



PEACE CORPS

OFFICE OF INSPECTOR GENERAL



SEMIANNUAL REPORT TO CONGRESS

OCTOBER 1, 2005 – MARCH 31, 2006

Cover: Three-time Peace Corps Volunteer Mary Ann Camp conducts an AIDS awareness session for students at a clinic in Kachikau, Botswana.

PEACE CORPS

OFFICE OF INSPECTOR GENERAL

Vision

To conduct audits, evaluations, and investigations that uphold the effectiveness, efficiency, and integrity of the agency in achieving the goals set forth in the Peace Corps Act that Peace Corps Volunteers experience a service that meets the needs of the people in their countries of service, return to the U.S. with knowledge and respect for the people and customs of those countries, and share their knowledge and caring with those they touch in their lives as citizens of the United States.

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HIGHLIGHTS FROM THIS REPORTING PERIOD

MESSAGE FROM THE INSPECTOR GENERAL

I am very honored to have been appointed to the position of Inspector General for the Peace Corps on February 5, 2006, during this reporting period. I am further honored to be leading such a talented team of conscientious individuals in the Peace Corps Office of Inspector General, who play the vital role of the guardians of integrity and efficiency in the Peace Corps and as protectors of the public trust against waste, fraud and abuse.

There have been a great deal of accomplishments over the past six months and there remains much work to be done. Our evaluators, auditors and investigators have uncovered a great deal of information that has assisted management in implementing various reforms at the Peace Corps' posts overseas and in headquarters.

Our auditors have continued their critical work in connection with the agency financial statement audit by assisting the agency in improving the overall financial health of the Peace Corps in accordance with the requirements of the Federal Managers Financial Integrity Act and Federal Financial Management Improvement Act. During this reporting period, our auditors also audited several posts and provided valuable information regarding financial and administrative matters occurring overseas.

Our evaluators conducted program evaluations at a number of posts and in one case, conducted a follow-up to a prior evaluation to ensure that management was addressing the concerns that we found at post in an appropriate fashion.

During this reporting period, the evaluators also began a landmark and innovative programming study in which they traveled to high-performing posts in order to assess what makes these posts perform at such a high level. This study was proposed after a review of numerous historical evaluation reports revealed continued concerns about the level of assignments at posts and noted the importance of good and effective programming in achieving the agency's mission and goals. The overall purpose of this study is to provide to the agency with the information it needs to improve its programming so that fewer Volunteers are sent to sites where their assignment proves unviable, unsatisfying, or requiring few hours per week of meaningful engagement. Three specific objectives of this study are the following: (1) to describe the programming process; (2) to achieve some insight into what is needed to improve programming and reduce the number of Volunteers in unviable assignments; and (3) to focus attention on good programming and to strengthen the agency's capacity to implement good programming and to identify impediments and deficiencies that obstruct good programming. The first half of the study was completed during this reporting period and the second portion will be completed shortly. We plan to utilize the results not only to provide valuable information to the agency but as benchmarks for the OIG evaluators for use in future evaluations and assessments.

Our investigators have been very busy during this reporting period. OIG investigators not only have responsibility for waste, fraud, abuse and violations of criminal statutes, but are charged with coordinating investigations of all violent crimes against Volunteers and assisting with prosecution efforts in the local jurisdictions. In order to assist these efforts, during this reporting period, the agency issued an Interim Policy Statement (“IPS”) on the hiring of attorneys for Volunteer/Trainee Victims of Crimes. Pursuant to this IPS, the OIG, as the responsible office, will make determinations in appropriate cases to authorize the use of appropriated funds to retain counsel for Volunteer/Trainee victims of violent crimes after informing the Peace Corps Director of its decisions. This new authority has already been invoked on two occasions and we have found that it is extremely useful to support our office’s efforts to protect the rights of victims and ensure appropriate action is taken in foreign countries to bring perpetrators to justice.

During the next reporting period, we will continue our commitment to work with the Peace Corps to address its management challenges and to ensure the efficiency, effectiveness and integrity of agency operations. We take pride in our past accomplishments and anticipate future ones of even greater significance.

MANAGEMENT AND ADMINISTRATION

AGENCY CONTEXT

At the end of FY 2005, 7,810 Peace Corps Volunteers and Trainees were serving in 77 countries at 71 posts. In addition, there were 43 Volunteers working in the President's Emergency Plan for AIDS Relief-funded projects. The Volunteers and their programs are supported by 854 American direct hire staff— 201 overseas, 116 in the regional recruiting offices, and the remaining 537 in Headquarters. Approximately 2,000 locally hired personnel complete post staffing. The Peace Corps also has corporate contracts domestically and overseas, principally for guard services and training, and hires expert consultants, largely for training and financial management.

In 1996, the Peace Corps established a complementary program called Crisis Corps that gives former Peace Corps Volunteers an opportunity to return to similar positions of service overseas for short-term assignments. At the end of FY 2005, 82 Crisis Corps Volunteers were serving overseas in eight countries and 131 were serving in the southern United States to assist with hurricane recovery efforts.

OIG STAFFING

During the reporting period, the agency filled the position of Inspector General. The new Inspector General, H. David Kotz, has a wealth of management, legal and investigative experience, having worked previously in the Peace Corps, the U.S. Agency for International Development ("USAID") as well as for large and small law firms in New York City and Washington, D.C. Mr. Kotz initially joined the Peace Corps in October 2002 serving as the Associate General Counsel for Litigation with responsibilities for overseeing all agency litigation, including administrative and federal court proceedings, labor arbitrations and employee grievances. Prior to the Peace Corps, Mr. Kotz worked in several capacities at USAID beginning in May 1999, both in the Office of General Counsel, and as head of administrative/disciplinary investigations for USAID. Mr. Kotz also has nearly 10 years of experience practicing federal administrative law for several prestigious law firms.

Additional staff changes in progress include the filling of the position of Assistant Inspector General for Investigations, which will be completed shortly, and the addition of a new investigator position, for which the office is recruiting at the present time. The current AIG for Investigations, who has served as both AIG for Investigations and Counsel, will remain in the IG Counsel position.

In addition to the usual investigative work of an OIG, this office coordinates investigations in cases around the world of violent crimes against Peace Corps Volunteers. The investigative staff manages a hotline 24/7 for this purpose. The result is

a large number of investigative cases open at any given time and requires that the AIG for Investigations give this his/her full attention. With the filling of the AIG for Investigations (AIG/I) position and the additional investigator position, that unit will have four investigators and an investigative analyst working under the AIG/I.

During the reporting period, one of our evaluators resigned and we are in the final stages of re-filling that position.

