Peace Corps Office of

# INSPECTOR GENERAL



# SEMIANNUAL REPORT *to* CONGRESS

**FALL 2026 | April 1, 2026, to September 30, 2026**

# Who we are:

Since 1989, the Peace Corps Office of Inspector General (OIG) has provided independent oversight of the Peace Corps' programs and operations. OIG works to promote efficiency and effectiveness to help the Peace Corps achieve its mission: to promote world peace and friendship through community-based development and cross-cultural understanding.

The Inspector General Act of 1978 charges OIG with the responsibility to keep Congress and the Peace Corps Director fully and currently informed of problems and deficiencies related to the administration of Peace Corps programs and operations.



# In accomplishing its mission, OIG is committed to:

**Excellence:** issuing accurate, timely, and reliable work products for agency and stakeholder use.

**Positive change:** making value- added recommendations to address issues and challenges with agency programs and operations.

**Integrity:** maintaining independence from the agency, meeting professional and ethical standards, and committing to continual improvement.

**Collaboration:** working together and promoting best practices within the office, with the agency, and with external stakeholders.




# OIG's oversight seeks to:

- Prevent and detect waste, fraud, abuse, and mismanagement
- Promote integrity, efficiency, and economy
- Identify risks and vulnerabilities and offer expert assistance to improve the Peace Corps' programs and operations

The Fiscal Years 2027 - 2029 Strategic Plan outlines how OIG will enhance oversight in support of the Peace Corps goals.

A guiding principle for our oversight work with Peace Corps staff is:

## Together, we make a better Peace Corps.

# A Message from the
# ACTING INSPECTOR GENERAL



As the Acting Inspector General beginning November 6, 2026, I am proud to present to you the Peace Corps Office of Inspector General's (OIG) Semiannual Report to Congress, which highlights our key work and accomplishments during a productive 6-month reporting period from April 1, 2026, through September 30, 2026. We thank Peace Corps/Washington and overseas staff as well as the Volunteers for their cooperation with our oversight work during a time of continuous change across the agency.

As the Peace Corps moves into its final phase of a major agency restructuring and reorganization, staff are managing their new roles and responsibilities while continuing to provide health, safety, and security support for the Volunteers who are currently serving across 56 posts worldwide. In addition, despite reduced staffing numbers, the agency has remained dedicated towards meeting it's new recruitment goal, which was recently updated to having 4,000 Volunteers in service by the end of fiscal year (FY) 2028.

OIG's work during this reporting period continued to support the agency's efforts in meeting its goals and mission, with a focus on Volunteer safety and well-being. Specifically, our Evaluation Unit conducted three simultaneous post reviews of the health, safety, and security standards at Volunteer sites. Our reviews in Guatemala and Mexico collectively resulted in three recommendations and found that, overall, the posts provided Volunteers with adequate housing and followed safe and compliant practices that support effective Volunteer service.

Our third review took place at a post in the Indo-Pacific and Caribbean Geographic Unit, and will be published in the next Semiannual Repot to Congress. Our evaluation uncovered material deficiencies in site management and staff performance, which placed Volunteers' health and safety at risk. As a result of the evaluation, our investigators engaged in a cross-unit collaboration to address these deficiencies. We have also presented Peace Corps leadership with a report on the areas of concern we identified as needing immediate attention. The agency has reported timely progress in addressing some of these areas while expressing an ongoing commitment to ensure Volunteers are adequately supported to continue their work for the Peace Corps mission.

Simultaneously, we also presented Peace Corps/Washington leadership with a management referral letter that highlighted our concerns of systemic issues within the Pacific region that could hinder the posts' abilities to provide appropriate Volunteer support. The agency has since taken corrective action to address its post leadership performance challenges.

# A Message from the ACTING INSPECTOR GENERAL

Our work in the Pacific is timely, as the agency recently re-opened a post in Palau, signed a bilateral country agreement to return to the Solomon Islands, and announced its intent to open posts in the federal states of Micronesia and the Marshall Islands. As the agency pursues plans to establish a North Pacific program and expand its footprint across the Pacific, it can leverage the insights gained from our previous reports at existing posts to help ensure successful operations in the region.

In other collaborative efforts this reporting period, our auditors and investigators completed a review of property management at Peace Corps/South Africa, a post that has recently closed its Volunteer program and transitioned to a regional medical, safety, and security hub. Our property management review uncovered multiple deficiencies and found that the post lacked adequate controls, potentially placing more than $1 million in Government assets at risk. We issued recommendations in our report that would protect the post from bad actors, while protecting its related property and assets, during its time of transition.

When our work uncovers fraud, waste, abuse, or mismanagement, we are dedicated to holding wrongdoers accountable. Most recently, our investigative efforts resulted in the sentencing of a former Peace Corps official who pled guilty to a Federal charge of theft of Government property after engaging in serious time and attendance fraud. The prosecution and sentencing were the result of a years-long investigation which our office led in partnership with the Federal Housing Finance Administration OIG, Nuclear Regulatory Commission OIG, and other law enforcement partners. The results of our work highlights our commitment to hold accountable those who defraud U.S. taxpayers and undermine the public trust in the integrity of the Federal workforce.

Our office also pursued accountability through seven suspension and debarment referrals, which were sent to the agency for action. This administrative tool, when exercised, protects the Government from fraud, waste, and abuse and aligns with the Administration's priority to eliminate fraud.

As we close this highly impactful reporting period and look to the new fiscal year, our office has issued our Strategic Plan and Annual Plan to help guide our work and ensure we are directing our oversight efforts to help the agency understand and address its highest risks. I am proud of the continued collaboration between our office and the Peace Corps to promote integrity, transparency, and responsible stewardship of taxpayer resources in support of the Peace Corps' mission.



Linda James
Acting Inspector General

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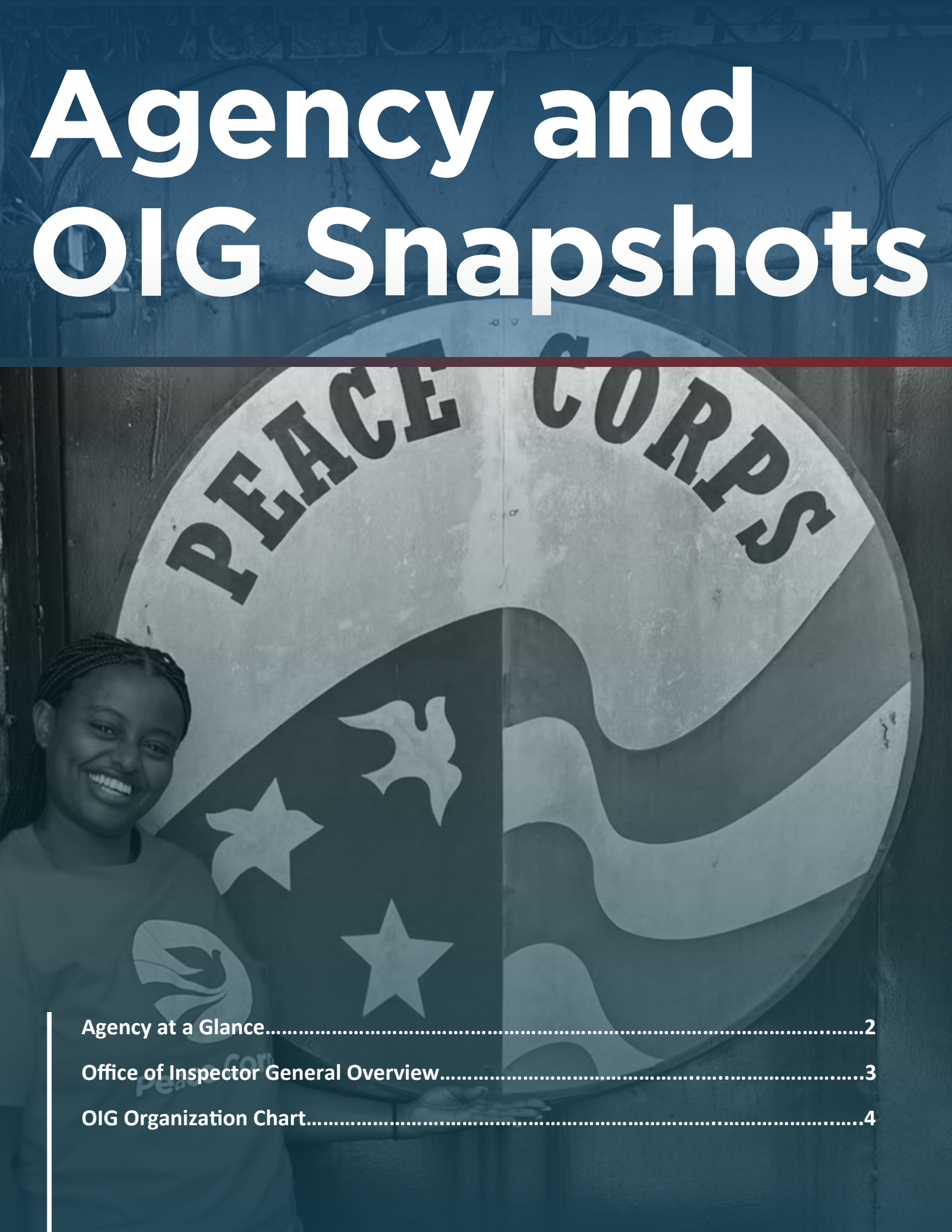
# Agency and OIG Snapshots

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## Agency at a Glance

The success of the Peace Corps mission depends on the effective recruitment and placement of individuals to fill host country requests for Volunteers. According to the agency, as of September 30, 2026, there were 2,832 Volunteers [1] and 568 Trainees serving across 56 posts [2] and 60 countries. These Volunteers and Trainees were supported by 600 U.S. Direct Hires (USDH), [3] 155 of whom worked overseas, and 445 of whom worked for Peace Corps/Washington. Additionally, the agency had 1,573 locally-hired personnel [4] in participating host countries. The Peace Corps reported that it received 6,687 Volunteer applicants during this reporting period.



*Source: All photos published this report come from the Peace Corps Media Library unless otherwise noted.*

[1] This excludes Virtual Service Pilot assignments. Virtual Service is intended to allow participants to engage virtually with partner organizations in countries around the world. The agency reported 106 virtual service assignments as of September 30, 2026.

[2] A post is the principal Peace Corps office at any host country and has supervision over its sub-offices in that country. The post may direct Peace Corps operations in one or more other host countries.

