



Office of Inspector General  
Annual Plan

Fiscal Year 2013

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

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. OIG:

- Promotes integrity, efficiency, effectiveness and economy;
- Prevents and detects waste, fraud, abuse and mismanagement;
- Identifies risk and vulnerabilities and offers expert assistance to improve the Peace Corps' programs and operations

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

### **OIG Staffing and Resources**

OIG is comprised of three units: Audit, Evaluation, and Investigation, and includes an administrative team. Each unit develops its fiscal year (FY) workload based on account staffing availability and funding. OIG has a cross-unit outreach committee responsible for developing and distributing brochures, educational materials and training to support OIG's advice and assistance function. In FY 2013, OIG will utilize the work of experts and consultants to help carry out its mission and meet additional work mandates required by the Kate Puzey Peace Corps Volunteer Protection Act of 2011 (Kate Puzey Act<sup>1</sup>).

### **FY 2013 Strategy Statement and Focus Areas**

As detailed in the OIG strategic plan 2013-2015, during FY 2013 OIG will conduct audits, evaluations and investigations addressing the Management Challenges identified in the *Peace Corps Performance and Accountability Report* and the OIG priorities listed below:

- Implement New Legislation
- Improve Agency-wide Process, Programs, and Systems
- Prioritize Volunteer Safety and Security and Medical Care
- Increase Oversight of Overseas Post Operations
- Enhance OIG Investigative Capacity
- Maximize Scarce Resources

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<sup>1</sup> See Kate Puzey Peace Corps Volunteer Protection Act of 2011 (P.L. 112-57)

The Management Challenges highlight the most significant areas OIG believes need to be improved for the Peace Corps to effectively manage its resources and minimize the potential for fraud, waste, and abuse occurring in its operations.

This year's challenge areas are listed below:

- Information Technology Management (first identified in 2009)
- Effective and Timely Remediation of OIG Findings and Recommendations (first identified in 2010)
- Business Processes and Information Systems (first identified in 2011)
- Excessive Personnel Turnover (new for 2012)
- Programming and Volunteer Training (new for 2012)
- Accountability of Medical Supplies (new for 2012)

In addition to the Management Challenges, OIG also plans to conduct the following advice and assistance functions in support of agency goals and objectives:

- Provide technical assistance to Peace Corps managers on issues related to financial and administrative policies, procedures, best practices, and effective internal controls.
- Deliver best practices presentations at regional conferences of post staff and other conferences or meetings as requested.
- Provide overseas staff training sessions to assist country directors, administrative, and program and training staff in performing their functions effectively and efficiently and in compliance with federal law, regulations and agency policy.
- Provide Volunteers/trainees (V/T) and agency staff with informational materials, guidance, trainings, and other presentations on the role of OIG and on how to effectively report fraud, waste, abuse, mismanagement, serious administrative misconduct or criminal wrongdoing involving Peace Corps staff, contractors or other V/T. OIG informational material will also emphasize channels for reporting confidentially and the prohibition against reprisal. Development and distribution of informational material will be coordinated by the OIG Outreach Committee.
- Continue to focus on agency wide systemic issues or functional areas that affect multiple systems or posts. We will utilize OIG report findings, recommendations and trends as a tool to effect change in management practices and will issue a report based on prior audits and evaluations that includes analysis of emerging issues and risk areas.

## **Audit Unit**

The Audit Unit conducts audits and other reviews of agency programs and financial and administrative operations that support the Peace Corps' mission and its Volunteers serving around the world. The unit performs audits of the agency's field activities at overseas posts and its administrative support functions at headquarters and domestic recruiting offices. Most audit engagements are conducted by a single auditor under the direction and guidance of the assistant inspector general for audit. For legislatively mandated work, we have contracted with an

independent auditing firm. Audits are performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

**Post Audits**

In developing our overseas post audit schedule, sites are researched with assistance from regional and other headquarters management and staff. We continue to improve our risk assessment to better allocate our audit resources to cover a diverse and well-representative selection of overseas posts.

During FY 2012, the Audit Unit conducted a risk-based assessment of 15 overseas posts through analytical review of information available at headquarters to select “high risk” posts for more comprehensive audit work on site, and intended to issue limited scope reports for the posts not visited. The Audit Unit’s analysis found that data was either unreliable or unavailable for several essential functions, including personal property management and medical supply control. Instead of issuing a number of limited scope audit reports, the Audit Unit provided feedback to agency management on strengthening controls over the data. The Audit Unit has made adjustments to its risk-based assessments and has incorporated additional data including travel and purchase card information, medical supply inventories, and voided bills of collection for all overseas posts.

