



# Peace Corps Office of Inspector General

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## **FOLLOW-UP AUDIT REPORT**

### **Safeguarding of Social Security Numbers IG-07-10-FUA**

**June 2007**

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H. David Kotz, Inspector General

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## INTRODUCTION

The Office of Inspector General conducted an audit on the safeguarding of social security numbers from June through November 2004. We reported six recommendations for management action. As part of our continuing oversight responsibilities, we conducted a follow-up audit of management's agreed-upon actions January 11 – March 1, 2007 to verify the status of open and closed recommendations.

Management concurred with all six of the recommendations in the original audit report; however, no recommendations were closed at that time. Recommendation numbers 1, 4, and 6 were subsequently closed by the chief compliance officer and recommendation numbers 2, 3, and 5 remained open at the time of the follow-up audit.

The objective of this audit was to verify the status of management actions in response to our previous audit recommendations.

## SUMMARY OF FINDINGS

During our audit, we verified the status of all six recommendations. We determined that all recommendations, including the three previously closed recommendations, remained open awaiting additional management action.

A summary of the status of each audit recommendation is shown in Table 1 below followed by the results of our verification of each recommendation.

**Table 1. Status of Audit Recommendations as of March 2007**

<b>Audit Area</b>	<b>Number of Recommendations Closed</b>	<b>Number of Recommendations Open</b>	<b>Open Recommendation Number</b>
<b>Safeguarding of Personal Information</b>	0	3	1, 2, 3
<b>Forms Management</b>	0	2	4, 5
<b>Proper Disposal of Personal Information</b>	0	1	6

## RESULTS

Each item below includes our recommendation, management's responses and results of our verification as of March 1, 2007.

### Safeguarding of Personal Information

- 1. That the associate director for management remind agency staff about the importance of safeguarding personal information at their desks and in their departments and include this subject in new employee orientation.*

**Management's Response: Concur:** The associate director of management will issue notices via broadcast messages and articles in the Messenger Newsletter to remind agency staff about the importance of safeguarding personal information at their desks and in their departments. In addition, the records management officer will work with designated points of contact within each office to review proper safeguarding procedures. These actions will be completed by the end of Quarter 2 of FY 05. In addition, Records Management Training will be presented during all New Employee Orientations, New Supervisor's Training and each Overseas Staff Training session.

**OIG Verification: Recommendation open.** Management's response stated that a "records management officer will work with designated points of contact within each office to review proper safeguarding procedures." However, we determined that the records management officer's list of points of contact for each office was out of date as several of the listed points of contacts had left the agency. Moreover, none of the points of contact interviewed listed "review [of] proper safeguarding procedures" as part of their interaction with the records management officer.

Additionally, we recommended that the importance of safeguarding information be included in new employee orientation; however, this training has not been provided consistently to new employees.

We verified that the Office of Management published five issues of the "Management Report" newsletter between February 6, 2006 and October 24, 2006 to publicize information agency-wide on record-keeping requirements and privacy of information. The newsletters included guidance on reducing the use, collection, and display of social security numbers (SSNs) and how to safeguard materials. In addition to the newsletter articles, we verified that the associate director for management issued an agency-wide memorandum dated June 2006 that discussed specific employee responsibilities for safeguarding personally identifiable information. We found no evidence that existing safeguards over files containing personal information were not consistently followed.

This recommendation will remain open pending verification from the chief compliance officer that the Office of Management continues to issue the "Management Report," or other similar publication, on a periodic basis, and that training on the importance of the safeguarding of information is consistently provided to new employees.

***2. That the associate director for management conduct a review to identify those offices and functions that require the use of social security numbers.***

**Management's Response:** Concur: The associate director of management has initiated reviews on the use of social security numbers. A survey was recently sent to overseas posts on the accessibility and usage of social security numbers and responses were received from 40 countries. The majority of the posts reported the volunteers' social security number is used primarily as a personal identifier for administrative purposes and access is limited to key personnel. In addition, the associate director of management has requested a review on the use of social security numbers for offices and functions at Peace Corps headquarters. These activities will be completed by Quarter 3 of FY 05.