ADVICE AND ASSISTANCE PROVIDED TO THE AGENCY AND OTHERS

MANAGEMENT ALERT AND MANAGEMENT IMPLICATION REPORTS

When we want to highlight a problem that needs prompt action or should be addressed by a senior manager other than the one to whom the full report is addressed, we issue special memoranda. These memoranda are also used to bring attention to the implications of a repetitive or agency-wide problem.

Management Alert Report on the Peace Corps' Manual Section Providing Guidance to Overseas Offices on Provision of Benefits to Local Employees

We issued this memorandum on October 19, 2005, to call attention to the fact that the agency's overseas posts were not always providing all of the benefits to local employees required by local law. This had opened several overseas posts to local litigation—in one case, the court-ordered seizure of the agency's vehicles. Failure to pay locally required benefits, such as payments to the equivalent of a social security account, also exposes the agency to a future liability. Such liabilities, in addition to being a potential financial burden for which the agency is not setting aside resources, must be calculated and reported in the agency's annual financial statement, which is not currently being done.

We also noted that this was occurring because the agency's guidance to its overseas offices was internally contradictory and difficult to understand. Our memorandum recommended that the agency consider changing the guidance to provide full compliance with the local compensation plan at overseas posts.

In response to this, the Office of General Counsel and the Office of Acquisition and Contract Management met with the IG and agreed to re-write the existing policy guidance in coordination with the OIG to clarify the language.

Management Alert Report on Role of Peace Corps Safety and Security Officers

We issued this memorandum to call attention to confusion existing overseas about the respective roles of the Peace Corps Safety and Security Officers stationed regionally, the Peace Corps Safety and Security Coordinators stationed at each post, and the investigators of the Office of Inspector General. The memorandum suggested that the Associate Director for Safety and Security issue a clarification of responsibilities to the Safety and Security Officers and Safety and Security Coordinators.

After extensive consultation, the Inspector General and the Associate Director of Safety and Security agreed upon a joint memorandum of clarification that was issued to all senior staff within the agency, to all safety and security staff of the agency, and to the

management and staff at the Department of State with whom agency staff coordinate in following up on safety and security issues and the investigations of crimes against Volunteers overseas. We have received numerous reports from the field to suggest that this memorandum was greatly appreciated and assisted enormously in the clarification of the roles of the offices.

**Management Alert Report Requesting the Director's Attention to
Matters Affecting the Office of Inspector General's Capacity to
Coordinate the Investigation of Violent Crimes Against Volunteers Overseas**

This memorandum was sent to the Director, requesting his support in addressing management issues related to responding to violent crimes against Volunteers. Specific requests included the Director's facilitation to release a policy statement on the retention of counsel to assist the effective prosecution of perpetrators of violent crimes against Volunteers and to approve an additional staff position for the Office of Inspector General to manage this function.

During the reporting period, the Director issued an interim policy statement on the retention of counsel, appointed an Inspector General, and approved two new positions for the Investigative unit of the Inspector General's office. This has given the office significantly increased flexibility and capacity to coordinate the investigation of violent crimes against Volunteers and to facilitate the prosecution of perpetrators.

**Management Alert Report on a Follow-up to an Earlier Management Alert Report
Concerning the Health Sector Project in Peace Corps/The Gambia**

We issued this memorandum based on a follow-up we did to our September 2003 evaluation and audit of The Gambia. In the Management Alert issued after our evaluation and audit of 2003, we urged that the schedule for new Volunteers to the health project be delayed to give the post a chance to correct the serious deficiencies of the project. (See our Semi-Annual Report for the period October 1, 2003 – March 31, 2004.) The agency declined to take this action.

In our follow-up visit, we found the project had further deteriorated and that more than half of the Volunteers sent in the group whose arrival we had urged be delayed had already terminated service early. The Volunteers reported to us that this was attributable to the fact that they did not have viable assignments. In this management alert we recommended that the health project be cancelled.

In its response, management asserted that the project was viable and that it would be continued. We pursued discussions with management on how to effect a change that might result in rewarding assignments for the Volunteers. As a result of these discussions, management has agreed to implement structural changes in the assignments of the Volunteers in this project and consider whether further and more drastic changes are necessary if after these structural changes are implemented, the Volunteers are still unable to obtain viable assignments.

AUDITS AND PROGRAM EVALUATIONS

OVERVIEW

The Peace Corps OIG focuses principally on the programs, financial and administrative operations, and staff support that sustain Peace Corps Volunteers serving around the world. We do this through audits and evaluations of the agency's posts overseas and its functions in headquarters and domestic recruiting offices.

Both individual staff members and multi-disciplined teams carry out these reviews. Whenever the work is by a team, we publish a single, combined report of findings and recommendations. For some highly technical audits, we also contract with firms and individual experts.

Audits examine operations and financial transactions to ensure that good management practices are being followed and that government resources are adequately protected in accordance with law and regulation.

Most of our audits are of overseas posts and include a review of financial and administrative practices and the safety and security of persons and property. Audits of headquarters activities include the implementation of specific functions, responses to management requests, and consultations with Peace Corps managers on issues related to audits. Audits may also include follow-up on previous audits and a limited follow-up on previous program evaluation findings and recommendations.

Our auditors also perform contract audits of the indirect rates for all contractors for which the Peace Corps has audit cognizance and of the direct costs on cost-plus-fixed-fee contracts. We conduct peer reviews of the audit organizations of the OIGs of other federal agencies, and peers of other agencies' OIGs review us. We also have oversight responsibilities over work performed by contract auditors conducting work required under the provisions of the Accountability of Tax Dollars Act of 2002 and the Federal Information Security Management Act.

Program Evaluations review the operation and administration of a specific unit of the Peace Corps or may involve a limited review of a particular problem, issue, or function.

Most evaluations are of overseas posts. Post evaluations provide management with a comprehensive assessment of how programs are functioning overseas. This includes a review of the Volunteers' sites and assignments, their integration into their communities, the quality of their training, the quality of the support provided to them, and the adequacy of the post's administrative infrastructure to manage the program. Evaluations focus particularly on the effectiveness, satisfaction, and well being of the Volunteers, including their housing, health care, and safety. Evaluators send a survey to all Volunteers in

country, interview a representative sample of one-fourth or more of the Volunteers at their sites, and interview Peace Corps staff and Volunteers' co-workers and supervisors.

Post evaluations that do not accompany an audit may include a limited review of the post's financial and administrative practices, and compliance with agency rules and regulations on these matters. Evaluations may also include follow-up on the findings of a previous program evaluation and a limited follow-up on previous audit recommendations.

FY 2005 Agency Financial Statement: Audit

All agencies are required to produce financial statements by law and Offices of Inspector General are required to audit those statements. The financial statement audit for fiscal year 2005 was conducted by an independent public accounting firm under the direction and supervision of the Office of Inspector General. The audit opinion was issued on November 15, 2005 in accordance with the accelerated financial statement reporting timeline.

