

# MS 861 Office of Inspector General

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## **1.0 Authority**

Inspector General Act of 1978, as amended, 5 U.S.C. App. 3 (IG Act).

## **2.0 Purpose**

The purpose of this manual section is to describe the organization, mission, authorities, and functions of the Office of Inspector General (OIG), and the obligations of Peace Corps staff and Volunteers/Trainees (V/T) in relation to OIG. For the purposes of this manual section, Peace Corps staff includes U.S. direct hire employees (both overseas and domestic), Foreign Service Nationals (FSNs), experts and consultants, and contractors (including personal services contractors).

## **3.0 Office Organization**

(a) The Inspector General (IG) is the head of OIG and has overall responsibility for carrying out its mission, duties and responsibilities as well as managing and supervising its activities.

(b) As provided by the IG Act, the Director of the Peace Corps appoints the IG in accordance with the Peace Corps Act and regulations governing appointments. The IG shall be appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration or investigations.

(c) The Director may remove the IG from office or transfer the IG to another position or location within the Peace Corps. However, under the IG Act, the Director is required to communicate in writing the reasons for such removal or transfer to both Houses of Congress not later than 30 days prior to such removal or transfer.

(d) The IG reports to and is under the general supervision of the Director and does not report to, and is not supervised by, any other employee or officer. The Director may not prevent or prohibit the IG from initiating, carrying out, or completing any audit, evaluation, or investigation, or from issuing any subpoena during the course of any audit, evaluation or investigation.

(e) The Deputy Inspector General (DIG) acts for the IG in his/her absence, and is responsible for the day-to-day management of OIG.

(f) The IG is assisted by a legal counsel who reports directly to the IG and serves as legal advisor to the IG.

(g) OIG comprises three units: the Audit Unit, the Evaluation Unit, and the Investigation Unit. An Assistant Inspector General (AIG) heads each unit and reports to the IG or the Deputy IG.

## **4.0 Office Mission**

(a) Through audits, evaluations, and investigations, 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's mission is to:

- (1) promote integrity, efficiency, effectiveness and economy;
- (2) prevent and detect waste, fraud, abuse and mismanagement; and
- (3) identify risk and vulnerabilities and offer expert assistance to improve the Peace Corps' programs and operations.

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

(b) The OIG may not be assigned or accept any agency program operating responsibilities.

## **5.0 Office Functions**

### **5.1 Inspector General**

(a) Provides policy direction for, and conducts, supervises, and coordinates audits, evaluations, and investigations relating to the programs and operations of the Peace Corps.

(b) Reviews existing and proposed legislation and regulations relating to the programs and operations of the Peace Corps and makes recommendations in OIG's semiannual reports to Congress (SARC) concerning the impact of such legislation or regulations on the economy and efficiency in the administration of such programs and operations or the prevention and detection of fraud and abuse in such programs and operations.

(c) Recommends policies for, and conducts, supervises and coordinates other activities carried out or financed by the Peace Corps for the purpose of, promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations.

(d) Recommends policies for, and conducts, supervises, and coordinates relationships between the Peace Corps and other Federal agencies, state and local governmental agencies and non-governmental entities with respect to:

(1) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in the programs and operations of the Peace Corps; or

(2) the identification and prosecution of participants in such fraud and abuse.

(e) Keeps the Director and the Congress fully and currently informed, by means of the SARC and otherwise, concerning fraud and other serious problems, abuses and deficiencies relating to the administration of the programs and operations administered or financed by the Peace Corps, recommends corrective action concerning such problems, abuses and deficiencies, and reports on the progress made in implementing such corrective action.

(f) Immediately reports to the Director whenever the IG becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of the Peace Corps' programs and operations. The Director must transmit any such report to the Congress within seven calendar days, together with any comments that the Director deems appropriate.

(g) Gives particular regard to the activities of the Government Accountability Office with a view toward avoiding duplication and ensuring effective coordination and cooperation.

(h) Reports expeditiously to the Attorney General whenever the IG has reasonable grounds to believe there has been a violation of federal criminal law.

(i) Performs legislatively mandated audits, evaluations, and reviews and responds to other congressional request and inquiries.

