



Office of Inspector General

Office

202.692.2900

[Website](#)[OIG Reports](#)**Hotline**

202.692.2915 | 800.233.5874

[Hotline](#)OIG@peacecorpsig.gov

To: Christopher Landau, Acting Peace Corps Director
Richard Swartz, Chief of Staff
Nancy Herbolsheimer, Associate Director, Department of Global Operations
Paul Shea, Acting Associate Director, Department of Administration and Management
Temby Caprio, Chief Compliance and Risk Officer, Office of Compliance and Risk

From: Joaquin Ferrao, Inspector General

Date: September 8, 2026

Subject: Management Advisory Report: Improvements Needed in Property Management at Peace Corps/South Africa (IG-26-02-SR)

The Office of Inspector General (OIG) received allegations of misconduct involving Peace Corps/South Africa (also referred to as “the post”) staff’s management and use of Peace Corps property. The allegations indicated that post personnel improperly used Government property, including potential theft and misuse of assets. An OIG investigation substantiated these allegations, resulting in the resignation of the personnel involved. As part of our work, OIG’s Audit Unit also conducted an onsite review of Peace Corps/South Africa’s property management processes.

Peace Corps/South Africa is undergoing a critical transition, as the agency announced that the post will close its Volunteer program by 2027 and transition its operations to a regional medical, safety, and security support hub.¹ Prior OIG work on the agency’s post closure and suspension process has highlighted the importance of proper asset monitoring to mitigate the potential for fraud, waste, abuse, or mismanagement. Accordingly, our review assessed the accuracy of the post’s asset records and its compliance with safeguarding its Government assets, which were collectively valued at approximately \$1 million U.S. dollar equivalent (USDE).

We found that Peace Corps/South Africa lacked adequate controls to safeguard and account for its property. Specifically, the post did not maintain reliable or verifiable records in its Property Management Software System (PMSS), currently Maximo, as required. Our review identified inconsistent recordkeeping and unexplained fluctuations in the post’s property listing. Additionally, we identified accountable property that the post did not record in its property listing.

We also found that the Peace Corps lacks adequate controls and oversight for its property management. For example, the agency did not review or ensure that the post’s Annual Inventory Campaign (AIC)² resulted in an accurate inventory count. Moreover, the agency’s property

¹ Peace Corps Press Release. “Peace Corps to Phase Out Country Program in South Africa by 2027.” November 19, 2025.

² The AIC is the Peace Corps’ yearly, post-level certification process requiring the Director of Management Operations to verify that all accountable property records are accurate, complete, physically verified, and properly recorded in Maximo—the agency’s inventory management system.



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management policies and procedures were outdated and incomplete. We issued two recommendations to help improve Peace Corps/South Africa's accountability for its property and minimize risks during the post's transition to a regional medical, safety, and security support hub.

As of June 30, 2026, the purchase price of Peace Corps property recorded in Maximo was approximately \$75 million USDE. OIG's financial statement audits (FSA) from fiscal years (FY) 2019 to 2025 consistently identified significant deficiencies in the Peace Corps' Property, Plant, and Equipment (PP&E) management, including a reported material weakness in the FY 2022 FSA report.³ These recurring issues highlight the importance of implementing effective accountability systems at each post to ensure proper U.S. Government property stewardship.

To conduct this review, we assessed the post's property records from September 2024 to September 2025; examined the post's methodology for recording and tracking property; and conducted a physical verification of property during our visit to the post in September 2025. We also reviewed the AIC at the post, which is completed once a year to identify issues with its property listing's accuracy.

You may address questions regarding follow-up or documentation to the Assistant Inspector General for Audit, David Haney at 202.692.2958 or ghaney@peacecorpsoig.gov.