[3] Includes Expert appointments; individuals who are specially qualified based on their education and experience to perform difficult and challenging tasks in a particular field beyond the usual range of achievements by competent persons in that field. (*See 5 C.F.R. § 304.102)*.

[4] The agency reports that 126 of the 1,573 locally-hired personnel were short-term hires and not necessarily engaged with the agency during the reporting period.

# Agency and OIG Snapshots

## Office of Inspector General Overview

OIG helps safeguard the integrity and effectiveness of the Peace Corps' operations by preventing and detecting fraud, waste, abuse, and mismanagement. OIG fulfills this important mission through independent and objective audits, evaluations, and investigations. OIG is comprised of four main components, each led by an Assistant Inspector General, which are staffed by 30 full-time employees as of September 30, 2026.

### Audit Unit

The Audit Unit conducts independent audits and reviews of Peace Corps programs and operations. OIG audits are performed in accordance with the U.S. Generally Accepted Government Auditing Standards and OIG policy, which are designed to independently examine the agency's financial and administrative operations, promote economy and efficiency, and ensure compliance with Federal laws, regulations, and Peace Corps policy.



### Evaluation Unit

The Evaluation Unit provides the Peace Corps with independent evaluations and reviews of overseas posts and headquarters. Evaluations promote efficiency and effectiveness in the administration of programs and operations, assess Volunteer support, identify best practices, and recommend improvements. OIG evaluations are performed in accordance with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Inspection and Evaluation.

### Investigation Unit

The Investigation Unit is authorized to conduct investigations into alleged criminal and administrative violations of laws, regulations, and policies in Peace Corps programs and operations, both domestically and internationally. The Unit investigates allegations involving Peace Corps staff, contractors, Volunteers, and other individuals conducting transactions with the agency. Allegations are made by Peace Corps stakeholders, such as Volunteers, Trainees, staff, contractors, other Federal entities, and the public. The Investigation Unit also receives allegations through audits, evaluations, Hotline complaints, and other means.

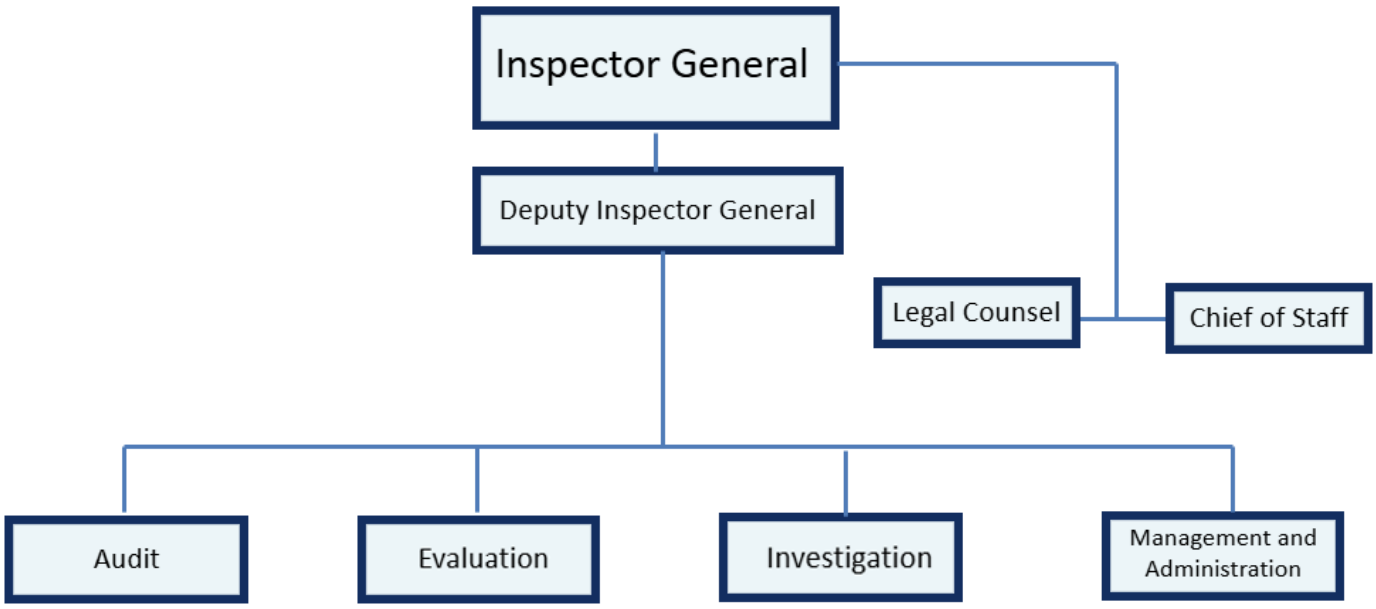
OIG investigators have full Federal law enforcement authority, including the authority to, upon probable cause, seek and execute warrants for arrest, search premises, and seize evidence, as approved by the Attorney General, and routinely refers criminal cases to the U.S. Department of Justice. In addition, OIG receives substantial investigative support from the Department of State

Bureau of Diplomatic Security. Pursuant to the Sam Farr and Nick Castle Peace Corps Reform Act of 2018 (22 U.S.C. § 2504(p)), the Investigation Unit is also responsible for independent reviews of the facts and circumstances surrounding Volunteer deaths.

### MANAGEMENT AND ADMINISTRATION UNIT

The Management and Administration Unit provides the operational support required for OIG to fulfill its mission. The Unit completes critical business functions including: financial management and budgeting, human resources, procurement and contracting, writing and editing, information technology, and other essential support priorities.

## OIG Organization Chart



# Agency Management and Performance Challenges

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# Agency Management and Performance Challenges

In accordance with the Reports Consolidation Act of 2000, OIG submitted a statement on what it considers to be the most significant management and performance challenges facing the Peace Corps. A summary of this statement is included below. OIG based its statement on its audit, evaluation, and investigative work; our knowledge of the Peace Corps' activities and operations; and the insights of agency senior leaders who provided their perspectives and expertise. For FY 2027, OIG identified the following challenge areas:

- Volunteer Delivery System
- Volunteer Health and Safety
- Human Capital Management
- Information Technology Security Management

Addressing the issues related to these challenge and performance areas will enhance the agency's operational efficiencies, minimize potential fraud, waste, and abuse, and improve mission effectiveness.

## AN AGENCY IN TRANSITION

While the Peace Corps has made unprecedented staffing and structural changes within a short period of time, [5] the agency has also experienced four acting leadership transitions. In April 2026, the President nominated a permanent Director, whose confirmation is still pending in the Senate. These factors—combined with a major restructuring and reorganization initiative, budgetary pressures, and Volunteer recruitment challenges—have resulted in a dynamic environment for acting leadership and staff to navigate in FY 2027 and beyond.

## REDUCED RESOURCES AND INCREASING GLOBAL FOOTPRINT

Despite Volunteer retention and recruiting challenges, the Peace Corps' international presence is expansive and growing. Although the Peace Corps' budget has remained static, inflation and operating costs abroad continue to rise, eroding the agency's purchasing power. Moreover, the agency suspended its participation in the President's Emergency Program for AIDS Relief, which accounted for an additional $24 to 26 million in fiscal resources that the Peace Corps can no longer leverage.

## PLANNING FOR THE PEACE CORPS' FUTURE

The agency will need to clearly identify and communicate with its stakeholders which functions will be prioritized under its reduced staffing model and accelerate efforts to develop the efficiencies and

[5] According to the Inspector General's Statement on the Peace Corps' Management and Performance Challenges for Fiscal Year 2027, "The agency announced in FY 2025 that it would increase efficiency and streamline operations by lowering staff-to-Volunteer ratios and focusing its resources on Volunteer recruitment and service. Subsequently, it reduced staff by 40 percent in Peace Corps/Washington and by 16 percent in global field operations. To achieve staffing reductions, US direct hire staff (USDH) were offered the option to participate in the Office of Personnel Management's (OPM) Deferred Resignation Program (DRP) twice and were encouraged to seriously consider that option."

processes necessary to sustain operations. To make effective resourcing decisions, the agency will need to establish a new baseline for core operations and establish a logical framework for resource allocation.

## PEACE CORPS FY 2027 MANAGEMENT CHALLENGE AREAS

### VOLUNTEER DELIVERY SYSTEM

The agency continues to struggle to meet its recruitment goals since Volunteers returned to service. The Peace Corps' draft FY 2026-2030 Strategic Plan planned to provide a series of performance goals to help meet its goal to place 8,000 Volunteers in service by 2030. The agency still has not finalized and published its Strategic Plan. The agency has implemented recruitment strategies to increase Volunteer application and has reset a new goal of 4,000 Volunteers in service by the end of FY 2028.

### VOLUNTEER HEALTH AND SAFETY

The agency faces significant challenges in maintaining the health and safety of Volunteers, including: identifying, screening, and selecting safe and healthy sites for Volunteers to live and work; ensuring appropriate staffing and oversight of post health units with limited agency resources; preparing for emergency medical evacuations from remote locations; and delivering timely medication and supplies to approximately 60 health units worldwide.