The accounting firm issued a disclaimer of opinion on the Peace Corps' FY 2005 financial statements with five reportable conditions, all of which were considered to be material weaknesses. These reportable conditions addressed were:

- Financial management structure and process monitoring.
- Accounting process.
- Substantiation of material account balances.
- Oversight and monitoring of reconciliations and financial reporting.
- Information system control environment.

The Peace Corps was not in compliance with the Federal Managers Financial Integrity Act, which requires the agency head to annually evaluate and report on the agency's management control and financial systems. The Peace Corps had not established a formal process for evaluating its management and financial controls.

In addition, the Peace Corps financial management systems did not substantially comply with federal financial management systems requirements established under the Federal Financial Management Improvement Act. The Peace Corps' financial management systems did not have adequate internal controls over contingency plans and data transmission and were not fully certified and accredited. The systems also lacked functionality to support timely and effective reconciliation and review at the transaction level. The financial management systems were not being used to properly identify intragovernmental and governmental transactions. Peace Corps also had deficiencies within the systems' transaction posting logic.

East Timor: Audit

We conducted an audit of Peace Corps/East Timor August 22 - September 2, 2005. The Peace Corps began its program in East Timor in 2002, shortly after the country gained independence from Indonesia. At the time of our visit, Peace Corps/East Timor was being transferred from the Inter-America and Pacific region to the Europe, Mediterranean, and Asia region. Thirty-one Trainees were participating in pre-service training and 27 Volunteers were working in two program sectors: health and community development.

The post had been hampered prior to the audit by having 11 permanent and temporary duty administrative officers since the inception of the program in 2002. Administrative staff told us that the continuous changes in supervisors had been stressful and had affected their work, and they unanimously stated that they needed additional training to strengthen their job skills.

We found that the post's financial and administrative operations had not fully complied with Peace Corps policies and federal regulations. The administrative officer at post when we conducted the audit had arrived in November 2004 after an abbreviated training at headquarters and functioned as acting country director from April - July 2005. While acting country director, he was responsible for preparing, reviewing, and approving financial documents as well as cashiering responsibilities. This was a critical deficiency in internal control.

Prior country directors had not provided proper oversight over the imprest fund. A personal services contractor, who is not permitted by Peace Corps policy to function as cashier, operated the imprest fund and prepared replenishment vouchers and monthly reconciliation reports. The fund had an unexplained overage that had varied from month to month. Further, the cashier had not performed a daily reconciliation of the fund.

In addition, the billing officer did not prepare the bill of collection and record the billing until the collection was made, and the billing log was incomplete. Also, the post did not evaluate the performance of its contractors, and maintained incomplete contract files.

Management concurred with 26 of our 27 recommendations. As of the end of this reporting period, 23 recommendations are closed and four remain open.

Namibia: Audit

We conducted an audit of Peace Corps/Namibia May 18 – June 6, 2005. We also reviewed the financial procedures for the funds received under the President's Emergency Plan for AIDS Relief (President's Emergency Plan). We also conducted a follow-up to the audit done in 1999 (IG-99-19), and we found that 11 of the 32 audit recommendations from that report had not been implemented.

The first group of 14 Volunteers arrived on September 9, 1990, less than six months after the country achieved independence. At the time of this review, there were 94 Volunteers, including six Crisis Corps Volunteers in the President's Emergency Plan program.

The post was struggling administratively during our visit. In order to stay within their reduced budget, the post had not filled five positions. There had also been significant turnover in the country director and administrative officer positions; recent American staff at post had remained for approximately half their appointed 30-month terms.

We found a total of approximately \$10,850 in uncleared interim advances, some dating back to 2001. These uncleared interim advances included those from a dismissed employee and several from an employee who claimed he had submitted receipts. In addition, there were outstanding international and local travel advances totaling approximately \$2,185; a majority of these advances were for fiscal year 2004. Also, we found that two full-time staff, whose salaries were paid wholly from the President's Emergency Plan funds, were performing duties unrelated to the President's Emergency Plan activities.

Management concurred with all 36 of our recommendations. As of the end of this reporting period, 27 recommendations are closed and nine remain open.

Vanuatu: Audit

We conducted an audit of Peace Corps/Vanuatu August 8 - 19, 2005. The Peace Corps began its program in Vanuatu in 1990. At the time of our visit, 61 Volunteers were working in two program sectors: education and community development.

The post's financial and administrative operations did not fully comply with Peace Corps policies and federal regulations. The country director and administrative officer did not provide sufficient oversight over the imprest fund and billings and collections.

In addition, we found that the post did not adequately control its property and medical inventories, properly maintain time and attendance, correctly handle Volunteer property held for safekeeping, and provide adequate IT security.

We accepted Management's response and closed all 28 recommendations.

The Gambia: Follow-up Audit and Program Evaluation

We conducted a follow-up to our 2003 program evaluation and audit of Peace Corps/The Gambia. Management had concurred with 35 of the 36 recommendations resulting from that audit. At that time, we closed 33 of the 36 program evaluation and audit report recommendations.

During the follow-up review, conducted October 23 - November 10, 2005, we selected 33 of the original 36 recommendations for follow-up. We confirmed implementation of 26 and found four recommendations in process of being implemented and three partially implemented. For one of the recommendations, we issued a Management Alert Report that informed management of one serious programming shortcoming that had not been corrected but had instead, deteriorated further.

The Gambia: Follow-up to a Management Alert Report

This work was carried out as part of the follow-up described above and issued as a separate report. It assessed the effect of management's actions in response to seven recommendations from the 2003 audit and program evaluation that we issued in a Management Alert Report because of their urgency.

Management had concurred with six of the seven recommendations, and our follow-up confirmed that the post had implemented all six of these recommendations. These included a cost-of-living survey that resulted in an increase to the Volunteers' living allowance; a new compensation plan for local employees that complied with local labor laws and with time and attendance requirements; discontinued unauthorized use of official vehicles for personal use by American direct hire staff; issuance of written policy guidance on the use of vehicles; access to a vehicle at all times to medical staff for medical emergencies; and initiation of pre-service training improvements for the Volunteers in the health sector.

Because management had not concurred with the seventh recommendation, the follow-up report, which addressed management's implementation of recommendations to which it had concurred, did not specifically address it. The follow-up assessment did find, however, that the original recommendation was on target, and the OIG issued a Management Alert Report on this situation, which was the lack of viable assignments for the Volunteers in the health sector. (See Management Alert Report on page 6.)

Bulgaria: Evaluation

We conducted a program evaluation of Peace Corps/Bulgaria August 3 - 24, 2005. Peace Corps Volunteers first arrived in Bulgaria in June 1991 to teach English at secondary schools and universities. At the time of our visit, 151 Volunteers were serving in Bulgaria.