Please accept our thanks for your cooperation and assistance in our review.

cc:

Kristin Besch, Deputy Chief Executive Officer
Alexis Fowler, General Counsel
Andrew T. Shepard, Special Assistant to the Acting Director
Karen Roberts, Deputy Chief of Staff and White House Liaison
Brian Fauls, Associate Director, Department of Strategic and External Affairs
Jennifer Piorkowski, Director, Executive Secretariat Unit
Christine Gottschalk, Deputy Director, Department of Global Operations
Glenda Green, Chief of Operations, South and East Africa Unit
Tracie Hamilton, Director, Office of Finance
Shawn Bardwell, Director, Office of Operations and Security
Clark Presnell, Deputy Director for Management, Office of Operations and Security
Emma Mtiro, Acting Country Director and Director of Programming and Training, Peace Corps/South Africa
Tracy Graham, Director of Management and Operations, Peace Corps/South Africa
Nafisah Hankins, Compliance Officer (Audit Liaison), Office of Compliance and Risk

³ A significant deficiency is a control issue that warrants attention, and a material weakness is a more severe deficiency that could result in a material misstatement of the financial statements.

OBSERVATION 1: PEACE CORPS/SOUTH AFRICA LACKED ADEQUATE CONTROLS TO ACCOUNT FOR AND SAFEGUARD OVER \$1 MILLION IN AT-RISK ASSETS

Our objective was to determine if Peace Corps/South Africa maintained effective controls over the management of its property⁴ and complied with Peace Corps' requirements.

WHAT OIG FOUND

We found that Peace Corps/South Africa lacked adequate controls to account for and safeguard approximately \$1 million USDE in at-risk assets. Specifically, the post did not maintain an accurate, complete, or reliable asset listing. The post is required to follow applicable criteria when managing property, which includes Manual Section (MS) 511, MS 711, and the Personal Property Management Handbook (PPMH).

In addition, the post failed to properly record its assets in Maximo as required. We identified instances in which assets were omitted from the inventory listing and found discrepancies in the way the post's recorded assets were documented. Certain inventory records had missing, duplicate, or conflicting information. In addition, the post could not provide sufficient support to substantiate certain inventory records. As we learned during our recent informational review of post closures, agency property can be at greater risk for loss and theft during a post closure or suspension process.⁵ As the Volunteer country program phases out in Peace Corps/South Africa, there is a heightened importance for the post to reconcile and establish an accurate, complete, and reliable asset listing in Maximo to account for and safeguard its property.

Peace Corps/South Africa did not maintain an accurate, complete, or reliable asset listing.

MS 511 Personal Property Management, Section 3

It is the policy of the Peace Corps to actively manage and control its personal property by establishing standards, delegating responsibility and instituting accountability systems in order to maximize the value of the personal property to the Peace Corps.

MS 511 Personal Property Management Handbook, Section 6.1

Accountable Personal Property Assets must be recorded [...] and physically tagged with a Peace Corps bar code number [...] Accountable Assets are Nonexpendable Personal Property Assets and are deemed costly, easily pilfered, or contain sensitive data.

The post did not maintain an accurate, complete, or reliable asset listing. Our work revealed significant, unexplained fluctuations in asset counts between successive inventory listings in Maximo. The post could not provide adequate explanations or records to account for these material variances. Additionally, the post expressed confusion regarding which assets should be added to Maximo and which could be locally tracked. Property that is costly, sensitive, or high risk must be tracked in Maximo. These types of properties include accountable assets costing \$2,500 or more, assets with recurring costs (such as mobile devices), items containing Personally

⁴ For this review, "property" is equivalent to "personal property" and an "accountable asset," as defined in MS 511. MS 511 defines an "asset" as an item of personal property, with monetary value. It also defines "personal property" as tangible, Peace Corps-owned, moveable property that is located in the U.S. and overseas, which does not include land and buildings, four-wheeled vehicles, or medical supplies.

⁵ [Peace Corps Office of Inspector General, Key Considerations in Conducting Peace Corps Post Closures](#), March 2026.

Identifiable Information, pilferable property, and qualifying capitalized equipment. According to MS 511, the post determines its own criteria for locally tracking items.

Table 1 demonstrates the fluctuations in the post's total asset count on various dates and is based on the asset listings from Maximo. The total recorded assets increased from 198 to 350 (76.8 percent increase) between July 14 and September 2, 2025, followed by a decrease to 265 assets (24.3 percent decrease) on September 16, 2025. These fluctuations exceeded reasonable changes in asset listings in just a 2-month period. Furthermore, these variances occurred following the post's completion of the July 2025 AIC, in which the Director of Management Operations (DMO) certified that the post's inventory list was complete and accurate.