### HUMAN CAPITAL MANAGEMENT

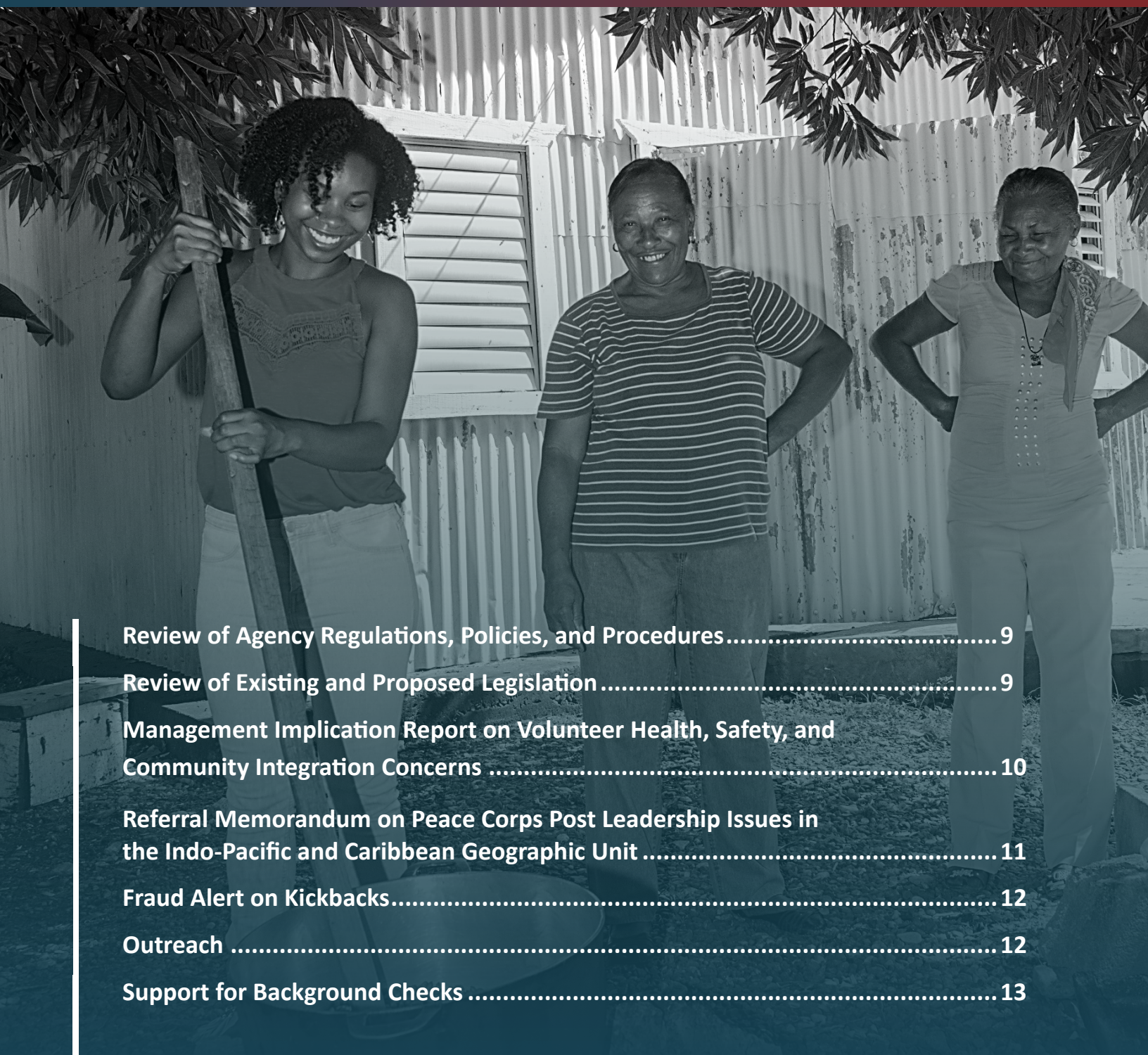
Personnel turnover and Human Capital Management at the Peace Corps have been identified as significant challenges by OIG for the past 14 years. The efficiency and effectiveness of Human Capital Management directly impacts the agency's ability to deliver on its mission. The Peace Corps is focused on implementing new executive branch requirements while executing staffing reductions and organizational restructuring. Agency restructuring remains ongoing and its impacts are yet to be fully realized.

### INFORMATION TECHNOLOGY SECURITY MANAGEMENT

OIG's review of the Peace Corps' information technology security management indicates that additional efforts are needed to strengthen information technology controls across multiple areas, address information technology vulnerabilities and cybersecurity breach response issues, and substantially improve the agency's information security program.

To learn more about the FY 2027 Management and Performance Challenges, including the agency's recent progress and planned approaches for addressing them, see the full report: Inspector General's Statement on the Peace Corps Management and Performance Challenges for FY 2027 | Peace Corps OIG.

# Advice, Assistance, and Other Reportable Matters

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# Advice, Assistance, and Other Reportable Matters

## Review of Agency Regulations, Policies, and Procedures

OIG provides advice and assistance to the Peace Corps Senior Policy Committee and other relevant stakeholders by commenting on new or updated drafts of regulations, policies, procedures, and other documents that govern the agency's organization and practices. This assistance is consistent with OIG's duty under the Inspector General Act to review existing and proposed policies to promote economy and efficiency in Peace Corps programs.

During this reporting period, the Peace Corps began revising the Peace Corps manual to align with the updated organizational chart launched on April 15, 2026, and other substantive updates relating to Volunteer health and safety. In support of these and other changes, OIG reviewed 27 Peace Corps policies along with relevant implementing procedures.

The subject matter of these policies included:

- The Office of the Director, which includes the Peace Corps Suspension and Debarment Program
- The Department of Global Operations
- The Department of Administration and Management
- The Office of Post Performance and Support
- The Office of Volunteer Health
- The Office of Finance
- Managing Overseas Emergencies
- Volunteer Allowances



## Review of Existing and Proposed Legislation

In accordance with Peace Corps OIG's statutory mandate, OIG monitors and reviews existing and proposed legislation for their potential impacts on the economy, efficiency, and integrity of Peace Corps programs and operations. Additionally, OIG supports the Inspector General (IG) community's legislative efforts to work with Congress and other stakeholders on identified priorities to strengthen Government-wide oversight. These efforts are primarily aimed at preventing fraud, improper payments, and protecting Federal programs and taxpayer funds.

Over the years, these endeavors have resulted in important legislation that has strengthened IG independence, enhanced investigative authorities and data analytics support for the oversight community, and maximized efficiencies and transparency. Recently, the IG community recommended additional reforms to help improve program integrity, including statutory exclusion for felony fraud convicts from doing business with the government, which passed the House of

Representatives during this reporting period. Additionally, the IG community has worked alongside the Office of Law Revision Counsel to develop legislation that would codify changes made to the Inspector General Act, which were not included in the 2022 codification. This second codification bill, which increases clarity with regard to IG authorities and duties, passed the House of Representatives during this reporting period.

## Management Implication Report on Volunteer Health, Safety, and Community Integration Concerns

In June 2026, OIG issued a management implication report identifying seven interconnected issues at a Peace Corps post in the Indo-Pacific and Caribbean Geographic Unit: (1) serious staff misconduct, such as allegations of sexual assault and fraternization, and failure to perform critical duties; (2) numerous instances of unsafe and unsanitary Volunteer site placements; (3) staff failure to uphold agency standards and noncompliance with training on sexual harassment and sexual assault prevention and response; (4) significant distrust of staff which deterred Volunteers from reporting crime and security incidents; (5) environment program challenges that impacted Volunteer integration and success; (6) insufficient Volunteer language and cultural training which impeded Volunteer integration; and (7) weak USDH oversight that contributed to the widespread issues across the post.

OIG found that staff serving as designated reporting channels had allegedly engaged in serious misconduct involving Volunteers, including sexual assault and fraternization. Other staff responsible for Volunteer safety and security failed to carry out critical contractual duties, and those failures likely contributed to serious injuries and health problems. As a result of OIG's investigative work, the three staff members involved are no longer working with the Peace Corps.

*OIG found a lack of staff compliance with key policies regarding response to serious crime and security incidents, notably those involving sexual harassment and sexual assault.*

Deficient site-development practices at the post repeatedly placed Volunteers in unsafe, unsanitary, or mishandled housing. At least 80 percent of the 30 Volunteers interviewed reported such problems. Poor placements also disrupted service through frequent site and host-family changes and contributed to high rates of early termination.

OIG found a lack of staff compliance with key policies regarding response to serious crime and security incidents, notably those involving sexual harassment and sexual assault. Some staff views conflicted with agency guidance on these serious issues, and training records from the previous 3 years showed poor post compliance with Sexual Assault Prevention and Response requirements. Host families and counterparts also received insufficient orientation on the Peace Corps' expectations. Consequently, many Volunteers distrusted staff in key support roles and did not report safety and security incidents as required.

Beyond these immediate safety concerns, challenges in the environment program and inadequate language and cultural training hindered Volunteers' community integration and reduced their prospects for successful service. These operational shortcomings, combined with weak U.S. Direct Hire oversight, allowed performance and conduct problems to become widespread across the post.

OIG received reports of these issues directly, and after sharing them with the agency, the agency carried out corrective actions to address the post's performance and conduct issues. Notable actions included providing victim support services to the Volunteers affected by the misconduct and poor performance of the staff described above; conducting a review of all Volunteer sites to ensure compliance with key health, safety, and security standards; holding ongoing training on crime and safety response, with a focus on sexual harassment and assault; and canceling the post's next Volunteer cohort to allow time for necessary changes. In addition to these steps, durable improvement will require persistent oversight and accountability from leadership at every level—particularly Peace Corps/Washington—to ensure that corrective actions protect Volunteers and restore confidence in post operations.

## Referral Memorandum on Post Leadership Issues in the Indo-Pacific and Caribbean Geographic Unit

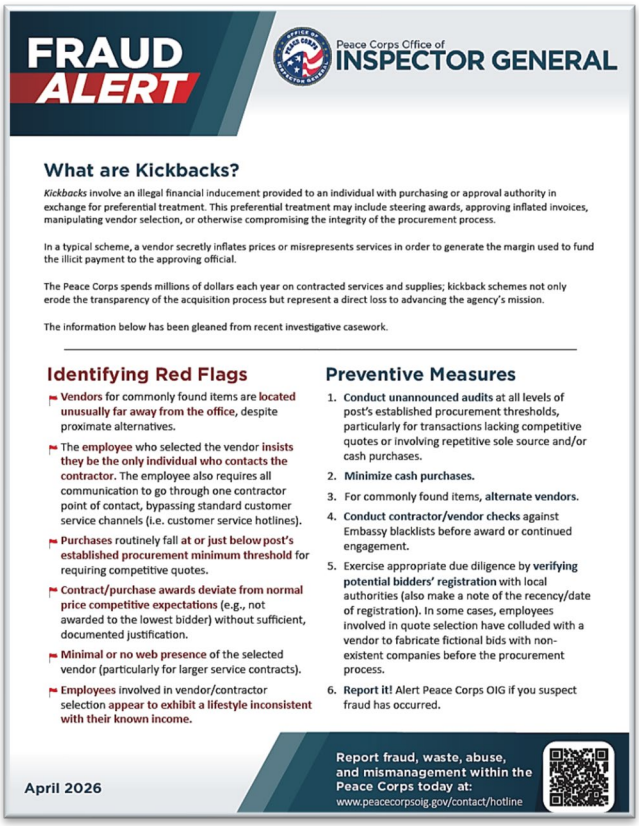
In July 2026, OIG issued a management referral to Peace Corps/Washington senior leaders outlining concerning patterns with USDH leadership weaknesses at two posts in the Indo-Pacific and Caribbean Geographic Unit. The referral detailed critical management and oversight shortfalls which OIG observed while working on separate reviews at these posts. Specifically, audit and evaluation work uncovered significant operational deficiencies that weakened Volunteer safety, security, and support functions. The Peace Corps Act directs OIG to inform the Director of noted concerns regarding the performance of Peace Corps representatives overseas for appropriate action. In response to OIG's referral, the agency took immediate actions to address the concerns. The USDH leadership in question no longer works for the agency.