For FY 2013, we used three sets of data to establish the known and perceived risks of overseas posts. The three sets were: 1) amount of time since the post was last audited, number of Volunteers, and amount of funds; 2) management’s perception; and 3) anomalies in the headquarters data we reviewed. Based on these factors, we intend to conduct audits of at least five of the following posts:

Africa	EMA
Namibia**	Armenia*
Senegal*	Macedonia
The Gambia*	IAP
Zambia**	Guyana**
*Posts receiving PEPFAR funds. **Posts designated as PEPFAR operating countries.	

During the post audits mentioned above, we will assess areas of concern and processes that present challenges to overseas posts. We also review funds received by Peace Corps posts related to the President’s Emergency Plan for AIDS Relief (PEPFAR).

**Capstone Reports**

We plan to issue the capstone reports on imprest fund operations and medical supply accountability listed in the FY 2012 annual plan. However, our work on personal property accountability overseas found that the data reliability at several of the sites visited was not

reliable and could not be used to develop a capstone report. Property management continues to be a challenge area in the Management Challenges. In addition, in FY 2013 we plan to summarize the work conducted at posts into a capstone report on credit card use by overseas staff.

<b>Program</b>	<b>Purpose</b>
Imprest Fund Operations*	Imprest fund is inherently vulnerable to loss and theft. During our post audits we will review whether these controls are in place and operating effectively.
Medical Supply Accountability*	Medical supply policies and procedures were significantly revised in FY 2009. We will determine whether posts have established effective processes.
Credit Card Use Overseas	Overseas posts use purchase cards for small dollar purchases and travel cards for expenses such as airline tickets and hotels. The purchases are made by local staff, reviewed by director of management and operations and typically approved by country directors. We will review whether controls are in place and operating effectively over credit card purchases.

\*These capstones will be issued in FY 2013 based on the work performed in FY 2012.

### **Agency-Wide Programs and Special Reviews**

The Audit Unit intends to initiate, perform or complete a variety of audits, reviews, and follow-ups of agency-wide programs. These projects are cross-functional and may require assistance from other OIG units. Although we will not be issuing a separate report, we continue to review the managers' internal control program and report on its effectiveness in our audits. We plan to initiate the following:

<b>Program/Review</b>
Volunteer Pre-Service Screening
Peace Corps Safety and Security Follow-up

### **Legislatively Mandated Work**

We will conduct the following legislatively mandated work:

<b>Legislatively Mandated Work</b>	
Audit of Peace Corps' FY 2013 Financial Statements	The Accountability of Tax Dollars Act of 2002 mandates that the agency subject its financial statements for audit. OIG contracts with an independent public accounting (IPA) firm to perform the audit. OIG monitors the IPA firm's work to ensure

	that it is of acceptable quality, in compliance with federal law and applicable standards, and is completed within the established milestones.
Review of the Peace Corps' Information Security Program	OIG is responsible Federal Information Security Management Act requirements such as performing reviews of the Peace Corps' information systems security program and reporting related selected data to the Office of Management and Budget annually.
Hiring of U.S. Direct Hires Abroad	OIG will report on the process by which Peace Corps country directors (CD) <sup>2</sup> are hired and terminated, and how CDs hire staff as mandated in the Kate Puzey Act. We will also assess of the agency's implementation of the performance plans for CDs

In addition, we will conduct a peer review of audit organization of the National Credit Union Administration OIG and prepare for our peer review, which will be conducted in FY 2014.

### **Evaluation Unit**

The Evaluation Unit conducts independent assessments of the design, implementation, and results of agency operations, programs, and policies. Our goal is to provide timely, credible, and useful information to agency managers, policymakers, and others on program operations and policy issues. We accomplish this through evaluations of the management and program operations of the Peace Corps at overseas posts and domestic offices. We also contribute to cross-functional reviews of agency operations undertaken with OIG auditors or investigators.

OIG evaluations promote integrity, efficiency, and effectiveness, identify best practices, and recommend program improvements and means to comply with Peace Corps policies. The Evaluation Unit conducts reviews and assessments using applicable Federal laws, regulations, and Peace Corps policies, procedures, and performance plans, including the agency's Integrated Planning and Budget System (IPBS) and strategic plans. Evaluations are conducted under the direction and guidance of the Assistant Inspector General for Evaluations and in accordance with the *Quality Standards for Inspections and Evaluations*, published by the Council of the Inspectors General on Integrity and Efficiency. These standards are instrumental in maintaining impartiality, reliability, and credibility, and they set the bar for staff competency, independence, professional judgment, internal quality controls, and stakeholder feedback for process improvements.

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<sup>2</sup> The Kate Puzey Act uses the term "Peace Corps country representative" to refer to Peace Corps country directors.

