

U.S. Equal Employment Opportunity Commission



Office of Inspector General

Semiannual Report to the U.S. Congress

October 1, 2016 - March 31, 2017

Milton A. Mayo Jr.

Inspector General

OIG VISION

Effective, efficient and accountable oversight of Agency programs, operations, and personnel.



OIG MISSION

To detect and prevent waste, fraud, and abuse and promote economy, efficiency, and effectiveness in the programs and operations of the Equal Employment Opportunity Commission.

EEOC OFFICE OF INSPECTOR GENERAL SEMIANNUAL REPORT

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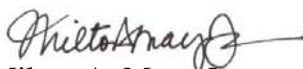
Message from the Inspector General

In accordance with the Inspector General Act of 1978, as amended, I am pleased to submit this Semiannual Report to Congress summarizing activities of the U.S. Equal Employment Opportunity Commission's (EEOC), Office of Inspector General (OIG), for the 6-month period that ended March 31, 2017. The OIG is a multidisciplinary organization that provides independent, objective oversight for the EEOC programs, operations, and personnel. Section 5 of the Inspector General Act of 1978, as amended, requires the Agency Head to transmit this semiannual report to the appropriate committees or subcommittees, of the U.S. Congress within 30 days of its receipt. Also, as requested, we are providing a copy of our semiannual report to Chairmen Grassley and Johnson.

On December 16, 2016, President Obama signed into law H.R. 6450, the Inspector General Empowerment Act of 2016, (IG Empowerment Act). The IG Empowerment Act strengthens federal Inspectors' General ability to have timely and complete access to Agency data, information, and materials needed to identify and address Agency fraud, waste, and abuse related to agency programs and operations. The passage of this law enhances our ability to fully carry out our mandate to independently and objectively conduct and supervise audits, evaluations, inspections, and investigations; prevent and detect fraud, waste, and abuse; and promote economy, effectiveness, and efficiency in programs and operations.

During the reporting period, President Donald J. Trump appointed Commissioner Victoria A. Lipnic to serve as Acting Chair of the Agency, taking the place of Chair Jenny R. Yang. We would like to thank Chair Yang for her dedicated service and leadership during her tenure as Chair. We look forward to working with Acting Chair Lipnic, Agency senior leadership, the Commissioners, and the EEOC community at-large as we continue to perform our mission of detecting and preventing waste, fraud, and abuse and promoting economy, efficiency, and effectiveness in the programs and operations of the Equal Employment Opportunity Commission.

Respectfully submitted,


Milton A. Mayo Jr.
Inspector General

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Executive Summary

This semiannual report is issued by the Equal Employment Opportunity Commission's (EEOC's), Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended. It summarizes our activities and accomplishments for the period October 1, 2016 through March 31, 2017.

During this period, our office issued three final audit/evaluation reports, and two reviews. Our office received 360 hotline inquiries: of which 129 were charge processing; 124 were complaints related to Title VII of the Civil Rights Act of 1964, as amended; and 107 were other investigative allegations.

Our completed, newly initiated, ongoing, and preliminary survey projects include the following:

Completed

- Harper, Rains, Knight & Company, P.A. (HRK), audited the financial statements of the EEOC for FY 2016 and issued an unmodified opinion;
- HRK issued the Management Letter Report for FY 2016 Financial Statement Audit. The Management Letter Report, prepared by HRK, provides additional information regarding a significant deficiency contained in the Financial Statement Audit;
- Brown & Company CPAs and Management Consultants, PLLC (Brown & Company) conducted an independent evaluation of EEOC's information security program for FY 2016. Based on this evaluation, the EEOC continued to make positive strides in addressing information security weaknesses. However, the Agency still faces challenges to fully implement information security requirements as stipulated in various federal guidelines and mandates;
- Our annual report to the Chair validated the Agency's compliance with the Federal Managers' Financial Integrity Act (FMFIA). We concluded that the Agency's management control evaluation was conducted in accordance with FMFIA and applicable OMB regulations; and
- Our Digital Accountability and Transparency Act (DATA Act) Readiness Review concluded that the EEOC was on schedule to comply with DATA Act reporting requirements.

Ongoing, Newly Initiated and Proposed Projects

- We have contracted with the public accounting firm of Harper, Rains, Knight & Co. (HRK), P.A., to perform the FY 2017, EEOC Financial Statement Audit. Work is currently ongoing.
- We are conducting our periodic risk assessment of the EEOC purchase card program, including convenience checks and travel cards, to determine the frequency and scope of future audits.
- Evaluation of EEOC's Use of Data Analytics.
- Evaluation of EEOC's Interagency Agreements.
- FY 2017 Independent Evaluation of EEOC's Compliance with the Federal Information Security Modernization Act of 2014.
- Our office has ongoing investigations in several field offices involving such matters as: ethics violations, conflicts of interest, misuse of position, mismanagement, false statements, and falsification of government records.

