issues with medical emergency preparedness. In the re-entry health and safety reviews of six Posts that OIG completed between FYs 2022 and 2024, OIG found that three of the Posts had Medical Action Plans that did not fully comply with agency policies. OIG also found that four of the six Posts reviewed did not meet agency requirements to assess its medical providers and facilities at least once every 3 years.

In 2024, OIG issued a Management Advisory Report (MAR) that reviewed a sample of nine Posts' Medical Action Plans and provider and facility assessments. OIG found that the Posts reviewed were out of compliance with agency guidelines for completing Medical Action Plans and provider and referral facility assessments. OIG found several reasons for noncompliance, to include the following: 1) headquarters did not provide clear instructions on their implementation; 2) the guidance itself was not clear and consistent, and 3) there was inconsistent oversight of Posts' OHS compliance.

#### **Medical Technical Guidelines**

OIG also completed an evaluation of the Peace Corps Office of Health Services' (OHS) policies and procedures for updating Medical Technical Guidelines (TG) in FY 2024 (herein TG evaluation).

OHS operates the healthcare delivery systems for Trainees and Volunteers serving abroad, and the Peace Corps Medical Officers (PCMO) act as the primary healthcare providers for Volunteers and Trainees overseas. OHS issues TGs to provide programmatic and clinical guidance for operating the Volunteer Health System. According to one staff member interviewed by OIG, TGs are the "backbone" of OHS and provide a structure by which care is delivered to Volunteers.

The TG evaluation found that the TGs are a valuable tool for PCMOs, but OHS's process for updating TGs could be improved. At the time of our review, OHS staff reported that consistently a significant number of TGs were out of date, and that it was hard to ensure TGs were updated every three years, as required by agency policy.

OIG found that only one person was responsible for tracking TG updates and was doing so by manually maintaining the information on a spreadsheet. Many of the interviewed staff indicated that the agency needs an automated system to manage the TGs and support their updating process, which the agency has been in the process of developing.

## Volunteer Health and Safety

OIG has found through previous work that outdated TGs pose a risk to the agency and to the health and safety of Volunteers. OIG concluded that PCMOs rarely report problems regarding the TG's informational content or accessibility, and that the PCMOs do not have a clear process for flagging TGs that need to be reviewed for updates.

#### Sexual Assault Prevention and Response

For more than a decade, the Peace Corps has engaged in work to minimize the risk of sexual assault and improve its response and victim support when crimes occur. Recently, the agency expanded its approach to address root causes of sexual violence and fully participate in global efforts to prevent sexual assault. Peace Corps' responsiveness and support for Volunteers who report sexual assault remain focal points in OIG's work.

Last year, OIG reported on its completion of eight Management Implication Reports (MIR) issued between FYs 2021 and 2023. These reports assessed the agency's compliance with its requirements for supporting sexual assault victims after a news outlet published a story in 2021 that was critical of Peace Corps' response to Volunteers reporting sexual assaults.

These MIRs did not include any recommendations, however, they did note some instances of noncompliance with the provision of services required by the Kate Puzey Peace Corps Volunteer Protection Act of 2011 (Kate Puzey Act). Specifically, due to gaps in agency records, OIG was unable to determine whether the services requested on the Volunteer Preference Forms were provided.

The agency reported on the various actions it has taken to address these issues, to include implementing a performance goal to enhance sexual assault prevention and response in its 2022- 26 Strategic Plan. The agency continues to allocate resources that will develop tools and increase the staffs' capacity to respond to Volunteer sexual assaults effectively and ensure Volunteers are supported, per the requirements of the Kate Puzey Act.

While OIG did not identify new or unresolved concerns in FY 2024, our prior work has highlighted the importance of sustained management attention and oversight to address this challenge. As Volunteers continue to return to the field, sexual assault prevention and response will require the agency to maintain its focus on these critical issues to sustain its commitment to Volunteer health and safety.

### **Progress in Addressing the Challenge**

#### Volunteer Healthcare

In FY 2024, the Peace Corps made considerable progress in closing OIG recommendations that impact Volunteer healthcare. OIG closed the last two recommendations from its post re-entry health and safety review of Morocco. The recommendations were for the post to assess medical facilities and providers at least once every 3 years to ensure Volunteers receive safe and effective care that meet their needs and to require that all staff receive Emergency Action Plan refresher training.

Additionally, from its post re-entry health and safety review of Cambodia, OIG closed five recommendations

## Volunteer Health and Safety

that focused on the post's adherence to requirements related to Medical Action Plan and healthcare facility and provider assessments.

OIG's 2021 review of the death of a Volunteer from Ghana found that the agency and post staff emergency response actions did not fully comply with Peace Corps procedures due to unclear guidelines on emergency staff roles and responsibilities. In FY 2024, OIG closed the report's final recommendation after OHS updated MS 264, which revised procedures that defined staff roles and responsibilities.

OIG closed three of the seven recommendations from a MAR issued in FY 2024, which assessed Post reentry reviews' findings on Volunteer health and safety. To close these recommendations, the agency updated the Health Unit Assessment Checklist and SOPs to ensure that referral facility and consultant assessments are certified; updated TGs 204 and 385 to clarify requirements for completing assessments of community and referral facilities; and provided training to PCMOs on the appropriate use of TG attachments for assessing consultants.

In addition, the agency has issued guidance requiring Quality Assurance Specialists at all Posts to help manage and track site management processes and procedures, as well as address consistent implementation of related OIG recommendations, among other duties. After the specialists had worked at the Posts for a year, the Peace Corps administered a survey and found that Posts consider the Quality Assurance Specialists an important resource for monitoring and tracking compliance deadlines, spearheading process improvement initiatives, and maintaining and reinforcing agency policies. At the end of FY 2024, the agency had Quality Assurance Specialists at 48 Posts, and officials report they will continue to fill positions at the remaining Posts through FY 2025.

OIG is encouraged to learn that the agency has taken additional steps to improve Volunteer healthcare. To increase Volunteer mental health resources, the agency developed a program to improve the availability of Volunteer behavioral health services and has requested an additional \$2.7 million in the FY25 CBJ to expand capacity and staffing to accommodate the projected growth in Volunteer numbers.

#### Sexual Assault Prevention and Response

The Peace Corps recently reaffirmed its commitment to continue strengthening sexual assault prevention and response services for Volunteers; understanding and breaking down the real and perceived barriers in reporting assault; and ensuring that agency staff with primary responsibilities for sexual assault response have advanced training in trauma-informed approaches to helping victims.

Additionally, the agency is training Volunteers on risk reduction strategies tailored to their host country's norms, which was updated in FY 2024, to include trauma-informed prevention. The Peace Corps is also working to ensure that systems and support structures are in place to provide the quality medical, legal, and psychosocial services to Volunteer sexual assault survivors.

In April 2024, the Peace Corps issued a report that reviewed its sexual assault prevention and response performance between FYs 2021 and 2023. The report details the enhancements the Peace Corps made to its sexual assault prevention and response; outlines the measures in which the agency can better support Volunteer survivors of assault; and suggests improvements to ensure that Peace Corps systems are strengthened and integrated with the agency's Sexual Assault Prevention and Response (SAPR) program.

## Volunteer Health and Safety

Following the Peace Corps' announcement in 2022 to implement a roadmap to invest and expand its SAPR program, the report stated that all components of the roadmap have been completed.

In 2024, the Office of Safety and Security's Crime Response and Analysis Unit announced that they updated three forms that are used when responding to sexual assault reports. They updated the Volunteer Preference Form to include Respite Leave as an available service for sexual assault victims/survivors and added a Privacy Act statement. In addition, the agency introduced an electronic version of the Volunteer Preference Form in the Security Incident Management System and provided training to designated staff on its use. This new form seeks to address the deficiencies OIG noted in related MIRs.

Similarly, the agency integrated the Serious or Imminent Threat Assessment Tool and the Post Incident Assessment Tool into the Security Incident Management System, ensuring that these forms are completed for sexual assault reports. The agency reports that these two assessment aids were updated in July 2024. Furthermore, the agency introduced a new form, the Site Management Review Tool, which Safety and Security Managers use to review site-specific safety and security incidents at Volunteer sites, to determine ongoing threats that would prevent the future placement of Volunteers at those sites.

These efforts seek to address the deficiencies noted in past OIG reports. Complete, accurate, and timely documentation of the agency's response to incidents improves the quality of incident response and facilitates effective oversight and accountability.