# Advice, Assistance, and Other Reportable Matters

## Fraud Alert on Kickbacks

In April 2026, OIG issued a Fraud Awareness Alert to provide additional guidance to Peace Corps staff who work with vendors to help them recognize and report potential fraudulent schemes targeting the agency. This alert presented "What are Kickbacks?," which defines the illegal practice and provides information on how to identify kickbacks and employ preventative measures. OIG intends to continue to support fraud awareness through similar alerts and initiatives.



FRAUD ALERT

Peace Corps Office of INSPECTOR GENERAL

**What are Kickbacks?**

*Kickbacks* involve an illegal financial inducement provided to an individual with purchasing or approval authority in exchange for preferential treatment. This preferential treatment may include steering awards, approving inflated invoices, manipulating vendor selection, or otherwise compromising the integrity of the procurement process.

In a typical scheme, a vendor secretly inflates prices or misrepresents services in order to generate the margin used to fund the illicit payment to the approving official.

The Peace Corps spends millions of dollars each year on contracted services and supplies; kickback schemes not only erode the transparency of the acquisition process but represent a direct loss to advancing the agency's mission.

The information below has been gleaned from recent investigative casework.

**Identifying Red Flags**

- **Vendors** for commonly found items are **located unusually far away from the office,** despite proximate alternatives.
- The **employee** who selected the vendor **insists they be the only individual who contacts the contractor.** The employee also requires all communication to go through one contractor point of contact, bypassing standard customer service channels (i.e. customer service hotlines).
- **Purchases** routinely fall **at or just below post's established procurement minimum threshold** for requiring competitive quotes.
- **Contract/purchase awards deviate from normal price competitive expectations** (e.g., not awarded to the lowest bidder) without sufficient, documented justification.
- **Minimal or no web presence** of the selected vendor (particularly for larger service contracts).
- **Employees** involved in vendor/contractor selection **appear to exhibit a lifestyle inconsistent with their known income.**

**Preventive Measures**

1. **Conduct unannounced audits** at all levels of post's established procurement thresholds, particularly for transactions lacking competitive quotes or involving repetitive sole source and/or cash purchases.
2. **Minimize cash purchases.**
3. For commonly found items, **alternate vendors.**
4. **Conduct contractor/vendor checks** against Embassy blacklists before award or continued engagement.
5. Exercise appropriate due diligence by **verifying potential bidders' registration** with local authorities (also make a note of the recency/date of registration). In some cases, employees involved in quote selection have colluded with a vendor to fabricate fictional bids with non-existent companies before the procurement process.
6. **Report it!** Alert Peace Corps OIG if you suspect fraud has occurred.

April 2026

Report fraud, waste, abuse, and mismanagement within the Peace Corps today at: www.peacecorpsoig.gov/contact/hotline

## Outreach

Consistent with OIG's statutory duties under the Inspector General Act and Peace Corps Act to promote economy and efficiency, Peace Corps OIG routinely engages in outreach to its relevant stakeholders.

During this reporting period, OIG delivered a series of briefings, trainings, and outreach engagements designed to strengthen organizational awareness of oversight authorities and reinforce accountability across the Peace Corps. These efforts included a series of in-person engagements at overseas posts including Vanuatu, Costa Rica, Ghana, Mongolia, and Botswana, where OIG staff provided mission-specific briefings and met with post leadership, staff, and Volunteers to discuss emerging risks, reporting channels, and best practices in safeguarding agency resources and programs. Complementing these visits, OIG conducted targeted Overseas Staff Training sessions for personnel including the Director of Management Operations, Director of Programing and Training, and Country Director, equipping them with practical tools to identify vulnerabilities, respond to concerns, and support a culture of ethical conduct.

At headquarters, OIG expanded its domestic outreach through educational briefings delivered to multiple external and internal audiences. These included undergraduate and graduate students from the University of Pittsburgh and Gettysburg College, OIG's fall intern cohort, and representatives from the Police Attachés of Latin America. OIG also facilitated four specialized sessions for Sexual Assault Response Liaisons stationed at overseas posts, ensuring these critical personnel remained fully informed about reporting procedures, victim-centered practices, and OIG resources that are available to support their work.

Collectively, these activities fulfilled statutory requirements while advancing OIG's priorities, sharing a deeper understanding of oversight practices, and expanding outreach to both domestic and international stakeholders.

# Advice, Assistance, and Other Reportable Matters

## Support for Background Checks

During the reporting period, OIG supported the agency's standard operating procedure for personnel background checks, which integrates and automates requests for OIG record checks. Any individual who worked or volunteered for the Peace Corps and seeks to return as staff or as a Volunteer undergoes an OIG record check. This supplements the agency's onboarding process to produce accurate and complete background checks for employment and Volunteer Service. This process helps the agency comply with the employee and Volunteer background check requirements of the Sam Farr and Nick Castle Peace Corps Reform Act of 2018.

During the reporting period, OIG conducted 381 record checks, of which 88 were for potential and current staff, and 293 were for Volunteers and Virtual Service Pilot participants.



# Audit Unit

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## Review of the Peace Corps' Compliance with the Payment Integrity Information Act for Fiscal Year 2025

***IG-26-04-SR***

In May 2026, OIG issued a report on the Peace Corps' compliance with the Payment Integrity Information Act (PIIA) (Public Law No. 116-117) for FY 2025. PIIA requires the IG to annually review its agency's improper payments and payment reporting made in the annual Agency Financial Report (AFR) to determine compliance with statutory requirements.

Through this review, OIG determined that the Peace Corps complied with PIIA for FY 2025. The agency provided payment integrity information through the Office of Management and Budget's FY 2025 annual data call; published its improper payment information in the AFR for FY 2025; and posted that report on the Peace Corps' website.

OIG concluded that it is unlikely that the Peace Corps reached the significant improper or unknown payment threshold. The report also noted that the dollar values of the individual payments are considerably lower than the significant improper payment threshold amounts. The review did not identify any significant improper payments that met or exceeded the PIIA-established threshold in OIG's FY 2025 audits, the audit of the agency's FY 2025 financial statements, or other audits or reviews conducted during FY 2025. As a result of this review, OIG did not make any recommendations to the Peace Corps.



## Improvements Needed in Property Management at Peace Corps/South Africa

***IG-26-02-SR***

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. 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, the 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.

OIG 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 as required. The review identified inconsistent record keeping, unexplained fluctuations, and accountable property that the post did not record in its property listing.

*OIG's review identified inconsistent record keeping and unexplained fluctuations in the post's property listing. Additionally, OIG identified accountable property that the post did not record in its property listing.*

Additionally, OIG 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 resulted in an accurate inventory count. Moreover, the agency's property management policies and procedures were outdated and incomplete.

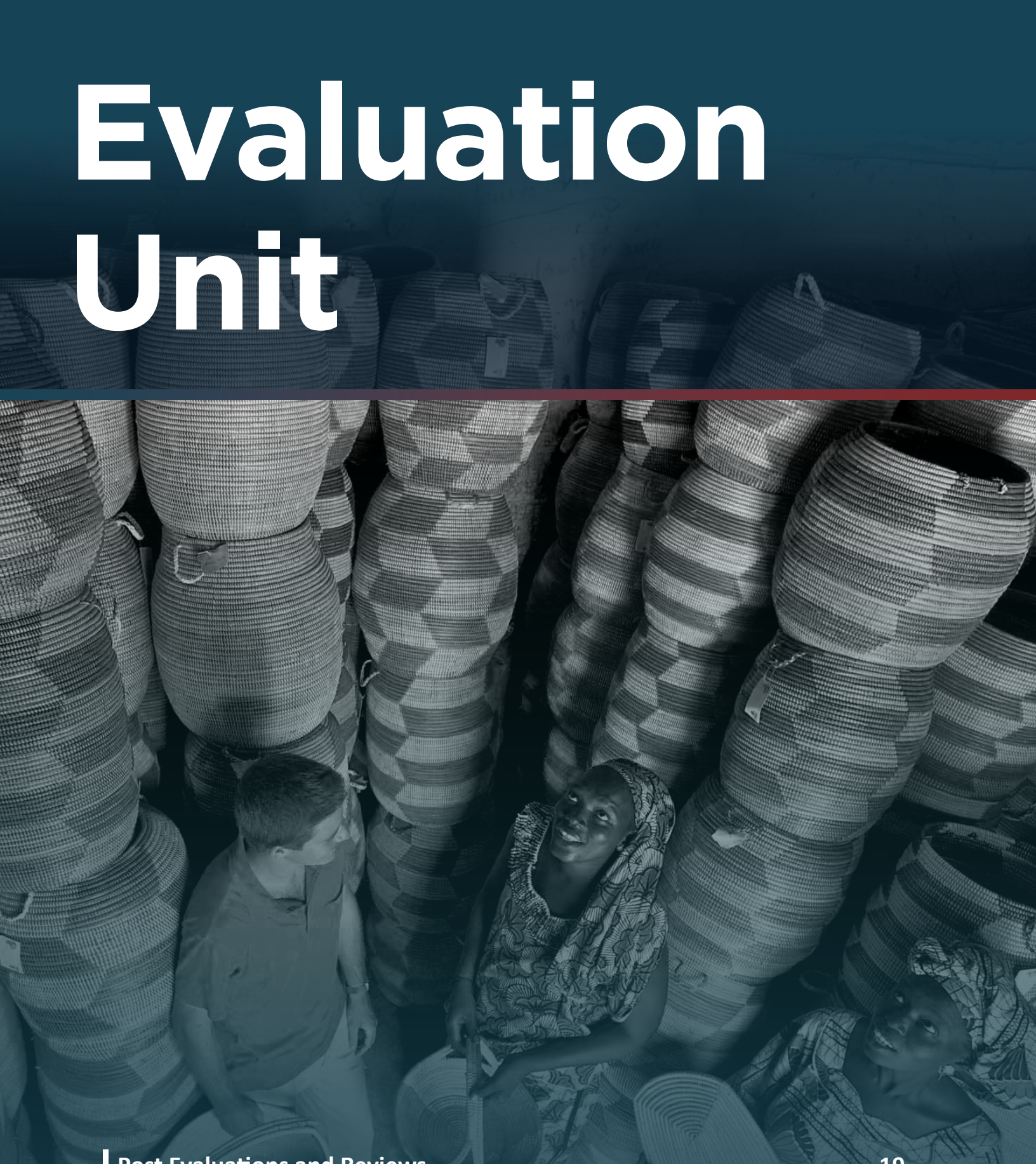
OIG issued two recommendations to help improve Peace Corps/South Africa's accountability for its property and minimize risks during the post's transition to a regional medical, safety, and security support hub.