Introduction

The Equal Employment Opportunity Commission

The Equal Employment Opportunity Commission (EEOC) is the Federal agency responsible for enforcement of Title VII of the Civil Rights Act of 1964, as amended, the Equal Pay Act of 1963, the Age Discrimination in Employment Act of 1967, Sections 501 and 505 of the Rehabilitation Act of 1973 (in the Federal sector only), Title I of the Americans with Disabilities Act of 1990 and the Americans with Disabilities Act Amendments Act of 2008, Sections 102 and 103 of the Civil Rights Act of 1991, the Lilly Ledbetter Fair Pay Act of 2009, and the Genetic Information Nondiscrimination Act of 2008. These statutes prohibit employment discrimination based on race, sex, color, religion, national origin, age, disability, and genetic information.

EEOC is also responsible for carrying out Executive Order 12067, which promotes coordination and minimizes conflict and duplication among Federal agencies that administer statutes or regulations involving employment discrimination.

EEOC is a bipartisan commission composed of five presidentially-appointed members, which include a Chair, a Vice Chair, and three Commissioners. The Chair is responsible for the administration and implementation of policy and for the Commission's financial management and organizational development. The Vice Chair and the Commissioners equally participate in developing and approving EEOC policies, issuing charges of discrimination where appropriate, and authorizing the filing of lawsuits. In addition, the President appoints a General Counsel who is responsible for conducting litigation under the laws enforced by the Commission.

Currently, the Agency has an Acting Chair and three presidentially-appointed Commissioners. The General Counsel position is vacant.

The Office of Inspector General

The U.S. Congress established the Office of Inspector General at EEOC through the 1988 amendments to the Inspector General Act of 1978. These amendments expanded the authority of designated Federal entities to create independent and objective OIGs. Under the direction of the Inspector General (IG), the OIG meets this statutory responsibility by conducting and supervising audits, evaluations, and investigations relating to Agency programs and operations. The OIG provides leadership, coordination and recommendations concerning policies for activities designed to promote economy, efficiency, and effectiveness in administering programs and operations.

The Inspector General Reform Act of 2008 (Public Law No.110-409) strengthened the independence of IGs, increased their resources and held them more accountable for their performance. The OIG is under the supervision of the IG, an independent EEOC official subject to general supervision by the Chair. The IG must not be prevented or prohibited by the Chair or any other EEOC official from initiating, carrying out, and/or completing any audit, investigation, evaluation, or other inquiry or from issuing any report.

The Inspector General Empowerment Act of 2016 (Public Law No. 114-317) further strengthened the independence of the IG. The Empowerment Act enhances the IG's ability to fight waste, fraud, abuse, and misconduct, protects whistleblowers who share information with an IG, increases government

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transparency, and bolsters the public's confidence in the independence of IGs. The Empowerment Act also ensures the IG has "timely access to all records, reports, audits, reviews, documents, papers, recommendations, or other materials" that are related to the oversight of their respective agency's programs and operations.

The IG provides overall direction, coordination, and leadership to the OIG. The IG is the principal advisor to the Chair regarding all audit, evaluation, and investigative matters relating to the prevention, identification, and elimination of fraud, waste, and abuse in any EEOC program or operation. The IG strives to ensure effectiveness and efficiency of Agency programs and operations and recommends the proper boundaries of audit and investigative jurisdiction between the OIG and other EEOC organizations. The IG also develops a separate and independent annual budget for the OIG, responds directly to inquiries from the public, Congress, or the news media, and prepares press releases, statements, and other information about the OIG's activities.

The Deputy Inspector General serves as the IG's alter ego and participates fully in policy development and has primary responsibility for the management of the OIG's audit, evaluation, investigation, and support operations. Since January 2010, the Counsel to the IG has served and continues to serve as the Acting Deputy Inspector General.

The Counsel to the Inspector General is the sole legal advisor in the OIG, providing day-to-day oversight of the OIG's investigative work, and is the primary liaison with Agency legal components and the Department of Justice.

In addition to these positions, the OIG staff includes a chief technology officer, an evaluator, two auditors, two criminal investigators, and an administrative specialist.

As mentioned in the previous Semiannual Report, the Deputy Inspector General and Confidential Support Assistant positions remain vacant. The OIG anticipates that the position of Senior Auditor will become vacant during the third quarter of this fiscal year.



The Audit and Evaluation Program

The Audit and Evaluation Program supports the OIG's strategic goal of improving the economy, efficiency, and effectiveness of EEOC programs, operations, and activities.

Completed Audits, Evaluations, and Reviews

Audit of the EEOC's Fiscal Year 2016 Financial Statements (OIG Report No. 2016-01-AOIG)

On November 15, 2016, our office issued its Fiscal Year (FY) 2016 Financial Statements Audit of the EEOC. The independent public accounting firm of Harper, Rains, Knight & Company, P.A. (HRK), audited the financial statements of the EEOC for FY 2016 and issued an unmodified opinion. HRK reported that the EEOC's FY 2016 financial statements and notes were fairly presented in all material aspects and in accordance with generally accepted accounting principles. As reported previously, the lack of sufficient controls regarding supporting documentation for payroll expenses continues to be an Agency significant deficiency. HRK noted no instances of noncompliance or other matters that were required to be reported under Government Auditing Standards or the Office of Management and Budget (OMB) Bulletin 15-02, Audit Requirements for Federal Financial Statements.