(j) In carrying out audit responsibilities, complies with standards established by the Comptroller General for audits of federal establishments, organizations, programs, activities and functions; establishes guidelines for determining when it is appropriate to use non-federal auditors; and takes appropriate steps to ensure that any work performed by non-federal auditors complies with standards established by the Comptroller General

(k) When conducting audits or evaluations of Peace Corps programs overseas, notifies the Director about the results of such evaluations, including concerns the IG has noted, if any, about the performance of Country Directors, for appropriate action.

## **5.2 Legal Counsel to the Inspector General**

(a) Advises the IG and OIG staff on all legal matters related to interpreting, exercising or carrying out the authorities, responsibilities, and duties under the IG Act and other relevant federal laws and regulations.

(b) Reviews OIG work products for legal sufficiency and works closely with the investigative staff to provide guidance in pursuing allegations of administrative misconduct and criminal wrongdoing.

(c) Makes recommendations to the IG concerning requests for OIG records under the Freedom of Information Act and Privacy Act.

(d) Coordinates OIG reviews of proposed legislation, regulations and Peace Corps manual sections for the purpose of making OIG recommendations concerning the impact of such legislation, regulations or manual sections on the economy and efficiency in the administration of programs and operations administered or financed by the Peace Corps or the prevention and detection of fraud and abuse in such programs and operations.

(e) Coordinates and advises on referrals by OIG to the Peace Corps' Suspension and Debarment Official.

### **5.3 Audit Unit**

(a) Conducts or oversees all federally mandated audits including those required by the Accountability of Tax Dollars Act of 2002 and reviews required by the Federal Information Security Management Act of 2002;

(b) Audits financial and related administrative operations of headquarters, regional recruitment offices, and overseas posts, including reviews of internal control and compliance with federal laws, regulations, and agency policy;

(c) Performs audits and attestations of agency programs that identify systematic weaknesses and areas of noncompliance with standards;

(d) Develops and updates the audit procedures to comply with the most current *Government Auditing Standards*; and

(e) Upon receipt of a request from the contracting officer or in the exercise of its audit responsibilities, audits agency contracts and agreements.

### **5.4 Evaluation Unit**

(a) Evaluates the management and program operations of the Peace Corps at overseas posts and domestic offices.

(b) Conducts independent assessments of the design, implementation, and results of agency operations, programs, and policies.

(c) Identifies best practices and recommends program improvements and ways to achieve agency mission and goals, and increase effectiveness and efficiency.

(d) Makes recommendations to facilitate compliance with federal laws, regulations, and agency policy and procedures.

(e) Performs evaluations, reviews and assessments using applicable federal laws, regulations, and agency policy and procedures.

(f) Develops and updates evaluation procedures in accordance with the most current *Quality Standards for Inspections and Evaluations* published by the Council of the Inspectors General on Integrity and Efficiency.

## **5.5 Investigation Unit**

- (a) Investigates allegations of fraud, waste, abuse and mismanagement related to Peace Corps programs and operations, including criminal wrongdoing, administrative misconduct and violations of federal laws, rules, regulations and policies by Peace Corps staff, V/Ts and any contractors and other individuals and entities conducting transactions with the Peace Corps or receiving Peace Corps funds.
- (b) Investigates allegations of activities that pose a substantial and specific danger to the public health and safety relating to the programs and operations of the Peace Corps.
- (c) To the extent authorized by the Attorney General pursuant to, and subject to the conditions set forth in, section 6(e) of the IG Act, exercises statutory law enforcement powers to carry firearms, make arrests without a warrant and seek and execute warrants for arrest, search of a premises or seizure of evidence.
- (d) Works with the agency to develop and maintain an effective fraud and integrity awareness program.
- (e) Coordinates with other federal and state agencies, host country authorities, and international organizations in the investigation of matters under OIG's purview.
- (f) Operates the OIG Hotline provided for in paragraph 8.1.
- (g) Conducts fraud investigations and special reviews of claims by current and former Peace Corps staff and former V/Ts under the Federal Employees' Compensation Act (FECA).
- (h) Develops and updates the investigative policies and procedures as needed to comply with the Attorney General's guidelines governing the exercise of statutory law enforcement authorities and the most current relevant statutes and case law.
- (i) Investigates whistleblower reprisal allegations and coordinates or refers matters to the Office of Special Counsel as appropriate.