## Evaluations

The Evaluation Unit will address some of the larger issues faced by the Peace Corps as it responds to new challenges and opportunities and addresses concerns related to the safety and security of Volunteers. Along with reviews of agency-wide programs and operations, the Evaluations Unit will continue in FY 2013 to perform country program evaluations to ensure that we are delivering current information to agency decision makers on overseas operations and the work and well-being of Volunteers. As appropriate, we will focus on those country programs that are relatively new, undergoing significant change, or face operational challenges.

We considered the following factors when developing our evaluation schedule:

- Requests from the Congress and agency managers, including country directors.
- Conditions about post or domestic operations that are brought to our attention by Volunteers, trainees, or staff.
- Conditions that indicate a need to evaluate the program to assure the health and safety of Volunteers and staff or to identify and deter fraud, waste, abuse, and mismanagement.
- New or changed conditions affecting post operations; and indications of either high or low performance.

Our assessment also takes into consideration such factors as: size, maturity, and cost of the country program; All-Volunteer Survey results, Volunteer safety data, and Volunteer resignation rates; and the interval since the last country program evaluation.

## Country Program Evaluations

We have selected eight posts that may receive a country program evaluation during FY 2013; we expect to conduct at least four. Some posts on the list may not be evaluated due to the requirement to complete congressionally mandated work (see ‘Legislatively Mandated Work’ section below) or due to unexpected work that is prioritized for completion. Final selection of the posts and the timing of the evaluations will be decided during the year. We will work with regional management to finalize the evaluation schedule for selected posts based on available resources and post constraints, and we will coordinate the scheduling of the fieldwork portion of the evaluation with the post in advance of our visit. In conjunction with our country program evaluations, we will conduct work at posts that have received President’s Emergency Plan for AIDS Relief (PEPFAR) funding to assess program administration and support to Volunteers. Those posts are indicated with an asterisk.

<b>Country Program Evaluations</b>	
<b>Africa</b>	<b>EMA</b>
Benin	Armenia*
Lesotho**	Moldova*
South Africa**	<b>IAP</b>
	Ecuador

	Mexico
	Micronesia/Palau
*Posts receiving PEPFAR funds.	
**Posts designated as PEPFAR operating countries.	

### Agency-Wide Programs and Special Reviews

Our FY 2012 annual plan included two evaluations of headquarters operations: a review of the overseas staff recruitment, selection and training process; and a review of the Returned Volunteer post-service Federal Employees Compensation Act (FECA) program. We did not initiate these evaluations due to the legislatively mandated work requirements of Kate Puzey Act. However, during FY 2013 the Audit Unit plans to conduct a review of how Peace Corps country directors are hired and terminated and how country directors hire post staff; a report is due to Congress in the first quarter of FY 2013. Additionally, the Government Accountability Office has undertaken a review of the quality and accessibility of health care provided to Returned Peace Corps Volunteers under the FECA program; a report is due to Congress in the first quarter of 2012.

### Legislatively Mandated Work

The Evaluation Unit will initiate fieldwork and complete the following reports mandated under the Kate Puzey Act to be provided to Congress in the first quarter of 2013:

<b>Legislatively Mandated Work</b>	
Evaluation of the Effectiveness and Implementation of Volunteer Sexual Assault Risk Reduction Training	The evaluation will assess the extent to which training is comprehensive and conforms to best practices in the sexual assault field. Among aspects reviewed, we will confirm that training was tailored to the country of service, with information regarding crime and risks to Volunteers, treatment available in country, medical evacuation procedures, as well as information on OIG, sexual assault response liaison, the victim advocate, and the 24-hour sexual assault hotline.
Evaluation of the Agency's Sexual Assault Policy and a Case Review of Reported Sexual Assault Cases	The evaluation will assess the sexual assault policy developed under the Kate Puzey Act and include a review of a statistically significant number of cases. Among aspects reviewed, we will determine if policies reflect recommendations from experts in the sexual assault field and include a system for restricted and unrestricted reporting of sexual assaults, the designation of a sexual assault response liaison at each post, and other services at



	post or headquarters mandated under the Kate Puzey Act.
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## Investigation Unit

The Investigation Unit assists the Peace Corps in maintaining integrity in its programs and operations by investigating allegations of fraud, waste, abuse, and employee misconduct. Matters investigated include, but are not limited to, grant, contract, and procurement fraud; violations of law and agency policies committed by Peace Corps personnel, contractors, and vendors; and FECA claimants. Our investigations can result in criminal prosecutions, civil monetary penalties, sanctions and personnel actions, including verbal counseling, suspensions, debarments, and termination from Peace Corps service.