**OIG Verification: Recommendation open.** The associate director for management sent a survey to overseas posts to gather information on their uses of SSNs. However, the 40% response rate was not sufficient to be considered a thorough review of uses of SSNs within the agency; the associate director for management made no additional follow-up. The results of the survey, although provided to the OIG, were not provided to the regions or to the posts.

In conjunction with recommendation four below, we confirmed that a staff member from the Office of Management met with headquarters offices' points of contact between July and September 2005 to identify which forms that use SSNs could be revised to eliminate the SSN or which forms could have the SSN restricted to the last four digits. However, we found that this process was not completed in at least two offices (Office of Medical Services and Human Resources Management), and we were unable to verify the status of this process for the remainder of the agency.

Additionally, we found that there has not been a coordinated effort to review agency forms since March 2006 due to the departure of the individual responsible for this effort. As a result, several agency forms had not yet been revised to eliminate the use of full SSNs.

Additionally, although knowledgeable staff was assigned to evaluate the use of SSNs, we found that no one in senior management had ever provided sufficient guidance to staff for determining the appropriate uses of SSNs on individual forms. The associate director for management, as overseer of records management, is ultimately responsible for agency forms and for the safeguarding of the information on those forms.

This recommendation will remain open pending verification from the chief compliance officer that the associate director for management has distributed guidance to all agency offices on the appropriate uses of SSNs, and that a complete review of all agency forms has been conducted based on that guidance to include the identification and updating of forms with improper uses of SSNs.

3. *That the associate director for management issue guidance to all offices and the overseas posts on what Volunteer and employee personal information should be maintained and for how long.*

**Management's Response:** Concur: The Office of Management is revising the current guidance outlined by PCM section 894 [File System for Overseas Staff] to reflect the current changes in safeguard, collection, use, and retention practices. This revised manual section will be disseminated to overseas posts in conjunction with guidance set forth under the agency's Privacy Act regulation found at 22 CFR Part 308 and Peace Corps Manual Section 897 governing Privacy Act Administration. Completion of the manual section revision will be in Quarter 2 of FY 05.

**OIG Verification: Recommendation open.** A letter from the Office of Management to the chief compliance officer on September 1, 2006 updating the status of this recommendation referred to three manual sections awaiting approval and/or publication: PCM section 894 mentioned above, PCM section 890 - Forms Management, and PCM section 892 - Records Management. None of the three manual section updates proposed by management has completed the approval and issuance process.

In addition, we found that updates to PCM section 894 have been sent to the Office of General Counsel; however, the updates did not contain any comments regarding "the current changes in safeguard, collection, use and retention practices."

This recommendation will remain open pending verification from the chief compliance officer that PCM section 894 has been updated to include safeguard, collection, use, and retention practices and has been issued for agency reference.

## Forms and Records Management

**4. That the associate director for management complete the inventory of agency records and forms, update the forms control list, and identify the user departments.**

**Management's Response:** Concur: Plans have been made to complete the inventory of agency records and forms, update the forms control list, and identify the users departments. This action will be completed by the end of FY 05.

**OIG Verification: Recommendation open.** We verified that a complete inventory of agency records and forms has not been fully developed.

### *Forms Inventory*

The Office of Management initiated the process of creating a forms inventory list in conjunction with recommendation two, the identification of appropriate uses of SSNs on agency forms. Headquarters offices were requested to fill out questionnaires to identify forms that should either be deleted, remain active, or should be revised from a list of forms of which the Office of Management was aware of at that time. We noted that forms deemed obsolete were removed from the inventory listing.

Although the forms inventory has gone through revisions, we found that the inventory continues to be incomplete for the following reasons:

- Not all of the offices were included in the process to update the status of their forms on this inventory list.
- We were unable to verify that a complete universe of forms has been established. It is not documented, and the personnel that could attest to the completeness of the list have since left the agency. Therefore, the records management officer could not provide assurance that the current forms inventory list included all forms used by all departments and posts.