Management Letter Report for FY 2016 Financial Statements Audit (OIG Report No. 2016-02-AOIG)

On January 17, 2017, our office issued the Management Letter Report for the FY 2016 Financial Statements Audit. The Management Letter Report prepared by HRK provided additional information about the significant deficiency contained in the Financial Statements Audit Report. This report also identified other control weaknesses. The Management Letter Report identified internal control deficiencies in the following areas:

Appendix A-I Identified Deficiencies:

- Standard Operating Procedures
- Noncompliance with Requirements of Federal Managers' Financial Integrity Act (FMFIA)
- Internal Control over Central Accounting and Reporting System (CARS)
- Management Review and Approval
- Internal Control over Financial Reporting

Appendix A-II Significant Deficiency:

- Lack of Sufficient Controls Over Supporting Documentation for Payroll Expenses

Agency senior management concurred with all findings and recommendations.

Independent Evaluation of the U.S. Equal Employment Opportunity Commission's Compliance with Provisions of the Federal Information Security Modernization Act of 2014 (FISMA) (OIG Report No. 2016-08-EOIG)

On January 7, 2017, our office issued its Independent Evaluation of EEOC's Compliance with Provisions of the Federal Information Security Modernization Act of 2014 (FISMA). For FY 2016, we contracted with Brown & Company CPAs and Management Consultants, PLLC (Brown & Company) to conduct the independent evaluation. Based on the results of its independent evaluation, Brown & Company concluded that the EEOC continued to make progress in addressing information security weaknesses. However, the agency still faces challenges to fully implement information security requirements as stipulated in various federal guidelines and mandates.

Agency senior management concurred with all reported findings and recommendations.

Agency Compliance with the Federal Managers' Financial Integrity Act (OIG Report No. 2016-08-AOIG)

On November 14, 2016, our office issued its annual report to the Chair, validating the Agency's compliance with the Federal Managers' Financial Integrity Act (FMFIA). The Office of Management and Budget Circular A-123, Management's Responsibility for Internal Control, as implemented by EEOC Order 195.001, Management Accountability and Controls, requires the OIG to annually provide a written advisory to the head of the Agency that the Agency's management control evaluation process complied with the Office of Management and Budget (OMB) guidelines.

We concluded that the Agency's management control evaluation was conducted in accordance with FMFIA and applicable OMB regulations.

DATA Act Readiness Review (OIG Report No. 2017-03-AOIG)

On March 30, 2017, our office issued its Digital Accountability and Transparency Act (DATA Act) Readiness Review. The objective of the review was to gain an understanding of the processes, systems, and controls which the EEOC implemented or planned to implement to report Agency expenditures in accordance with the DATA Act reporting requirements. Based on the review, our office made three suggestions to EEOC to better implement the DATA Act. The suggestions were:

- The EEOC's Senior Accountable Officer (SAO) should establish a workgroup in accordance with the DATA Act Playbook to provide oversight of the DATA Act implementation;
- The SAO should fully document the specific roles between the EEOC and its shared service provider, the Interior Business Center (IBC). Also, EEOC should continue to work closely with IBC to stay current of progress and any challenges that may arise; and
- That the EEOC should prepare an Implementation Plan in accordance with the DATA Act Playbook.

New and Ongoing Audit and Evaluation Projects

FY 2017 Audit of the Consolidated EEOC Financial Statements

Our office recently exercised the second option year of its contract with the public accounting firm HRK to perform the 2017 Financial Statements Audit of the EEOC. Fieldwork is ongoing and the audit opinion will be included in the Agency's 2017 Performance Accountability Report (PAR). Upon issuance of the Financial Statements Audit report, HRK will issue a Management Letter identifying other internal control deficiencies.

Improper Payments Reporting for FY 2016

Our office requested information from EEOC management to assist in identifying and reporting erroneous or improper payments for FY 2016. The Improper Payment Information Act (IPIA) of 2002, as amended by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) and the Improper Payments Elimination and Recovery Act of 2010 (IPERA), requires agencies to estimate and report on improper payments, and agency actions to reduce them, to the President and Congress.

Risk Assessment of EEOC Purchase Card Program

In accordance with the Government Charge Card Abuse Prevention Act of 2012 (Public Law No. 112-194), we are conducting our periodic risk assessment of the EEOC purchase card program, including convenience checks and travel cards, to determine the frequency and scope of future audits.

FY 2017 Independent Evaluation of the Agency's Adherence to the Federal Information Security Modernization Act of 2014

The public accounting firm of Brown and Company, CPAs PLLC., will perform the FY 2017 Independent Evaluation of the Agency's adherence to the Federal Information Security Modernization Act (FISMA) of 2014.