### What Needs to Be Done

#### Volunteer Healthcare

To further improve Volunteer healthcare, OHS needs to continue its efforts to close the four remaining recommendations from the 2024 Post re-entry MAR, which include: 1) detail the MAP review process at the Post level; 2) implement a uniform tracking system to ensure facility and consultant assessments comply with guidance; 3) ensure Posts develop schedules to complete assessments; and 4) train PCMOs on the appropriate use of each TG 204 attachment.

The Peace Corps should also address the 2024 TG evaluation recommendations to improve the management of its TGs, which include developing a plan to automate the Quality Improvement Unit's update process and TG management as well as creating a process or mechanism for PCMOs and other users to follow when TGs need to be flagged for review. Additionally, the agency should continue to build its behavioral health program to address Volunteers' increased need for mental health services and ensure the overall well-being of Volunteers.

#### Sexual Assault Prevention and Response

The Peace Corps should continue to comply with the Kate Puzey Act requirements. Providing compassionate and trauma-informed responses to Volunteers who have been sexually assaulted is of paramount importance.

The agency needs to continue to make progress on the performance goals related to the strengthening of the

## Volunteer Health and Safety

10

SAPR program in its FY 2022-26 Strategic Plan. Moreover, the Peace Corps needs to continue incorporating new research and promising practices to prevent sexual assault from happening, while supporting Volunteer sexual assault survivors in a timely and effective manner. It is essential that staff are properly trained to ensure that all sexual assault cases are appropriately addressed and accurately documented.

#### Key OIG Resources:

Evaluation of the Office of Health Services' Technical Guidelines' Revision and Implementation Process (2024)

Management Advisory Report: Assessment of Post Re-entry Health and Safety Reviews' Findings (2024)

Post Re-Entry Health and Safety Review of Peace Corps/Cambodia (2024)

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

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

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

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

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

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

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

## HUMAN CAPITAL MANAGEMENT

## Why This Is a Challenge

Developing a cohesive and effective approach to managing human capital resources in the Federal environment, particularly in the aftermath of the pandemic, is a significant challenge for many Federal agencies, including the Peace Corps. Strategic human capital management has been listed in the U.S. Government Accountability Office's annual high-risk report as one of the highest-risk areas facing the Federal Government since 2001. Additionally, CIGIE highlighted human capital management in its Top Challenges Report. The report noted that "the inability to hire required staff directly impacts agency operations, often leading to heavy workloads and burnout, further exacerbating attrition, and the need to fill vacancies. In addition, high turnover compromises an agency's ability to retain qualified personnel."

The Peace Corps is a relatively small agency that manages diverse staffing systems domestically and abroad. Changes in demographics, skills, technology, budget, employee satisfaction, and workplace expectations impact the systems and the staff under these systems differently. Both the Office of Management and Budget and the Office of Personnel Management (OPM) have issued numerous memorandums and guidelines on approaches and tools for managing the changing human capital landscape.

Among the Federal Government workforce priorities is developing a capacity for strategic foresight. Strategic foresight calls for a detailed and systematic analysis of the driving forces and trends of change before developing strategies or plans. This approach, which is proactive, rather than reactive, allows agencies to prepare different business forecasts, envisioning what is possible, plausible, and preferred.

### Hiring and Retaining Qualified Staff

OIG has repeatedly reported over the years how excessive turnover has impacted Peace Corps' programs and operations. The FY 2012 Management Challenges report identified excessive personnel turnover as a significant management and performance challenge facing the Peace Corps. In July 2017, OIG issued a MIR that outlined the negative effects the agency's high staff turnover rate had on its ability to maintain high-quality Volunteer support and improve core business functions.

OIG's Recurring Issues Report on Common Challenges Facing Peace Corps Posts found that from FYs 2016 through 2019, staff turnover and staffing gaps impaired emergency medical preparedness, led to ineffective Volunteer technical training, and resulted in heavy staff workloads that, in some cases, left required tasks incomplete.

The OPM 2019 Human Capital Framework's assessment of the agency's organizational design and performance found that the five-year rule (FYR) contributed to increased turnover and extended vacancies that resulted in a lack of continuity and decreased productivity.

During its conception, Congress intended for the FYR to "permit a constant inflow of new blood and ideas," give the agency "administrative flexibility which is not possible under the restrictions of the civil service system," and make sure that Peace Corps staff will "not be organized on a career basis."

The FYR was specifically crafted to ensure that the Peace Corps recruited its headquarters staff from the hiring pools of returned Volunteers and former overseas staff. The high rate of staff turnover driven by the

## HUMAN CAPITAL MANAGEMENT

FYR has enabled the agency to hire extensively from the returned Peace Corps Volunteer (RPCV) population. The agency recruits RPCVs who earn noncompetitive eligibility (NCE) after successfully serving as Volunteers. NCE appointments streamline the Office of Human Resources' (OHR) hiring process by bypassing competitive-based personnel actions while providing the agency with talented, mission-driven workers.

The global evacuation of all Volunteers following the onset of the COVID-19 pandemic resulted in a nearly empty RPCV hiring pipeline. OHR has struggled to keep up with the agency's excessive turnover and was inadequately staffed to process the rising agency vacancies through competitive-based personnel actions.

Moreover, as discussed in CIGIE's Top Challenges Report, Federal agencies are challenged by a "...competitive labor market wherein multiple organizations are contending for the same limited pool of highly skilled candidates." Following the agency's return to service, currently serving Volunteers are again able to apply to the RPCV roster. However, according to the September 2024 RPCV roster, only 64 RPCVs applied to the Peace Corps, which may signal the need to further diversify in staff recruitment and hiring strategies, as well as OHR hiring processes.

A 2023 OIG evaluation of human resources management for overseas contract staff found that the agency needed to improve its management coordination to hire, train, and retain quality overseas personal service contractors (PSC). These staff members help execute the Peace Corps mission abroad and serve on the front lines of the Volunteer experience. At the time of the evaluation, approximately 92 percent of staff at overseas Posts were PSCs, who also make up 70 percent of all Peace Corps staff.

As of August 2024, the agency reports that its staff vacancy rate (excluding PSCs) is at 16.9 percent, compared to 19.6 percent in August 2023 and 15.8 percent in August 2022. Two offices that have key roles in supporting the VDS reported experiencing significant staffing gaps. The agency reported staff vacancy rates of 24.2 percent for VRS and 25.6 percent for OHS in August 2024, a decrease from last year's rate of 26.7 percent.

OIG notes that OHS and VRS are among the top five offices in the agency recording overtime and compensatory time. The combination of high vacancy rates, elevated overtime, and compensatory time for existing staff risks creating a negative impact for Volunteer delivery and health services.

The 2023 FEVS results indicated the overall agency Global Satisfaction Index was 71 percent, where the Employee Engagement Index was 74 percent. However, OHS, which is responsible for Volunteer Healthcare, reported a significantly lower satisfaction index result at 46 percent, while the OHR result was at 56 percent. Both areas are critical agency support functions and need agency leadership attention to bring these suboffices' FEVS results more in line with agency- wide results.

Without significant improvements to Human Resources (HR) management, staffing, and processes, the Peace Corps will continue to face challenges in effectively staffing positions, should they succeed in addressing the current Volunteer recruitment and placement challenge.

## HUMAN CAPITAL MANAGEMENT

#### Knowledge Management

Knowledge management remains a significant challenge for the agency because information is scattered across the globe at Posts that differ in infrastructure, connectivity, language, culture, legal frameworks, and other local considerations. Moreover, operations are executed by three human capital cohorts–personal service contractors, direct U.S. Government hires (USDH), and Peace Corps Volunteers–each is supported by their own systems, tools, and processes.

Though the Peace Corps celebrates the uniqueness of its operating environments and the diversity of its team members, the agency risks inefficiencies and incurring unnecessary expenses if it cannot leverage information and resources that can be easily identified and used by thousands of actors spread across the world.

The agency's challenge with retaining institutional memory is often presented in the context of the agency's five-year rule, however, the frequency of staff turnover is only a part of this challenge. The Peace Corps is divided into offices that are geographically separated over multiple time zones, and the successful execution of the agency's mission depends on a coherent and implementable knowledge management strategy and architecture. Over the last year, the agency has incorporated tools and systems that should help with knowledge management at the Peace Corps, however, the agency lacks a documented, comprehensive strategy that addresses the scope of the challenge.

### **Payroll and Benefits**

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

## **Progress in Addressing the Challenge**

### Hiring and Retaining Qualified Staff

The 2018 Sam Farr and Nick Castle Peace Corps Reform Act (herein Reform Act) authorized the agency to extend the appointments of certain exempt positions designated by the Director as critical management or management support. Exempt positions require specialized technical or professional skills, as well as knowledge of agency operations, and may be exempted from the FYR term limitations of the Peace Corps Act.