## **6.0 Authorities of the Inspector General**

### **6.1 Authorities under the IG Act**

Consistent with the IG Act, the IG is authorized to:

- (a) Have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Peace Corps that relate to agency programs and operations.
- (b) Make such investigations and reports relating to the administration of the agency's programs and operations as are, in the judgment of the IG, necessary or desirable.

- (c) Request such information or assistance as may be necessary for carrying out the duties and responsibilities of the IG from any federal, state, or local governmental agency or unit thereof. Upon such request, the head of any federal agency shall, insofar as is practical and not in contravention of any existing statutory restriction or regulation of the federal agency from which the information is requested, furnish to the IG or an authorized designee, such information or assistance.
- (d) Require by subpoena from individuals or from entities other than federal agencies the production of all information, documents, reports, answers, records, accounts, papers, and other data in any media (including electronically stored information, as well as any tangible thing) and documentary evidence necessary in the performance of the functions of OIG, which subpoenas, in the case of contumacy or refusal to obey, are enforceable by order of any appropriate United States district court.
- (e) Administer to or take from any person an oath, affirmation, or affidavit, whenever necessary in the performance of the OIG's functions, which oath, affirmation, or affidavit when administered or taken by or before an employee of OIG designated by the IG shall have the same force and effect as if administered or taken by or before an officer having a seal.
- (f) Have direct and prompt access to the Director when necessary for any purpose pertaining to the performance of functions and responsibilities under the IG Act.
- (g) Select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of OIG and obtain the temporary or intermittent services of experts or consultants or an organization thereof, subject to the applicable laws and regulations that govern such selections, appointments, and employment, and the obtaining of such services, within the Peace Corps.
- (h) To the extent and in such amounts as may be provided in advance by appropriations acts, enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and make such payments as may be necessary to carry out the provisions of the IG Act.
- (i) Whenever information or assistance requested from Peace Corps staff under paragraph 6.0 (a) or 6.0(c) is, in the judgment of the IG, unreasonably refused or not provided, report the circumstances to the Director without delay. Such report shall be reported in the SARC in accordance with the IG Act.

## **6.2 Other Authorities**

The IG is authorized to make an IG's Commendation Award to an office, post or individual in acknowledgement of any exceptional accomplishment in managing government resources in an exemplary manner, in promoting the economy, efficiency and effectiveness in the administration of the programs and operations of the Peace Corps or in preventing and detecting fraud and abuse in such programs and operations.

## **7.0 Duties and Responsibilities of Peace Corps Staff and V/Ts**

### **7.1 Reporting to OIG**

(a) Under the Standards of Ethical Conduct for Employees of the Executive Branch, 5 CFR §2635.101(b)(11), employees are required to disclose waste, fraud, abuse, and corruption to appropriate authorities. For this purpose, “appropriate authorities” includes OIG.

(b) Except as provided in paragraph 7.1(c), all Peace Corps staff should promptly report to OIG suspected fraud, waste, abuse and mismanagement related to Peace Corps programs and operations, including criminal wrongdoing, serious administrative misconduct and violations of federal laws, rules and regulations, by Peace Corps staff, V/Ts and any contractors and other individuals and entities conducting transactions with the Peace Corps or receiving Peace Corps funds.

(c) Frequently, policy violations and other misconduct by V/Ts can be more effectively and expeditiously addressed by management and, although Peace Corps staff may report such policy violations and other misconduct to OIG, they are not required to do so. However, the following types of suspected misconduct by V/Ts must be reported expeditiously to OIG:

- (1) Sale, distribution, or smuggling of illegal drugs or prescription drugs.
- (2) Engaging in sexual activities or sexual contact with any person under the age of 18.
- (3) Fraternalization (see MS 644).
- (4) Sexual assault, sexual exploitation or stalking.
- (5) Loss, theft, embezzlement or misuse of Peace Corps funds or funds entrusted to the V/T by another party.
- (6) Fraud or other misuse of the V/T’s position for financial gain (see paragraphs 3.7 and 3.8 of MS 204)
- (7) Materially misleading or inaccurate information in the application process (see MS 284).
- (8) Theft or serious misuse of Peace Corps property or other resources, including but not limited to Peace Corps IT systems.
- (9) Any other criminal wrongdoing under U.S. state or federal law.
- (10) Any other violations of Peace Corps policies that may have a serious impact on the integrity of Peace Corps programs or operations.