Proposed Projects

We conducted planning during the reporting period for two projects.

Evaluation of EEOC's Use of Data Analytics

The overall objective is to assess EEOC's data analytic strategies and capabilities. Planned work includes:

- Assess the strengths and weaknesses of EEOC's data analytics culture, strategy and tactics, and capabilities (people, processes, technologies, and financial resources)
- Assess EEOC's strategies for ensuring the validity and accuracy of EEOC's most critical databases (field and headquarters)
- Assess key documents that relate to EEOC's analytical capabilities

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- Assess EEOC's strategies and capabilities regarding predictive analysis using available EEOC datasets
- Identify improvements, opportunities, and best practices, regarding EEOC's data analytics activities and predictive analysis

Work on this project is scheduled to begin in August 2017.

Evaluation of EEOC's Interagency Agreements

We plan to assess the business approach and management of EEOC's memoranda of understanding and other interagency agreements. Planned work includes:

- Identify areas of potential cost savings
- Identify areas of possible improvement regarding development, management and compliance with agreements.

Work regarding this evaluation is scheduled to begin in June 2017.

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Audit Follow-Up

Audit follow-up is an integral part of good management and is a shared responsibility of Agency management officials and auditors. Corrective action taken by management to resolve findings and recommendations is essential to improving the effectiveness and efficiency of Agency operations.

Section 5(a)(1) of the Inspector General Act of 1978, as amended, requires that semiannual reports include a summary description of significant problems, abuses, and deficiencies relating to the Agency’s administration of programs and operations disclosed by the OIG during the reporting period. Five new reports were issued during this reporting period (October 1, 2016–March 31, 2017). Three of those reports contained recommendations.

Reports Issued During This Reporting Period

Fiscal Year	Report Number	Report Title	Date Issued	Findings and Recommendations
2017	2016-08-AOIG	Agency Compliance with the Federal Managers’ Financial Integrity Act	11/14/2016	No
2017	2016-01-AOIG	FY 2016 Financial Statement Audit of the EEOC	11/15/2016	Yes
2017	2016-02-AOIG	FY 2016 Management Letter Report	01/17/2017	Yes
2017	2016-08-EOIG	2016 Federal Information Security Management Act Independent Evaluation	01/07/2017	Yes
2017	2017-03-AOIG	DATA ACT Readiness Review	03/30/2017	No

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As required by Section 5(a)(3) of the Inspector General Act of 1978, as amended, semiannual reports shall provide an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed.

We are reporting **16** reviews with a total of **58** open recommendations for this reporting period. The following table shows these recommendations for which corrective actions have not been completed.

Cooperative Audit Resolution Oversight Initiative (CAROI)

In FY 2012, we piloted the Cooperative Audit Resolution Oversight Initiative (CAROI) to improve resolution of recommendations contained in OIG reports that require audit follow-up. During the reporting period, recommendations from two projects were closed using CAROI.

Audit, Evaluation, or Review Name	Number of Recommendations Closed
Performance Audit of EEOC Charge Card Program	5
An Exploratory Evaluation of EEOC's Litigation	13

Recommendations for Which Corrective Actions Have Not Been Completed

Fiscal Year	Report Number	Report Title	Date Issued
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2016	2015-01-LIT	An Exploratory Evaluation of EEOC's Litigation Activities	7/8/16
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- Provide all Priority Charge Handling Process (PCHP) definitions and criteria for classifying charges in one document that also explains the relationship between “SA” classifications, systemic cases, and Strategic Enforcement Plan (SEP)/District Complement Plan (DCP) priorities.
- Provide more guidance regarding the field attorneys’ expected role in the priority charge handling procedures, including how systemic cases fit into operational directives.
- Emphasize the need for attorneys to explain to investigators when decisions are made whether to litigate or pursue another course of action, especially when the investigator had spent considerable time developing the case.
- Examine whether ORIP and Research and Analytic Services (RAS) should continue to be siloed in their efforts to provide expert statistical analysis and investigate the reported concerns about the timeliness and, in some cases, the substance of statistical analyses prepared during the investigative process.
- Investigate options for addressing the inefficiencies inherent in the rigid separation of ORIP and RAS statistical analytic services.
- Develop a process for tracking compliance with injunctive relief contained in consent decrees
- Reexamine the EEOC’s performance measurements.
- Examine the EEOC’s exit-interview process and the findings from these interviews to better understand reasons for turnover.

Fiscal Year	Report Number	Report Title	Date Issued
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2016	2015-01-FIN	FY 2015 Financial Statement Audit	11/16/15
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- EEOC should update its controls over the maintenance of its official personnel files and perform a thorough review of its employees’ personnel files to ensure that documentation is current and complete.