# Ongoing Work

During this reporting period, the Audit Unit continued its work on the audit of post operations in Peace Corps/Vanuatu and began fieldwork for a post audit of Peace Corps/Mongolia. The Unit also began work on the annual audit of the Peace Corps' FY 2026 Financial Statements. In addition, as required by the Federal Information Security Modernization Act of 2014, the Unit completed its work on the Peace Corps' Information Security Program; the report will be summarized in the next reporting period.



# Evaluation Unit



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## Evaluation of Peace Corps/Guatemala

*IG-26-02-E*

In August 2026, OIG issued an evaluation report on Peace Corps/Guatemala's compliance with key health, safety, security, and housing standards at Volunteer sites from January 2023 to December 2025. At the time of the evaluation, 75 Volunteers were working across 4 project sectors in Guatemala. The Evaluation Unit traveled to Guatemala from December 1 to December 13, 2025, and visited 22 Volunteers to conduct interviews and housing inspections. OIG determined that the post complied with most of the critical health, safety, security, and housing standards at Volunteer sites, which are important factors for facilitating a successful Volunteer experience.



The post complied with key medical policies and procedures for Volunteer site management. Volunteers reported that they had few concerns about health risks and were generally satisfied with the post's provision of healthcare and health training. The post's referral and local medical facilities met key agency requirements, and Volunteers reported having positive experiences with them.

The post also complied with most agency safety and security policies for site management. Volunteers reported that they felt safe at their homes, sites, and workplaces. OIG found that the post effectively managed the oversight and maintenance of each site's history, as required. However, some Volunteers said they would not report safety and security incidents to post staff because they did not trust or have confidence in the staff's management of policies and their response to reported safety and security incidents.

Overall, Volunteers were provided with safe and secure homes. OIG found that Volunteer houses in Peace Corps/Guatemala were at a comparably higher standard than other posts OIG had assessed in recent years. The post mostly complied with emergency contact, site location, and site contact information requirements. The post also developed and delivered sexual assault and sexual harassment orientation to Volunteer host families and counterparts, as required. While propane gas tanks largely met agency safety standards, OIG found that Volunteers were not equipped to extinguish fires in their kitchens.

OIG issued one recommendation on Volunteer safety and security and one recommendation for housing. OIG closed one of the two recommendations upon issuance of the report in August 2026.

## Evaluation of Peace Corps/Mexico

***IG-26-03-E***

In September 2026, OIG issued an evaluation report on Peace Corps/Mexico's compliance with key health, safety, security, and housing standards at Volunteer sites from January 2023 to December 2025. At the time of the evaluation, 68 Volunteers were working across 3 project sectors in Mexico. The Evaluation Unit traveled to the post from November 30 to December 12, 2025, inspected 47 Volunteer houses, and interviewed 48 Volunteers. OIG determined that the post complied with most of the critical health, safety, security, and housing standards at Volunteer sites, which are important factors for facilitating a successful Volunteer experience.

Specifically, the post complied with key medical policies and procedures for Volunteer site management. Volunteers reported that they had few concerns about health risks and were mostly satisfied with the post's provision of healthcare. The post's referral and local medical facilities met key agency requirements, and Volunteers generally reported positive experiences with them.



Additionally, the post complied with key safety and security policies for site management. Volunteers reported that they felt safe at their homes, sites, and workplaces. OIG found that the post generally managed the oversight and maintenance of each site's history documentation, as required.

Overall, Volunteers were provided with safe and secure homes. OIG found that Volunteer housing standards in Peace Corps/Mexico were comparably higher than at other posts OIG had assessed in recent years. Generally, the post complied with emergency contact, site location, and site contact information requirements. The post also developed and delivered sexual assault and sexual harassment information to Volunteer host families and counterparts, as required. However, OIG found the post did not sufficiently document Volunteer feedback on host families, which is used to ensure that inappropriate host families are not re-assigned.

OIG issued one recommendation to help ensure Volunteer feedback on host family experiences is documented in the Volunteer Information Database Application. The post addressed this concern, and OIG closed this recommendation upon issuance of the report in September 2026.

# Ongoing Work

During this reporting period, the Evaluation Unit issued a preliminary report for the evaluation of Peace Corps/Tonga. The final report will be issued in the next reporting period. The Unit also continues to work on the limited scope evaluation of a Peace Corps post in the Indo-Pacific and Caribbean Geographic Unit, which will be issued in the next reporting period. The Unit also conducted its fieldwork for an evaluation of Peace Corps/Vanuatu and initiated an evaluation of Peace Corps/Botswana. Additionally, the Unit continued its fieldwork for a status review of the agency's activities and progress towards its Volunteer recruitment goals; a report will be issued in the next reporting period.



# Investigation Unit




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# Investigations of Criminal or Administrative Misconduct

## Report of Employee Mismanagement and Vehicle Misuse at a Post in the Indo-Pacific and Caribbean Geographic Unit

OIG obtained allegations during a related investigation that a Programming and Training Assistant (PTA) failed to fulfill their duties and responsibilities and willfully misused a Government vehicle. OIG's investigative work substantiated the allegations and revealed the PTA repeatedly placed Volunteers in unsafe environments, exposing them to serious health risks and security incidents, including sexual assaults. Despite credible testimonial and documentary evidence, the PTA continued to deny responsibility for actions that degraded Volunteer safety. However, the PTA admitted to willful misuse of a Government-owned vehicle on several occasions, despite receiving repeated warnings from post colleagues regarding Peace Corps policy violations. OIG referred the matter to the agency for debarment and any other appropriate action. The PTA is no longer working with the Peace Corps.

## Report of Attempted Fraternization and Harassment at a Post in the Indo-Pacific and Caribbean Geographic Unit

OIG received a complaint alleging that a staff member in a critical position may have harassed and attempted to fraternize with a former Volunteer. While looking into the allegations, OIG coordinated with the Country Director, who temporarily placed the staff member on administrative leave. OIG's investigation did not substantiate the allegations and evidence revealed that the staff member attempted to act in the best interest of the Volunteer. OIG referred the matter to the agency, and the staff member was cleared and allowed to resume their duties after being provided a written reminder on the fraternization policy.

## Report of Contract Fraud at a Post in the Europe and Asia Geographic Unit

OIG was notified of an allegation that a General Services Assistant (GSA) received kickbacks and/or pressured vendors into submitting inflated invoices. During OIG's interview, the GSA was unable to explain why a more expensive option was selected for transportation services and also could not account for why quotes obtained by the GSA for equipment were more than 10 percent higher than what the purchase card holder was able to obtain from the same vendor. In addition, the GSA admitted to neglecting their duties during two separate official work trips in preparation for the post's Volunteer pre-service training. OIG uncovered concerning financial information pertaining to the GSA, which may have impacted the GSA's future suitability as agency staff. However, the GSA resigned after an OIG interview and no severance was paid (per local labor law). OIG closed the investigation without referral to the agency.

## Report of Illicit Drug Distribution, False Statements at a Post in the Europe and Asia Geographic Unit

OIG received a complaint alleging that a Peace Corps Volunteer had potentially distributed drugs to other Volunteers. During the investigation, OIG collected testimony and evidence substantiating the

allegation. As a result, the agency administratively separated four Volunteers from Peace Corps service because of their admitted drug use, with consideration given to false testimony, noncompliance with investigations, and misconduct in violation of local laws. OIG presented the matter to the U.S. Attorney's Office, which declined to pursue criminal prosecution.

## Report of Possible Compensation Fraud by a Returned Peace Corps Volunteer

OIG initiated an investigation regarding possible fraud of the Federal Employees' Compensation Act (FECA). OIG's investigative activity disclosed indications that a Returned Peace Corps Volunteer (RPCV) may be employed at a nonprofit organization while receiving compensation benefits and claiming to the Department of Labor of having no outside employment or receiving any income. An OIG investigation confirmed the RPCV was not an employee or contractor and found no evidence of FECA fraud. The matter was closed without referral to the Peace Corps.

## Report of Possible Undue Influence of a Federal Contract at Peace Corps/Washington

OIG received an allegation that certain Peace Corps/Washington senior officials may be attempting to unduly influence a Peace Corps contractor to retain a particular individual in a contracted position which was slated for modification or elimination. Further, there were concerns that the individual did not have the requisite skills to perform duties under the modified contract. OIG reviewed contract documents, email correspondence, and confirmed the status of contractors currently working on the Peace Corps contract. OIG found that no contractor persons or positions that were proposed for elimination were ultimately kept on the new agency contract. OIG did not substantiate any attempt to improperly keep or move any individuals to the new contract. OIG closed the matter without referral to the agency.

## Report of Staff Fraternization at a Post in the South and East Africa Geographic Unit

A former Peace Corps staff member reported to OIG that a current locally employed staff (LES) member may be romantically involved with a USDH employee at the post. The complainant also alleged being terminated after rejecting a supervisor's proposal for a promotion in exchange for sexual favors. OIG obtained no evidence to substantiate that a relationship took place between the USDH and the LES member. There was also no evidence to corroborate claims that the former staff member was due or identified for a promotion. Further, OIG's investigation disclosed no evidence to corroborate claims of requests for sexual favors, advances or propositions by the supervisor, or that the staff member was terminated for rejecting the supervisor's proposal for a promotion in exchange for sexual favors. OIG closed the investigation without referral to the agency.

## Report of Sexual Harassment at a Post in the Europe and Asia Geographic Unit

OIG received a complaint alleging that a Peace Corps Volunteer may have sexually harassed a Teacher's Assistant. OIG's investigation did not uncover any evidence to substantiate the allegation of inappropriate conduct by the Volunteer. OIG closed the investigation without referral to the agency.

## Report of Sexual Assault, Fraternization, Sexual Harassment, and Victim Shaming at a Post in the Indo-Pacific and Caribbean Geographic Unit

Multiple Volunteers alleged serious misconduct by a Program Manager (PM). OIG launched an investigation and obtained significant testimony from Volunteers and post staff, which substantiated findings against the PM of numerous serious allegations, including non-aggravated sexual assault, sexual harassment, inappropriate physical contact, fraternization, and failure to adequately report unsafe environments encountered by Volunteers. Additionally, the investigation found that the PM committed violations of the Kate Puzey Volunteer Act of 2011 and engaged in sex-based discrimination. In January 2026, prior to the completion of the investigation, the PM resigned from the Peace Corps. The Regional Security Officer subsequently revoked the PM's security certification based on violations of personal misconduct, excessive alcohol consumption, unauthorized outside activities, and sexual misconduct. OIG closed the investigation and referred the matter to the agency for debarment of the PM.