Bulgaria is working its way to full membership in the European Union. Much of what the Volunteers are there to promote—English language, tourism, environmental preservation, good governance—is seen as contributing to this process and desired because of that.

Our assessment of the Peace Corps program in Bulgaria revealed contradictory findings. Volunteers reported a high level of satisfaction—the majority of those responding to our

survey reported their experience to be very or extremely rewarding—however, they also reported much lower satisfaction from their work assignments.

Dissatisfaction with assignments was most pronounced among Volunteers in the Community and Organizational Development project. The Volunteers in this project effectively were required to develop their own assignments, but many had difficulty finding a niche where they were needed and where they had the necessary skills. Volunteers were underemployed and many took the option of raising money for a “project” that allowed them to leave something tangible behind, though it may have had no relationship to their assignment. This perpetuated the expectation that Volunteers would bring money to their sites and may have been the motivation for organizations in seeking a Volunteer. Additionally, we found that Volunteers had excessive unstructured time, which tempted Volunteers to leave their sites. We found that this project needed a top to bottom re-thinking and, if continued, top to bottom revisions.

The Youth Development project shared some of the assignment challenges of the Community and Organizational Development project, but it seemed to hold more promise. The Volunteers teaching in the schools felt they could use more technical training, but overall, this was a solid project with Volunteers who were clear about what they were doing.

The most serious threat to the Volunteers’ safety and to the Peace Corps’ reputation and integrity in Bulgaria was excessive consumption of alcohol and unprofessional behavior by a few Volunteers.

Management concurred with 10 of our 11 recommendations. As of the end of this reporting period, seven recommendations are closed and four remain open.

INVESTIGATIONS

OVERVIEW

Investigations respond to allegations of criminal wrongdoing, fraud, and abuse that come to us through audits and evaluations; through hotline complaints; and from Volunteers, Trainees, staff, and the public. We also investigate integrity violations. The Office of Inspector General is charged by law with the conduct of criminal investigations. The Inspector General is also authorized by statute to develop policy for the conduct of investigations, and to coordinate and supervise the conduct of investigations. For both domestic and overseas investigations, investigators work with other offices within the agency or with other agencies, including law enforcement officials and public prosecutors, as appropriate.

With over 7,000 Volunteers in more than 70 countries, incidents of crime against them are inevitable. Part of the agency's support to Volunteers who become victims is a protocol under which country directors report incidents of violent crimes against Volunteers to the OIG, and we coordinate the investigation of the crimes with the country director, headquarters offices, the State Department's Office of Diplomatic Security Services, and the embassy's Regional Security Officer (RSO). We work with the RSO to develop the best evidence for local trial, from witness statements to photo spreads to DNA analysis. As needed, we accompany witnesses back to the country where the crime occurred for lineups, depositions, and trial. We consult with the Department of Justice's Office of Foreign Litigation and obtain assistance from the Federal Bureau of Investigations (FBI), including the forensic laboratory at Quantico and the overseas legal attaches, the Armed Forces Institute of Pathology at the Walter Reed Army Medical Center, and the Secret Service Forensic Services Division. We manage and coordinate the agency's part of the investigative and prosecution process from the initial incident to the closing of the case. Our role in coordinating the investigation and prosecution of violent crimes against Peace Corps Volunteers brings a high volume of work but also gives us the opportunity to help curb violence against Peace Corps Volunteers.

The OIG operates a 24/7 duty officer system for direct and immediate contact by country directors with criminal investigators in this office to coordinate the response to violent crimes against Volunteers and assist in supporting them as victims of crime. Early intervention and coordinated support has enhanced the quality of investigations.

The victim is the focus of our response to crimes against Volunteers, and the 2004 "Equal Access to Justice Act" and other Congressional enactments and Attorney General guidance provide a prescriptive framework for the OIG's victim advocacy responsibilities and authority.

We are working in partnership with the agency's Office of Medical Services (OMS) to coordinate our mutual response to sexual assaults within the model of a Sexual Assault

Response Team (SART). During the reporting period, the OIG and OMS staff provided training to Peace Corps Medical Officers (PCMOs).

OIG staff has also worked with OMS staff to train medical staff in developing photographic evidence of injuries to victims. OIG has provided a special measurement device for PCMOs to use for this purpose.

We are receiving support from the agency's information technology experts to develop an automated case management platform to enhance our ability to manage our cases.

We have several cases arising from the Protect Act. In these cases, we conduct a preliminary investigation of the accusations of improper sexual conduct between Volunteers and minors overseas. If we determine that a probable violation has occurred, we request the assistance of Immigration and Customs Enforcement (ICE) of the U.S. Department of Homeland Security, which has legal jurisdiction over these cases. If a U.S. Attorney accepts the case, ICE conducts a full investigation in collaboration with us and with the Diplomatic Security Service (DSS) under the supervision of the Department of Justice.

We have launched a fraud prevention and investigation initiative of claims paid under the Federal Employees Compensation Act (FECA) in coordination with the Peace Corps Office of Medical Services and in partnership with the Office of Inspector General of the U.S. Department of Labor (DOL/OIG). FECA is administered and adjudicated by the Department of Labor's Office of Workers Compensation Programs. The cost to the agency of FECA benefits for eligible former Peace Corps Volunteers and staff is nearly \$11,000,000 annually. This represents 3% of the agency's total appropriated funds, the highest percentage of any federal agency. We are conducting a systemic review of existing claims. We are coordinating with OMS to identify the types of claims that represent long-term costs, and we are coordinating with OMS to identify the types of claims that represent long-term costs, and we are coordinating with counterpart criminal investigators from the DOL/OIG on FECA fraud investigation procedures.

Concurrent with our strategic initiative with both OMS and the DOL/OIG, the Inspector General Community has instituted a community-wide initiative to coordinate response to the investigation of potential fraud in FECA. Our office has been tasked with leadership positions in this long-range initiative which will examine issues ranging from claims processing to potential statutory changes in the Federal Employees Compensation Act.

Violent Crimes Against Volunteers

Overseas posts are required to report immediately any incident of a specified list of violent crimes against Volunteers to the OIG and RSO. Early notification and response is critical to a successful investigation and prosecution, which may assist in a victim's recovery, serve as a protective deterrent, and remove violent persons from society.

Incidents/crimes that are to be reported to the OIG and RSO are:

- Volunteer Death (under any circumstances)
- Kidnapping
- Rape and Attempted Rape
- Major Sexual Assault
- Robbery
- Aggravated Assault
- Major Physical Assault
- Burglary with Volunteer/Trainee present (or attempted)
- Death Threat
- Intimidation/Stalking (also Domestic Violence)

Crimes are reported on the OIG crime hotline violentcrimehotline@peacecorps.gov, from which the Inspector General and investigative personnel receive notification on a 24/7 basis to assure prompt assistance and coordination in their investigation. For all overseas crimes, the OIG engages with the Criminal Investigative Liaison Branch (CIL) of the Bureau of Diplomatic Security to facilitate communications and support to the victim and to the Peace Corps post. During the reporting period, approximately 162 preliminary inquiries were opened, which resulted in the initiation of 24 investigations.

