



Peace Corps
Office of
**INSPECTOR
GENERAL**

SEMIANNUAL REPORT TO CONGRESS

October 1, 2018 to March 31, 2019

PEACE CORPS OFFICE OF INSPECTOR GENERAL

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Office of Inspector General

TOGETHER WE MAKE A BETTER PEACE CORPS

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Vision:

Provide high-impact work products that agency management acts upon to increase the Peace Corps' efficiency and effectiveness.

Mission:

Through audits, evaluations, and investigations, the Office of Inspector General (OIG) provides independent oversight of agency programs and operations in support of the goals set forth in the Peace Corps Act while making the best use of taxpayer dollars.

The goals of OIG are as follows:

- To promote integrity, efficiency, effectiveness, and economy
- To prevent and detect waste, fraud, abuse, and mismanagement
- To identify risk and vulnerabilities and offer expert assistance to improve Peace Corps programs and operations

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

Semiannual Report to Congress

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Highlights from this Report

Message from the Inspector General



I am pleased to present the Peace Corps Office of Inspector General's (OIG's) Semiannual Report to Congress for the period of October 1, 2018 to March 31, 2019. Our work underscores OIG's commitment to promoting efficiency, effectiveness, and accountability within the Peace Corps.

The Audit Unit issued reports on the Peace Corps' information security program and the Peace Corps' financial reporting for FY 2018. The unit also produced a management advisory report on the Peace Corps' cooperative agreement with Seed Global Health Services. The unit continued work on audits of posts in Guatemala and eSwatini (formerly Swaziland) and initiated audits of posts in Morocco and Fiji.

The Evaluation Unit issued a report on the evaluation of the post in Mozambique and a case study of effective site development practices. The unit continued work on a review of the circumstances surrounding the death of a Volunteer in Comoros, evaluations of posts in Thailand and Paraguay, a review of program-opening guidance for post-conflict environments, and an evaluation of host family policies and practices. Additionally, the unit initiated evaluations of posts in Comoros and the Kyrgyz Republic.

The Investigation Unit conducted investigations of fraud, waste, abuse, and mismanagement in Peace Corps programs and operations. Notably, the unit's investigative work led to the sentencing of a former Peace Corps trainee who committed acts of video voyeurism against a fellow trainee. Through collaboration with a trial attorney in the Criminal Division's Human Rights and Special Prosecutions Section at the Department of Justice (DOJ) and an assistant U.S. attorney for the Northern District of Florida, a U.S. District Court sentenced the individual to 3 years of probation and 30 days of intermittent confinement.

The passage of the Sam Farr Nick Castle Peace Corps Reform Act of 2018 (Farr Castle Act) at the end of the previous reporting period authorized the Inspector General to independently review the facts and circumstances surrounding the death of a Volunteer. In addition to the ongoing review of a Volunteer death in Comoros, OIG reviewed the circumstances surrounding the deaths of two other Volunteers.

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Finally, I am honored to share that the Council of the Inspectors General on Integrity and Efficiency (CIGIE) recognized my office with two awards for excellence at its annual award ceremony on October 17, 2018.



Kathy A. Buller
Inspector General

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Management and Administration

Agency Context

As of March 31, 2019, there were 6,835 Peace Corps Volunteers and trainees serving in 61 countries at 58 posts. This total includes 676 Volunteers and trainees funded by the President's Emergency Plan for AIDS Relief (PEPFAR) to work on HIV/AIDS projects at 12 posts and 162 Peace Corps Response Volunteers serving in short-term assignments at 19 posts.

Peace Corps Volunteers and programs were supported by 916 U.S. direct hire staff, of whom 188 worked abroad, 620 worked at headquarters, and the remaining 108 worked in regional recruiting offices and other domestic locations. There were also 2,825 locally-hired personnel at posts.

The Peace Corps had domestic and international commercial contracts with vendors and service providers. These included agreements for guard services, training, Volunteer healthcare services, information technology, communications, and other services.

Awards

OIG received two awards for excellence at CIGIE's 21st Annual Awards Ceremony held on Oct. 17, 2018.

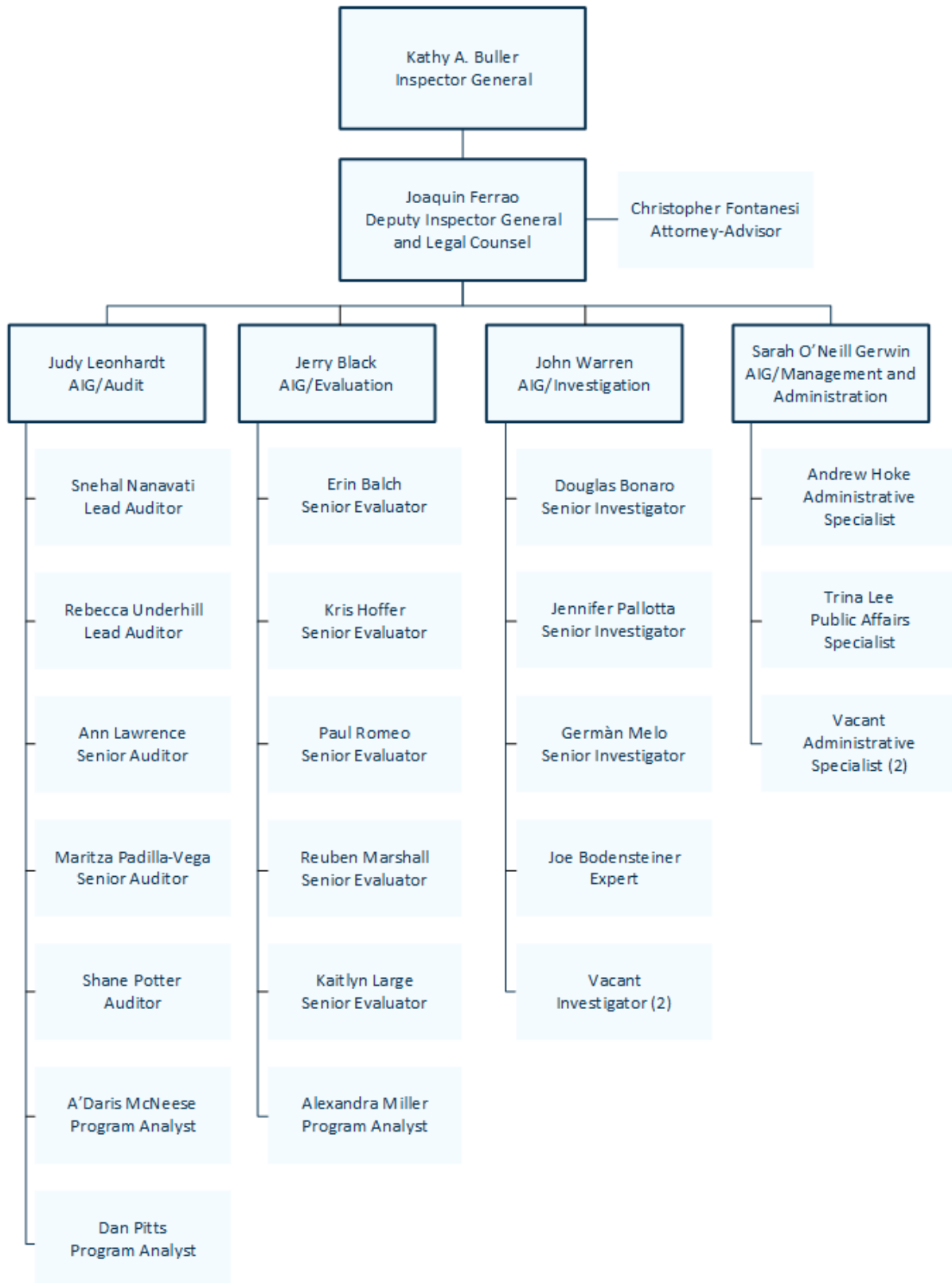
The Kosovo evaluation team received an Award for Excellence in Evaluations for its "exemplary coordination and timeliness on the [Evaluation of Peace Corps/Kosovo](#)." In December 2016, a team of evaluators found serious weaknesses within the community development (CD) project in Kosovo. This resulted in a decision to recommend postponement of Peace Corps/Kosovo's June 2017 input of CD Volunteers. Peace Corps management quickly found alternative placements for the 16 individuals who had already been invited to serve as CD Volunteers, set about redesigning the CD project goals and training for future Volunteers, and improved the staff support for the project. Assistant Inspector General for Evaluations Jerry Black, Senior Evaluator Kaitlyn Large, and Program Analyst Alexandra Miller received the award.