The agency reports that its review of all offices and positions to identify which will be designated by the Director as exempt positions is nearly completed. To date, the agency has identified and exempted

## HUMAN CAPITAL MANAGEMENT

approximately 30 percent of all agency positions from the FYR using the Reform Act authority. About 40 percent of the exempted positions are in OHS, and in offices where staff are responsible for the safety and security of Volunteers. In addition, the exempted positions in OHR, OCFO, Office of the Chief Information Officer (OCIO) and Office of General Counsel represent 42 percent of the agency's exempted positions.

During FY 2024, the agency exempted 211 positions. As of August 2024, the agency has identified 301 positions as exempt from the FYR, including 55 positions that have been exempt since 2019. Critically, this includes several staffing positions in HR, which has permitted the HR Staffing and Recruitment team to begin to recruit and retain experienced HR Specialists. As a result of this work, OIG closed the final two recommendations from its 2012 evaluation report on the FYR's impact on the agency.

In May 2023, OHR issued an internal assessment of the agency's Human Capital Framework. OHR reports that it is tracking its progress with the 70 actions that were identified in this assessment, and that 37 actions are ahead of schedule, on track, or completed. OHR also reported that 33 of the recommended actions are being reviewed to determine applicability or have a planned completion date in calendar year 2024.

HR reports that it has renewed its efforts to develop and publish internal HR Standard Operating Procedures (SOP). As the HR team underwent significant turnover, it became evident that a lack of operational SOPs led to inefficiencies, inconsistencies, and a consistent need for training. To date, 27 SOPs have been published and an additional 45 SOPs have been developed and are under review.

In anticipation of more Volunteers completing their service, at the beginning of 2024, OHR posted a continually open job announcement on USAJobs.gov that is only available to RPCVs. Currently serving Volunteers can apply to this announcement within 90 days of completing their Volunteer assignment, and RPCVs can apply within the 3 years following their completion of service.

The agency reported that it had established a FEVS working group to analyze the survey results and make recommendations to improve the agency's employee engagement, job satisfaction, and retention. The group split into five focus areas: 1) marketing training resources and increasing learning management system and individual development plan usage; 2) improving its Diversity Equity Inclusion and Accessibility Index; 3) providing additional supervisory and leadership training; 4) incorporating FEVS into agency plans; and 5) sharing best practices. The agency reports that each subgroup developed recommendations for actionable items to improve the job environment at the Peace Corps, which will be briefed to senior leadership for review and approval.

It is important for the Peace Corps to have an effective and integrated HR information technology (IT) infrastructure. OHR collaborated with the OCIO to develop an HR Information System strategy, which was briefed to agency leadership in February 2024. OHR launched an electronic SF-52 SharePoint solution that reduces data entry, captures electronic signatures, and allows HR to track the status of an SF-52 form throughout its life cycle.

Some other HR Information System solutions implemented include the eNomination tool for incentive awards and Front-End System Interface (FESI) for batch processing of payroll and other HR actions with the NFC.

## HUMAN CAPITAL MANAGEMENT

Additionally, OHR reports that it is implementing a new tool to replace an outdated and manual process to manage personnel actions. This new tool provides the full processing capabilities for all personnel actions, payroll transactions, and benefits management. OHR conducted a gap analysis with the NFC to determine the extent to which the new tool meets Peace Corps business requirements.

#### Knowledge Management

The Director continues to use the authorization from the Reform Act to exempt agency positions from the FYR, which helps the agency maintain continuity in its mission and critical operational knowledge management.

The agency has also replaced its Administrative Management Control Survey (AMCS) with the new Post Self-Assessment Tool (PSAT). As with the AMCS, the PSAT helps Posts, regions, and agency offices identify risk areas and enhance informed decision-making.

In addition, a stated purpose of the PSAT is to provide data rollup so that agency risks and challenges can be identified globally and regionally, rather than confining data and knowledge to a singular Post, as was the practice with the AMCS. This new tool should help the agency capture and use extensive information to improve operations across Posts. The PSAT is currently in the piloting stage and, once finalized and approved, will be required at every Post in FY 2025.

Finally, the agency has made progress with two systems that will help manage critical human capital information processes and reduce challenges created by the various operational and office silos and unintegrated systems. The first system, the Persons Employed and Engaged with Peace Corps Systems (PEEPS), is the agency's human capital management system. PEEPS is designed to integrate with the NFC and the OPM systems. In addition to capturing up-to-date information formerly housed in multiple databases, PEEPS should execute automated workflows and reduce reliance on manual processes.

The second system-related initiative underway is a joint Office of Global Operations-OCIO project aimed at granting Volunteers access to the agency's SharePoint system, with the intention to allow Volunteers to share information within and across Posts on one platform, rather than through the multiple platforms Volunteers currently use, such as Google Docs or WhatsApp. This initiative seeks to address gaps in the management of critical knowledge by leveraging Volunteer input to support Volunteers and Posts and help execute the agency mission.

The two system initiatives started after the Peace Corps successfully integrated its Volunteer population into the agency's Learning Management System, expanding access to both Volunteers and staff for critical training resources and modules.

#### **Payroll and Benefits**

During FY 2024, the Peace Corps established an OHR and OCFO working group, developed SOPs related to retirement plan determinations, published an updated waiver policy, and worked with the Office of General Counsel to resolve prior unauthorized waivers.

### HUMAN CAPITAL MANAGEMENT

### What Needs to Be Done

### Hiring and Retaining Qualified Staff

The Peace Corps should develop a data-informed strategy that addresses the agency's diminished source of RPCV talent and its impact on OHR operations. OHR needs to address the recommendations made in OPM's 2019 Human Capital Framework review while also implementing the recommendations from its internal assessment. The agency should prioritize and take both short- and medium-term steps to substantially reduce the Peace Corps' vacancy rate while incorporating strategies to attract and retain qualified staff. In prioritizing actions, the agency should consider the resources that are available for OHS to obtain and what measures would have the greatest impact.

The Peace Corps needs to consider leveraging additional strategic human capital resources and flexibilities issued by OPM based on the President's Management Agenda priority focus to strengthening and empowering the Federal workforce.

One suggested OPM tool is strategic foresight. The Peace Corps strategic plan already cites this approach to identify global trends and host country priorities (performance goal 1.3). By using strategic foresight to tackle the challenges of human capital management planning, the Peace Corps will advance its goal of addressing risk in the organization and further the agency's workforce development goals.

The agency should develop concrete actions to improve employee engagement and satisfaction, which are key components in retaining staff and reducing turnover rates. The recommendations of the FEVS working groups, specifically involving HR and OHS staff, should be addressed and implemented as soon as possible.

#### Knowledge Management

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

#### **Payroll and Benefits**

The agency has not yet addressed 22 recommendations from OIG's 2022 payroll audit. Specifically, the agency did not ensure its policies and procedures are effectively designed or implemented to prevent and detect payroll transaction errors or establish payroll reconciliation procedures. Further, the OCFO should be involved in payment reconciliation processes to improve its monitoring system. The Peace Corps must establish sufficient oversight and coordination structures for its core business functions, especially those requiring resources from multiple offices.

#### Key OIG Resources:

Evaluation of Human Resources Management for Overseas Contract Staff (2023)

## HUMAN CAPITAL MANAGEMENT

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

Recurring Issues Report: Common Challenges Facing Peace Corps Posts (2020)

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

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

Final Audit Report: Peace Corps Overseas Staffing (2013)

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

18

## Why This Is a Challenge

As the role of technology continues to grow, protecting agency data and the security of information systems is critical. System outages and data loss can have a catastrophic impact on the agency, compromise Volunteer safety, staff productivity, and affect the Peace Corps' reputation. According to the Cybersecurity and Infrastructure Security Agency, cyberattacks are ever evolving and are becoming increasingly complex and harder to detect. Cyber incidents can cause harm to national security interests, foreign relations, and the United States' economy.

### Federal Information Security Modernization Act of 2014

The Federal Information Security Modernization Act of 2014 (FISMA) is designed to ensure agencies develop, document, and implement agencywide programs that provide comprehensive security for the information and systems that support their operations and assets. OIG's annual review of the agency's compliance with FISMA results in a score that is used as a consistent and comparable metric across Government agencies. The five-level maturity model scale ranges from Level 1, Ad hoc, to Level 5, Optimized.