We have also established a dedicated law enforcement liaison line (911@peacecorps.gov) for other federal and foreign law enforcement agencies to access OIG investigative personnel on a 24/7 basis. This resource for coordination among law enforcement agencies may be the first of its kind.

Each of our three investigators has primary responsibility for cases in one of the agency's three geographic regions overseas: Africa; Inter-America and Pacific; or Europe, Mediterranean, and Asia. This allows them to develop closer coordination with counterparts in-country and a better understanding of the characteristics of each country and its criminal justice system.

Investigative work in these cases can include an interview with the victim, the collection of evidence, assistance to local police, preparation of crime scene sketches, and arranging for State-side analysis of evidence, e.g., DNA, urine analysis, by the FBI or the Armed Forces Institute of Pathology. The OIG coordinates with Peace Corps Medical Officers and the Embassy RSO to preserve, protect, and return evidence for analysis when agreed upon with the local police. Assistance to the local police may include the collection of specimen evidence from suspects in custody.

The OIG works closely with other federal investigative and law enforcement agencies. Well over 90% of our preliminary inquiries and actual cases are worked jointly with other agencies. The cooperation and assistance we receive from CIL in Washington, RSOs in the field, the FBI's Legal Attachés worldwide, and the FBI laboratory in Quantico make these investigations possible and potentially successful. Because we do not have agents

stationed abroad, we rely heavily on the RSOs and their local investigative staff in our follow-up to crimes against Volunteers and our coordination of their investigation.

The decision to go forward with a prosecution is a personal one for the victim. Proceeding with a prosecution can enhance the recovery of the victim. The decision to investigate is that of law enforcement regardless of a victim's decision to prosecute. Our focus in the investigation of these crimes is on prosecution as a means to both justice and prevention.

The OIG keeps the Department of Justice's Office of Foreign Litigation informed of crimes against Volunteers. In rare cases, the U.S. Department of Justice agrees to assist, and they can provide funding for such intervention. The OIG coordinates their involvement when they agree to do so. The OIG also provides guidance to overseas posts on the retention of local counsel for purposes of providing legal advice to the Peace Corps and to the victim.

As a federal criminal investigative entity, the OIG has responsibilities to see that all Volunteer victims of violent crimes receive victim advocacy. In the spirit of these requirements, the Department of Justice provided a letter of authorization to the Inspector General providing for OIG retention of local counsel to represent Volunteer victims of crime overseas and the agency received congressional support for its authority to spend appropriated funds for this purpose. A major difficulty for Volunteer victims is the lack of prosecutorial support and the nature and requirements of some legal systems overseas.

The agency recently approved an Interim Policy Statement which sets out procedures for the use of appropriated funds under limited circumstances to hire local legal counsel for Volunteer victims of crimes overseas. The OIG has utilized these procedures to authorize the hiring of local legal counsel on two occasions during the reporting period.

CLOSED CASES OF VIOLENT CRIME AGAINST VOLUNTEERS:

- In the Caribbean, a Volunteer was raped and robbed at knifepoint. The suspect was subsequently arrested, identified, and detained. The OIG coordinated with the RSO and local police to attend a preliminary hearing and conduct follow-up in country in preparation for trial. The subject was convicted of rape and robbery and received 10 and 5 years to be served concurrently. This was the first successful rape prosecution that we are aware of relating to a crime against a Volunteer in this country and sent a strong message of deterrence.
- A Volunteer in Africa was struck in the head with an ax by a man demanding money. He fled on a motorcycle driven by an accomplice. The Volunteer recovered and closed service. The attacker and accomplice were apprehended and convicted to terms of 12 and 10 years.
- A Volunteer in northern Africa was assaulted by three men. The prosecuting authority sentenced all three subjects to a monetary fine and a two-month

suspended sentence, even though the Volunteer had not requested prosecution, sending a strong message that the host country takes crimes against Volunteers seriously.

- The OIG coordinated with local authorities in the case of a sexual assault in Eastern Europe. The police conducted an investigation and were successful in locating the subject who was sentenced to six months confinement in a mental institution.
- In the Caribbean, a Volunteer was robbed and assaulted by a taxi driver and cohort. The perpetrators were arrested and brought to trial but were acquitted, due to evidentiary weaknesses. (The same two suspects were subsequently caught committing an armed robbery of a casino.)
- In the Caribbean, a Volunteer received a death threat. The perpetrator was not identified, and the Volunteer was transferred to another site.
- In South America, a Volunteer received a death threat. One suspect was interviewed by the RSO, and it was determined that he was not the perpetrator of the death threat. The Volunteer was transferred to another site.
- A Volunteer was attacked by a group of teenagers in a central Asian country. The Volunteer could not identify the subjects and departed the country.
- In a central Asian country, a Volunteer was the victim of a rape while walking along a road. Despite efforts by the Volunteer, the OIG, the host country government, and the RSO to identify the perpetrator, the case was closed for lack of evidence.

The following cases were closed because the victims decided not to pursue prosecution.

- A case of a Volunteer robbed of a cell phone and backpack in a central Asian country. During the robbery, the Volunteer was stabbed with a knife, but the knife did not penetrate his jacket.
- A case of a Volunteer in a south central Asian country who was the victim of an assault by a group of local youths.
- A Volunteer who was raped in Eastern Europe.
- A Volunteer who was raped in Central Asia.
- A reported Volunteer rape victim in another Eastern European country.

PENDING CASES OF VIOLENT CRIME AGAINST VOLUNTEERS:

- In a South American country, the OIG agent coordinated with the RSO to locate the perpetrator of an attempted rape of a Volunteer in 2003. In February 2006, local authorities arrested the accused. The Public Prosecutor initiated a formal investigation and multiple witnesses provided sworn statements. The OIG retained legal counsel to represent the victim, and an OIG agent accompanied the former Volunteer back to post to provide a legal deposition and to identify the suspect in a line-up. The OIG agent is coordinating documentary and physical evidence to be submitted to the Public Prosecutor to support the prosecution.
- In the case of a long-time missing Volunteer from a South American country, the OIG has continued coordinating with the RSO and hired a local private investigator to follow up on leads generated by a new publicity and reward campaign. The private investigator received 21 phone calls from persons who wished to provide information. Of the 21 callers, the investigator met with 12, but no new, reliable, or actionable information was developed. (The family of the missing Volunteer also hired two private investigators, and they have also failed to uncover any new or actionable leads.)