The investigations team received an Award for Excellence in Investigations for its "excellence in conducting an initiative against Volunteer drug use." Between April 2015 and February 2018, OIG agents conducted field investigations of illicit Volunteer drug use at nine Peace Corps posts. This initiative led to the issuance of a [Management Advisory Report on Volunteer Drug Use](#), which made recommendations encouraging the agency to examine all facets of its drug policy, including enforcement, record keeping, research, and training.

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Assistant Inspector General for Investigations John Warren, Expert Joe Bodensteiner, Senior Investigator Doug Bonaro, Diplomatic Security Liaison John Carlock, Senior Investigator Germàn Melo, Senior Investigator Jennifer Pallotta, Senior Investigator Terrick Turner and Investigator Jeffrey Reichert received the award.

OIG Organizational Chart



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Advice and Assistance Provided to the Agency and Others

Special Reports

Management Advisory Report: Seed Global Health Services

IG-19-01-SR

OIG issued a management advisory report in October 2018 in response to media claims that more than \$9 million of Department of State funding had been funneled through the Peace Corps to Seed Global Health Services (Seed), an organization founded by the daughter of former Secretary of State Kerry. Our report highlighted a cooperative agreement which the Peace Corps had awarded to Seed without competition in September 2012. The objective of our review was to determine if the cooperative agreement was awarded in accordance with applicable laws and policies. The scope of the review was limited to the actions of the Peace Corps.

Our review found that the Peace Corps did not fully comply with applicable Federal requirements relating to cooperative agreements and lacked internal controls in making the award to Seed. Specifically, the Peace Corps did not have sufficient documentation to justify awarding the cooperative agreement without competition. We found several weaknesses caused by insufficient controls:

- Lack of segregation of duties for a senior agency official
- Lack of key policies governing cooperative agreements
- Poor file management
- Failure to impose proper limitations on agreement extensions
- Failure to obtain the necessary anti-lobbying certifications

The Peace Corps made itself vulnerable to the perception of favoritism by obligating a total of approximately \$7.5 million in Department of State funding to Seed through the award, modifications, and extensions of the agreement without proper controls.

Management concurred with all 5 recommendations, and 5 recommendations remained open at the end of this reporting period.

Case Study of Effective Site Development Practices

IG-19-02-SR

OIG issued a case study of effective site development practices in December 2018. OIG selected Peace Corps/Georgia as the subject for this case study. We found that senior leadership at the post had established a strategic vision for the post's site development process and provided oversight, but they also trusted the staff to do their work well. The director of programming and training focused on ensuring that the programming and training team was communicating well with other units and had the information they needed. Peace Corps/Georgia achieved high quality site development outcomes, and staff believed that their intensive site development efforts resulted in fewer Volunteer support issues over time.

As part of its approach, Peace Corps/Georgia had a well-articulated site development strategy in its site management manual which prioritized placing Volunteers with vulnerable populations, particularly internally displaced persons; ethnic minorities; and geographically remote, socially- or economically-vulnerable populations.

Georgian communities and organizations competed for the opportunity to host and collaborate with Peace Corps Volunteers. Program managers created a competitive environment by recruiting more than double the number of applicants needed for the incoming group of new Volunteers. Although this required considerable effort, it enabled post staff to select highly motivated organizations and communities. Program managers screened applications according to the post's site selection criteria. The post's safety and medical officers then reviewed the selected applications to approve those which met the post's health and safety standards.

Programming staff, accompanied by selected Volunteers, visited approved sites to verify that they met the programmatic criteria. They also explored the development needs of the applicant organization and clarified the Volunteer's role and work expectations. They educated supervisors and counterparts about the specific Peace Corps project and objectives, timeline for selection and arrival of the Volunteer, common challenges associated with hosting Volunteers, the training Volunteers and counterparts would receive, and the competitive nature of the site selection process. To qualify to receive a Volunteer, potential counterparts developed a work plan for the Volunteer's first 3 months at site. This helped counterparts think about their role and commitment to a Volunteer, and the plan helped the future Volunteer better adapt to life and work in the new community.

After these in-person meetings, programming staff narrowed the number of prospective sites with the goal of having at least 25 percent more fully vetted sites than needed for the number of incoming Volunteers. Although preparing extra sites required additional resources, time, and effort, staff reported it was necessary to have the flexibility to place

Volunteers in sites where they would have the greatest opportunity for success. During pre-service training, Volunteers and staff undertook activities to determine which site would benefit from the personality and technical aptitudes of each Volunteer. We found that 92 percent of Volunteers in Georgia were satisfied with their sites, and staff expressed a high degree of ownership of and commitment to this process.

Management Implication Report: Review of a Volunteer Medical Accommodation

IG-19-03-SR

Following the death of a Volunteer, OIG initiated a limited review of the Office of Health Services' (OHS) medical accommodation decision as it related to this individual. OIG conducted a review of significant documentation to determine whether the Peace Corps followed proper procedures when considering if and how to accommodate this individual, since it was determined that the cause of death was related to the individual's pre-existing medical condition.

OIG found that the agency followed the eligibility standards outlined in Manual Section (MS) 201, and the Peace Corps satisfied the medical clearance requirements when determining whether to provide accommodation in this case. Specifically, OHS performed an individualized assessment of the Volunteer and confirmed with post staff to ensure the post could accommodate the condition. OIG also determined that the medical clearance process used by the Peace Corps was generally consistent with another Government agency operating in the country that must make similar accommodation decisions. We concluded that the Peace Corps performed its due diligence in determining whether to accept this individual for Peace Corps service.