## Report of Sexual Assault of a Volunteer by a Locally Employed Staff Member at a Post in the Indo-Pacific and Caribbean Geographic Unit

OIG obtained testimonial information regarding the alleged sexual assaults of at least two Peace Corps Volunteers committed by a Safety and Security Manager (SSM). OIG launched an investigation

and dispatched criminal investigators to the post to examine the allegations. OIG investigators received additional misconduct allegations concerning the SSM. Specifically, investigators obtained significant testimony from Volunteers and staff which substantiated violations of agency sexual assault policies including rape, aggravated sexual assault, sexual harassment, inappropriate physical contact, and fraternization. Additionally, the investigation substantiated that the SSM willfully exposed Volunteers to hazardous conditions, consumed alcohol with Volunteers, and failed to adequately report unsafe conditions Volunteers experienced during service. Before the investigation was completed, the SSM resigned from their position with the Peace Corps. The Regional Security Office revoked the SSM's security certification based on OIG's findings. OIG presented the matter to the Department of Justice, which declined Federal prosecution. OIG closed the investigation and referred the SSM to the Peace Corps for debarment consideration.

# Investigations of Senior Government Employees

The Inspector General Empowerment Act requires OIG to summarize in the Semiannual Report to Congress each investigation involving a Senior Government Employee when allegations of misconduct were substantiated.

## UPDATE: Alleged Time and Attendance Fraud at Peace Corps Washington

A previously reported investigation and arrest of a Peace Corps employee in June 2025 (reported in the Semiannual Report to Congress, April through September 2025), yielded additional results. In May 2026, a Senior Government Employee, who had retired from Peace Corps service in December 2024, pled guilty to a Federal charge of 18 U.S.C. § 641, Theft of Government Property, and agreed to pay restitution. The Presiding Judge appeared to give significant consideration to the Peace Corps' Victim Impact Statement, which requested the defendant be sentenced to 1 year of imprisonment, 1 year of supervised release, and a $10,000 fine. During sentencing on September 28, 2026, the court handed down a punishment of 2 years of supervised probation, 3 months of home confinement on electronic monitoring, 250 hours of community service, and restitution to Peace Corps in the amount of $20,758. On September 30, 2026, OIG sent the agency a referral for the debarment of the former Peace Corps employee. This followed an earlier referral for consideration of suspension of the former employee, on which the agency had not acted. This case was the result of a joint investigation with OIGs from other impacted agencies, including: the U.S. Nuclear Regulatory Commission and Defense Nuclear Facilities Safety Board; and the U.S. Federal Housing Finance Agency.

# Tables







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# Table 1. List of Reports: Audits, Evaluations, and Other Reports

| Agency-Wide Audits and Reviews | Page |
|---|---|
| **Review of the Peace Corps' Compliance with the Payment Integrity Information Act for Fiscal Year 2025** *IG-26-04-SR* | 15 |

| Post Audits and Reviews | Page |
|---|---|
| **Improvements Needed in Property Management at Peace Corps/South Africa** *IG-26-02-SR* | 16 |

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|---|---|
| **Evaluation of Peace Corps/Guatemala** *IG-26-02-E* | 19 |
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| Other Reports and Reviews | Page |
|---|---|
| **Management Implication Report on Volunteer Health, Safety, and Community Integration Concerns** *IG-26-05-SR* | 10 |

# Table 2. Reports with Questioned Costs, Unsupported Costs, and Funds to Be Put to Better Use

| | Rec. No. | Questioned Costs [6] | Unsupported Costs [7] | Funds to Be Put to Better Use [8] | Recommendation Status at the End of the Reporting Period |
|---|---|---|---|---|---|
| **Reports for which final action had not been taken at the commencement of the reporting period. [9]** | | | | | |
| **IG-23-01-A: Audit of the Peace Corps' Management of Payroll Benefits for U.S. Direct Hires** | | | | | |
| | 3 | 4,383 | | | Open |
| | 12 | 13,011 | | | Open |
| | 13 | 3,880 | | | Open |
| | 22 | 135,612 | | | Open |
| | 27 | 48,501 | | | Open |
| | 28 | 153,738 | | | Open |
| | 30 | 112,690 | | | Open |
| **IG-24-01-A: Oversight and Monitoring of Peace Corps' Domestic Awarded Contracts Audit** | | | | | |
| | 9 | | | 530,472 | Open |
| **IG-25-01-A: Audit Report Uganda Post Operations** | | | | | |
| | 4 | 32,543 | | | Open |
| **Total** | **9** | **$504,358** | | **$530,472** | |
| **Reports Issued This Reporting Period** | | | | | |
| | | | n/a | | |
| **Total recommendations on which no final action was taken at the end of the reporting period** | | | | | |
| **Total** | **9** | **$504,358** | | **$530,472** | |

[6] Questioned Cost – A cost that is an alleged violation of Government or Peace Corps regulations. For example: prohibited purchases and expenditure of funds for purposes that do not relate to the Peace Corps mission.
[7] Unsupported Cost – A cost that is not supported by adequate documentation.
[8] Funds to Be Put to Better Use – Funds that could be used more efficiently if management took actions to implement and complete a recommendation.
[9] This table captures recommendations with related costs that were open as of April 1, 2026.

# Table 3. Recommendations on Which Corrective Action Has Not Been Completed

| Type of Report | Recommendations Open at the End of the Reporting Period | Recommendations Open for More than 180 Days |
|---|---|---|
| Audits and Evaluations | 48 | 47 |
| Special Reports | 7 | 5 |
| Other | 22 | n/a |

## Audits and Evaluations

Audit of the Peace Corps' Management of Payroll Benefits for U.S. Direct Hires
(IG-23-01-A)
18 of 30 recommendations open since November 29, 2022

| | |
|---|---|
| **Recommendation 3** | OIG recommended that Chief Human Capital Officer issue retroactive locality payments to the three underpaid individuals for approximately $4,383.<br>*Potential Cost Savings Identified: $4,383* |
| **Recommendation 4** | OIG recommended that Chief Human Capital Officer and Office of Chief Financial Officer establish a process to review and reconcile retroactive adjustments to ensure that the correct amounts are reflected in the payroll transactions. |
| **Recommendation 9** | OIG recommended that the Senior Policy Committee and Office of Chief Financial Officer update the waiver process to allow for increased transparency in the approval process timeline, require that waiver justifications have accurate waiver amounts, and document how the bill was ultimately resolved. |
| **Recommendation 10** | OIG recommended that Office of Chief Financial Officer develop a report to track payroll bills, collections, and waivers to properly account for improper payments for payroll transactions. |
| **Recommendation 12** | OIG recommended that the Chief Human Capital Officer ensure employees receive appropriate retroactive compensation for delayed within-grade increases totaling approximately $13,011.<br>*Potential Cost Savings Identified: $13,011* |

# Table 3. Recommendations on Which Corrective Action Has Not Been Completed

| | |
|---|---|
| **Recommendation 13** | OIG recommended that the Chief Human Capital Officer ensure that the employee is billed, or a Chief Financial Officer approved waiver is processed for the within grade salary overpayments totaling approximately $3,880.<br>*Potential Cost Savings Identified: $3,880* |
| **Recommendation 17** | OIG recommended that Office of Chief Financial Officer develop reports using data received from payroll files to assist with resolving discrepancies such as employee's names, social security numbers, pay period covered dates, and individual transaction amounts. |
| **Recommendation 18** | OIG recommended that Office of Chief Financial Officer ensure journal vouchers are timely processed to be included in the monthly reconciliation process. |
| **Recommendation 19** | OIG recommended that Office of Chief Financial Officer establish and implement a process to review, reconcile, and resolve discrepancies identified during the three-way reconciliation process between National Finance Center reports, Treasury, and the general ledger. |
| **Recommendation 20** | OIG recommended that Office of Chief Financial Officer document the monitoring process in a standard operating procedure that records the process and assigns accountability for reconciling, recording and correcting errors during the monthly reconciliation. |
| **Recommendation 21** | OIG recommended that Office of Chief Financial Officer and Chief Human Capital Officer develop and implement a process to track all unresolved errors, investigate, and record corrective actions. |
| **Recommendation 22** | OIG recommended that Chief Human Capital Officer and Office of Chief Financial Officer reconcile charges totaling approximately $135,612 with National Finance Center to determine if the two payments ($97,780 and $37,832) were allowable and request a correction if they are unallowable.<br>*Potential Cost Savings Identified: $135,612* |
| **Recommendation 23** | OIG recommended that the Office of Chief Financial Officer develop and implement a process to reconcile variances in employees' payroll to detect unusual transactions. |
| **Recommendation 26** | OIG recommended that the Chief Human Capital Officer ensure the incorrect retirement categories are changed and retroactively adjusted for 35 employees. |

# Table 3. Recommendations on Which Corrective Action Has Not Been Completed

| | |
|---|---|
| **Recommendation 27** | OIG recommended that the Chief Human Capital Officer ensure approximately $48,501 in salary overpayments for retirement are resolved by issuing Administrative Billing and Collection bills and/or requesting waiver approvals from the Chief Financial Officer.<br>*Potential Cost Savings Identified: $48,501* |
| **Recommendation 28** | OIG recommended that the Chief Human Capital Officer ensure employees that were overcharged approximately $153,738 in retirement deductions receive refunds.<br>*Potential Cost Savings Identified: $153,738* |
| **Recommendation 29** | OIG recommended that the Chief Human Capital Officer review the accuracy of the refunds already issued to employees and make necessary corrections. |
| **Recommendation 30** | OIG recommended that the Chief Human Capital Officer and Office of Chief Financial Officer ensure agency contribution rates were accurately adjusted to reflect retroactive corrections for approximately $79,473 in underpayments and $33,217 in overpayments.<br>*Potential Cost Savings Identified: $112,690* |

Audit of the Peace Corps' Volunteer Payments and Collections at the End of Service
(IG-23-02-A)
1 of 9 recommendations open since March 31, 2023

| | |
|---|---|
| **Recommendation 3** | OIG recommended that the Office of Chief Financial Officer develops an automated process to calculate evacuation allowance payments. [10] |

Evaluation of Human Resources Management for Overseas Contract Staff
(IG-23-08-E)
2 of 9 recommendations open since September 29, 2023

| | |
|---|---|
| **Recommendation 1** | OIG recommended that the agency assigns a key role in the organizational structure that has the overall responsibility to manage human resources for overseas PSCs. |
| **Recommendation 6** | OIG recommended that the agency establishes grievance policies and procedures for overseas PSCs that includes guidance about how grievances are raised and resolved. |

[10] The agency did not concur with this recommendation.