In FY 2024, the agency maintained its prior FY 2023 status at Level 2, Defined, as measured against the set of core FISMA and supplemental OIG metrics. Although the agency's overall FISMA score remained the same in FY 2024, it has made significant progress in enhancing its security posture since FY 2023 by addressing recommendations from the prior year's report and improving several individual metric scores.

Despite the improvements made in the agency's information security program, there are still issues identified in the FY 2024 FISMA review that need to be resolved, to include the following:

- Lack of a fully integrated agencywide Risk Management and Information Security Continuous Monitoring (ISCM) program.
- Lack of a fully updated and implemented Supply Chain Risk Management (SCRM) program which includes component authenticity policies and procedures.
- Insufficient progress in periodically reviewing and updating its policies and procedures related to risk, access, and permissions for access to data and systems to align with an issued and approved Identity Credential and Access Management (ICAM) strategy.
- Undeveloped agency-level Business Impact Analysis (BIA).
- Cybersecurity risks not fully incorporated into an Enterprise Risk Management (ERM) program.

The agency has not consistently implemented its ISCM strategy to incorporate cybersecurity risks into the enterprise risk program. Without a comprehensive continuous monitoring program, the Peace Corps is prevented from clearly understanding the security state of all its systems in its IT environment. This also prevents the agency from effectively monitoring a dynamic IT environment with changing threats, vulnerabilities, technologies, business processes and functions, and critical missions.

In addition, the agency does not have an up-to-date, fully implemented SCRM program. Without an implemented SCRM strategy, the Peace Corps may experience an increased risk of attacks or disruptions in

### **INFORMATION TECHNOLOGY** SECURITY MANAGEMENT

19

the supply chain caused by reliance on third-party or external providers and commercial "off the shelf" products, systems, and services.

The agency has not made sufficient progress in establishing or finalizing an ICAM strategy. Although the agency developed an ICAM strategy roadmap in FY 2022, many of the deliverables (policies and procedures) are still in progress. This strategy should also be aligned with updated policies and procedures related to risk, access, and permissions for access to Peace Corps data and systems.

Additionally, the Peace Corps has not fully developed an agency-level BIA or integrated the BIA's results into a strategy or other plan development efforts. Without effective and integrated contingency plans, the agency may be unable to access important information and resources to perform mission-critical business functions in the event of an extended outage or disaster.

While the agency improved its ERM program by defining its risk appetite and tolerance and holding monthly ERM meetings, it still has not fully implemented cybersecurity risks into the ERM program or used technology to provide an enterprise-wide view of cybersecurity risk management activities.

#### **Cybersecurity Breaches**

In the first quarter of FY 2024, OIG issued a MAR assessing Peace Corps' response to three security incidents. The incidents occurred from 2022 through 2023. OIG found that the Peace Corps did not have a sufficient incident response plan to detect threat activity, respond to a threat incident, or contain it. The report noted that the Peace Corps was not compliant with Federal requirements or Peace Corps' policy for timely notification of cyber breaches. Moreover, the report outlined that the agency's network monitoring software was not effective in detecting malicious activity within the Peace Corps IT environment.

The report also found that since the first incident in June 2022, the agency had improved its cybersecurity incident response capabilities.

### **Progress in Addressing the Challenge**

#### Federal Information Security Modernization Act of 2014

For FY 2024, the Peace Corps has made significant progress enhancing its information security posture since FY 2023, which includes closing four prior year recommendations in previous years' FISMA reports. OIG identified improvements in various FISMA domains in FY 2024 which reflect a stronger commitment to meeting FISMA requirements.

The four prior recommendations that were closed related to the ERM council, incident response, IT inventory management, and cyber vulnerability management. Specifically, since the 2022 and 2023 security breaches, the Peace Corps has worked with a third-party cybersecurity contractor to strengthen its incident response program's detection and response mechanisms. Additionally, the OCIO has obtained software to assist in detecting future cybersecurity attacks. The software effectively detected that an unrelated cybersecurity incident occurred in the third quarter of FY 2023 and the agency was able to timely mitigate the threat. In FY 2024, the Chief Information Security Officer was added to the ERM Council to provide insights on cybersecurity risks.

20

#### **Cybersecurity Breaches**

The agency has strengthened its incident response program since the cybersecurity breaches occurred by implementing and closing five of the seven recommendations from the FY 2024 MAR. Those recommendations included configuring network monitoring software, establishing an incident response plan, updating incident response policy, ensuring timely notification of incidents, and configuring software to use available data logs.

### What Needs to Be Done

#### Federal Information Security Modernization Act of 2014

The agency needs to address OIG's FY 2024 FISMA report recommendations to continually cultivate an improved IT environment and establish a foundation for long-term success. This will help the Peace Corps move towards a Level 3, Consistently Implemented, maturity level for its information security program.

By integrating its ISCM program, updating and implementing its SCRM program, finalizing its ICAM strategy, developing its BIA, and improving cybersecurity integration with the ERM, the Peace Corps will be able to foster a culture that fully integrates information security into its business operations. These enhancements will allow the Peace Corps to proactively mitigate vulnerabilities and address any weaknesses before they are exploited.

#### **Cybersecurity Breaches**

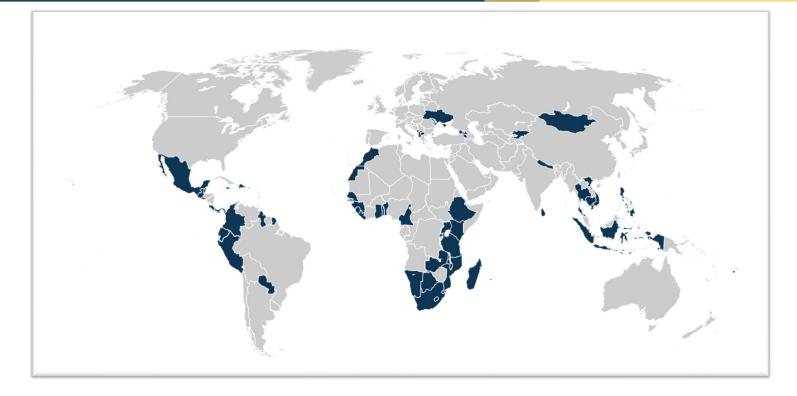
The agency needs to address the two remaining recommendations from the MAR that will further strengthen its ability to respond to cybersecurity incidents. The lack of continuous monitoring within the Peace Corps network directly affects the agency's ability to identify, detect, protect, and respond to a cybersecurity threat in the event of an attack.

Key OIG Resources:

Management Advisory Report: Cybersecurity Breaches Highlight a Need for Improvement in Peace Corps' Incident Response (2023)

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

Audit of the Peace Corps' FY Financial Statements (2023



Peace Corps Countries and Posts as of September 30, 2024						
Albania	Eswatini	Kyrgyz Republic	North Macedonia	St. Vincent		
Armenia	Ethiopia	Lesotho	Palau	Tanzania		
Belize	Fiji	Liberia	Panama	Thailand		
Benin	Georgia	Madagascar	Paraguay	The Gambia		
Botswana	Ghana	Malawi	Peru	Timor-Leste		
Cambodia	Grenada	Mexico	Philippines	Togo		
Cameroon	Guatemala	Moldova	Rwanda	Tonga		
Colombia	Guinea	Mongolia	Samoa	Uganda		
Costa Rica	Guyana	Montenegro	Senegal	Ukraine		
Dominica	Indonesia	Morocco	Sierra Leone	Vanuatu		
Dominican Republic	Jamaica	Mozambique	South Africa	Viet Nam		
Ecuador	Kenya	Namibia	Sri Lanka	Zambia		
El Salvador	Kosovo	Nepal	St. Lucia			

### **Agency Context**

In March 2022, the Peace Corps began its first overseas redeployment of Volunteers since evacuating more than 6,000 Volunteers from posts in over 60 countries due to the coronavirus pandemic (COVID-19).

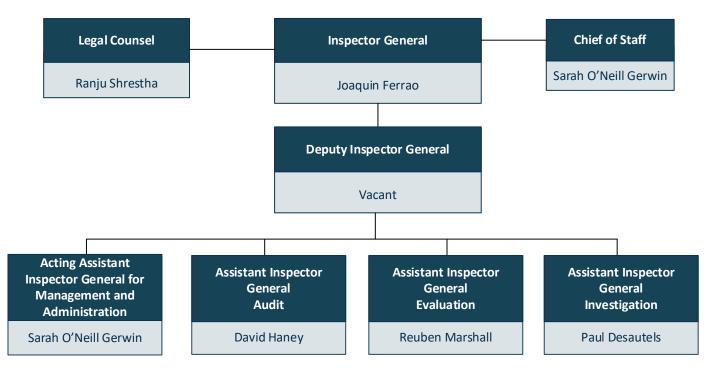


As of September 30, 2024, the Peace Corps has active Volunteer operations in 61 countries and 57 posts, with 2,720 active Volunteers serving and 617 trainees.<sup>1</sup>

The Peace Corps reported that it received 4,977 new Volunteer applications during this reporting period, as well as 2 reinstatements.