Review of Legislation

Sam Farr and Nick Castle Peace Corps Reform Act of 2018

Public Law No. 115-256

The Farr Castle Act, signed into law on November 9, 2018, includes mandates for both OIG and the agency. This is the largest change to the Peace Corps Act since the Kate Puzey Peace Corps Volunteer Protection Act of 2011 (P.L. 112-57) (Kate Puzey Act). Below is a summary of significant provisions of the Farr Castle Act as well as OIG analysis of key provisions.

Several provisions of the Farr Castle Act directly relate to OIG operations. For example, Congress has expressed its clear intent that OIG remain involved in investigating and reviewing the facts and circumstances surrounding Volunteer deaths. Specifically, the

Farr Castle Act amended Peace Corps Act Section 5, which includes the agency's responsibility to provide timely briefings or reports to OIG and to take reasonable steps to preserve evidence.

Additionally, the Farr Castle Act requires that the agency maintain a record documenting the resignation of any employee or Volunteer who resigns before a determination has been made regarding an alleged violation of the sexual misconduct policy or other serious policy violations. While the agency has taken important steps to implement this mandate, OIG remains concerned more broadly over the accuracy and reliability of agency data concerning Volunteer terminations and resignations. (See Review of Agency Regulations section below.)

Also, the agency is required to train all Volunteers and trainees, in coordination with OIG, on the role of OIG and the Office of Victims Advocacy and how our offices can be a resource for Volunteers and trainees.

Provisions Associated with Previous OIG recommendations

Several provisions of the Farr Castle Act are related to prior OIG work. Examples include:

- The Act provides the agency with the authority to designate certain positions as “critical management or management support” allowing the Director to make or extend renewable appointments or assignments, irrespective of the ‘five-year rule,’ for terms not to exceed 5 years at a time.¹
- The Act requires the agency to provide additional, detailed information to an applicant including “crimes against and risks to” Volunteers who serve in each country in which the applicant may be invited to serve.²
- The Act requires the agency to document in site history files when a Volunteer is assaulted, or otherwise harmed, by a host family or counterpart. That information must be considered when determining whether to place Volunteers at that site or otherwise assigning Volunteers or otherwise providing agency funds or benefits.³
- The Act requires agency sexual assault policy to mandate that staff immediately contact a victim's advocate upon receiving a report of sexual assault.⁴

¹ Related to OIG's [Final Evaluation Report on Impacts of the Five-Year Rule \(IG-12-05-E\)](#)

² Related to OIG's [Final Evaluation Report on the Peace Corps' Sexual Assault Risk Reduction and Response Program \(IG-17-01-E\)](#) (2016 SARRR Program Evaluation).

³ Related to OIG's 2016 SARRR Program Evaluation and [Management Advisory Report: Site History Files \(IG-16-02-SR\)](#).

⁴ Related to OIG's 2016 SARRR Program Evaluation.

Provisions Related to the Peace Corps' Medical Program

The Farr Castle Act made additional changes to the way Peace Corps medical offices operate. Each overseas post must have a medical office consistent with the size and scope of the needs of the post. Additionally, the Office of Health Services and country directors must review medical staff performance. These requirements directly tie to open recommendations from OIG's 2016 [Follow-up Evaluation of Issues Identified in the 2010 Peace Corps/Morocco Assessment of Medical Care \(IG-16-01-E\)](#). The Farr Castle Act also requires the Peace Corps to take prompt corrective action to close all outstanding recommendations from this report and report biannually to Congress on their progress in closing these recommendations.

The Farr Castle Act also codified the agency's practice of requiring that medical officers or support staff be selected based on evaluations of candidates' skills and knowledge. The position of 'medical officer' is now statutorily defined as "a physician, nurse practitioner, physician's assistant, or registered nurse with the professional qualifications, expertise, and abilities consistent with the needs of the Peace Corps and the post to which he or she is assigned, as determined by the Director of the Peace Corps." Furthermore, medical staff performance reviews must include (1) compliance with all relevant agency guidance and (2) completion of necessary continuing education requirements to maintain their skills and proper licensing and credentialing standards.

Furthermore, the Peace Corps is now required to consult with the Centers for Disease Control and Prevention (CDC) on their malaria prophylaxis practices to provide the best standard of care within the context of the Peace Corps environment. The Peace Corps must also provide additional information to applicants regarding prescription options and potential interactions.

Provisions Related to the Sexual Assault Risk Reduction and Response Program

There were also several important changes to the agency's Sexual Assault Risk Reduction and Response program. The role of the agency's external review body, the Sexual Assault Advisory Council (SAAC), was extended through 2023 and was expanded to allow up to 14 members, at least one of which must be a licensed medical health professional with experience caring for survivors of sexual assault. Additionally, the Farr Castle Act provides that the SAAC may perform case reviews and authorizes the SAAC to interview current and former Volunteers (with consent) and access any information necessary to conduct case reviews (excluding personally identifiable information).

OIG notes that this shifts the role of the SAAC from an advisory role to an operational one. It is unclear if the SAAC has the requisite resources to engage in these reviews, which are duplicative of the agency offices with operational responsibilities in these

areas, including OIG.⁵ However, OIG believes that the SAAC could be a valuable resource for the agency as it puts into place a case review program.

Provisions Related to Medical Benefits

Finally, the Peace Corps was authorized to provide stop-gap medical benefits, similar to Federal Employee Compensation Act (FECA) benefits, for 120 days following service if the Director certifies that the Volunteer's service-related injury "probably meets" the current FECA standards for Volunteers. The provision of such benefits must cease once the Volunteer is accepted by FECA. In the past, OIG has noted difficulties that the agency faced when overseeing Volunteer healthcare claims, most notably in our 2015 [Management Advisory Report: The Peace Corps' Volunteer Healthcare Administration Contract \(IG-15-03-SR\)](#). We have concerns that, unless implemented with proper internal controls, this program will be susceptible to double payments and other improper payments.

Other Support to the Agency

Review of Agency Regulations, Policies, and Procedures

OIG continues to provide advice and assistance to the Peace Corps Senior Policy Committee and other offices by commenting on drafts of new or updated policies, procedures, and other documents governing agency organization or practice. During this reporting period, OIG reviewed 22 policies, procedures, policy attachments, and other guidance documents. Topics included the agency's implementation of the Farr Castle Act; the agency's process for addressing complaints of Volunteer-on-Volunteer sexual misconduct; the agency's acquisition regulations, rules, and procedures; the agency's action in response to the death of a Volunteer; early termination of Volunteer service; the child protection policy; enterprise risk management for the agency; and the missions, responsibilities, and functions of various agency offices.

The following are some areas of OIG concern related to the recent agency policy changes.

Manual Section 284, Early Termination of Service

The agency updated MS 284 to address one of the requirements of the Farr Castle Act – that the agency maintain a record documenting the resignation of any employee or Volunteer who resigns during an investigation or inquiry of an alleged violation of the sexual misconduct policy or other serious policy violations but before a determination

⁵ Our 2016 Evaluation of Peace Corps' Sexual Assault Risk Reduction and Response Program recommended "[t]hat the Director conduct individual and systemic sexual assault case reviews, and involve monitoring and evaluation staff in the process." The agency concurred with that recommendation, and the recommendation has been closed.

has been made. The updates to the policy outline the process by which the agency must document allegations of serious misconduct by a Volunteer or trainee under those circumstances.