In case of uncertainty as to whether particular misconduct by V/Ts should be reported to OIG, Peace Corps staff are urged to consult with OIG or the Office of the General Counsel. OIG



reserves the right to investigate any allegations of policy violations and other misconduct by V/Ts particularly when they occur in conjunction with more serious alleged offenses.

(d) Peace Corps management shall promptly report to OIG the death or kidnapping of a V/T, or when a V/T is declared missing.

(e) V/Ts are strongly encouraged to promptly report to OIG suspected fraud, waste, abuse and mismanagement related to Peace Corps programs and operations, including criminal wrongdoing, serious administrative misconduct and violations of federal laws, rules and regulations, by Peace Corps staff, V/Ts and any contractors and other individuals and entities conducting transactions with the Peace Corps or receiving Peace Corps funds.

## **7.2 Cooperation with OIG**

(a) All Peace Corps staff shall cooperate fully and truthfully with OIG during the course of an audit, evaluation, investigation, or review. All Peace Corps staff must reply fully and promptly to requests by OIG for information and data and when requested make available to OIG all records, reports, memoranda, reviews, papers, recommendations, documents and other materials related to agency programs and operations. Unreasonable refusal of a Peace Corps staff member to answer questions or provide information or documentation reasonably related to any authorized OIG function may result in disciplinary or other administrative action.

(b) V/Ts are strongly encouraged to cooperate fully and truthfully with OIG during the course of an audit, evaluation, investigation, or review. In addition, V/Ts are required to comply with the instructions of the Country Director to cooperate with OIG during the course of an investigation. Refusal to do so may, in the sole discretion of Peace Corps management, result in disciplinary action.

(c) Knowingly furnishing false or misleading information to an OIG representative during the course of an authorized OIG function may result in disciplinary or other administrative action and/or criminal prosecution.

## **7.3 Responsibility of Managers, Supervisors, and Individuals with Contracting Authority**

(a) Management and supervisory level personnel are responsible to:

- (1) report all allegations of fraud, waste, abuse and mismanagement related to Peace Corps programs and operations, including criminal wrongdoing, serious administrative misconduct and violations of federal laws, rules and regulations, by Peace Corps staff, (except as provided in paragraph 7.1(c)) V/Ts and any contractors and other individuals and entities conducting transactions with the Peace Corps or receiving Peace Corps funds, which are brought to their attention by any individual or entity;
- (2) cooperate with OIG in jointly identifying problems and developing appropriate corrective actions;

- (3) coordinate requests for audit services or other advice and assistance through OIG management;
  - (4) provide comments, when requested, to findings and recommendations contained in OIG draft reports for inclusion in OIG's final reports;
  - (5) refrain from taking, or threatening to take, any action against any employee as reprisal for making a complaint or disclosing information to the OIG, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity; and
  - (6) encourage Peace Corps staff and V/Ts to cooperate with OIG and to report allegations and information directly to OIG.
- (b) Peace Corps contracting officers and others with authority to enter contracts shall ensure that all contracts under his/her cognizance are consistent with the requirements of MS 861 and that personal services contracts contain provisions:
- (1) informing contractors that they should promptly report to OIG any suspected fraud, waste, abuse and mismanagement related to Peace Corps programs and operations, including criminal wrongdoing, serious administrative misconduct and violations of federal laws, rules and regulations, by Peace Corps staff, (except as provided in paragraph 7.1(c)) V/Ts and any contractors and other individuals and entities conducting transactions with the Peace Corps or receiving Peace Corps funds;
  - (2) requiring contractors to cooperate fully and promptly with requests by the IG for information/data relating to Peace Corps programs and operations, including by providing or making available all requested records, reports, memoranda and other information that is in their possession and by cooperating fully and truthfully with OIG during the course of an audit, evaluation or investigation; and
  - (3) informing contractors that knowingly furnishing false or misleading information to an OIG representative during the course of an authorized OIG function or unreasonable refusal to answer questions or provide information or documentation reasonably related to any authorized OIG function may result in termination of the contract or other appropriate action.