Table 1. Asset Listing Fluctuations

Date of Inventory Listing	Total Asset Count	Change from Prior Listing	Percent Change
September 24, 2024	187	-	-
July 14, 2025	198	+11	+5.9%
September 2, 2025	350	+152	+76.8%
September 16, 2025	265	-85	-24.3%

Source: Information based on OIG analysis of information accessed from Maximo.

In addition to the inconsistencies in Maximo, the post did not actively monitor its locally-tracked assets. Specifically, the post had 855 additional assets, valued at more than \$100,000 USDE in its locally tracked asset listing (spreadsheet). This list was previously pulled from Sunflower—the agency's retired PMSS—on September 26, 2024, and had not been updated, maintained, or inventoried since then. Items on the locally tracked list included air conditioners, furniture, appliances, and electronics. These items, which are listed in Appendix A of the PPMH, should have been accounted for in Maximo.

The results of inventory testing at the post.

To determine the nature and extent of the inaccuracies and gaps in the post's property records, we performed three distinct testing methods:

1. book-to-floor testing of the assets recorded in Maximo,
2. book-to-floor testing of the locally tracked asset listing provided by the post, and
3. floor-to-book testing of the assets physically identified during the site visit.⁶

Personal Property Management Handbook, Section 5.2 & 11

Post personnel must:

- Record new assets;
- Update the status of an asset when changing location, condition, or assigned users;
- Report lost or stolen assets; and
- Ensure that property is annually inventoried.

⁶ Book-to-floor testing involves selecting assets from the property records (the "books") and tracing them to their physical locations to verify the existence and completeness of the recorded assets. This procedure helps confirm that items listed in the system (Maximo or locally tracked listing) are accurate, properly recorded, and can be physically observed. Floor-to-book testing involves selecting assets physically identified at a site and tracing them back to the property records. This test helps ensure that the assets present in the field are properly recorded in the system of record and that no assets are missing from the official listing.

As illustrated in Table 2, a judgmental sample of 31 assets recorded in Maximo revealed significant errors between the recorded and physical inventories. About 48 percent of the items sampled (15 of 31), collectively recorded at a value of \$110,416 USDE could not be physically verified. For example, a solar power system selected from our sample could not be identified. The General Service Manager (GSM) at the post stated that the selected asset (tag No. 22802), which could not be located during our inventory, was a duplicate record in Maximo and that the asset was properly recorded under tag No. 4074297. However, because both asset tags appeared as active assets in Maximo, each with different recorded values (asset No. 22802 at \$59,389 USDE and asset No. 4074297 at \$60,121 USDE), and the post could not provide documentation to support its claim, we were unable to verify the existence of the asset (tag No. 22802).

We found that about 52 percent of the items we sampled (16 of 31), with a recorded value of \$119,673 USDE, did not have asset tags, as required. MS 511 requires the post to physically tag accountable assets with a Peace Corps bar code number upon receipt in order to properly monitor and account for post property. We also found that 97 percent of the items sampled (30 of 31) had an incorrect location recorded in Maximo and 61 percent (19 of 31) were listed with an incorrect status.⁷

Table 2. Results of Maximo Property Testing

Attribute	Total Number of Discrepancies	Total Number of Property Sampled	\$ Value of Property with Discrepancies (USDE)
Physically Verified	15	31	\$110,416
Asset Tag	16	31	\$119,673
Asset Location	30	31	\$218,420
Status	19	31	\$110,519

Source: Information based on OIG analysis of information accessed from Maximo.

Table 3 outlines how a judgmental sample of 21 assets recorded on the post's locally tracked list revealed significant errors. About 48 percent of the items sampled (10 of 21), recorded at \$8,949 USDE, could not be physically identified and were not tagged, as required. For example, the GSM stated that an asset, which was valued at about \$2,237 USDE and could not be located, may have been disposed of. In another instance, an item valued at \$2,008 USDE was listed as a lawn mower, but the identified asset with the corresponding tag number was a scanner. We also found that the post's locally tracked spreadsheet listed 100 percent of the items sampled (21 of 21) with an incorrect location and 57 percent (12 of 21) with an incorrect status.

⁷ Location refers to the physical place where an asset is recorded in Maximo as being stored or used, such as a specific office, warehouse, residence, or storage area. Accurate location data ensures assets can be found, verified, and properly safeguarded. Status reflects the asset's current state as recorded in Maximo, such as "In Service," "In Storage," "Disposed," "To Be Auctioned," or "Missing."