Although the records management officer currently plans to maintain the inventory list on a perpetual basis, she concurred that a periodic verification would be necessary to validate its completeness and accuracy.

### *Records Inventory*

The Office of Management has not produced a current records inventory list.

This recommendation will remain open pending verification from the chief compliance officer that a current, accurate, and complete agency forms inventory list and a current, accurate, and complete agency records inventory list have been compiled.

*5. That the associate director for management require the review and re-approval of all forms every three years.*

**Management's Response: Concur:** Plans have been made to review and re-approve all forms every three years. This will be on-going activity, but the review will start in Quarter 2 of FY 05 and all forms should meet the three-year criteria by the end of FY 05.

**OIG Verification: Recommendation open.** There has been no action initiated to systematically request the re-verification every three years of each form on the forms inventory list by an appropriate approving official. We found no specific or documented plan to implement and to ensure the continuity of this requirement.

This recommendation will remain open pending verification from the chief compliance officer that the associate director for management documents and implements a procedure for ensuring the systematic re-verification of all agency forms every three years.



## Proper Disposal of Personal Information

*6. That the associate director for management issue guidance on the proper disposal of information, including what should be disposed of and the use of shredding boxes.*

**Management's Response:** Concur: The associate director of management recently issued guidance on the proper disposal of information. Additional guidance will be issued in Quarter 2 of FY 05. Furthermore, the number and location of shredding boxes and has been monitored closely and additional boxes will be added where needed. These issues will also be covered during the New Employee Orientation, New Supervisors Training and Overseas Staff Training.

**OIG Verification: Recommendation open.** Permanent guidance has not been developed and included in the Peace Corps manual as a reference available to all employees at all times regarding the appropriate disposal of information. Additionally, we found no evidence that management has consistently provided guidance on the proper disposal of information during the New Employee Orientation, New Supervisors Training, and Overseas Staff Training as their response stated.

One broadcast reminder via email was sent to all staff which included information on the shredding and disposal of confidential documents since the original audit report was issued. The email notified employees onboard at the time of the broadcast and did not take into consideration new employees.

In addition, we observed posters above shredder bins and recycling boxes that reminded employees what personal information must be shredded and what information should be recycled. The records management officer periodically reviews the placement of shredders throughout the office and adds or relocates shredders per staff requests and needs.

This recommendation will remain open pending verification from the chief compliance officer that the associate director for management sends broadcast reminders at least twice a year, that this information be included in the listed trainings so that all employees are reached periodically, and that permanent guidance is issued to address the agency's policy on disposal of information.

## OBJECTIVE, SCOPE, AND METHODOLOGY

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Our audit conclusions are based on information from three sources: (1) document and data analysis, (2) interviews, and (3) direct observation. Our audits are conducted in accordance with the government auditing standards prescribed by the Comptroller General of the United States.

While conducting the follow-up audit, we talked with Office of Management employees responsible for records management, various points of contact, Office of General Counsel and others. At the conclusion of our audit, we briefed the associate director for management.

Our audit criteria were derived from the following sources: the Peace Corps Manual, the Overseas Financial Management Handbook, current Peace Corps initiatives and policies, and other federal regulations. Our scope was limited to the verification of the status of previous audit recommendations found in the Audit of the Safeguarding of Social Security Numbers (IG-05-04-A) issued December 2004.

The results of our follow-up audit were shared with the associate director for management prior to the report drafting.

## APPENDIX B

# AUDIT COMPLETION AND OIG CONTACT

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### AUDIT COMPLETION

The follow-up audit was performed by auditor Elizabeth Palmer.

### OIG CONTACT

If you wish to comment on the quality or usefulness of this report to help us strengthen our product, please e-mail Gerald P. Montoya, Assistant Inspector General for Audit, at [gmontoya@peacecorps.gov](mailto:gmontoya@peacecorps.gov), or call him at (202) 692-2907.

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