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Fiscal Year	Report Number	Report Title	Date Issued
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2015	2015-02-FIN	FY 2014 Financial Statement Audit Management Letter Report	1/15//16
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- Developing an assessment of EEOC’s internal control process in order to proactively manage and update internal controls. This should minimally consist of EEOC documenting what controls are performed by their shared services provider and what controls are performed at EEOC to ensure management has a clear understanding of their responsibilities.
- The EEOC office accountable for compiling the PAR creates and enforces internal deliverable milestones to ensure all OMB submission deadlines are met. These internal deliverable milestones should extend to all EEOC offices and require these offices to provide their content to EEOC’s accountable office prior to the established milestones. EEOC’s Office of the Chief Financial Officer (OCFO) should thoroughly review the final draft of the PAR prior to the submission to OMB and the auditors in order to minimize edits required close to the PAR’s final submission deadline. This review should include a review of the financial statements against various federal reporting guidelines and checklists, such as GAO’s FAM 2020 checklist for Federal Reporting Disclosures.

Fiscal Year	Report Number	Report Title	Date Issued
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2015	2015-03- EOIG	Independent Evaluation of Agency Adherence to the Federal Information Security Modernization Act	11/15/15
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- EEOC should fully document, publish and enforce a CIO-approved organization-wide Information System Program Plan for common controls and hybrid controls across all systems and applications.
- EEOC should develop an organization-wide Information System Program Plan to include:
 - Names and contact information for the government and vendor partner personnel who are sharing responsibility for the definition and implementation of the EEOC common, hybrid, and application-specific controls.
 - An EEOC defined and approved population of common, hybrid and application controls.
 - A Memorandum of Understanding (MOU), or similar document, that acknowledges the government’s and vendor’s responsibility for designing and implementing their assigned portions of the population of EEOC National Institute of Standards and Technology (NIST) 800-53 Revision 4 controls.
- EEOC should complete this organization-wide security program objective by publishing its approved organization-wide Information Security Program Plan population of common, hybrid, and application controls and continuously monitoring its approved common controls and hybrid controls.

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- EEOC should develop an organization-wide risk management strategy and processes to manage risk to organizational operations and assets, in accordance with NIST guidelines.
- EEOC should develop, document, and implement a policy requiring FEPAs that collect, store, process, use and transmit EEOC data to implement information security controls that ensure data and access to data are secured. For example, the work-sharing agreement should include a clause that requires only authorized individuals access to the IMS system and that devices are updated with current system security patches and antivirus signatures before users connect to the system.
- EEOC should develop special security controls for Field Offices that align with the FMFIA of 1982. In addition, we recommend the following improvements:
 - Assess the information systems security controls at the district, field and area offices.
 - Segregation of duties – Implement policies and procedure to ensure that managers do not have granting and approval rights for providing access to systems.
 - Segregation of duties – Implement policies and procedure to ensure managers do not have rights to both receive and store equipment.
 - System monitoring – Implement policies and procedure to ensure that IT staff have adequate skillsets to monitor information systems. In addition, provide annual network training.
 - Continuity of Operation Plan (COOP) and Disaster Recovery (DR) – Provide IT staff COOP and DR training.
 - Confidentiality – Implement policies and procedures to ensure that the IT staff maintains confidentiality of sensitive data.
 - Network security – Install network monitoring devices and port security.
 - Safeguarding – Lock investigator’s office doors after hours and when the office is vacant.
 - Physical security (Baltimore) – Ensure that third-party security officer contractors enforce the barring notices and the ID verification procedures; and
 - Physical Security to Baltimore EEOC’s IT room – Ensure that only authorized EEOC personnel has access to EEOC’s field office IT facilities.
- EEOC should implement multifactor authentication for remote access. Furthermore, EEOC should use multifactor authentication where one of the factors is provided by a device separate from the computer gaining access.
- EEOC should:
 - Develop Testing, Training & Evaluation (TT&E) programs to test or exercise the EEOC Business Continuity Planning (BCP) and IT Disaster Recovery Plan (DRP) at the HQ and field office levels and determine their operational effectiveness.
 - Conduct after-action reporting that addresses issues identified during contingency/disaster recovery exercises and incorporates them into HQ and field office plan updates.
 - Coordinate the HQ OIT BCP and IT DRP TT&E programs with the 53 EEOC field office’s programs to ensure adequate levels of emergency preparedness and IT disaster recovery capability across EEOC. Develop and perform testing of system-specific contingency plans for the following EEOC General Support Systems and major applications: Domain Name System (DNS); EEO-1 Survey System; Data Management System (DMS); and IMS.

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- EEOC build upon existing HQ configuration management policy and procedures to deploy automated tools and procedures that accurately and completely detect, identify, and account for changes to the information system component inventory.

Fiscal Year	Report Number	Report Title	Date Issued
2015	2014-03-OE	Evaluation of EEOC's Outreach and Education Program	5/8/15

- EEOC's website needs to be updated when important events occur, perhaps in accordance with guidelines that EEOC's Office of Communication and Legislative Affairs sets for itself
- EEOC and its district and field offices should routinely conduct follow-up through surveys with partners, perhaps three months after events.
- EEOC should provide resources for the regular analysis of Office of Field Programs charges to provide evidence of outreach and education success both for district, and field offices and nationally.