However, OIG is concerned that the agency is moving forward with implementing the new Farr Castle Act requirement without first addressing problems in the existing process for recording Volunteer resignations and terminations. Specifically, our work has outlined gaps on the accuracy and reliability of agency data concerning Volunteer terminations and resignations. Our 2018 [Management Advisory Report: Volunteer Drug Use \(IG-18-01-SR\)](#) identified substantial gaps in data that the Peace Corps collected related to Volunteer resignations. While the MAR only focused on Volunteer drug use, the problems identified by the report with data reliability impact more broadly agency systems that hold data on Volunteer terminations and resignations. The MAR also highlighted the resulting lack of information upon which to make related studies and decisions.

Manual Section 265, Death of a Volunteer

The agency updated MS 265 to address one of the requirements of the Farr Castle Act – that the agency take reasonable measures to preserve information and material that may be relevant to determining the cause or root cause of the death of the Volunteer. The policy update has assigned this responsibility to the country director. OIG expressed reservation about placing this responsibility on country directors and remains concerned that country directors may not be adequately equipped or trained to perform this function. Additionally, country directors have many other pressing responsibilities related to the death of a Volunteer, and may not be familiar with host-country laws governing preservation of evidence. OIG expressed that the agency must support country directors in carrying out this new responsibility through training or other means.

Further, while the agency updated MS 265, they did not address another requirement of the Farr Castle Act – that the agency provide OIG with information surrounding any Volunteer death root cause analysis performed on behalf of the agency by a third-party.

Participation in Overseas Staff Training

OIG participated in overseas staff training in February 2019, briefing 13 staff members on best practices and common deficiencies noted by OIG. Participants included directors of management and operations, directors of programming and training, medical officers, and a country director.

OIG Support for Background Checks

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

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Audits

Overview

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

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

Ongoing Work

Along with the final reports detailed in the following section, the Audit Unit continued work on audits of the posts in Guatemala and eSwatini and initiated audits of the posts in Morocco and Fiji. The Unit also began work on a review of the Peace Corps' allocation procedures for PEPFAR expenses.

Agency-Wide Audits

Review of the Peace Corps' Information Security Program

FY 2018

The Federal Information Security Modernization Act of 2014 (FISMA) requires each Federal agency to develop, document, and implement an agency-wide program to provide security for the information systems that support the operations and assets of the agency. FISMA provides a comprehensive framework for establishing and ensuring the effectiveness of managerial, operational, and technical controls over information technology (IT) that supports Federal operations and assets, and provides a mechanism for improved oversight of Federal agency information security programs.

FISMA requires the head of each agency to implement policies and procedures to cost-effectively reduce IT security risks to an acceptable level. To ensure the adequacy and effectiveness of information system controls, FISMA requires agency program officials, chief information officers, chief information security officers, senior agency officials for privacy, and inspectors general to annually review the agency's information security program and report the results to the Department of Homeland Security.

OIG contracted with accounting and management consulting firm Williams, Adley & Company-DC (Williams Adley) to assess the Peace Corps' compliance with the provisions of FISMA. The objective of this review was to perform an independent assessment of the Peace Corps' information security program, including testing the effectiveness of security controls for a subset of systems as required, for FY 2018.

The review found that the Peace Corps lacks an effective information security program because of problems related to people, processes, technology, and culture. Furthermore, OIG found weaknesses across all of the FISMA reportable areas. There are several FISMA compliance findings that have been outstanding for over 8 years and the agency has struggled to implement corrective actions.

OIG is concerned about the quality of the IT security program, especially considering the sensitive data that the Peace Corps maintains about Volunteers, such as records related to health, medical treatment, and crime incidents. The Peace Corps also has sensitive financial data related to the agency, Volunteers, outside vendors, and donors.

To ensure that the agency's information, operations, and assets are protected, it is critical that the Peace Corps achieve full compliance with FISMA and other Federal laws and regulations that apply to managing its IT security infrastructure. While the Peace Corps has begun discussions on how to incorporate risk into its operations, senior leadership needs to stress the importance of a risk-based culture and provide the

necessary resources and time to prioritize becoming fully FISMA compliant. Additionally, with the agency relocating both headquarters and data center locations, it is an opportune time to revise all recovery policies and procedures to align them with the changes.

Management concurred with all 23 recommendations, and all 23 remained open at the end of this reporting period.

Review of Internal Controls Issues Over the Peace Corps' Financial Reporting

FY 2018

The Accountability of Tax Dollars Act of 2002 mandates an annual audit of the Peace Corps' financial statements. We contracted with Williams Adley to audit the Peace Corps' consolidated financial statements as of September 30, 2018. The audit was conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in GAGAS; and Office of Management and Budget (OMB) Bulletin No. 19-01, *Audit Requirements for Federal Financial Statements*.

Williams Adley's report for FY 2018 includes: an opinion on the financial statements, conclusions on internal controls over financial reporting, and compliance with laws, regulations, contracts, and grant agreements. In its audit of the Peace Corps, Williams Adley found:

- The financial statements were fairly presented, in all material respects, in conformity with GAGAS principles.
- There were no material weaknesses in internal controls.⁶
- Two significant deficiencies related to internal controls were disclosed by Williams Adley:⁷
 - *Lack of effective information technology security.* Williams Adley cited continuous monitoring and the agency's risk management program as areas needing improvement.

⁶ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

⁷ A significant deficiency is defined as a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

- *Improper and untimely processing of personnel actions.* Williams Adley cited a lack of proper oversight and controls.
- One instance of reportable noncompliance was found relating to compliance with applicable provisions of laws, regulations, contracts, and grant agreements which are required to be reported under GAGAS or OMB guidance. Williams Adley found that the Peace Corps did not fully comply with:
 - The FISMA regulations pertaining to continuous monitoring and the agency's risk management program.

OIG's review of Williams Adley's report and related documentation disclosed no instances where Williams Adley did not comply, in all material respects, with GAGAS. As required by OMB Circular A-136, "Financial Reporting Requirements," the auditors' report was published within the Peace Corps' FY 2018 Agency Financial Report.

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

- *Inadequate record retention and tracking for property, plant, and equipment.* Williams Adley cited incomplete documentation to support the bulk purchase of assets.
- *Untimely de-obligation of unliquidated obligations.* Williams Adley cited ineffective controls over timely de-obligations, including a lack of a defined timeframe.
- *Inadequate maintenance and testing of the financial system contingency plan.* Williams Adley cited outdated documentation that had not been prioritized for updating.

Management concurred with all 18 recommendations, and all 18 remained open at the end of this reporting period.

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Evaluations

Overview

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

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

Ongoing Work

Along with the final report detailed in the following section, the Evaluation Unit continued work on evaluations of programs in Paraguay, Thailand, Comoros, and the Kyrgyz Republic and follow-up reviews of programs in Nepal and Namibia. The Unit also continued work on agency-wide programs, including an evaluation of policies and practices regarding host families and a review of program-opening guidance for post-conflict environments.