PEACE CORPS OFFICE OF INSPECTOR GENERAL

Table 3. Results of Locally Tracked Property Testing

Attribute	Total Number of Discrepancies	Total Number of Property Sampled	\$ Value of Property with Discrepancies (USDE)
Physically Verified	10	21	\$8,949
Asset Tag	10	21	\$8,949
Asset Location	21	21	\$18,338
Status	12	21	\$9,750

Source: Information based on OIG analysis of information accessed from Maximo.

Finally, we sampled 40 assets that had been physically verified at the post and U.S. Direct Hire (USDH) residences to determine if they were properly recorded in Maximo or in the locally tracked list. Our review revealed significant errors. About 68 percent of the items sampled (27 of 40) were not recorded in Maximo or the locally tracked spreadsheet and about 70 percent did not have asset tags, even though they met requirements for accountable property. In addition, we found that 85 percent of the items sampled were not at their recorded locations. For example, we found a television (see figures 1 and 2) and 15 computer tablets (see figures 3 and 4) that had not been accounted for.

Figures 1 and 2: Unaccounted for television found at the post



Source: OIG auditor photographed this item on September 18, 2025, while at the post.

Figures 3 and 4: Unaccounted for computer tablets found at the post



Source: OIG auditor photographed these items on September 18, 2025, while at the post.

Without a complete and accurate record of all its assets, the post cannot determine if items have been disposed, transferred, or stolen. As documented in OIG’s post closure report, any type of post closure involves intricate administrative activities, which can lead to problems if not managed adequately. Sound oversight of records, assets, medical inventory, information technology equipment, and vehicles is essential throughout the closure process to help prevent noncompliance, theft, waste, and loss. Although Peace Corps/South Africa is not conducting a full post closure, as it closes its Volunteer program operations and transitions to a regional support hub, its internal controls and property management oversight are very important for limiting the risk of fraud, waste, or theft of unaccounted property. To help improve the post’s property management, OIG recommends that:

- 1. The Associate Director of the Department of Administration and Management collaborates with Peace Corps/South Africa to account for and identify the property that is in place at the post.**
- 2. The Associate Director of the Department of Administration and Management collaborates with the Associate Director of the Department of Global Operations to develop a comprehensive plan for managing the assets at Peace Corps/South Africa as the post phases out its volunteer program operations. The plan should include details to either properly maintain property or dispose of property by selling the property through auctions, transferring the property to other government entities, or other means.**

OBSERVATION 2: THE PEACE CORPS' INADEQUATE CONTROLS AND OVERSIGHT OF PROPERTY MANAGEMENT IMPACTED PEACE CORPS/SOUTH AFRICA

Our objective was to determine whether the Peace Corps maintained effective controls and oversight of property management-related functions.

WHAT OIG FOUND

We found that the Peace Corps did not ensure the validity of its AIC process nor issue clear guidance or instructions on property management, which are consistent with prior findings and recommendations included in OIG's FSAs of the agency. Although the DMO certified the AIC in July 2025, stating that all assets had been accurately recorded and physically verified, our September 2025 site visit identified numerous inaccuracies, including: assets that could not be produced; incorrectly recorded asset locations; and inventory records that continued to change after the AIC was completed.

In addition, outdated and inconsistent property management guidance further contributed to confusion and inconsistent record keeping at the post. As a result, the Peace Corps lacks assurance that its inventory records are complete, accurate, and aligned with current property management requirements.

The Peace Corps did not ensure the validity of the Annual Inventory Campaign.

Personal Property Management Handbook, Section 11

The Property Officer (DMO at the post) must ensure that property is inventoried annually.

The property planning team should become familiar with the scope of the inventory and the definition of accountable assets.

At the end of the annual inventory, the DMO must certify that the annual inventory is complete, all property transactions have been processed, all reports are reviewed, and that any assets found that meet the accountable asset criteria have been added to the [asset management system].

During our September 2025 site visit, we found that the DMO signed the post's most recent AIC on July 10, 2025, attesting that the inventory listing was accurate and that each asset listed in the inventory had been physically verified, could be produced within 1 business day, and had been assigned to the correct user. However, the results of our testing (see Observation 1) noted several inaccuracies that should have been addressed before the DMO signed the 2025 AIC.