Fiscal Year	Report Number	Report Title	Date Issued
2015	2014-01-FIN	FY 2014 Financial Statement Audit	11/17/14

- EEOC should update its controls over the maintenance of its official personnel files. Additionally, management should perform a thorough review of its employees' personnel files to ensure that documentation is current and complete.
- EEOC should implement procedures to ensure that it has a complete understanding of its service providers' policies and procedures.

Fiscal Year	Report Number	Report Title	Date Issued
2015	2014-02-FIN	FY 2014 Financial Statement Audit Management Letter Report	1/13/15

- EEOC should monitor and enforce its policies and procedures over sensitive property. EEOC should monitor these controls to ensure that the controls remain adequate and continue to operate effectively.
- EEOC should update its policies and procedures to correctly state its current process.
- EEOC should monitor and enforce its policies and procedures over record retention for purchase and travel card transactions. EEOC should monitor these controls to ensure that the controls

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remain adequate and continue to operate effectively. Additionally, management should enforce penalties, such as disciplinary action, including restitution to the government and/or dismissal.

- EEOC should implement and monitor controls to ensure approving officials' review and approval is documented for each purchase and travel card transaction. The policy or procedure should establish an appropriate period of time for retention of records, monitoring by the purchase card program manager, and appropriate disciplinary actions for noncompliance.
- EEOC should follow its guidelines for all expense transactions. We also recommend developing an assessment of EEOC's internal control process in order to proactively manage internal controls and get the most from them.
- EEOC should work with its service provider to implement internal controls that will catch all transactions with a zero-object class. A monthly review of expense transactions will identify those with a zero-object class.

Fiscal Year	Report Number	Report Title	Date Issued
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2015	2014-08-EOIG	FY 2014 Federal Information Security Management Act Report	12/16/14
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- Implementation of background checks for student interns to ensure that international visas are current.
- Development of policies and procedures to properly manage physical security access cards.
- Development of Continuity of Operations plans for field offices.
- Improved control over physical access to the data center and technology storage room.

Fiscal Year	Report Number	Report Title	Date Issued
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2014	2013-08-PSA	Performance Audit of the Agency's Personnel Security Program	9/4/14
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- Identify all EEOC employees with:
 - current or prior access to classified national security information;
 - a current adjudicated security clearance and the sponsoring agency, if applicable; and
 - special access or interim clearance and the sponsoring agency, if applicable.
- Develop and implement policies and procedures to address the safeguarding, transfer, storage, or disposal of classified information. The policy should include the requirements for memorandums of understanding (MOUs) between agencies.
- Implement a formalized training program for individuals who use classified information as a part of their duties. If an external agency is to assume the responsibility of training these individuals, this agreement should be documented in an MOU.

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- Perform and document an assessment/evaluation of current classified information practices and safeguarding at headquarters and field offices to determine any noncompliance. Take immediate corrective action to address any noncompliance noted.
- Incorporate a review of controls over classified information in EEOC’s annual FMFIA process.
- Complete risk designations for the remaining estimated 194 EEOC covered positions.
- Review all employee electronic official personnel folders to ensure proper inclusion of the employee’s conflict of interest (COI) disclosure, and in instances where the documentation is missing, insert it.
- Explore using alternative staffing options, such as contract employees, part-time employees, or employees on detail in order to become current on risk designations, reinvestigations, the FPPS, COIs, and adjudication reporting. Document the process of deciding what type of employees to use for this work.
- Update and implement comprehensive policies and procedures for physical security. These policies and procedures should include but not be limited to the following:
 - Providing training for the Federal Supply Class member or designee at each field office location at least annually.
 - Developing and implementing an on-site field office security assessment program that includes performing assessments and/or spot checks of field office security measures by the OCFO on a rotational basis as it relates to Interagency Security Committee requirements.
 - Assisting field offices and ensuring that they correct noted security weaknesses or document acceptance of risk where EEOC has determined corrective action will not be taken.
- Revise the field office self-assessment checklist to include facility security and credentialing information.
- Immediately correct any known weaknesses. If EEOC decides not to correct a noted weakness, it should document this analysis and its acceptance of the associated risk.
- Increase coordination between OCFO and OFP to improve field office security posture, awareness, and training to ensure compliance with applicable EEOC orders and guides; with Facility Security Committees: An Interagency Security Committee (ISC) Standard, second edition, dated January 1, 2012; and with other applicable ISC standards.

Fiscal

Year	Report Number	Report Title	Date Issued
2014	2013-01-FIN-	FY 2013 Financial Statement Audit	12/16/13

- EEOC should update and revise the manner in which it controls the maintenance of its official personnel files. Additionally, management should perform a thorough review of its employees’ personnel files to ensure that documentation is current and complete. **(Repeat finding from 2012)**

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Fiscal Year	Report Number	Report Title	Date Issued
2014	2013-02-FIN	FY 2013 Financial Statement Management Letter Report	1/31/14
		<ul style="list-style-type: none"> EEOC management should consistently review and approve all documents as prescribed by its policies and procedures. Policies and procedures should be reviewed and updated to ensure they reflect the most current protocol. EEOC should establish and implement controls to prevent waste, fraud, and misuse in the credit card program. On an annual basis, EEOC should review and update the Charge Card Program Guide for substantial changes. Additionally, EEOC should monitor the controls to ensure that they are working effectively. 	