Evaluations of Operations Abroad

Evaluation of Peace Corps/Mozambique

IG-19-01-E

OIG issued a final program evaluation of Peace Corps/Mozambique in November 2018. Over 1,300 Volunteers have served in Mozambique since the program was first launched in 1998. At the time of our evaluation, there were 195 Volunteers serving in 2 project sectors, health and education, and the post employed 55 staff members.

Mozambique is a complex and challenging setting for the Peace Corps due to several factors, such as geography, safety and security, and politics. At the time of our evaluation, there were some unique, serious challenges for the post, including difficulties obtaining visas for Volunteers. The Ministry of Education was also concerned about the qualifications of Volunteer teachers. Post staff experienced high pressure because of these challenges, which impacted staff morale.

The long-term stability of the staff in Mozambique was a strength. They demonstrated a highly collaborative approach and strong teamwork. The post pioneered a decentralized model for Volunteer support, with one of the largest country sub-office staffs in the agency. Volunteers were serving the needs of the poor through their work in health and education projects, which were appropriately focused. Volunteers also implemented various sustainable youth development projects. In general, the language training program was effective. The post had a well-staffed medical unit, and training on health and safety and security was adequate.

Volunteers reported that some staff needed to improve the timeliness of responses to inquiries. Technical training needed to be more practical and relevant to Volunteers' work in the host country context. Volunteers who coordinated national projects were responsible for managing unusually large grants, which created concerns about the adequacy of staff oversight.

Many Volunteer houses did not meet the post's housing criteria, which created health and safety vulnerabilities. We found that the post staff was not following site selection criteria for transportation options, which resulted in Volunteers being dependent on unsafe modes of transport, such as open-back trucks. Weak programmatic site selection criteria resulted in some unproductive Volunteer work site assignments. In addition, site history files were not complete which made it difficult for staff to review past safety incidents and avoid using sites where Volunteers could be at risk.

During the evaluation, the safety and security manager lacked a safety and security assistant, but the post filled this position before the evaluation report was published. In addition, the post expected programming and support staff to drive long distances to

perform their duties which was stressful for staff and increased risk of vehicular accidents.

Management concurred with all 24 recommendations, and 19 recommendations remained open at the end of this reporting period.

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Investigations

Overview

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

With the passage of the Farr Castle Act, the Investigation Unit now initiates a preliminary inquiry into each Volunteer death to assess whether further investigation is required.

Volunteer Death Investigations

Death of a Volunteer in the Africa Region (Update)

In January 2018, OIG conducted an investigation in Africa to determine if the death of a Volunteer had been a homicide, in part because the Volunteer had sent text messages to her family and friends expressing concerns she was being poisoned. OIG investigators reviewed the text messages in question, as well as collected and examined a variety of other evidence. OIG interviewed various witnesses and consulted with U.S. government pathologists to ascertain the cause of death. An autopsy toxicology test did not uncover the type of poison that had been initially considered as part of the homicide investigation, or any other poisons. Instead, a final autopsy report established malaria as the cause of death.

As a follow-up action, investigators supported a broader OIG review of the circumstances surrounding the Volunteer's death. This review focused on the Peace Corps' medical care of the Volunteer. At the close of this reporting period this review was being finalized.

Death of a Volunteer in the Africa Region

OIG initiated a preliminary inquiry following the death of a Volunteer in Africa. Investigators coordinated with the Peace Corps Office of Safety and Security, as well as U.S. government pathologists to confirm the cause of death. The inquiry disclosed no evidence of wrongdoing, and no further investigation was warranted. Investigators supported a further review led by the Evaluation Unit which focused on the agency's decision-making process to medically accommodate the deceased Volunteer. The review found that the Peace Corps Office of Health Services acted appropriately and applied due diligence in its decision-making process. The review made no recommendations.

Death of a Volunteer in the Africa Region

OIG initiated a preliminary inquiry following the reported traffic death of a Volunteer in Africa. After reviewing information related to the circumstances of the incident, OIG determined no further investigation was warranted.

Criminal and Misconduct Investigations

Former Peace Corps Trainee in the Africa Region Pleaded Guilty to and Sentenced for Video Voyeurism (Update)

In the Northern District of Florida, a former Peace Corps trainee pleaded guilty and was sentenced to 3 years of probation and 30 days of intermittent confinement for three counts of video voyeurism. The OIG investigation disclosed that on three occasions the former Peace Corps trainee used a GoPro camera to record a fellow trainee, without consent, while the fellow trainee was naked and changing in areas where the fellow trainee had a reasonable expectation of privacy.

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

OIG received a report that a Volunteer, who was already in the process of resigning, was romantically involved with a 17-year old host country national. OIG substantiated the allegation, including the age of the host country national. OIG worked with DOJ to confirm that these facts did not present a potential violation of the PROTECT Act.

Report of PROTECT Act Violation in the Africa Region

OIG received a report that a Volunteer had sexual contact with a minor in a Peace Corps facility. OIG initiated an investigation, and the Volunteer resigned in lieu of administrative separation during a prior reporting period. OIG pursued the matter criminally. Investigators obtained a birth certificate for the host country national which purportedly confirmed the age of the minor as under 16. The Volunteer admitted to having sexual intercourse with the host country national in a Peace Corps facility the night they met. However, the Volunteer asserted the belief that the host country national was not a minor. During this reporting period, DOJ declined criminal prosecution of this matter.

Report of Staff-on-Volunteer Rape in the Africa Region

OIG received a report that a Volunteer was raped by a Peace Corps host country staff member in a bar. U.S. criminal law could not be applied, and the Volunteer did not want the matter prosecuted in local courts. OIG investigated the report administratively to determine whether the accused staff member had violated Peace Corps policy. OIG interviewed the accused staff member, who denied the report. A search of the staff member's telephone failed to disclose evidence of the reported rape, but did disclose evidence of sexual harassment of a Peace Corps trainee. The trainee corroborated the reported harassment, and the staff member resigned.

Report of Volunteer-on-Volunteer Sexual Assault and Harassment in the EMA Region

OIG received a report that a Volunteer sexually assaulted or sexually harassed several Volunteers in multiple locations. Although U.S. criminal law could not be applied, the matter was investigated administratively to determine whether the accused Volunteer had violated Peace Corps policy. OIG interviewed the accused Volunteer, who denied all the reported incidents. The accused Volunteer resigned in lieu of administrative separation.

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

OIG received a report that a Volunteer sent another Volunteer an inappropriate picture on a social media platform. OIG interviewed the accused Volunteer, who admitted sending an unsolicited picture to another Volunteer. The accused Volunteer resigned in lieu of administrative separation.

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

OIG received a report that a Volunteer sexually assaulted at least one other Volunteer. OIG interviewed the accused Volunteer, who confirmed having touched at least one Volunteer without consent. After the interview, the accused Volunteer contacted another Volunteer about the investigation, in violation of a no contact order. The accused Volunteer resigned in lieu of administrative separation.