These efforts were supported by 2,589 locally-hired personnel in host countries and 971 U.S. staff, of whom 183 worked abroad, and 788<sup>2</sup> worked at headquarters, regional recruiting offices, and other domestic locations.

### OIG Organizational Chart as of September 30, 2024



<sup>&</sup>lt;sup>1</sup> The total Volunteer number is one less than previously published in the FY 2024 Management Challenges.

<sup>&</sup>lt;sup>2</sup> According to the agency, as of September 30, 2024, there was a total of 971 staff, which includes 835 U.S. Direct Hires and 136 Experts. Prior SARC reporting did not include expert appointments.

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

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OIG continues to provide advice and assistance to the Peace Corps Senior Policy Committee and other offices by commenting on new or updated drafts of policies, procedures, and other documents governing the agency's organization and practices.

During this reporting period, OIG reviewed 10 Peace Corps policies and procedures. Topics included: the telework and remote work programs; breach notification response planning; food and refreshment expenses; the cybersecurity incident response program; the annual performance incentive awards program; the personnel security program; the direct hire personnel system; overseas posts' operations; and Volunteer/Trainee sexual misconduct.

#### Revisions to MS 729 Food and Refreshment Expenses

OIG made two rounds of significant comments to Manual Section 729, Food and Refreshment Expenses. Although the agency incorporated some of OIG's comments, OIG recommended that the agency not move forward with the Manual Section as currently drafted. The recommendation was based on OIG's concerns with the policy's various exceptions to the general rule that food and refreshments are personal expenses, and the lack of clear authority and criteria cited for these exceptions. OIG also identified inconsistencies between the policy and the implementing guidance.



### **OIG Outreach**

From April 12 - 18, OIG presented at four agency virtual overseas training sessions on best practices and common deficiencies identified through our work. By the end of the training series, OIG had briefed a total of 41 agency participants, to include multiple country directors, directors of programming and training, directors of management and operations, training managers, medical officers, and other overseas staff.

In June, IG Ferrao, along with the IGs from the Department of Education and U.S. International Development Finance Corporation, participated in the Government Accountability Office's International



Audit Fellows Program. During the event, the IGs shared information on best practices for Federal oversight work in the United States. The program was held for 17 mid- to senior-level auditor fellows from around the world, representing countries that included Albania, Argentina, Brazil, Georgia, India, Kosovo, Madagascar,

Malawi, Nepal, Pakistan, Rwanda, Sierra Leone, South Africa, Sri Lanka, Tanzania, Uganda, and Ukraine.

The IG participated in three in-person meetings with the Peace Corps country directors from the Africa Region, Europe, the Mediterranean and Asia Region, and the Inter-America and Pacific Region. In total, OIG addressed 53 country directors, sharing crucial insights into the role of the OIG, updates on OIG procedures for conducting Post evaluations and facilitated discussions about the roles and responsibilities of Post staff and OIG.

In September, the Office of Medical Services hosted a Regional Medical Officer Conference at headquarters. Three senior staff members from the Audit, Evaluation, and Investigation Units presented on the oversight role of OIG, as well as the importance of staff cooperation and working with our office during OIG-conducted audits, evaluations, and investigations.

### **OIG Support for Background Checks**

During the reporting period, OIG supported the agency's standard operating procedure for background checks, which integrates and automates requests for OIG record checks. Any individual who worked or volunteered for the Peace Corps and seeks to return as staff or as a Volunteer undergoes an OIG record check. This supplements the agency's onboarding process to produce accurate and complete background checks for employment and Volunteer Services. This process helps the agency comply with the employee and Volunteer background check requirements of the Sam Farr and Nick Castle Peace Corps Reform Act of 2018. During this reporting period, OIG conducted **459** records checks, of which **152** were for potential, current, and former staff, and **307** were for potential Volunteers and Virtual Service Pilot participants.

### **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, promote economy and efficiency, and ensure compliance with Federal laws, 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 and programs. Auditors report

their conclusions and recommendations based on data and document analyses, interviews, and direct observations. The Audit Unit also monitors the agency's progress in correcting systemic weaknesses identified in audit reports.

Audits and other reviews<sup>3</sup> 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**

The Audit Unit continued its work on the Pre-award Process for Domestic Awarded Contracts report. The Unit also began work on a peer review of the Architect of the Capitol OIG Office of Audit's compliance with GAGAS standards and other legal and regulatory requirements, an audit of post operations in Uganda, an audit of post operations in Peru, and the annual audit of the Peace Corps' FY 2024 Financial Statements. The unit also awarded a contract for penetration testing and vulnerability assessments of the Peace Corps' IT network. The contract will be executed in the next reporting period.



In addition, as required by the Federal Information Security Modernization Act of 2014 (FISMA), the unit completed its work on the Review of the Peace Corps' Information Security Program. The unit anticipates issuing the final report in early FY 2025. The Peace Corps closed four prior year FISMA recommendations, making significant progress in enhancing its information security posture. However, the overall information security program remains at a Level 2, Defined, falling short of Level 4, Managed and Measurable, which is considered by the Office of Management and Budget (OMB), to be effective.<sup>4</sup>

<sup>&</sup>lt;sup>3</sup> Other Reviews include the MIRs and MARs, which are conducted in accordance with OIG Directive 2020-03 – Revision to Reporting Procedures for MIRs and MARs

<sup>&</sup>lt;sup>4</sup> OMB established the guidance for the FY 2024 FISMA requirements in M-24-04

### **Agency-Wide Audits**

### Audit of the Oversight of Monitoring of Peace Corps' Domestic Awarded Contracts

#### IG-24-01-SR

In September 2024, OIG issued an audit report on the extent to which the Peace Corps established an effective framework of oversight and monitoring of domestic awarded contracts. While the Peace Corps does have an established framework to oversee and monitor domestic awarded contracts, it can improve its management of the following:

- 1. Contract oversight, including contract modifications, documentation, and guidance for Contract Officer Representatives (COR) and Technical Points of Contact (TPOCs); and
- 2. Contract completion, including performance assessments and closeout.



OIG found that the Peace Corps Office of Acquisition & Contract Management (ACM) did not provide adequate oversight to ensure the modifications for 20 of the 29 contracts reviewed were properly issued. The COR files were also missing key documentation. Moreover, while the Peace Corps' Domestic Operations Acquisition Handbook advises personnel to follow the COR Handbook, ACM has not developed a handbook. In some cases, the TPOCs did not have a clear understanding of their roles or responsibilities and were performing contract duties that are usually performed by the CORs. The issues identified in this audit were primarily caused by a lack of clear and concise policies and procedures.

The audit also found that ACM staff were not submitting its contractor performance assessments to the online Contractor Performance Assessment Reporting System (CPARS) or closing out contracts and deobligating funds in a timely manner, as required by the Federal Acquisition Regulation (FAR). Furthermore, the contractor assessments were not submitted properly because ACM did not have its access to CPARS configured properly, and the internal guidance never defined the requirement to use CPARS. ACM personnel stated that the contracts were not closed out in a timely manner due to a lack of resources. ACM personnel also stated that they did not de-obligate the funds timely because they did not know if the contractors submitted the final invoice for the contract.

To improve oversight and monitoring of contracts, the report issued nine recommendations for the Director of ACM. The recommendations include developing and implementing policies and procedures for contract management personnel that will improve contract administration and oversight and, ensure that COR files are accurate and complete. The recommendations should also help contract management personnel comply

with FAR requirements when conducting contract performance assessments in CPARS, close out contracts in a timely manner, and record de-obligations on contracts.

The Director of ACM concurred with the nine recommendations, and all remain open at the end of this reporting period.

#### Potential Cost Savings

This report identified approximately \$530,000 in funds that could be put to better use.



### **Other Reviews**

#### *Review of the Peace Corps' Compliance with the Payment Integrity Information Act for Fiscal Year 2023*

IG-24-03-SR

In May 2024, the OIG issued a report on the Peace Corps' compliance with PIIA (Public Law No. 116-117) for FY 2023. The PIIA requires the Inspector General to annually review its agency's improper payment and payment reporting made in the annual Agency Financial Report (AFR) to determine compliance.