Although the post completed the AIC in July 2025, we identified numerous adjustments in the number of assets listed in Maximo from July to September 2025, indicating that the AIC process did not detect or resolve these discrepancies as

intended. Additionally, during our site visit in September 2025, the post could not produce all of the items we had selected for physical verification. Further, asset locations had not been updated, and the asset listing was not valid. The agency's Inventory Management Specialist (IMS)⁸ explained that Peace Corps/Washington does not independently verify the AIC's accuracy or validity for each post but instead relies solely on the DMO's certification.

⁸ The IMS works in the Department of Administration and Management at Peace Corps/Washington and is responsible for the day-to-day operation and upkeep of the PMSS, which is Maximo.

The FY 2025 FSA stated that the Peace Corps has limited headquarters resources dedicated to property management. Only one Peace Corps staff member (the IMS) has the primary role and responsibility for coordinating annual inventories and monitoring data quality. Limited staffing and weak oversight hinders the agency's ability to enforce the adequate use of Maximo, resolve reconciliation variances, and monitor post-level compliance, resulting in inaccurate and incomplete asset records. In our FY 2025 FSA, recommendation 5, we recommended that the Peace Corps should, "reinforce the Annual Inventory Certification process as a data-quality control by providing targeted guidance and verification procedures to ensure that certifications accurately reflect property records in Maximo."

The Peace Corps' property management policies and procedures are outdated, contradictory, and lack sufficient detail to ensure accurate accounting of property.

The Peace Corps' property management policies and procedures are outdated, incomplete, and do not reflect the agency's current systems and processes, including its transition from Sunflower to Maximo as the PMSS. Current policies and procedures relevant to property management include MS 511, MS 711, the Overseas Financial Management Handbook (OFMH), and the Domestic Financial Management Handbook (DFMH). Without current and clearly defined policies and procedures, the agency cannot ensure consistent stewardship, accountability, or compliance with Peace Corps policies and Federal oversight expectations. See Table 4 for the status of the Peace Corps' relevant guidance for property management.

Table 4. Status of Property Guidance

Policy/Guidance	Title	Last Update	Additional Information
MS 511 Policy	Personal Property Management	7/30/2013	Outdated positions, offices, and processes.
MS 511 Procedures	Personal Property Management Handbook	5/1/2018	Refers to Sunflower as the PMSS and other outdated positions, offices, and processes.
MS 711 Policy	Accounting for Property, Plant, and Equipment	3/20/2014	Outdated; predates Maximo and current Odyssey–Maximo workflows.
OFMH, Chapter 41	Property, Plant, and Equipment Reporting	7/12/2021	Outdated; does not reflect Maximo transition or current processes. Refers to Sunflower as PMSS.
DFMH, Chapter 22	Property, Plant, and Equipment	7/27/2023	Outdated; does not reflect Maximo transition or current processes. Refers to Sunflower as PMSS.

Source: Information based on OIG analysis of Peace Corps' guidance.

The Peace Corps' core property management policies, MS 511 Policy (2013), MS 511 Procedures (2018), and MS 711 (2014), have not been updated in more than 7 years. We found that the guidance for identifying which assets are considered accountable and required to be recorded in Maximo was unclear and inconsistent. Specifically, the PPMH training materials, Maximo User Help Guide, and MS 511 "Procedures," Appendix A, did not have a consistent definition or listing of what the agency considers accountable property.

For example, the PPMH training materials list which assets are considered non-accountable assets and may be tracked locally rather than in Maximo, including:

- Furniture;
- Assets with a life expectancy of 2 years and valued at less than \$2,500; and
- Small medical equipment (thermometers, blood pressure cuffs).

In contrast, MS 511 “Procedures,” Appendix A, provides a broad catalog of assets that are “required to be inventoried,” including furniture and medical equipment that do not align with the training’s non-accountable categories. Unlike the PPMH training materials, the items in Appendix A are listed as “required inventory,” regardless of cost, sensitivity, or risk level, resulting in inconsistent and conflicting guidance.