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

OIG received a report that two Volunteers sexually assaulted a third Volunteer. When interviewed, the two accused Volunteers both reported engaging in consensual sexual contact with the third Volunteer and with each other. The two accused Volunteers resigned in lieu of administrative separation during a prior reporting period.

One of the accused Volunteers from the original report then reported having been sexually assaulted by the third Volunteer, who originally reported the incident. The third Volunteer completed Peace Corps service during a prior reporting period. During this reporting period, DOJ declined criminal prosecution of these matters.

Report of Widespread Volunteer Drug Use in the Africa Region

OIG received a report of widespread drug use at a post in the Africa Region. During the investigation, 15 Volunteers admitted to drug use and resigned in lieu of administrative separation. An additional 11 Volunteers resigned after being summoned for OIG interviews, but before they could be questioned. This remains an ongoing matter.

Report of Widespread Volunteer Drug Use in the Africa Region

OIG received a report of widespread drug use at a post in the Africa Region. During the investigation, 26 Volunteers admitted to drug use and resigned in lieu of administrative separation. An additional 24 Volunteers resigned after being summoned for OIG interviews, but before they could be questioned. This remains an ongoing matter.

Report of Conflict-of-Interest in the Africa Region

A country director advised OIG of a complaint that a deputy director of management and operations (DDMO) at the post was steering business to a company, of which the DDMO was a silent shareholder and co-owner. Records indicated the company had been awarded over \$30,000 in Peace Corps supply contracts. Investigation by OIG and the Regional Security Office at the U.S. Embassy disclosed that one of the directors of the company was recently hired as a language and cultural facilitator (LCF) by the post. The DDMO was interviewed by OIG and admitted being a silent shareholder in the company. The LCF admitted being a director of the same company. Both employees resigned from Peace Corps. DOJ declined criminal prosecution of this matter during this reporting period.

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

Report	Questioned Costs ⁸	Unsupported Costs ⁹	Funds to Be Put to Better Use ¹⁰
-	-	-	-
Subtotal	-	-	-
<hr/>			
Total			-

⁸ 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.

⁹ Unsupported Cost – A cost that is not supported by adequate documentation.

¹⁰ Funds to Be Put to Better Use – Funds that could be used more efficiently if management took actions to implement and complete a recommendation.

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

Recommendation Status	Number of Reports	Questioned Costs	Unsupported Costs
No management decision made by the start of the reporting period	5	\$3,221,687	\$644,800
Issued during the reporting period			
Audits	-	-	-
Total	5	\$3,221,687	\$644,800
Management decision made during the reporting period			
(i) Disallowed costs	3	\$21,687	-
(ii) Costs not disallowed	-	-	-
Subtotal	3	\$21,687	-
Total for which no management decision had been made by the end of the reporting period	2	\$3,200,000	\$644,800

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

Recommendation Status	Number of Reports	Funds to Be Put to Better Use
No management decision made by the start of the reporting period	2	\$357,166
Issued during the reporting period		
Audits	-	-
Total	2	\$357,166
Management decision made during the reporting period		
(i) Dollar value of recommendations agreed to by management	1	\$7,166
(ii) Dollar value of recommendations not agreed to by management	-	-
Subtotal	1	\$7,166
Total for which no management decision had been made by the end of the reporting period	1	\$350,000

5: Recommendations on Which Corrective Action Has Not Been Completed

Audits and Evaluations

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

1 of 23 recommendations open since December 6, 2010

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

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

2 of 5 recommendations open since June 20, 2012

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

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

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

8 of 13 recommendations open since November 21, 2013

Recommendation 1: OIG recommended that the Office of Management develop and implement a formal policy and procedure for conducting post senior staff hiring. This policy should define roles and responsibilities, timelines, and accountability.

Recommendation 5: OIG recommended that the Office of Overseas Recruitment, Selection, and Support develop a set schedule for candidate roster development, issuance, and maintenance.

Recommendation 8: OIG recommended that the Office of Global Operations, in coordination with the Office of Human Resource Management, incorporate consideration of the Annual Volunteer Survey results into country directors' written performance appraisals in a consistent and meaningful way.

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

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

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

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

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

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

2 of 8 recommendations open since November 21, 2013

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

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

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

13 of 25 recommendations open since September 30, 2014

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 of 15 recommendations open since January 21, 2016

Recommendation 6: OIG recommended that the chief acquisition officer direct the contracting officer to modify the present contract to correctly identify the contract type.¹¹

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

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

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

¹¹ The agency did not concur with this recommendation.

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

Recommendation 15: OIG recommended that the chief acquisition officer implement policy that requires all invoicing documents be maintained in the official contracting files for the minimum period of time as prescribed in Federal Acquisition Regulation Subpart 4.8.

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

12 of 23 recommendations open since March 23, 2016

Recommendation 2: OIG recommended that the associate director of the Office of Health Services develop and provide guidance on the transfer of care between Peace Corps Medical Officers, TDY providers, and backup providers to facilitate continuity of care for Volunteers.

Recommendation 6: OIG recommended that the associate director of the Office of Health Services implement a screening process for root cause analyses that considers severity and frequency of negative health outcomes.

Recommendation 7: OIG recommended that the associate director of the Office of Health Services ensure staffing is sufficient to adequately implement a more effective sentinel event reporting system and that staff involved in root cause analyses have not had direct involvement in the case.

Recommendation 8: OIG recommended that the associate director of the Office of Health Services perform all root cause analyses in a manner that includes key components (system focus, cause/effect, action plan and measures).

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

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

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

Recommendation 18: OIG recommended that the associate director of the Office of Global Operations and the associate director of the Office of Health Services provide coordinated communication to posts that clarifies expectations about PCMO participation in posts' planning processes, including integrated planning and budgeting (IPBS) and annual operating plan formulations.

Recommendation 19: OIG recommended that the associate director of the Office of Health Services and the associate director for Global Operations clarify policy and guidelines related to the vehicle availability for overseas health unit medical staff.

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

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

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

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

8 of 36 recommendations open since November 28, 2016

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

Recommendation 15: OIG recommended that the Director establish a process to utilize feedback from Volunteers and staff on how to improve the training.

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

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

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

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

Recommendation 30: OIG recommended that the Director develop a formal onboarding and continuing education training program for all designated staff positions.

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

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

1 of 13 recommendations open since June 19, 2017

Recommendation 2: OIG recommended that the Office of Health Service in consultation with the country director and Peace Corps medical officers in South Africa take into account the nature of service in the country when making decisions about placing and supporting medically accommodated Volunteers, especially those with mental health accommodations.¹²

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

5 of 21 recommendations open since September 29, 2017

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

Recommendation 5: OIG recommended that the director of management and operations finalize and implement controls over tracking the use of fuel for generators.

Recommendation 6: OIG recommended that the director of management and operations finalize and implement controls over purchasing lubricant.

Recommendation 9: OIG recommended that the country director and director of management and operations comply with the policy and conduct sub-cashier cash counts and reconcile bank accounts at irregular intervals and ensure that sub-cashiers comply with pass-through banking requirements of Peace Corps policy.

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

Evaluation of Peace Corps/Albania (IG-17-02-E)

9 of 23 recommendations open since December 12, 2017

Recommendation 1: OIG recommended that the country director and director of programming and training develop a strategy for integrating a focus on Albanian underserved populations into programming, training, and monitoring and evaluation.