During this period, an OIG agent also coordinated with the RSO on a search of an area identified as where the Volunteer may have last been seen with negative results. An OIG agent continues to coordinate with the RSO on the discovery of multiple sets of human remains found in various areas of the country to determine if they are those of the missing Volunteer. None of the over two dozen sets of human remains located to date have been identified as those of the Volunteer based on DNA, dental record, or general physical comparisons.

- On a Pacific island, a Volunteer was raped at knifepoint. The suspect was identified and arrested, and is pending trial. Two other subjects who were arrested and charged with a local crime related to the burglary and rape, have pled guilty and were sentenced to two years and 15 months, respectively.
- In western Africa, a female Volunteer was assaulted and robbed and escaped an attempted rape. An investigation by local police and the RSO resulted in one arrest and the recovery of the Volunteer's property. The subject was tried and convicted and is awaiting sentencing.
- In the Caribbean, a Volunteer was raped and robbed. An OIG agent coordinated with the RSO and country director to obtain physical evidence and to follow up with local police and the Public Prosecutor. The OIG retained legal counsel to represent the victim. A preliminary and detention hearing were conducted, and the suspect was detained without bail. This case is pending trial.
- In the Caribbean, a Volunteer was raped by a security guard at a hotel where she was staying with two other Volunteers. During this period, an OIG agent

accompanied the former Volunteer back to the country for a Preliminary Hearing. This case is pending trial.

- In the Caribbean, a Volunteer was raped at knifepoint in her home. The OIG coordinated with the RSO and Peace Corps staff on the collection of physical evidence. The Volunteer medically separated from Peace Corps, but is willing to prosecute if a suspect is identified and apprehended.
- In the Pacific region, a Volunteer awakened when grabbed by a male who fled when she screamed. The OIG coordinated with the RSO and the Peace Corps country director on the incident, and the case has been referred to the local High Council for trial. The subject was arrested initially but is free pending further action of the court.
- In Southeast Asia, a suspect in a Volunteer sexual assault and robbery case was in custody, but has been freed pending further action of the court.
- A case was opened for an incident in a central Asian country in which a Volunteer returned home to discover that he had been the victim of a burglary. Police have arrested and are in the process of prosecuting a suspect.
- The case of a Volunteer serving in Eastern Europe who was the victim of rape that was reported in the last Semiannual Report as having the charges dismissed continues to be pursued on appeal.
- The accused in a case of sexual assault against a Volunteer in central Africa remains in custody awaiting trial. The Volunteer has separated from the Peace Corps, but a member of the OIG investigative team will return with the Volunteer once the trial commences.
- The OIG, the RSO, local prosecutors, and law enforcement officials are cooperating in seeking the arrest of a defendant in the rape of a Volunteer in a South American country. The defendant failed to appear for trial in 2005. The suspect had been in custody, but was released on bail pending trial. The OIG assisted with funding for DNA analysis on evidence collected at the time of the rape that provides critical physical evidence for the pending trial.
- The homicide of a Volunteer in Africa several years ago remains an open case with the OIG, the RSO, and FBI. The Peace Corps program in the country has been closed, but the OIG continues to coordinate with both law enforcement agencies and the local authorities to seek justice in the case.
- In northern Africa, local villagers thwarted an attempted rape of a Volunteer. The assailant was apprehended, incarcerated, and is presently awaiting trial.

- In northwest Africa, two men raped a Volunteer who also suffered a fractured arm. Two suspects were subsequently apprehended, but one escaped after being in local police custody. The RSO is working closely with the OIG, and forensic evidence has been submitted to the FBI lab for analysis.
- An OIG investigator provided forensic investigative support to local police and the RSO in the investigation of the accidental death of a Volunteer in a sub-Saharan African country. The OIG also participated with other agency staff in advising the family on the circumstances of the death.

TITLE 18 CRIMINAL AND OTHER INVESTIGATIONS CONDUCTED

CASE INVESTIGATIONS LEADING TO DISPOSITION:

- Regional management brought a case to the attention of the OIG that involved a post administrative officer hiring her husband as a contractor for Peace Corps. The contract was cancelled, and the OIG worked with the agency to provide an opportunity for the employee to resign and to make restitution in the amount of \$4353.75. The case was presented to a United States Attorney who declined prosecution of a criminal charge under 18 USC 208 based upon the administrative remedies taken.
- In the Pacific region, the OIG reviewed a conflict of interest case uncovered during an OIG evaluation and referred it to the agency's Designated Agency Ethics Official. The case concerned a local staff with a personal interest in a business that occasionally had been contracted by the Peace Corps. The employee claimed that he did not receive any proceeds from the business, although it was in his name. He signed a recusal letter, and the agency's local office agreed that the agency would not contract with the business or any of its subsidiaries.
- As reported in the previous Semiannual Report, the OIG pursued an investigation into unauthorized personal use of a government vehicle by a Peace Corps country director in Africa and the filing of false time and attendance reports. During this reporting period, the case was referred to the United States Attorney who declined the case for criminal prosecution. The OIG is preparing a report to provide to management for a bill of collection to be issued to obtain reimbursement for the relevant costs.
- The OIG learned of a personal services contractor who had accepted \$24,000 in unearned payments from the agency while on unpaid leave. The matter was brought to the attention of senior management who agreed to seek the termination or resignation of the contractor, and to arrange for a lump sum reimbursement of the funds received. The contractor did resign but has breached the agreement with the agency and has not yet made restitution as agreed. The case was referred

to the United States Attorney who declined prosecution on procedural grounds. Management is working on a collection action.

- As a result of information developed during an OIG audit and information provided by agency management and the Designated Agency Ethics Official, the OIG conducted an investigation into a potential criminal conflict of interest by an American staff member in Central America. Prior to being hired, the employee had agreed to divest interest in the operation of a business interest in the country. The country director concurrently agreed that Peace Corps would not contract with the business interest. Investigation determined that on two occasions Peace Corps had engaged in contractual relationships with the business, the employee had continued ownership and management of the business interest, and the employee had engaged in other violations of the pre-employment agreement and 18 USC 208, criminal conflict of interest. The employee resigned, and the case was referred to the United States Attorney for prosecution of a violation of 18 USC 208. Based upon the administrative remedy, the case was declined for criminal prosecution.
- In the Caribbean, a Volunteer was alleged to have engaged in sexual conduct with at least one local person under the age of 18 in violation of 18 USC 2423 (Protect Act). An OIG agent coordinated with the RSO to attempt to locate and interview possible victims and witnesses. The alleged victim could not be located, and no witnesses were identified. The Volunteer denied the allegations. The Volunteer was near the end of service but indicated he intended to remain in country after his Peace Corps service ended. The RSO coordinated with local authorities to deny the issuance of a visa that would allow the Volunteer to remain in country. This case may be reopened if the alleged victim is found.
- In the Pacific region, a Volunteer was alleged to have engaged in sexual conduct with a minor under the age of 18, in violation of 18 USC 2423 (Protect Act). A witness statement was provided by another Volunteer who claimed the subject Volunteer was involved with a 15-year-old community member. The Volunteer had transferred to another country, but the OIG investigation failed to turn up a victim, despite allegations in both countries against the Volunteer.
- An investigation was conducted into possible criminal misuse of Privacy Act documents by a former employee. The case was referred to the United States Attorney and declined for criminal prosecution. The case has been closed.
- A Federal Employees Compensation Act investigation into alleged possible fraud of a returned Volunteer's claim was closed after an intensive review (utilizing mail covers and IG Subpoenas) disclosed no actionable fraud.
- In a sub-Saharan African country it was alleged that a Peace Corps employee was complicit in a rigged auction of Peace Corps vehicles. Investigation by the RSO revealed the allegation to be unsubstantiated.