This review determined that the Peace Corps complied with the PIIA for FY 2023. The agency provided payment integrity information through OMB's FY 2023 annual data call; published its improper payment information in the AFR for FY 2023; and posted that report on the Peace Corps' website.



OIG concluded that it is unlikely that the Peace Corps reached the significant improper or unknown payment threshold. The report also noted that the dollar values of the individual payments are considerably lower than the significant improper payment threshold amounts. The audit did not identify any significant improper payments that met or exceeded the PIIA-established threshold in OIG's FY 2023 audits, the audit of the agency's FY 2023 financial statements, or other audits or reviews conducted during FY 2023.

As a result of this review, OIG did not make any recommendations to the Peace Corps.

## **Evaluation**

### **Overview**

The Evaluation Unit conducts independent evaluations of agency programs and operations at overseas posts and domestic offices. Evaluations assess agency performance against established criteria, address efficiency and effectiveness, identify best practices, and recommend improvements. Evaluators also participate in crossfunctional projects with OIG auditors and investigators. Evaluation Unit reports provide timely information that is useful to agency managers, policymakers, and others.

Evaluations and other reviews<sup>5</sup> are conducted under the direction and guidance of the Assistant Inspector General for Evaluations. OIG evaluations are performed in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation.



### **Ongoing Work**



During this reporting period, the Evaluation Unit initiated country program evaluations of PC/Madagascar and PC/Guyana. The evaluation teams visited both posts and are currently drafting reports of their findings and recommendations. Meanwhile, field work is underway for an evaluation of agency challenges in recruiting, selecting, and placing Volunteers.

<sup>&</sup>lt;sup>5</sup> Other reviews include MIRS and MARs, which are conducted in accordance with OIG Directive 2020-03 – Revision to Reporting Procedures for MIRs and MARs

## **Evaluation**

## Evaluations of Agency Programs and Operations

*Evaluation of the Office of Health Services' Technical Guidelines' Revision and Implementation Process* 

#### IG-24-02-E

In September 2024, OIG issued an evaluation report on the Peace Corps Office of Health Services' (OHS) policies and procedures for updating its Technical Guidelines (TG). The Peace Corps OHS manages overseas Trainee and Volunteer healthcare. The Peace Corps Medical Officers (PCMOs) serve as the primary healthcare providers for Volunteers and Trainees

OIG found that the TGs are a valuable tool for PCMOs but OHS's process for updating TGs could be improved. OHS staff reported that consistently a significant number of TGs were out of date, and it was hard to ensure TGs were updated every 3 years as required.

overseas. OHS issues TGs to provide programmatic and clinical guidance for the operation of the Volunteer Health System overseas. OIG evaluated OHS policies and procedures for updating TGs to ascertain whether OHS efficiently and adequately updates its TGs, assess challenges to their implementation, and to determine the extent that PCMOs used TGs in their administrative and clinical practices.

OIG found that the TGs are a valuable tool for PCMOs, but OHS's process for updating TGs could be improved. OHS staff reported that a significant number of TGs were out of date and that it was difficult to ensure TGs were updated every 3 years as required. OIG concluded that PCMOs rarely report problems regarding the TG's informational content and accessibility, and that the PCMOs do not have a clear process for reporting TGs that need to be reviewed.

Our report recommended that the Peace Corps develop a plan to automate OHS's update process and management of TGs and a process or mechanism for PCMOs and other users to flag TGs that need review. The Peace Corps concurred with both recommendations and the agency is currently taking action to address the recommendations.



## Investigation

### **Overview**

The Investigation Unit is authorized to conduct investigations of alleged criminal and administrative violations of law, regulation, and policy for 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 public.

The Investigation Unit receives allegations through audits, evaluations, Hotline complaints, and other means. OIG investigators have full law enforcement authority, including the authority, upon probable cause, to seek and execute warrants for arrest, search premises, and seize evidence. They are authorized to carry firearms and to make arrests without a warrant while engaged in official duties. In addition, OIG receives substantial investigative support from the Department of State, Bureau of Diplomatic Security.

The Investigation Unit continues to implement provisions of the Sam Farr and Nick Castle Peace Corps Reform Act of 2018 provisions regarding independent reviews of the facts and circumstances surrounding Volunteer deaths. It is the practice of the Investigation Unit to review the details of each incident to assess whether further investigation is required. During this reporting period, no Volunteer deaths were reported.



## Investigation

### **Investigations of Criminal or Administrative Misconduct**

#### Report of Misuse of Personally Identifiable Information in the Europe, Mediterranean, and Asia Region

OIG received a complaint that a Peace Corps locally-employed staff (LES) member was under suspicion of acting as an intermediary for a visa fraud scheme. OIG's investigation determined the LES engaged in multiple instances of providing sensitive Personally Identifiable Information (PII) of foreign nationals to unauthorized persons by misusing official sources of information for an unofficial purpose.

OIG also found that the LES failed to comply with the Peace Corps

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Manual Section 647, Staff Responsibilities and Conduct, as well as multiple provisions of the Peace Corps personal services contract. As a result of the investigation, the LES' security certification was revoked by the U.S. Embassy, resulting in the LES' termination from the Peace Corps.

#### Report of Contract Fraud in the Africa Region

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OIG received a complaint alleging that three LES members of a Peace Corps Post were working together to commit contract fraud, theft, and receive kickbacks. The complaint also alleged that at least one of the LES members was awarding contracts to one specific supplier because of their relationship with the owner of the supply company.

There were no investigative findings to support these allegations. However, the investigation of the complaint did uncover a lack of accountability for Peace Corps materials moving in and out of formal training events. The matter was briefed to Post leadership and referred to the OIG Audit Unit as part of their Post Audit process.

#### Report of False Statements and Matters Affecting a Personal Financial Conflict of Interest in Peace Corps Headquarters

OIG received a notification that a Peace Corps/Headquarters employee was receiving compensation for services rendered to the Federal Government as a contractor while also employed with Peace Corps as a Federal employee. During the investigation, OIG found that the employee performed these contractor functions during their official duty hours and without authorization.

OIG also determined that the employee had falsified their resume and misrepresented themselves to the Government while applying for a Peace Corps promotion. The employee was also determined to have given false testimony to the OIG during the investigation and misused and misrepresented the reporting of their official time.

The matter was referred to the Department of Justice, which declined to prosecute. As a result of the investigation, the employee resigned from their position with the agency.

# Investigation

#### Report of Child Physical Assault in the Africa Region

OIG received a complaint alleging that a Peace Corps Volunteer (PCV) may have physically assaulted children in a school where the PCV was assigned to teach. The PCV allegedly admitted to a tourist backpacking through the country that the PCV hits children in the village. The OIG investigation corroborated claims that the PCV physically assaulted children under their care. During an OIG interview, the PCV confessed to using corporal punishment against approximately 8 to 10 students in the school classes by using various instruments, such as sticks and books, to hit the children in order to discipline behavior.



As a consequence of OIG's investigative activity, the PCV resigned in lieu of Administrative Separation.

#### Report of Time and Attendance Abuse in the Africa Region

While conducting investigative activities concerning a separate matter, an OIG interview of a Peace Corps driver divulged information that the driver may have been misusing Government-owned equipment, performing substantial personal affairs on official Government time, and engaging in notoriously disgraceful conduct.

The OIG investigation disclosed the driver was operating a private, for-profit business on a Peace Corps phone and during Peace Corps duty hours. OIG also found evidence indicating the personal business was



fraudulent and the driver was engaging in theft from customers. Further, the driver was misusing an issued Peace Corps phone to arrange sexual encounters for money and other unauthorized activities. When interviewed by OIG, the driver was deceptive and uncooperative.

While under investigation, the agency placed the driver on administrative leave and the driver subsequently resigned from the Peace Corps.

#### Report of Fraud, Theft, and Abuse in the Africa Region

OIG received an allegation that a Supervisory LES had abused underage females in a house leased by the Peace Corps. Additionally, the LES was allegedly receiving kickbacks from transportation contracts and was alleged to have stolen Peace Corps property. The OIG investigation did not corroborate either allegation.

However, OIG found the LES abused their authority over subordinates through a loan sharking scheme. The investigation found that the LES provided dozens of private loans to those subordinate employees at over-inflated interest rates. Additionally, the OIG investigation determined the LES had stolen high-value automotive equipment from a Government-owned vehicle (GOV) for personal use. OIG found the LES directed subordinate staff to remove machinery from the GOV and install it onto their personal vehicle at an offsite location and during duty hours.