Recommendation 2: OIG recommended that the director of programming and training lead development of an annual site development strategy which is consistent with agency criteria and guidance.

Recommendation 3: OIG recommended that the director of programming and training finalize Peace Corps/Albania's site development standard operating procedures.

¹² The agency did not concur with this recommendation.

Recommendation 4: OIG recommended that the director of programming and training include in post's site development standard operating procedures clear processes and project-specific programmatic criteria for assessing the viability of meaningful Volunteer assignments at potential host agencies.

Recommendation 5: OIG recommended that the director of programming and training improve how staff involved in site development vet and prepare motivated counterparts to engage Volunteers in meaningful work.

Recommendation 6: OIG recommended that the country director and director for programming and training assess the alignment of staff roles and responsibilities so that program staff focus more of their time on program management rather than addressing issues with Volunteer housing and host families.

Recommendation 11: OIG recommended that the director for programming and training and education program team review the education project to clarify the role of co-teaching and expand the range of primary activities contributing to the project goals.

Recommendation 18: OIG recommended that the director of counseling and outreach develop a plan to support Peace Corps/Albania's medical officers to build their capacity and confidence to respond to or address Volunteers' mental health care needs.

Recommendation 23: OIG recommended that the country director and director of management and operations evaluate whether settling-in allowances should be changed to reflect different living situations and act accordingly.

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

4 of 7 recommendations open since April 9, 2018

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

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

Recommendation 6: OIG recommended that the director of programming and training and the safety and security manager establish a process to ensure that safety and security incidents are properly documented in the post's site history files, filed in a centralized location, and made part of the site identification, preparation, and approval process.

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

Audit of Peace Corps/Panama (IG-18-01-A)

1 of 11 recommendations open since May 2, 2018

Recommendation 5: OIG recommended that the post consult with the Office of the Chief Financial Officer/Acquisition and Contract Management on the potential use of a competitive contract or blanket purchase agreement vehicle for the purchase of medical/dental supplies and services.

Audit of Peace Corps/Botswana (IG-18-02-A)

1 of 25 recommendations open since August 30, 2018

Recommendation 22: OIG recommended that the Office of the Chief Financial Officer ensure that current policies are applied to track all auto-closures and revoke credit cards as needed.

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

6 of 12 recommendations open since September 18, 2018

Recommendation 1: OIG recommended that the country director, safety and security manager, and Peace Corps safety and security officer examine the transportation options of Volunteers required to travel in and out of remote sites in Senegal, and, if necessary, seek approval for any proposed changes to the post's transportation policy.

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

Recommendation 6: OIG recommended that the director of management operations train staff how to conduct a market-basket survey and include market-basket data with the next living allowance analysis.

Recommendation 10: OIG recommended that the country director develop a memorandum of understanding or similar agreement between the agriculture project with the appropriate ministry or national-level government partner.

Recommendation 11: OIG recommended that the country director develop a memorandum of understanding or similar agreement between the agroforestry project with the appropriate ministry or national-level government partner.

Recommendation 12: OIG recommended that the Director of Programming and Training, with input from all staff involved in site development, review the post's current site development practices and update their site development and monitoring standards accordingly.

Audit of Peace Corps/Philippines (IG-18-03-A)

1 of 15 recommendations open since September 28, 2018

Recommendation 6: OIG recommended that the director of management and operations ensure the cashier receives training on imprest policy.

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

19 of 24 recommendations open since November 1, 2018

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

Recommendation 2: OIG recommended that the country deputy director improve site preparation guidance for staff to ensure the supervisor and host organizations have sufficient understanding of how to use a Volunteer.

Recommendation 3: OIG recommended that the country deputy director articulate and incorporate project specific programmatic site selection criteria into the site development process.

Recommendation 4: OIG recommended that the director of programming and training and the training manager improve technical training to better prepare Volunteers regarding the specifics of Mozambique's education system.

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

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

Recommendation 8: OIG recommended that the country deputy director, director of programming and training, and safety and security manager ensure that staff performing housing checks are following housing check criteria and recording any deficiencies requiring follow-up.

Recommendation 9: OIG recommended that the country deputy director and director of programming and training improve expectation-setting with Volunteers on the importance of ensuring their house meets housing criteria and does not fall into disrepair.

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

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

Recommendation 12: OIG recommended that the country deputy director, director of programming and training, and safety and security manager implement agency guidance governing site history file management.

Recommendation 13: OIG recommended that the country director encourage Volunteers to provide timely, updated contact information to staff and clarify with staff the need to maintain accurate site contact information in VIDA.

Recommendation 14: OIG recommended that the country director emphasize that Volunteers notify the travel phone for emergency response purposes, even when attending a Peace Corps-sanctioned or organized event.

Recommendation 16: OIG recommended that the country director ensure that screens are properly installed and functioning on doors and windows of all Volunteer residences.

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

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

Recommendation 22: OIG recommended that the country director include consideration of staff development in the next IPBS submission.

Recommendation 23: OIG recommended that the country director consider requesting funds necessary to hire additional drivers.

Recommendation 24: OIG recommended that the country director consider instituting a more detailed periodic planning process to identify opportunities for staff to share a vehicle when feasible.

Special Reports and Management Advisory Reports

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

2 of 4 recommendations open since August 26, 2013

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

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

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

3 of 3 recommendations open since August 24, 2016

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

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

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

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

6 of 6 recommendations open since August 7, 2018

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

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

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

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

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

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

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

2 of 2 recommendations open since September 14, 2018

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

Potential Cost Savings Identified: \$350,000

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

¹³ The agency partially concurred with this recommendation.

Management Advisory Report: Purchase Card Review (IG-18-03-SR)*6 of 6 recommendations open since September 27, 2018*

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

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

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

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

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

Potential Cost Savings Identified: \$636,300

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

Potential Cost Savings Identified: \$8,500

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

Management Advisory Report: Seed Global Health Services (IG-19-01-SR)*5 of 5 recommendations open since October 25, 2018*

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

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

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

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

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

Financial Statement Audit Recommendations¹⁴

Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Untimely De-Obligation of Unliquidated Obligations	2013	Concur	3
Internal Control over Information Security	2013	Concur	5
Processing of Personnel Actions	2016	Concur	2
Testing of Financial System Contingency Plan	2018	Concur	3
Inadequate Record Retention and Tracking for Property	2018	Concur	4
Total Open Recommendations			17

¹⁴ All recommendations issued in conjunction with this report are part of a normal 12-month audit cycle. As a result, recommendations made during a given fiscal year will remain in an open status during the entire subsequent fiscal year. At the beginning of each new fiscal year, the auditors will notify management of whether sufficient corrective actions have been taken regarding the prior year recommendations and issue their current notification of findings and recommendations.