# Table 3. Recommendations on Which Corrective Action Has Not Been Completed

Audit Report: Oversight and Monitoring of Peace Corps' Domestic Awarded Contracts Audit
(IG-24-01-A)
9 of 9 recommendations open since September 23, 2024

| | |
|---|---|
| **Recommendation 1** | OIG recommended that the Director of Acquisition and Contract Management develops standard operating procedures for issuing contract modifications. |
| **Recommendation 2** | OIG recommended that the Director of Acquisition and Contract Management provides training on the updated contracting procedures. |
| **Recommendation 3** | OIG recommended that the Director of Acquisition and Contract Management develops a COR handbook that aligns with COR designation memo and includes policies, standard operating procedures, and best practices to assist the COR with contract oversight. |
| **Recommendation 4** | OIG recommended that the Director of Acquisition and Contract Management defines and communicates the roles, responsibilities, and standard operating procedures for the TPOC to ensure efficiency in executing the contract activities. |
| **Recommendation 5** | OIG recommended that the Director of Acquisition and Contract Management develops a centralized system for maintaining contract files to ensure that CORs are compliant with FAR and record retention requirements. |
| **Recommendation 6** | OIG recommended that the Director of Acquisition and Contract Management ensures that COs review COR files annually and develop a checklist for the review. |
| **Recommendation 7** | OIG recommended that the Director of Acquisition and Contract Management ensure that contract management personnel have access to CPARS and develop and implement standard operating procedures for performance assessments to be submitted into CPARS at the time the work under the contract or order is completed. |
| **Recommendation 8** | OIG recommended the Director of Acquisition and Contract Management ensure contracts are closed-out within the specified FAR time frames and back logged contracts are properly closed. |
| **Recommendation 9** | OIG recommended that the Director of Acquisition and Contract Management works with the CORs to establish processes and standard operating procedures that ensure de-obligations are completed when the period of performance ends and the final invoice is paid. |

# Table 3. Recommendations on Which Corrective Action Has Not Been Completed

Audit Report: Uganda Post Operations
(IG-25-01-A)
3 of 20 recommendations open since December 20, 2024

| | |
|---|---|
| **Recommendation 4** | The Peace Corps conducts an internal review of the questioned costs and works with the Government Accountability Office to determine if the questioned costs result in Anti-deficiency Act violations. [11] *Potential Cost Savings Identified: $32,543* |
| **Recommendation 7** | The Office of the Chief Financial Officer and Office of Management develop additional guidance to ensure the property meeting the capitalization threshold is accounted for and capitalized, including those purchased from multiple vendors, are reviewed, and recorded accurately in the fixed asset records. |
| **Recommendation 8** | The Director of Management and Operations ensures property disposal requests are approved prior to changing the property system records and disposing the assets. |

Evaluation of Peace Corps/Madagascar
(IG-25-02-E)
3 of 9 recommendations open since September 12, 2025

| | |
|---|---|
| **Recommendation 1** | The Country Director establishes memoranda of understanding, or informal cooperative agreements with clear expectations, with the Madagascar ministries of health, education, and agriculture. |
| **Recommendation 2** | The Office of Volunteer Recruitment and Selection, the Office of Communications, and the post work together to develop and implement strategies that address applicant concerns specific to Madagascar to increase application and retention rates. |
| **Recommendation 9** | The Country Director develops post-specific procedures for receiving and responding to Safety and Security incidents, to include roles and responsibilities, and then trains staff in those procedures. |

[11] The agency did not concur with this recommendation.

# Table 3. Recommendations on Which Corrective Action Has Not Been Completed

Evaluation of the Peace Corps' Volunteer Delivery System
(IG-25-03-E)
5 of 7 recommendations open since September 30, 2025

| | |
|---|---|
| **Recommendation 2** | The Peace Corps Director, in collaboration with the Associate Director of the Office of Volunteer Recruitment and Selection, develops and implements a plan to generate the predetermined number of qualified Volunteers. |
| **Recommendation 3** | The Director and the CIO develops a prioritized plan to upgrade information management systems used to support the Volunteer Delivery System. |
| **Recommendation 4** | The agency develops a plan that determines appropriate staffing levels and addresses retention, resource allocation, tools and training for offices that provide critical support to the Volunteer Delivery System. |
| **Recommendation 6** | The Office Volunteer Recruitment and Selection and the Office of Human Resources assess the appropriateness of existing monetary and non-monetary incentives and benefits for recruiters, taking into account industry standards, performances, and the impact of recruiter turnover. [12] |
| **Recommendation 7** | The Director improve governance of the VDS steering committee, or establishes other mechanisms, to oversee VDS operations. |

Evaluation of the Peace Corps/North Macedonia
(IG-26-01-E)
6 of 10 recommendations open since September 30, 2025

| | |
|---|---|
| **Recommendation 3** | The Office of Management assesses the effectiveness and long-term viability of the three actions Post Logistics and Support Division has taken to address procurement inefficiencies and use the results to improve or implement alternative actions, if necessary. |
| **Recommendation 4** | The Post Logistics and Support Division ensures that the refund action for receipt of short-dated medications is clearly documented. |
| **Recommendation 5** | The Peace Corps Director establishes a procedural framework and implementation process for posts managing health unit operations in other posts or countries that includes: 1) risk assessment and corresponding mitigation strategies for high-risk areas; 2) substantial oversight; and 3) periodic reassessments, in consultation with the Office of Health Services. |

[12] The agency did not concur with this recommendation.

# Table 3: Recommendations on Which Corrective Action Has Not Been Completed

| | |
|---|---|
| **Recommendation 6** | The Office of Health Services and the Office of Global Operations collect and analyze medical resource accommodation data across Peace Corps, and report biannually to the Deputy Director, to help inform health unit capacity and determine where health units may require additional support. |
| **Recommendation 7** | The Office of Health Services, in collaboration with the Country Director and Peace Corps Medical Officers, assesses the workload impact of medical resource accommodations and how many can be reasonably supported in Peace Corps/North Macedonia with existing resources. |
| **Recommendation 10** | The Country Director re-engages health unit staff through regular check-ins, a visible leadership presence, and creates structured opportunities for staff feedback and collaboration. |

Evaluation of the Peace Corps/Guatemala
(IG-26-02-E)
1 of 2 recommendations open since August 6, 2026

| | |
|---|---|
| **Recommendation 1** | The Country Director works with the SIA to develop and implement a plan that improves Volunteers' trust and confidence in the post's safety and security policies and operations. |

## Special Reports

Management Advisory Report: Volunteer Drug Use
(IG-18-01-SR)
2 of 6 recommendations open since August 7, 2018

| | |
|---|---|
| **Recommendation 1** | OIG recommended that the Director of the Peace Corps provide country directors with additional support to resolve allegations of drug involvement under manual section 204, 3.5.1 and specifically consider the efficacy of reasonable suspicion drug testing as a means of doing so. |
| **Recommendation 2** | OIG recommended that the Office of General Counsel review the evidentiary standard required to administratively separate a Volunteer suspected of involvement with drugs to determine whether the standard, and its application, is consistent with promoting the integrity of the program and continues to serve the policy interest of the Peace Corps. |

# Table 3. Recommendations on Which Corrective Action Has Not Been Completed

Special Report on the Peace Corps' Information Technology Environment
(IG-25-05-SR)
3 of 7 recommendations open since September 26, 2025

| | |
|---|---|
| **Recommendation 3** | The Chief Information Officer ensures that the actions shared with the agency in the detailed technical report are taken to properly configure and fully utilize anti-phishing protections. |
| **Recommendation 4** | The Chief Information Officer and the Associate Director for Management, review and develop a strategy to provide agency-wide training on the phishing reporting process and specific individual training related to those who failed the phishing campaign. |
| **Recommendation 5** | The Chief Information Officer implements continuous improvement and emphasizes a "Zero Click" mindset throughout the organization to reduce the threat from phishing campaigns. |

Management Advisory Report: Improvements Needed in Property Management at Peace Corps/South Africa
(IG-26-02-SR)
2 of 2 recommendations open since September 8, 2026

| | |
|---|---|
| **Recommendation 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. |
| **Recommendation 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. |

.

# Table 3. Recommendations on Which Corrective Action Has Not Been Completed

## Other Reports

Financial Statement Audit Recommendations

| Summary of Internal Control Issues Over the Peace Corps' Financial Reporting | | | |
|---|---|---|---|
| Issue | Year First Identified | Agency Concurrence with Issue | Open Recommendations |
| Inadequate Internal Controls over Property, Plant, and Equipment | 2019 | CONCUR | 6 |
| Lack of Effective Information Technology Security | 2018 | CONCUR | 1 |
| The Peace Corps Needs to Strengthen Its Processes for Implementing the Requirements for Reporting on Leases | 2024 | CONCUR | 5 |
| Access Control Process | 2024 | CONCUR | 2 |
| | Total Open Recommendations | | 14 |

Review of the Peace Corps' Information Security Program (FY 2025)

5 recommendations open since December 2025; 2 recommendations open since October 2024; and 1 recommendation open since September 2023.

| | |
|---|---|
| **Recommendation 1** | OIG recommends that the Peace Corps develops and implements formal policies and procedures for establishing and maintaining its target cybersecurity profile(s). |
| **Recommendation 2** | OIG recommends that the Peace Corps implements formal processes to ensure externally sourced products, systems, components, and services comply with its cybersecurity and supply chain risk management requirements, including integration into procurement and vendor management activities. |
| **Recommendation 3** | OIG recommends that the Peace Corps develops and implements formal policies and procedures for maintaining a comprehensive inventory of data and corresponding metadata. |

# Table 3. Recommendations on Which Corrective Action Has Not Been Completed

| | |
|---|---|
| **Recommendation 4** | OIG recommends that the Peace Corps allocates the necessary resources to ensure that baseline configurations and associated deviations are reviewed and updated at least annually. |
| **Recommendation 5** | OIG recommends that the Peace Corps prioritize the procurement and implementation of a Data Loss Prevention solution to enhance its ability to detect and prevent unauthorized data exfiltration. |
| **Prior Recommendation 2024-2** | OIG recommends that the Peace Corps develops component authenticity policies and procedures. |
| **Prior Recommendation 2024-5** | OIG recommends that the Peace Corps conducts agency-level Business Impact Assessments and integrates the results into information security strategies and other plan development efforts. |
| **Prior Recommendation 2023-7** | OIG recommends that the Peace Corps completes and fully implements an identity credential and access management program. |

# TABLE 4: Summary of Hotline and Other Complaints

## Complaints Received

| Complaints | Total |
|---|---|
| Complaints Received via Hotline | 108 |
| Complaints Received via Other Sources [13] | 36 |
| Total Complaints (All Sources) | 144 |

## Overview of Complaint Activity [14]

| Complaints | Total |
|---|---|
| Resulted in Investigations | 1 |
| Resulted in Preliminary Inquiries | 9 |
| Resulted in Audits or Evaluations | 2 |
| Referred to Agency Management | 100 |
| Referred to Other Agency | 1 |
| No Action Needed | 21 |

[13] These complaints are largely a result of outreach by OIG staff and were received by email, phone calls, and conversations.