# Investigation

After being interviewed by OIG, the LES resigned from the Peace Corps.

# Report of Harassment and Whistleblower Retaliation in the Europe, Mediterranean, and Asia Region

OIG received a complaint that a Peace Corps U.S. Direct Hire (USDH) had been harassing and retaliating against subordinate employees. Specifically, an employee had reported the USDH was bullying and intimidating subordinates at Post and had a history of similar misconduct at other Peace Corps locations.

OIG's investigation revealed substantial evidence supporting the allegation that the USDH engaged in retaliation against the subordinate for filing a grievance against the USDH. OIG found evidence that the USDH had removed the subordinate's core duties and assigned responsibilities, marginalized the subordinate's work, and attempted to terminate the subordinate until senior officials halted the USDH's attempts.

Through extensive interviews, OIG found the USDH had a long history of creating intimidating, hostile, and abusive work environments for LES at two Peace Corps Posts and failed to adhere to Peace Corps Manual Section 641, Standards of Conduct for Peace Corps Employees despite being counseled by senior officials repeatedly. The investigation also revealed that the USDH had claimed monetary benefits that the individual was not qualified to receive.

Prior to the completion of the investigation, the USDH resigned from their position with the Peace Corps.



# Investigation



# Sexual Misconduct Investigations

### Report of Sexual Assault in the Africa Region

OIG received a notification regarding a written complaint discovered at a Post from 2002 which alleged a PCV had sexual contact with primary school students and had distributed explicit photographs of themself to students.

The OIG investigation determined the allegations were untrue.

### Report of Sexual Misconduct in the EMA Region

OIG received notification of a PCV possibly having a sexual relationship with multiple juveniles. The PCV was removed from Post, pending the results of the



investigation. During the investigation, OIG determined the Volunteer had engaged in sexual activities while being aware that the conduct was both illegal and culturally inappropriate. However, OIG found no physical or digital evidence to corroborate the claims that the Volunteer had engaged in sexual contact with a minor.

As a result of this investigation, the PCV resigned in lieu of Administrative Separation.

### **Investigations of Senior Government Employees**

The Inspector General Empowerment Act requires OIG to summarize in the SARC each investigation involving a Senior Government Employee when allegations of misconduct were substantiated. There were no instances of alleged Senior Government Employee misconduct during this reporting period.

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

Agency-wide Audits	Page
Audit Report: Oversight and Monitoring of Peace Corps' Domestic Awarded Contracts Audit (IG-24-01-A)	26

Evaluations of Agency Programs and Operations	Page
Evaluation of the Office of Health Services' Technical Guidelines' Revision and Implementation process (IG-24-02-E)	30

Other Reports	Page
Review of the Peace Corps' Compliance with the Payment Integrity Information Act for	20
Fiscal Year 2023 (IG-24-03-SR)	28

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

	Rec. No.	Questioned Costs <sup>6</sup>	Unsupported Costs <sup>7</sup>	Funds to Be Put to Better Use <sup>8</sup>	Recommendation Status at the End of the Reporting Period
Reports for	which final ac	tion had not been	taken at the com	mencement of the re	porting period.
IG-23-01-A:	Audit of the P	eace Corps' Manag	gement of Payroll B	Benefits for U.S. Direct	t Hires
	2	\$1,550			Open
	3	4,383			Open
	12	13,011			Open
	13	3,880			Open
	22	135,612			Open
	24	1,279			Open
	27	48,501			Open
	28	153,738			Open
	30	112,690			Open
Total	9	474,644			
Reports Issu	ued This Repo	rting Period			
IG-24-01-A:	Oversight and	Monitoring of Peo	ace Corps' Domesti	c Awarded Contracts	Audit
	9			530,472	
Total	1			530,472	
Total recommendations which no final action has been taken at the end of the reporting period					
Total	9	474,644			

<sup>&</sup>lt;sup>6</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>&</sup>lt;sup>7</sup> Unsupported Cost – A cost that is not supported by adequate documentation.

<sup>&</sup>lt;sup>8</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.**Recommendations on Which Corrective Action Has Not Been Completed

Type of Report	Number of Recommendations Open at the End of the Reporting Period	Number of Recommendations Open for More than 180 Days
Audits and Evaluations	45	34
Special Reports	8	8
Other	16	n/a <sup>9</sup>

### Audits and Evaluations

<u>Audit of the Peace Corps' Management of Payroll Benefits for U.S. Direct Hires</u> (IG-23-01-A) 23 of 30 recommendations open since November 29, 2022

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

Potential Cost Savings Identified: \$1,550

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

Potential Cost Savings Identified: \$4,383

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

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

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

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

<sup>&</sup>lt;sup>9</sup> All recommendations issued in conjunction with the Audit of the Peace Corps' Financial Statements and Review of the Peace Corps' Information Security Program are part of a normal 12-month audit cycle. As a result, recommendations made during a given fiscal year will remain in an open status during the entire subsequent fiscal year

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

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

Potential Cost Savings Identified: \$13,011

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

Potential Cost Savings Identified: \$3,880

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

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

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

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

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

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

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

Potential Cost Savings Identified: \$135,612

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

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

Potential Cost Savings Identified: \$1,279

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



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

Potential Cost Savings Identified: \$48,501

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

Potential Cost Savings Identified: \$153,738

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

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

Potential Cost Savings Identified: \$112,690

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

1 of 9 recommendations open since March 31, 2023

**Recommendation 3:** OIG recommended that the Office of Chief Financial Officer develops an automated process to calculate evacuation allowance payments.<sup>10</sup>

#### **Evaluation of Human Resources Management for Overseas Contract Staff (IG-23-08-E)** 9 of 9 recommendations open since September 29, 2023

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

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

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

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

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

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

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

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

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

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

#### Audit Report: Oversight and Monitoring of Peace Corps' Domestic Awarded Contracts Audit (IG-24-01-A)

9 of 9 recommendations open since September 23, 2024

**Recommendation 1:** OIG recommended that the Director of Acquisition and Contract Management develops standard operating procedures for issuing contract modifications.

**Recommendation 2:** OIG recommended that the Director of Acquisition and Contract Management provides training on the updated contracting procedures.

**Recommendation 3:** OIG recommended that the Director of Acquisition and Contract Management develops a COR handbook that aligns with COR designation memo and includes policies, standard operating procedures, and best practices to assist the COR with contract oversight.

**Recommendation 4:** OIG recommended that the Director of Acquisition and Contract Management defines and communicates the roles, responsibilities, and standard operating procedures for the TPOC to ensure efficiency in executing the contract activities.

**Recommendation 5:** OIG recommended that the Director of Acquisition and Contract Management develops a centralized system for maintaining contract files to ensure that CORs are compliant with FAR and record retention requirements.

**Recommendation 6:** OIG recommended that the Director of Acquisition and Contract Management ensures that COs review COR files annually and develop a checklist for the review.

**Recommendation 7:** OIG recommended that the Director of Acquisition and Contract Management ensure that contract management personnel have access to CPARS and develop and implement standard operating procedures for performance assessments to be submitted into CPARS at the time the work under the contract or order is completed.

**Recommendation 8:** OIG recommended the Director of Acquisition and Contract Management ensure contracts are closed-out within the specified FAR time frames and back logged contracts are properly closed.

**Recommendation 9:** OIG recommended that the Director of Acquisition and Contract Management works with the CORs to establish processes and standard operating procedures that ensure de-obligations are completed when the period of performance ends and the final invoice is paid.

Potential Funds put to better use Identified: \$530,472



#### <u>Audit Report: Evaluation of the Office of Health Services' Technical Guidelines' Revision and</u> <u>Implementation process (IG-24-02-E)</u>

2 of 2 recommendations open since September 26, 2024

**Recommendation 1:** OIG recommended the Peace Corps develops a plan to implement automation of the Quality Improvement Unit's update process and management of Technical Guidelines and to assess its impact on the efficiency and effectiveness in managing and updating Technical Guidelines.

**Recommendation 2:** OIG recommended that the Peace Corps develops a process or mechanism for PCMOs and other users to report TGs that need review, to include a procedure for how the issues will be systematically addressed.