#### **7.4 Office Space, Equipment, Supplies**

The agency shall provide the OIG with appropriate and adequate office space, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of its offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

## **8.0 Handling of Complaints and Allegations**

### **8.1 OIG Hotline**

- (a) OIG has established a “Hotline” to receive allegations of:
- (1) fraud, waste, abuse and mismanagement in the programs and operations of the Peace Corps;
  - (2) mismanagement of sexual assault incidents and allegations;
  - (3) administrative misconduct, criminal wrongdoing, or violations of federal laws, rules, regulations and policies whenever it involves Peace Corps staff, V/Ts or other individuals or entities (including outside parties) who conduct transactions with the agency or receive Peace Corps funds; and
  - (4) a substantial and specific danger to the public health and safety relating to the programs and operations of the Peace Corps.
- (b) The Hotline includes various methods to contact OIG including a phone number, fax line, email address, Post Office box, and web form found at [www.peacecorps.gov/OIG/ContactUs](http://www.peacecorps.gov/OIG/ContactUs). The OIG web form includes a method for reporting allegations and information anonymously.

### **8.2 Confidentiality**

OIG will treat all allegations, complaints, and other information received through the Hotline with the utmost discretion, and the identity of individuals reporting the information will not be disclosed without their consent, unless the IG determines such disclosure is unavoidable during the course of an investigation. MS 271 *Handling of Volunteer/Trainee Allegations* provides further guidance for Peace Corps staff on handling V/T allegations and information.

### **8.3 Review of Allegations**

- (a) OIG will review all complaints, allegations, or concerns and give them serious consideration. When appropriate and consistent with the IG Act, the IG shall promptly refer complaints, allegations and concerns to another Peace Corps office for proper resolution and handling.
- (b) It is within the discretion of the OIG to determine the nature and scope of any OIG investigation or inquiry based on the facts of the case, as they develop.

## **9.0 OIG Reporting**

### **9.1 Semiannual Report to Congress**

- (a) The SARC will summarize the activities of OIG during the immediately preceding six-month periods ending March 31 and September 30. The reports shall be furnished to the Director

by April 30 and October 31 of each year. The Director prepares his/her comments and must transmit each report to the Congress within 30 days.

(b) Report recommendations that, in the judgment of the IG, are not satisfactorily resolved are reported as open to the Director. Recommendations that remain open must be reported to Congress in the SARC. The SARC will separately identify those open recommendations in which Peace Corps management has concurred and those in which Peace Corps management has not concurred.

## **9.2 Audit and Evaluation Reports**

OIG issues preliminary reports for comment to affected agency managers, including Country Directors at the completion of an audit or evaluation. Comments from affected managers should address what, if any, corrective action has been taken or completed, or the reason for non-concurrence with an OIG recommendation. Such comments must be coordinated through the Chief Compliance Officer and provided to the OIG within 45 calendar days from the date of issuance. At the discretion of the IG, these timeframes may be extended if there is sufficient justification. If no comments are received within the allotted timeframe, the OIG may issue the final report without comments.

## **9.3 Investigation Reports**

(a) A report of investigation is prepared when an investigation is referred to management for action or, when appropriate, to law enforcement authorities for criminal or civil proceedings. The IG shall provide a copy of each report of investigation to the Director (unless the Director is a subject of the investigation) and the General Counsel (unless the General Counsel is a subject of the investigation), as well as to other senior managers as the IG deems appropriate. However, to the extent that any report of investigation contains law enforcement sensitive information, the IG may redact information or delay distribution of the report.

(b) Within 45 calendar days of receipt of a report of investigation, the appropriate senior manager will submit to the IG, in writing, a summary detailing the administrative or other action taken or planned to correct or address the deficiencies and violations, if any, noted in the report. This time period may be extended for good cause. The IG does not approve or disapprove of any management or other actions that may be planned or taken.

## **9.4 Other Reports**

(a) A Management Advisory or Alert Report (MAR) is a means by which the IG can promptly and concisely inform the Director or senior agency management of notable issues, trends, and lessons learned from OIG audits, evaluations, reviews, and investigations. A MAR will include one or more recommendations for agency action and a requested timeframe, dictated by the urgency of the matter, for agency response.

(b) A Management Implication Report (MIR) has a similar purpose to a MAR, however a MIR serves only an informational purpose and no formal response to OIG is necessary.

## **10.0 Effective Date**

This manual section takes effect on the date of issuance.