[14] The following actions summarize the disposition of complaints received by OIG. In some instances, one complaint can result in multiple actions. In other cases, multiple complaints may be received about the same issue, resulting in one referral or result. The results reflect complaint activities that occurred during this reporting period; in some instances, the complaint may have been received during a prior reporting period.

# Table 5. Summary of Investigative Activities and Outcomes

| Investigative Activities | Preliminary Inquiries | Cases |
|---|---|---|
| Open at the beginning of the reporting period | 11 | 13 |
| Opened during the reporting period | 9 | 3 |
| Closed during the reporting period | 6 | 8 |
| Total open at the end of the reporting period | 14 | 8 |

| Referrals | Total |
|---|---|
| Persons referred for criminal prosecution (Department of Justice) | 2 |
| Persons referred for criminal prosecution (state and local authorities) [15] | - |
| Cases referred to agency management for administrative action | 2 |
| Cases referred to agency management for other information/action | - |
| Referrals to other agencies | 1 |

| Reports | Total |
|---|---|
| Investigative Reports Issued | 5 |

[15] Includes foreign courts.

# Table 5. Summary of Investigative Activities and Outcomes

| Court Actions | Total |
|---|---|
| Criminal information and indictments | - |
| Ongoing prosecution [16] | - |
| Convictions/Judgments | 1 |

| Administrative Actions | Total |
|---|---|
| Employee [17] resignations and terminations | 8 |
| Other employee actions [18] | 4 |
| Suspension/debarment referrals [19] | 7 |

| Monetary Results | Total |
|---|---|
| Fines/recoveries/restitution [20] | $20,759 |
| Cost avoidance [21] | $94,347 |
| Program integrity impact [22] | $155,197 |

[16] Includes overseas criminal proceedings.
[17] Volunteers/trainees are included as Peace Corps staff for the purpose of reporting investigative activity.
[18] Includes administrative actions that are less than resignation or termination, for example: suspensions, letters of reprimand, counseling, and retraining.
[19] Suspension and debarment is an administrative tool used to protect the Government against fraud, waste, and abuse by individuals or entities that are not presently responsible. Suspended or debarred individuals or entities are listed in the System for Award Management database through the General Service Administration and generally may not enter into contracts or grants with the federal government for a period of three years.
[20] Includes judicial or administrative orders for fines, recoveries and restitution in addition to settlements.
[21] Represents future expenditures that the Peace Corps will no longer have to pay as a result of OIG investigative activity.
[22] Similar to funds put to better use, this amount represents budgeted or obligated funds that due to OIG investigative activity can be redirected, de-obligated, or otherwise used more effectively or efficiently.

# Table 6. References to Reporting Requirements of the Inspector General Act, as Amended

| 5 U.S.C. Section Reference | Reporting Requirements | Section | Page |
|---|---|---|---|
| § 404(a)(2) | Review of legislation and regulations | Advice and Assistance | 8 |
| § 405(a)(1)* | Significant problems, abuses, and deficiencies and associated reports and recommendations for corrective action made by the Office | Audit and Evaluation | 14, 18 |
| § 405(a)(2) | Recommendations made before the reporting period for which corrective action has not been completed, including potential costs savings associated with the recommendation | Table 3 | 33 |
| § 405(a)(3) | Summary of significant investigations closed during the reporting period | Investigation and Table 5 | 22, 42 |
| § 405(a)(4) | Total number of convictions during the reporting period resulting from investigations | Investigation and Table 5 | 22, 42 |
| § 405(a)(5) | List of audit, inspection, and evaluation reports, including the total dollar value of questioned costs, unsupported costs, and funds to be put to better use, and if a management decision had been made by the end of the reporting period | Audit, Evaluation, and Table 2 | 14, 18, 30 |
| § 405(a)(6) | Information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period | Table 2 | 30 |
| § 405(a)(7) | Information under the Federal Financial Management Improvement Act of 1996 | N/A | - |
| § 405(a)(8) – (10) | The results of the last peer reviews conducted | Appendix A: Reporting of Peer Reviews | 47 |
| § 405(a)(11)-12 | Statistical table - investigative reports issued; persons referred for criminal prosecution; indictments and criminal information (including a description of the metrics used) | Table 5 | 42 |

* All references to 5 U.S.C. § 405 include the noted "Amendments Not Shown in Text."

# Table 6. References to Reporting Requirements of the Inspector General Act, as Amended

| | | | |
|---|---|---|---|
| § 405(a)(13) | Investigations involving a senior Government employee where allegations of misconduct were substantiated | Investigation | 27 |
| § 405(a)(14) | Instances of whistleblower retaliation | N/A | - |
| § 405(a)(15) | Interference with Independence | N/A | - |
| § 405(a)(16) | Detailed descriptions of the particular circumstances of each: | | |
| | (A) inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public | Advice and Assistance | 10 |
| | (B) investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public | N/A | - |

* All references to 5 U.S.C. § 405 include the noted "Amendments Not Shown in Text."

# Appendices




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# Appendix A: Reporting of Peer Reviews

## Audit Unit

In June 2026, the National Endowment for the Arts OIG completed an external peer review of Peace Corps OIG's Audit Unit and issued a System Review Report for a 3-year period ending September 30, 2025. The Audit Unit received a rating of "pass," the highest rating available. The peer review found that the Audit Unit's system of quality control was suitably designed and in compliance to provide Peace Corps OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards and applicable legal and regulatory requirements in all material respects. The National Endowment for the Arts OIG did not provide any recommendations in the System Review Report.

The Peace Corps OIG's Audit Unit completed a peer review of the Architect of the Capitol (AOC) Office of Inspector General Audit organization in December 2024, for the period from April 2021 through March 2024. The AOC OIG received a rating of "pass," for the review of its audit unit. The peer review found that the AOC OIG's system of quality control for its audit organization, in effect for the year ended March 31, 2024, had been suitably designed and followed to provide AOC OIG with reasonable assurance of performing and reporting in accordance with applicable professional standards and applicable legal and regulatory requirements in all material respects.

## Evaluation Unit

In August 2026, the Office of Personnel Management (OPM) OIG completed an external peer review of the Peace Corps OIG Evaluation Unit's system of quality control that was in effect for the year that ended March 31, 2026. OPM OIG reviewed a sample of evaluation reports and administrative files to test for conformity with the Blue Book standards, using CIGIE's Guide for Conducting External Peer Reviews of Inspection and Evaluation Organizations. OPM OIG determined that Peace Corps OIG's quality control system and its corresponding policies and procedures were appropriate and sufficient. Peace Corps OIG received a rating of "pass" with no recommendations.

The Peace Corps OIG's Evaluation Unit completed a peer review of the Farm Credit Administration (FCA) OIG in July 2025, for the period April 1, 2022, to March 31, 2025. The FCA OIG received a rating of "pass." The peer review found that the FCA OIG's system of quality control for its inspection and evaluation function, in effect for the year ended March 31, 2025, had been suitably designed and followed to provide FCA OIG with reasonable assurance of performing and reporting in conformity with Blue Book standards.

## Investigation Unit

In January 2025, the Peace Corps OIG Investigation Unit underwent a quality assessment review performed by the U.S. Railroad Retirement Board OIG. The review focused on the Peace Corps OIG's internal safeguards and management procedures for its investigative operations. The review team found all the examined areas to be compliant with CIGIE's quality standards for investigations and quality assessment review guidelines, as well as the Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority.

# Appendix A: Reporting of Peer Reviews

In April 2024, Peace Corps OIG agents conducted an investigative peer review of internal safeguards and management procedures for the investigative operations of the Office of the Inspector General for the U.S. Nuclear Regulatory Commission and Defense Nuclear Facilities Safety Board (NRC and DNFSB OIG) in effect for the period beginning July 31, 2019, and ending on March 31, 2024. The peer review was conducted by OIG's investigative staff under the direction of the Assistant Inspector General for Investigations, with the support of the Federal Deposit Insurance Corporation OIG's Special Agent in Charge of the Electronic Crimes Unit. Peace Corps OIG provided the results to the NRC and DNFSB OIG in June 2024. The review found that the NRC and DNFSB OIG was compliant with CIGIE's quality standards for investigations and quality assessment review guidelines, as well as the Attorney General Guidelines for OIGs with Statutory Law Enforcement Authority.

# Appendix B: Contract Audit Reports

Pursuant to Section 845(a) of the National Defense Authorization Act for Fiscal Year 2008 (Public Law No. 110-181), OIG reports on final contract audit reports with significant audit findings. During this reporting period, OIG did not issue any audit reports meeting the "significant audit findings" criteria established in Public Law No. 110-181.

# Appendix C: Human Trafficking Reporting

Pursuant to Section 122 of Subtitle B, Trafficking Victims Prevention and Protection Reauthorization Act (Public Law No. 117-348), OIG reports on the number of suspected violations reported, the number of investigations, the status and outcomes of such investigations, and recommended actions to improve the programs and operations of the agency relating to trafficking-in-persons. During this reporting period, OIG reports no relevant information meeting the criteria established under the law.

# 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 programs or personnel should call or write the Office of Inspector General. Reports or complaints can also be made anonymously.

# Contact OIG

## Reporting Hotline:

| | |
|---|---|
| U.S./International: | 202.692.2915 |
| Toll-Free (U.S. only): | 800.233.5874 |
| Email: | OIG@peacecorpsoig.gov |
| Online Reporting Tool: | peacecorps.gov/oig/contactoig |
| Mail: | Peace Corps Office of Inspector General<br>1275 First Street NE<br>Washington, DC 20526 |

## For General Information:

| | |
|---|---|
| Main Office: | 202.692.2900 |
| Website: | peacecorpsoig.gov |
| : | x.com/pcoig |