Fiscal Year	Report Number	Report Title	Date Issued
2014	2013-05- FISMA	FY 2013 Federal Information Security Management Act Report	12/10/13
		<ul style="list-style-type: none"> The OIG recommends that the EEOC OIT implement multifactor authentication for remote access. further recommends that the multifactor authentication use one factor provided by a device separate from the computer gaining access. (Repeat finding from 2008) 	

Fiscal Year	Report Number	Report Title	Date Issued
2013	2012-09-REV	Review of Evaluations	04/09/13
		<ul style="list-style-type: none"> EEOC should document criteria for determining Category C charges. EEOC should investigate the merits of expanding the information it obtains related to employee hiring and terminations. 	

Fiscal Year	Report Number	Report Title	Date Issued
2013	2012-01-FIN	FY 2012 Financial Statement Audit Report	11/16/12
		<ul style="list-style-type: none"> EEOC should document and monitor implementation of all complementary user control considerations. (Repeat finding from 2010) 	

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Fiscal Year	Report Number	Report Title	Date Issued
2013	2012-08-PUR	Performance Audit of EEOC Charge Card Program	03/28/13

- EEOC should perform further analysis on its government charge card operations to identify the controls to be implemented in compliance with OMB directives. Specifically, the EEOC must review and update the identification of procedures performed using the new accounting system (FCS) as well as the current duties of personnel interacting with the system. The EEOC should meet with all process lead personnel to determine what controls are or should be in place to ensure that fraud, waste, abuse, and misuse are not present in the charge card program. The EEOC should identify all requirements in OMB Circular A-123, Appendix B, and determine the procedures necessary to comply with the requirements and ensure that policies and procedures are reviewed on an annual basis or more frequently if substantial changes have occurred in EEOC's systems or if laws and regulations have been issued. This will help to ensure that policies and procedures are appropriate for the current environment.
- EEOC should monitor controls over transaction approval, whether performed at EEOC or at a service provider.
- EEOC should develop and implement policies to require reviews of total cardholder activity to ensure compliance with monthly spending authority for all cardholders. Management should maintain documentation of authority to exceed cardholders' spending limits. Penalties for exceeding authorized spending limits should be established and enforced.

Fiscal Year	Report Number	Report Title	Date Issued
2008	2008-03-AMR	Oversight of Federal Agency Reporting Management Directive 715 (MD-715) and Related Topics	09/26/08

- EEOC should require Federal agencies to submit Part G of their Equal Employment Opportunity assessment with their annual EEOC Management Directive MD-715 submissions.

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As required by Section 5(a)(10) of the Inspector General Act of 1978, as amended, semiannual reports must include a summary of each audit report, inspection report, and evaluation report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report:

Fiscal Year	Number of Reports with Unimplemented Recommendations (such as report title, report number, hyperlink to report, etc.)	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings	For which no establishment comment was returned within 60 days of providing the report to the establishment
2017	0	0	0	N/A

We have no audit, evaluation, or review reports that were issued before the reporting period began for which no management decision has been made. We do not issue inspection reports.



The Investigation Program

The Investigation Program supports the OIG’s strategic goal to focus limited investigative resources on issues that represent the greatest risk and offer the maximum opportunity to detect and prevent fraud, waste, and abuse in EEOC programs and operations

Investigative Inquiries

Investigative Inquires Received October 1, 2016 – March 31, 2017	
Allegations	Number
Charge Processing	129
Other Statutes	84
Title VII	124
Mismanagement	6
Ethics Violations	2
Backgrounds	5
Theft	2
Threats	4
Fraud	0
Other Criminal Allegations	4
Congressional Inquiries	0
Total	360

Completed Investigative Activities

During the semiannual period, our office issued no final investigative reports.

Ongoing Investigative Activities

Our office has ongoing investigations in several field offices involving such matters as: ethics violations, conflicts of interest, misuse of position, mismanagement, false statements, and falsification of government records.

Appendices

Appendix I.

Final OIG Audit, Evaluation, and Review Reports

Report Title	Date Issued	Questioned Costs	Funds Put to Better Use	Unsupported Costs
Agency Compliance with the Federal Managers' Financial Integrity Act	11/14/2016	\$0	\$0	\$0
FY 2016 Financial Statement Audit of the EEOC	11/15/2016	\$0	\$0	\$0
2016 Independent Evaluation of the Agency's Compliance with the Federal Information Security Modernization Act of 2014	01/07/2017	\$0	\$0	\$0
FY 2016 Management Letter Report	01/17/2017	\$0	\$0	\$0
DATA Act Readiness Review Report	03/30/2017	\$0	\$0	\$0

Appendix II.