- Allegations by a Volunteer that a local employee in an African country accepted bribes in return for agreeing that a Volunteer would be placed in the school whose official provided the bribe were investigated by the RSO and could not be substantiated.
- Based on information from an OIG evaluation in an eastern European program, OIG agents conducted an extensive investigation into possible Protect Act violations. The investigation documented several examples of unacceptable Volunteer behavior, and three terminated their service. One Protect Act case was referred to the United States Attorney for possible criminal prosecution and was declined.
- An investigation was opened after concerns were raised about the validity of HIV laboratory test results being performed by the Centers for Disease Control (CDC). The results of tests from CDC had high instances of false positives when the subjects were re-tested by other laboratories. The OIG requested the Health and Human Services OIG to do an internal review of lab procedures. The review could find no deviations from proper procedures to account for the false positive outcomes.

ACTIVE INVESTIGATIONS OF PENDING CASES:

- A former Volunteer previously indicted and awaiting trial in the Northern District of California for a Protect Act violation was re-indicted for the unlawful acts committed upon a minor in his country of service. The second indictment was brought under the extra-territorial provisions and jurisdiction of 18 USC 7 and a more general sex crimes statute. The subject pleaded guilty to the charge and is scheduled to be sentenced in the next several months.
- In a Caribbean country, a Peace Corps employee was terminated for cause related to the theft of Peace Corps money. Our audit revealed a total of \$4,854.87 attributed to the employee's misappropriation of government funds and misuse of a government purchase card. The employee's final severance pay was reduced by the total amount. The case is being prepared for prosecution by local authorities.
- An investigation was opened relating to a Volunteer in a central Asian country who it was alleged misappropriated federal money from a grant program. An OIG agent conducted an investigation confirming that the Volunteer had misappropriated \$766.13 in grant funds. The Volunteer acknowledged his wrongdoing, resigned from the Peace Corps, and asked that the money be withheld from his readjustment allowance. The case will be referred to the United States Attorney for consideration of criminal prosecution for violations of 18 USC 641 and 1001. The investigation is ongoing.

- OIG is continuing its investigation in conjunction with OPM/OIG into potential violations of the Federal Health Benefits Act. The case has been referred to the United States Attorney for potential criminal prosecution.
- OIG has opened “area cases” to coordinate the review of FECA claims in the various regional offices of the Office of Federal Workers’ Compensation across the country. This allows OIG to track previously identified leads and information of cases in a given area. Each area case is assigned to an agent in the OIG. This is in addition to ongoing individual cases of potential FECA fraud being investigated by the OIG.
- An investigation was conducted into a potential violation of 18 USC 207 by a former employee of the agency. The case has been referred to the Public Integrity Section, Criminal Division, Department of Justice.
- OIG responded to a report of a male Volunteer sexually assaulting a female Volunteer in an Eastern European country. An investigation was conducted by OIG in conjunction with the FBI legal attaché and the RSO which led to an additional allegation by another (now former) Volunteer of an earlier sexual assault by the same Volunteer. The Volunteer terminated his service and the investigation is continuing.
- OIG continues to work with the RSO in an African country on a case involving the fraudulent use of a Peace Corps computer network and Internet resources. Several defendants in the matter have been ordered to pay restitution to the Peace Corps. It is anticipated that the court will direct additional defendants to pay restitution as well.
- In the Caribbean, a Volunteer was alleged to have engaged in sexual conduct with a minor in violation of 18 USC 2423 (Protect Act). An OIG agent conducted preliminary interviews of the victim and witnesses, and coordinated with the DHS-ICE Cyber Crimes Center to follow up in the Volunteer’s home of record. The investigation is ongoing, and further interviews are anticipated, as well as possible Grand Jury testimony. The former Volunteer suspect filed a FECA claim alleging stress and depression as a result of a perceived forced resignation. That claim is currently under review by the Department of Labor’s Office of Workers Compensation Program.
- In a South American country, a Volunteer was reported to be engaged in sexual relations with a minor in violation of 18 USC 2423 (Protect Act). An OIG agent conducted interviews of multiple witnesses in country and subsequently interviewed the suspect with a DHS-ICE agent and obtained a confession. The Assistant United States Attorney in the Volunteer’s home of record accepted the case. The investigation is pending adjudication.

- An investigation was opened on a Volunteer who had served in northern Africa and who lied to both police and Peace Corps staff about money being stolen from his apartment. The investigation revealed that the money was not taken and the Volunteer was terminated from service. Later, the Volunteer filed a FECA claim which has been refuted by the agency. The investigation is ongoing.
- OIG responded to a report of sexual contact with multiple young males by a male Volunteer in an African country. The OIG and the RSO conducted an investigation in-country, and the Volunteer acknowledged sexual contact with young males but indicated that all were over the age of 18. The Volunteer terminated his service and signed a consent to search form for his Peace Corps site. The OIG investigation is continuing in conjunction with the RSO and ICE and has been referred to a United States Attorney for potential Protect Act violations.
- The Peace Corps program in an African country has reported the loss of medical files for four returned Volunteers from the carrier charged with shipping the files. OIG is assisting the agency in locating the records.
- OIG received an ethics complaint from a host country Peace Corps staff in Central Asia. This investigation is ongoing.
- In Peace Corps headquarters, an unannounced cash count revealed a \$500.00 shortage from a cashier's imprest fund. OIG is investigating the loss.

TABLE 1

LIST OF REPORTS: AUDITS, EVALUATIONS AND INSPECTIONS

FY 2005 Agency Financial Statements: Audit
East Timor: Audit
Namibia: Audit
Vanuatu: Audit
The Gambia: Follow-up Audit and Program Evaluation
The Gambia: Follow-up to a Management Alert Report
Bulgaria: Program Evaluation

TABLE 2
REPORTS ISSUED WITH COSTS QUESTIONED
OR FUNDS PUT TO BETTER USE

	VALUE	NOTE
Audit of Peace Corps/Namibia	\$13,000	1
Total of Reports Issued with Costs Questioned or Funds Put to Better Use	\$13,000	
Note: 1. Uncleared interim advances and outstanding travel advances.		