The Investigation Unit is committed to addressing allegations in an independent and objective manner; conducting criminal, civil and administrative investigations affecting Peace Corps programs and operations; briefing employees on fraud awareness and detection; and encouraging professional development of its staff. During FY 2012 the Investigative Unit handled 244 complaints or allegations, a 112 percent increase over FY 2011. The Investigation Unit is putting additional resources in place for FY 2013 to manage the increase in complaints.

Our investigations are conducted in accordance with the IG Act, the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, and the Quality Standards for Investigations issued by the President's Council on Integrity and Efficiency and affirmed by the Council of Inspectors General on Government Integrity and Efficiency. It is our goal to:

- Respond to Hotline and other complaints and allegations of mismanagement, misconduct and other wrongdoing, as well as to detect and prevent acts of fraud, waste, and abuse.
- Leverage resources to effectively investigate suspected fraud both domestically and overseas, as well as other criminal wrong doing and administrative misconduct by Peace Corps staff, including employees, contractors, experts, consultants and Volunteers/trainees.
- Work with agency staff to deploy fraud awareness and prevention training.
- Consider trends and the ongoing needs Peace Corps management, overseas posts, and Congressional stakeholders to investigate and report on suspected crimes and other wrongdoing.

In addition to pursuing a variety of allegations and complaints from multiple sources, in FY 2013 the Investigation Unit will be engaging in the following:

- Prioritizing investigations of sexual assaults and PROTECT<sup>3</sup> Act allegations against Peace Corps staff or Volunteers.

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<sup>3</sup> Prosecutorial remedies and other tools to end the exploitation of children today (P.L. 108-21)

- Pursuing fraud involving FECA claims including proactive initiatives working jointly with the audit and evaluations unit, and external partners to identify possible waste, fraudulent activity, and/or false claims.
- Reviewing audit findings to address potential risk and vulnerability from the standpoint of property management. We plan to focus on high dollar and pilferable items, including computers, motor cycles, vehicles, radios, etc.
- Expanding ongoing inquiries regarding alleged fraudulent activities associated with government credit card usage, travel expenditures and to assess agency wide impact.
- Ensuring referral of individuals and entities for suspension and debarment as appropriate.
- Continuing coordination with the Audit and Evaluation Unit to investigate vulnerabilities with Peace Corps contracts and Volunteer managed grants.
- Delivering fraud awareness training to staff and Volunteers.
- Strengthening our engagement with Volunteers and offering information on OIG resources and mechanisms for providing information or complaints confidentially relating to programs and operations.

**Legislatively Mandated Work**

As required by the Kate Puzey Act, the Investigation Unit was charged by the Inspector General to produce a report in accordance with section 2, section 8E (d)(1)(A) of the Act. The report will be issued in the first quarter of FY 2013.

<b>Legislatively Mandated Work</b>	
Complaints or allegations received from Volunteers or RPCVs	OIG will report on complaints or allegations originating with Volunteers about Peace Corps staff relating to misconduct, mismanagement, or policy violations; any breaches of the confidentiality of Volunteers; and any actions to assure the safety of Volunteers who file such complaints.

**Statutory Law Enforcement**

During FY 2010 Attorney General Eric H. Holder, Jr. authorized OIG to exercise statutory law enforcement powers pursuant to Section 6(e) of the IG Act and in accordance with the *Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority*. This authority provides OIG with additional law enforcement tools including the authority to, upon probable cause, seek and execute warrants for arrest, search premises or seize evidence, make arrests without a warrant while engaged in official duties, and carry firearms. During FY 2013, Investigative staff will receive further training to enhance their ability to respond and investigate PROTECT Act allegations and Volunteer on Volunteer crimes. Additionally, in FY 2013 the Investigative Unit will be peer reviewed by the United States Agency for International

Development OIG to verify its compliance with the guidelines applicable to OIGs with statutory authority.

### **Interagency Cooperation**

During the preceding year the Investigation Unit strengthened efforts to cooperate with other law enforcement agencies such as the U.S. Attorneys' Offices in multiple jurisdictions, the Department of Justice, U.S. Customs and Border Protection, International Criminal Police Organization-INTERPOL, the Financial Crimes Enforcement Network, the Federal Bureau of Investigation, Immigration and Customs Enforcement, and the Department of Labor. In FY 2013, the Investigation Unit will leverage those relationships and resources to more effectively and cost-efficiently investigate crimes occurring overseas. In May 2012 the Peace Corps OIG and the Department of State Bureau of Diplomatic Security executed a memorandum of understanding (MOU) formalizing channels for information sharing, cooperation, and mutual assistance among law enforcement personnel. In FY 2013 we will continue to implement the MOU, which supports our investigative effectiveness. Additionally, the Investigation Unit will seek to deepen cooperation through joint and/or task force investigations, where appropriate.