### Special Reports

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

2 of 6 recommendations open since August 7, 2018

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

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

<u>Management Advisory Report: Cybersecurity Breaches Highlight a Need for Improvement in</u> <u>Peace Corps' Incident Response (IG-24-01-SR)</u>

2 of 7 recommendations open since December 19,2023

**Recommendation 2:** OCIO implement adequate data logging in compliance with applicable NIST guidance.

**Recommendation 7:** OCIO ensure that the PC network is continuously monitored to mitigate the risk of cyberthreats

#### Entry Health and Safety Review /PC Cambodia (IG-24-01-E)

1 of 6 recommendations open since March 18, 2024

**Recommendation 2:** The Office of Health Services and the Country Director either identify a local backup medical provider or renew the post's agreement with the State Department.

#### Management Advisory Report: Assessment of Post Re-entry Health and Safety Reviews' Findings (IG-24-02-SR)

#### 4 of 7 recommendations open since March 15, 2024

**Recommendation 1:** The Office of Health Services details what the Medical Action Plan review process at the post level should include.

**Recommendation 3:** The Office of Health Services collaborates with the posts to implement a uniform tracking system to ensure referral facility and consultant assessments comply with Technical Guideline 204.

**Recommendation 4:** The Office of Health Services ensures that the posts develop schedules to assess referral consultants and facilities in compliance with Technical Guideline 204.

**Recommendation 6:** The Office of Health Services trains Peace Corps Medical Officers on the appropriate use of each Technical Guideline 204 Attachment.

#### Other

#### **Financial Statement Audit Recommendations**

Summary of Internal Control Issues Over the Peace Corps' Financial Reporting			
Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Information Technology Security	2013	Concur	6
Inadequate Internal Controls over Property, Plant, and Equipment	2019	Concur	3
Inadequate Controls Surrounding Processing of Personnel Actions	2020	Concur	4
Total Open Recommendations		13	

#### Federal Information Security Management Act (FISMA) Review Recommendations

<u>Review of the Peace Corps' Information Security Program</u> (FY 2023)

#### 3 of 7 recommendations open since September 30, 2023

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

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

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

### **4. Summary of Hotline and Other Complaints**

#### **Complaints Received**

Complaints	Total
Complaints Received via Hotline	128
Complaints Received via Other Sources <sup>11</sup>	7
Total Complaints (All Sources)	135

#### **Overview of Complaint Activity**<sup>12</sup>

Complaint Activity	Total
Resulted in Investigations	10
Resulted in Preliminary Inquiries	11
Resulted in Audits or Evaluations	0
Referred to Agency Management	58
Referred to Other Agency	1
No Action Needed	29

<sup>&</sup>lt;sup>11</sup> These complaints are largely a result of outreach by OIG staff and were received by email, phone calls, and conversations.

<sup>&</sup>lt;sup>12</sup> The following actions summarize the disposition of complaints received by OIG. In some instances, one complaint can result in multiple actions. In other cases, multiple complaints may be received about the same issue, resulting in one referral or result. The results reflect complaint activities that occurred during this reporting period; in some instances, the complaint may have been received during a prior reporting period.

### **5.Summary of Investigative Activities and Outcomes**

Investigative Activities	Preliminary Inquiries <sup>13</sup>	Cases
Open at the beginning of the reporting period	4	10
Opened during the reporting period	12	12
Closed during the reporting period	8	10
Total open at the end of the reporting period	8	12
Referrals		Total
Persons referred for criminal prosecution (Department of Justice)		2
Persons referred for criminal prosecution (state and local authorities) <sup>1</sup>	4	-
Cases referred to the Department of Justice		-
Cases referred to agency management for administrative action		1
Cases referred to agency management for other information/ action		-
Referrals to other agencies		-
Reports		Total
Investigative reports issued		2
Court Actions		Total
Criminal information and indictments		-
Trial(s) pending		-
Ongoing prosecution <sup>15</sup>		-
Convictions		-
Judgments		-

Administrative Actions	Total
Employee <sup>16</sup> resignations and terminations	7
Other employee actions <sup>17</sup>	-
Suspension/debarment referrals	-

Monetary Results	Total
Annual savings	-
Recoveries/restitution <sup>18</sup>	-
Cost avoidance	-

<sup>&</sup>lt;sup>13</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>&</sup>lt;sup>14</sup> Includes foreign courts.

<sup>&</sup>lt;sup>15</sup> Includes overseas criminal proceedings.

<sup>&</sup>lt;sup>16</sup> Volunteers/trainees are included as Peace Corps staff for the purpose of reporting investigative activity.

<sup>&</sup>lt;sup>17</sup> Includes administrative actions that are less than resignation or termination, for example: letters of reprimand, counseling, and retraining.

<sup>&</sup>lt;sup>18</sup> Includes potential recoveries.

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

5 U.S.C Section Reference	<b>Reporting Requirements</b>	Section	Page
§ 404(a)(2)	Review of legislation and regulations	Advice and Assistance	23
§ 405(a)(1) <sup>*</sup>	Significant problems, abuses, and deficiencies and associated reports and recommendations for corrective action made by the Office	Audits and Evaluations	25, 29
§ 405(a)(2)	Recommendations made before the reporting period for which corrective action has not been completed, including potential costs savings associated with the recommendation	Table 3	39
§ 405(a)(3)	Summary of significant investigations closed during the reporting period	Investigations and Table 5	31, 46
§ 405(a)(4)	Total number of convictions during the reporting period resulting from investigations	Investigations and Table 5	31, 46
§ 405(a)(5)	List of audit, inspection, and evaluation reports, including the total dollar value of questioned costs, unsupported costs, and funds to be put to better use, and if a management decision had been made by the end of the reporting period	Audits, Evaluations, and Table 2	25, 29, 38
§ 405(a)(6)	Information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period	Table 2	38
§ 405(a)(7)	Information under the Federal Financial Management Improvement Act of 1996	N/A	-
§ 405(a)(8) – (10)	The results of the last peer review conducted by another OIG	Appendix A: Reporting of Peer Reviews	49
§ 405(a)(11)	Statistical table - investigative reports issued; persons referred for criminal prosecution; indictments and criminal information	Table 5	46
§ 405(a)(13)	Investigations involving a senior Government employee where allegations of misconduct were substantiated	Investigations	36

§ 405(a)(14)	Instances of whistleblower retaliation	Investigations	34
§ 405(a)(15)	Interference with Independence	N/A	-
§ 405(a)(16)	Detailed descriptions of the particular circumstances of each:		
	(A) inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public	N/A	-
	(B) investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public	N/A	-

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

# Appendices

### **Appendix A: Reporting of Peer Review**

Pursuant to Section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law No. 111-203),<sup>19</sup> OIG reports the following peer review information:

### Office of Audit

No peer review of the Peace Corps OIG's Audit Unit was conducted within this reporting period. The date of the last peer review conducted by another OIG was in March 2023, when the Denali Commission OIG issued its System Review Report of the Peace Corps OIG Audit Unit for the period ending September 30, 2022. The Audit Unit received a rating of "pass," the highest rating available. The peer review found that the Audit Unit's system of quality control was suitably designed and achieved adequate compliance. The Denali Commission did not provide any recommendations in the System Review Report.

The Peace Corps OIG's Audit Unit started a peer review of the Architect of the Capitol (AOC) Office of Inspector General (OIG) audit organization in April 2024, for the period from April 2021 through March 2024.

### **Office of Evaluation**

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

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

### Office of Investigation

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 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.

<sup>&</sup>lt;sup>19</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.).

# Appendices

In April 2024, Peace Corps OIG agents conducted an investigative peer review of internal safeguards and management procedures for the investigative operations of the Office of the Inspector General for the U.S. Nuclear Regulatory Commission and Defense Nuclear Facilities Safety Board (NRC and DNFSB OIG) in effect for the period beginning July 31, 2019, and ending on March 31, 2024. 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 Office of Inspector General for the Federal Deposit Insurance Corporation (FDIC) OIG's Special Agent in Charge of the Electronic Crimes Unit and Forensic Laboratory. We provided our results to the NRC and DNFSB OIG in June 2024. The review found that the NRC and DNFSB OIG was compliant with CIGIE's quality standards for investigations and quality assessment review guidelines, as well as the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority.

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

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

# Appendices

### **Appendix C: Human Trafficking Reporting**

Pursuant to Section 122 of Subtitle B, Trafficking Victims Prevention and Protection Reauthorization Act (<u>Public Law No. 117-348</u>), OIG reports on the number of suspected violations reported, the number of investigations, the status and outcomes of such investigations, and recommended actions to improve the programs and operations of the agency relating to trafficking-in-persons. During this reporting period, OIG reports no relevant information meeting the criteria established in Public Law No. 117-348.