Federal Information Security Management Act Recommendations¹⁵

Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
Contingency Planning	2007	Concur	5
Identity and Access Management	2008	Concur	4
Configuration Management	2008	Concur	4
Continuous Monitoring Management	2013	Concur	1
Incident Response and Reporting	2013	Concur	2
Risk Management Framework	2013	Concur	4
Data Protection and Privacy	2018	Concur	3
Total Open Recommendations			23

Digital Accountability and Transparency Act Audit Recommendations¹⁶

Issue	Year First Identified	Agency Concurrence with Issue	Open Recommendations
File C Compliance	2017	Concur	1
File C Accuracy	2017	Concur	1
Quality Control Process	2017	Concur	2
Total Open Recommendations			4

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

¹⁶ All recommendations issued in conjunction with this report will remain in an open status until 2019 when auditors will notify management of whether sufficient corrective actions have been taken regarding the 2017 recommendations and issue their current notification of findings and recommendations.

6: Summary of Hotline and Other Complaints

Complaints Received	
Complaints Received (Hotline)	190
Complaints Received (Other Sources) ¹⁷	21
Total Complaints (All Sources)	211

Overview of Complaint Activity ¹⁸	
Resulted in Investigations	15
Resulted in Preliminary Inquiries	16
Resulted in Audits or Evaluations	1
Referred to Agency Management	88
Referred to Other Agency	2
No Action Needed	30

¹⁷ These complaints are largely a result of outreach by OIG staff and were received by email, phone calls, and conversations.

¹⁸ The following actions summarize the disposition of complaints received by OIG. Please note that in some instances one complaint can result in multiple actions. In other cases, multiple complaints may be received about the same issue, resulting in one referral or result. The results reflect complaint activities that occurred during this reporting period; in some instances the complaint may have been received during a prior reporting period.

7: Summary of Investigative Activities and Outcomes

Investigative Activities	Preliminary Inquiries ¹⁹	Cases
Open at the beginning of the reporting period	13	15
Opened during the reporting period	16	15
Closed during the reporting period	6	12
Total open at the end of the reporting period	23	18
Reports		
Investigative reports issued		0
Referrals		
Persons referred for criminal prosecution (Department of Justice)		7
Persons referred for criminal prosecution (state and local authorities) ²⁰		-
Cases referred to the Department of Justice		7
Cases referred to agency management for administrative action		-
Cases referred to agency management for other action		-
Referrals to other agencies		2
Court Actions		
Criminal informations and indictments		1
Trial(s) pending		-
Ongoing prosecution ²¹		-
Convictions		1
Judgments		-
Fines/assessments/fees		\$75.00
Administrative Actions		
Employee ²² resignations and terminations		82
Other employee actions ²³		-
Suspension/debarment referrals		-
Monetary Results		
Annual savings		-
Recoveries/restitution ²⁴		-
Cost avoidance		-

¹⁹ 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.

²⁰ Includes foreign courts.

²¹ Includes overseas criminal proceedings.

²² Volunteers/trainees are included as Peace Corps staff for the purpose of reporting investigative activity.

²³ Includes administrative actions that are less than resignation or termination, for example: letters of reprimand, counseling, and retraining.

²⁴ Includes potential recoveries.

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

Section Reference	Reporting Requirements	Section	Page
§ 4(a)(2)	Review of legislation and regulations	Advice and Assistance	11 – 15
§ 5(a)(1)	Significant problems, abuses, and deficiencies	Advice and Assistance, Audits, and Evaluations	8, 19 – 21, 25 – 26
§ 5(a)(2)	Significant recommendations for corrective actions	Advice and Assistance, Audits, and Evaluations	8, 19 – 21, 25 – 26
§ 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	Table 5	36 – 49
§ 5(a)(4)	Matters referred to prosecuting authorities	Investigations and Table 7	30 – 32, 51
§ 5(a)(5)	Summary of instances where information was refused	N/A	-
§ 5(a)(6)	List of audit, inspection, and evaluation reports, including the total dollar value of questioned costs, unsupported costs, and funds to be put to better use	Tables 1 – 4	34 – 35
§ 5(a)(7)	Summary of significant reports	Advice and Assistance, Audits, and Evaluations	8 – 11, 19 – 21, 25 – 26
§ 5(a)(8)	Statistical table - questioned and unsupported costs	Table 3	35
§ 5(a)(9)	Statistical table - funds to be put to better use	Table 4	35
§ 5(a)(10)	Summary of previous reports with open recommendations	Table 5	36 – 49
§ 5(a)(11)	Significant revised management decisions	N/A	-
§ 5(a)(12)	Significant management decisions with which the Inspector General disagrees	N/A	-
§ 5(a)(13)	Information under the Federal Financial Management Improvement Act of 1996	N/A	-
§§ 5(a)(14)-(16)	The results of the last peer review conducted by another OIG	Appendix A: Reporting of Peer Reviews	54-55
§ 5(a)(17)-(18)	Statistical table - investigative reports issued; persons referred for criminal prosecution; indictments and criminal information	Table 7	51
§ 5(a)(19)	Investigations involving a senior government employee where allegations of misconduct were substantiated	N/A	-
§ 5(a)(20)	Instances of whistleblower retaliation	N/A	-

Appendices

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Appendices

Appendix A: Reporting of Peer Reviews

Pursuant to Section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law No. 111-203),²⁵ OIG reports the following peer review information:

Audit Unit

In November 2017, the Securities and Exchange Commission (SEC) OIG issued its System Review Report of the Peace Corps OIG Audit Unit for the period ending September 30, 2016. The Audit Unit received a rating of “pass, with deficiencies.” With the exception of two deficiencies, the peer review found that the Audit Unit’s system of quality control was suitably designed and achieved adequate compliance. This provided Peace Corps OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The SEC OIG also issued a Letter of Comment with the System Review Report that contained recommendations that SEC OIG did not consider significant enough to affect their opinion. All recommendations stemming from both documents were fully implemented by March 30, 2018 and are considered closed.²⁶

In August 2016, Peace Corps OIG auditors completed a peer review of the Library of Congress OIG for the period ending March 31, 2016. We provided our results to the Library of Congress OIG in October 2016. No formal recommendations were made.

Investigation Unit

In April 2016, the Federal Housing Finance Agency OIG conducted a peer review of the Peace Corps OIG Investigation Unit for the period ending April 20, 2016. The review focused on the Peace Corps OIG’s internal safeguards and management procedures for its investigative operations. The review team found all of the examined areas to be compliant with CIGIE’s quality standards for investigations and quality assessment review guidelines, as well as the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority.

²⁵ 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.).

²⁶ [The Securities and Exchange Commission OIG System Review Report: https://s3.amazonaws.com/files.peacecorps.gov/documents/inspector-general/Final_System_Review_Report_-_Peace_Corps_OIG_Peer_Review_11.28.17.pdf](https://s3.amazonaws.com/files.peacecorps.gov/documents/inspector-general/Final_System_Review_Report_-_Peace_Corps_OIG_Peer_Review_11.28.17.pdf)

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

Appendix B: Contract Audit Reports

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

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

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

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Reporting Hotline:

U.S./International: 202.692.2915

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

Email: OIG@peacecorpsoig.gov

Online Reporting Tool: PeaceCorps.gov/OIG/ContactOIG

Mail: Peace Corps Office of Inspector General
1111 20th Street NW
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