This contradictory guidance led to confusion at Peace Corps/South Africa. Post personnel reported that they were uncertain if they were required to tag, track, and inventory items that the training materials described as non-accountable (such as furniture), but are listed as “mandatory” in MS 511, “Procedures,” Appendix A. This inconsistency increased the risk of the post under- or over-reporting assets in Maximo; resulted in improper property classifications; and caused confusion and an inefficient use of staff time when managing the post’s inventories.

As a result of the agency’s outdated and limited guidance, the staff responsible for managing property did not have a clear direction on which required processes, documentation standards, and control expectations to follow. Outdated or nonexistent criteria also increases the risk of inconsistent property management practices, incomplete documentation, and weakened internal controls. These deficiencies may result in inaccurate inventory records, inefficient use of resources, or an increased risk of loss or mismanagement.

The FY 2025 FSA included two recommendations—3 and 4 respectively—for the Peace Corps regarding property management guidelines:

- Finalize and issue updates to property management policies and procedures, including the DFMH, MS 511, and related guidance, to reflect the implementation of Maximo as the agency’s property management system and ensure alignment with current processes and controls.
- Ensure all posts receive and acknowledge updated property management guidance and expectations for the use of Maximo. This could include providing refresher training or written instructions on key processes, such as asset capitalization, status updates, and disposals, and obtaining confirmation from Posts that the information was reviewed and understood.

As such, we are not making any new recommendations. However, because the purchase value of all agency assets tracked in Maximo is about \$75 million⁹ USDE, it is essential that the agency has adequate guidance, training, and internal controls (such as the AIC) over the accounting and management of accountable property. We encourage the Peace Corps Chief of Staff to ensure

⁹ As of June 30, 2026.

that recommendations 3, 4, and 5 from the FY 2025 FSA are resolved as soon as possible to help manage the risks of potential fraud, waste, and abuse of property.

CONCLUSION

Peace Corps posts play a critical role in safeguarding Government property, and our review found that the weaknesses in Peace Corps/South Africa's inventory controls and the Peace Corps' oversight and guidance contributed to inaccurate and unreliable asset records. The post was responsible for managing nearly \$1 million USDE in Government property but lacked the clear policies and updated procedures needed to ensure proper management of assets. As the post prepares for the closure of its Volunteer program and transitions to a regional support hub, it is essential that the agency ensures a complete and accurate inventory and establishes clear plans for managing accountable property, including disposal, transfer, or sale. More broadly, improving agency-wide oversight and guidance will help prevent similar deficiencies at other posts and reduce the risks of noncompliance, waste, loss, and misuse of Government assets.

APPENDIX A: SCOPE AND METHODOLOGY

SCOPE

We assessed the post's property records from September 2024 to September 2025; the post's methodology for recording and tracking property; and conducted physical inventories of property at the post during our visit to Peace Corps/South Africa in September 15 through 19, 2025. As of September 2, 2025, the post had 350 assets valued at about \$1 million USDE.

METHODOLOGY

We reviewed Peace Corps' policies and procedures for property management and analyzed documentation specific to Peace Corps/South Africa. We also performed physical inventories of assets at the post, interviewed Peace Corps headquarters staff, interviewed post staff, and conducted an unannounced site visit to the post in September 2025. We judgmentally selected a sample of assets from the post's September 2, 2025 asset listing and did not project the results of our testing over the population.

We conducted this review in accordance with the OIG Directive 2020-03 – Revision to Reporting Procedures for Management Implication Reports (MIR) and Management Advisory Reports (MAR), issued on December 18, 2020, and followed the considerations included in the Peace Corps OIG Directive, to ensure appropriate quality standards. This review did not follow Generally Accepted Government Auditing Standards.

APPENDIX B: BACKGROUND

Since opening in 1997, Peace Corps/South Africa has hosted more than 1,700 Volunteers serving in the agency's Education and Health sector programs. These programs focused on literacy in rural primary schools and disease prevention through partnerships with civil society organizations, faith-based groups, and government agencies.

At the time of our site visit in September 2025, the post had 5 USDHs, 27 locally employed staff, and 32 Volunteers who worked in the Education and Health sectors. The post's funding includes the resources needed to sustain operations, support Volunteers, and properly manage Government property, with FY 2025 spending totaling approximately \$2.7 million USDE. Given the complexity of the Peace Corps' operations overseas, closing a post involves extensive actions and critical responsibilities, such as ensuring the safety, security, and well-being of its Volunteers; providing support to staff who are offboarding; and maintaining an accurate catalog of property and assets. The concerns related to a post closure are documented in our OIG report issued in March 2026 and titled "Key Considerations in Conducting Peace Corps Post Closures."