TABLE 3**STATUS OF REPORTS ISSUED BY OIG WITH QUESTIONED COSTS**

		NUMBER OF REPORTS	VALUE
A.	Reports issued prior to this period	0	
	For which no management decision had been made on any issue	0	
	For which some decisions had been made on some issues	0	
B.	Reports issued during the period	0	
TOTAL OF CATEGORIES A AND B		0	
C.	For which final management decisions were made during this period	0	
	(i) Costs allowed	0	
	(ii) Costs disallowed	0	
D.	For which no management decisions were made during the period	0	
E.	For which management decisions were made on some issues during the period	0	
TOTAL OF CATEGORIES C, D, AND E		0	

TABLE 4**STATUS OF REPORTS ISSUED BY OIG WITH FUNDS PUT TO BETTER USE**

		NUMBER OF REPORTS	VALUE
A.	Reports issued prior to this period	0	
	For which no management decision had been made on any issue	0	
	For which some decisions had been made on some issues	0	
B.	Reports issued during the period	1	\$13,000.00
TOTAL OF CATEGORIES A AND B		1	\$13,000.00
C.	For which final management decisions were made during the period	1	\$13,000.00
D.	For which no management decisions were made during the period	0	
E.	For which management decisions were made on some issues during the period	0	
TOTAL OF CATEGORIES C, D, AND E		1	\$13,000.00

TABLE 5**REPORTS WITH RECOMMENDATIONS ON WHICH
CORRECTIVE ACTION HAS NOT BEEN COMPLETED**

RECOMMENDATIONS OPEN 60 DAYS OR MORE		
REPORT	DATE ISSUED	NUMBER OF OPEN RECOMMENDATIONS
Namibia: Audit	12/9/2005	9
East Timor: Audit	12/20/2005	4
Bulgaria: Evaluation	1/26/2006	4
The Gambia: Follow-up Audit and Program Evaluation	1/27/2006	1
RECOMMENDATIONS OPEN 120 DAYS OR MORE		
REPORT	DATE ISSUED	NUMBER OF OPEN RECOMMENDATIONS
FY 05 Agency Financial Statements: Audit	11/15/2005	37
RECOMMENDATIONS OPEN 180 DAYS OR MORE *		
REPORT	DATE ISSUED	NUMBER OF OPEN RECOMMENDATIONS
Gap Analysis	10/15/2004	9
FY 04 Agency Financial Statements: Audit	11/15/2004	50
Samoa: Follow-up Audit	12/9/2004	5
Armenia: Audit and Program Evaluation	2/1/2005	2
Audit of the Safeguarding of Social Security Numbers	3/4/2005	3
Dominican Republic: Evaluation	4/15/2005	1
Belize: Audit	6/10/2005	3
Management Alert Report: Mozambique Audit	6/16/2005	5
Kiribati: Audit and Program Evaluation	7/1/2005	2
Ukraine: Audit	7/13/2005	2
Kenya: Follow-up Evaluation	8/30/2005	5
Jamaica: Audit	9/20/2005	5
Micronesia: Evaluation	9/20/2005	3
Uganda: Audit	9/21/2005	9
Mozambique: Audit	9/30/2005	1

* WE HAVE ENTERED RECOMMENDATIONS INTO OUR NEW SYSTEM ONLY SINCE OCTOBER 1, 2004.

TABLE 6**SUMMARY OF INVESTIGATIVE ACTIVITY**

CASES	NUMBER	VALUE
Cases Opened as of 10/01/05	146	-
Cases Opened during 10/1/05 – 3/31/06	24	-
Cases Closed that were previously Opened	65	-
Cases Open and Closed during 10/1/05 – 3/31/06	5	-
Total Open Cases as of 3/31/06	97	-
Referrals for Prosecution	9	-
Referrals for Agency Administration Action	5	-
Referrals to Other Agency	-	-
COURT ACTIONS*		
Prosecutions	-	-
Convictions	1	-
Suits	-	-
Judgments	-	-
Fines/Restitution	-	-
MONETARY RESULTS		
Savings	-	-
Recoveries/Restitution	3	\$9,974.75
Cost Avoidance	1	\$2,678.00
ADMINISTRATIVE SANCTIONS		
Employees	3	-
Other Persons/Businesses	4	-

* Court actions reflect violations of U.S. law prosecuted in U.S. Courts.

TABLE 7

SUMMARY OF HOTLINE AND OTHER COMPLAINTS

Complaints Received	14
Complaints Closed	14
Awaiting OIG Action	0
Resulted in Investigations	1
Resulted in Audits	0
Resulted in Evaluations	0
Referred to Agency Management	4
Referred to Other Agency	0
No Action Needed	9

TABLE 8

REFERENCES TO REPORTING REQUIREMENTS OF THE INSPECTOR GENERAL ACT

The Inspector General Act of 1978, as amended, specifies reporting requirements for semiannual reports to Congress. The requirements are listed below and indexed to the applicable page.

ACT REFERENCE	REPORTING REQUIREMENTS	PAGE
Section 4(a)(2)	Review of legislation and regulations	None
Section 5(a)(1)	Significant problems, abuses, and deficiencies	5 -13
Section 5(a)(2)	Significant recommendations for corrective actions	5 - 13
Section 5(a)(3)	Prior significant recommendations on which corrective action has not been completed	29
Section 5(a)(4)	Matters referred to prosecuting authorities	21- 25
Section 5(a)(5)	Summary of instances where information was refused	None
Section 5(a)(6)	List of audit reports, including evaluations, inspections, and reviews	26
Section 5(a)(7)	Summary of significant reports	8 -13
Section 5(a)(8)	Statistical table – questioned costs	28
Section 5(a)(9)	Statistical table – funds to be put to better use	29
Section 5(a)(10)	Summary of previous audit reports without management decisions	None
Section 5(a)(11)	Significant revised management decisions	None
Section 5(a)(12)	Significant management decisions with which the Inspector General disagrees	None
Section 5(a)(13)	Information under Federal Financial Management Improvement Act of 1996	None

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 program or personnel should call or write the Office of Inspector General.

Call: Local 202-692-2915
 Toll Free 800-233-5874

Write: Office of Inspector General
 Peace Corps
 P.O. Box 57129
 Washington, DC 20037-7129

Fax: 202-692-2901

Email: oiig@peacecorps.gov

Contacting the OIG for Protocol Notification:

Call: Local 202-692-2900
 Toll Free 800-233-5874

Write: Office of Inspector General
 Peace Corps
 P.O. Box 57129
 Washington, DC 20037-7129

Fax: 202-692-2906

Email: violentcrimehotline@peacecorps.gov