MAXIMO

The agency decommissioned its prior PMSS, Sunflower, in June 2024. However, the post did not have access to the new PMSS, Maximo, until March 2025. Maximo supports the full lifecycle of property, from receipt and tagging, to issuance, updates, loss reporting, inventory, transfer, and disposition. The system is used to record, track, and manage personal property across all overseas posts and headquarters offices. It serves as the central repository for accountable assets, providing real-time visibility into asset status, location, condition, custodianship, and lifecycle events. Property officers, inventory clerks, and other designated personnel rely on Maximo to ensure accurate stewardship, timely updates, and agency-wide accountability for U.S. Government property. The posts are responsible for maintaining accurate asset listings, which are automatically populated and continuously updated in Maximo.

Property officers and inventory clerks hold distinct responsibilities within Maximo. Property officers approve asset acceptance, verify inventories, approve service requests, and oversee disposition. Inventory clerks process daily updates, initiate service requests, maintain accurate status and location data, and assist with annual inventory. Ultimately, all Peace Corps personnel are responsible for safeguarding assets and reporting losses through Maximo's Personal Property Loss Report process.

APPENDIX C: PEACE CORPS REQUIREMENTS

Peace Corps policy establishes comprehensive requirements for managing personal property, financial operations, and post-closure activities at overseas posts.

- MS 341 outlines the operational status of overseas posts and defines the roles, responsibilities, and required actions during a suspension or closure, including oversight of property disposition and staff safety.
- MS 511 and the accompanying PPMH prescribe the standards for receiving, controlling, tracking, maintaining, and disposing of personal property, and require posts to implement accountability systems that ensure proper stewardship of U.S. Government assets.
- MS 527 establishes requirements for the acquisition, management, and disposal of domestic and overseas vehicles.
- MS 711 provides the financial accounting standards and internal control requirements governing the recording and reporting of capitalized PP&E, supplementing the guidance in MS 511 and MS 527.
- MS 892 sets forth the agency-wide requirements for records management, including those applicable during post closures.

The PPMH states that accountable assets are required to be tracked in [the asset management system].¹⁰ The handbook defines accountable assets as nonexpendable assets and are deemed costly, easily pilfered, or contains sensitive data, as listed in Appendix A, specifically:

1. Assets with a useful life expectancy of over one year and an initial acquisition cost of \$2,500 or more.
2. Assets with an associated recurring cost that is paid for by the Peace Corps, including cell phones, smart phones, and tablets.
3. Electronic assets authorized to contain Personally Identifiable Information.
4. Pilferable assets which are items deemed easily lost or stolen.
5. Equipment that is leased and meets the criteria of a capital lease.

MS 511 states that it is the policy of the Peace Corps to “actively manage and control its personal property by establishing standards, delegating responsibility and instituting accountability systems” to safeguard assets and ensure reliable inventory management. This includes maintaining an accurate inventory, proper recordkeeping, and using the asset management system or other approved systems to track and record assets.

MS 711 establishes the policies governing proper recording, management, and reporting of PP&E. It requires the posts to maintain accurate and timely records of accountable assets and ensure that all additions, disposals, and transfers are properly recorded in the system of record.

¹⁰ The PPMH has not been updated to reflect the change in property management systems and in processes.

The PPMH provides best practices and mandatory procedures for overseas property management, including requirements to:

- Record all newly acquired assets in the property management system;
- Conduct regular physical inventories;
- Reconcile physical assets to system records; and
- Ensure that property custodians properly track and safeguard assets.

Financial and administrative requirements for overseas operations are further detailed in the OFMH. Relevant chapters include guidance on overall financial management processes, fiscal coding requirements, emergency and scheduled post-closure procedures, PP&E reporting, proceeds from sales of Government property, fuel monitoring, and purchase card use. The agency's PP&E Cycle Memo defines the criteria for capitalized assets and the responsibilities of the Office of the Chief Financial Officer for maintaining fixed asset records. Finally, the Records Management Standard Operating Procedures for Closing or Suspending Overseas Posts outlines the documentation, retention, and transfer requirements that apply during post closure.

APPENDIX D: AGENCY COMMENTS



MEMORANDUM

TO: Amanda Seese, Deputy Inspector General

FROM: Richard E. Swartz, Chief of Staff

CC: Kristin Besch, Deputy Chief Executive Officer
Paul Shea, Acting Associate Director, Department of Administration and Management
Christine Gottschalk, Deputy Director, Department of Global Operations
Nancy Herbolsheimer, Associate Director, Department of Global Operations
Glenda Green, Chief of Operations, Office of Post Performance and Support
Tracie Hamilton, Director, Office of Finance
Shawn Bardwell, Director, Office of Operations and Security
Clark Presnell, Deputy Director for Management, Office of Operations and Security
Karen Mappin, Expert, Office of Post Performance and Support
Emma Mtiro, Acting Country Director and Director of Programming and Training, Peace Corps/South Africa
Tracy Graham, Director of Management and Operations, Peace Corps/South Africa
Emily Untermeyer, Senior Advisor, Office of Compliance and Risk
Temby Caprio, Chief Compliance and Risk Officer
Alexis Fowler, General Counsel
Jennifer Piorkowski, Director, Executive Secretariat
Nafisah Hankins, Compliance Officer Audit Liaison

DATE: August 27, 2026

RE: Agency Response to the Management Advisory Report Exposure Draft:
Improvements Needed in Property Management at Peace Corps/South Africa

Thank you for the opportunity to respond to this exposure draft from the Office of Inspector General (OIG). Enclosed please find the agency's response to the recommendations made by the Inspector General as outlined in the OIG's Management Advisory Report Exposure Draft: Improvements Needed in Property Management at Peace Corps/South Africa sent to the agency on July 30, 2026.

Recommendation 1

The acting Associate Director of the Department of Administration and Management collaborates with Peace Corps/South Africa to account for and identify the property that is in place at the post.

Concur

Response: The Office of Operations and Security (OOS) concurs with this recommendation. Post and OOS certified the Annual Inventory Campaign (AIC) for 2026 in February 2026 and are working together to certify the AIC for early 2027. Both will be provided as proof of accounted assets.

Documents Submitted:

- Annual Inventory Campaign certification for 2026
- Annual Inventory Campaign certification for 2027

Status and Timeline for Completion: November 2026

Recommendation 2

The acting Associate Director of the Department of Administration and Management collaborates with the Associate Director of the Department of Global Operations to develop a comprehensive plan for managing the assets at Peace Corps/South Africa as the post phases out its volunteer program operations. The plan should include details to either properly maintain property or dispose of property by selling the property through auctions, transferring the property to other government entities, or other means.

Concur

Response:

Post is currently working with the Agency Property Manager to properly record all trackable assets in Maximo. Post will follow asset disposal requirements in the Personal Property Management Handbook to list assets as excess, transfer, auction, donate, or scrap and provide documentation demonstrating completion of these actions. With staff reorganization taking place to support the regional hub, one General Services Assistant will be responsible for inventory and supplies. In addition, the Information Technology Specialist (responsible for many inventoried items) will also remain at Post to ensure compliance moving forward.

Documents Submitted:

- Summary/Report of Auctioned and Disposed of items
 - Maximo reports that show inventoried items disposed of via Turn-In documentation or PC-4000
 - Accurate Inventory maintenance via AIC
 - Auction documentation for proceeds of sale through Ambassador Auctioneers

- Vehicle proceeds of sale through auctions in other countries and/or South Africa
- Every other year review of stored property for relevance to maintain inventory rather than dispose

Status and Timeline for Completion: November 2026

APPENDIX E: OIG RESPONSE

Management concurred with the two recommendations. In its response, management described the actions it is taking or intends to take to address the issues that prompted each of our recommendations. The two recommendations will remain open pending documentation and actions listed in the agency's response.

For both recommendations, coordination and oversight from the Department of Global Operations, the Department of Administration and Management, and Peace Corps/South Africa are essential to ensure that the agency resolves these specific issues. As demonstrated in this review, the current controls, policies, and procedures that the agency uses, such as the AIC and normal property tracking in the system, have not been sufficient to ensure accurate and reliable information and records are maintained.

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