Investigative Statistical Report

Report Title	Number
Total number of investigative reports	0
Total number of persons referred to the Department of Justice for criminal prosecution during the reporting period	0
Total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period	0
Total number of indictments and criminal information during the reporting period that resulted from any prior referral to prosecuting authorities	0

Appendix III.

A report on each investigation conducted by the Office involving a senior government employee where allegations of misconduct were substantiated

Report Name: Report Number Date Issued

Facts and circumstances of the investigation	(B) the status and disposition of the matter, including- (i) if the matter was referred to the Department of Justice, the date of the referral; and (ii) if the Department of Justice declined the referral, the date of the declination
N/A	N/A

Appendix IV.

A detailed description of any instance of whistleblower retaliation.

Information about the official found to have engaged in retaliation	Consequences the establishment imposed to hold that official accountable
N/A	N/A

Appendix V.

A detailed description of any attempt by the establishment to interfere with the independence of the Office.

Issue	Description
With budget constraints designed to limit the capabilities of the Office	N/A
Incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action	N/A

Appendix VI.

Detailed descriptions of the particular circumstances.

Issue	Description
Inspection, evaluation, and audit conducted by the Office that is closed and was not disclosed to the public	N/A
Investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public	N/A

Appendix VII.

Index of Reporting Requirements

Inspector General Act Citation	Reporting Requirements	Page
Section 4(a)(2)	Review of Legislation and Regulations	N/A
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	7-8
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	7-8
Section 5(a)(3)	Significant Recommendations Included in Previous Reports on Which Corrective Action Has Not Been Completed	13-20
Section 5(a)(4)	Matters Referred to Prosecutorial Authorities	N/A
Section 5(a)(5)	Summary of Instances Where Information Was Refused	N/A
Section 5(a)(6)	List of Audit Reports	11
Section 5(a)(7)	Summary of Significant Reports	7-8
Section 5(a)(8)	Questioned and Unsupported Costs	24
Section 5(a)(9)	Recommendations That Funds Be Put to Better Use	24
Section 5(a)(10)	Summary of each audit report, inspection reports, and evaluation reports issued before the commencement of the reporting period:(A) for which no management decision has been made by the end of the reporting period (including the date and title of each such report), an explanation of the reasons such management decision has not been made, and a statement concerning the desired timetable for achieving a management decision on each such report;	21

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	<p>(B) for which no establishment comment was returned within 60 days of providing the report to the establishment; and</p> <p>(C) for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations.</p>	
Section 5(a)(11)	Significant Management Decisions That Were Revised During the Reporting Period	N/A
Section 5(a)(12)	Significant Management Decisions with Which the Office of Inspector General Disagreed	N/A
Section 5(a)(17)	<p>Statistical tables showing:</p> <p>(A) the total number of investigative reports issued during the reporting period;</p> <p>(B) the total number of persons referred to the Department of Justice for criminal prosecution during the reporting period;</p> <p>(C) the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period; and</p> <p>(D) the total number of indictments and criminal information during the reporting period that resulted from any prior referral to prosecuting authorities.</p>	25
Section 5(a)(19)	<p>A report on each investigation conducted by the Office involving a senior Government employee where allegations of misconduct were substantiated, including a detailed description of:</p> <p>(A) the facts and circumstances of the investigation; and</p> <p>(B) the status and disposition of the matter, including:</p> <p>(i) if the matter was referred to the Department of Justice, the date of the referral; and</p> <p>(ii) if the Department of Justice declined the referral, the date of the declination.</p>	25

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Section 5(a)(20)	A detailed description of any instance of whistleblower retaliation, including information about the official found to have engaged in retaliation and what, if any, consequences the establishment imposed to hold that official accountable.	26
Section 5(a)(21)	A detailed description of any attempt by the establishment to interfere with the independence of the Office, including (A) with budget constraints designed to limit the capabilities of the Office; and (B) incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information, including the justification of the establishment for such action.	26
Section 5(a)(22)	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; and (B) investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public.	27

Appendix VII.

Single Audit Act Reports

During the reporting period, our office received no audit reports issued by public accounting firms concerning FEPAs that have work-sharing agreements with EEOC.

Appendix VIII.

Peer Review Reporting

Offices of Inspector General are required to include its peer review results as an appendix in semiannual reports to Congress in accordance with section 989C of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203).

Peer Review of the OIG Audit Function

The Federal Trade Commission (FTC), OIG conducted a peer review of the system of quality control for our office's audit function for the period ending March 31, 2014. Their report, which was issued December 8, 2014, offered a modified opinion that our office has established policies and procedures that were current and consistent with applicable professional standards. The FTC OIG gave our office a pass rating and made no recommendations. Our next peer review will cover the period ending March 31, 2017.



EEOC-OIG The Hotline

The EEOC Hotline Program was established for Agency employees, other Government employees, contractors, and the general public to report fraud, waste, abuse, or wrongdoing by phone, website form, or by U.S. mail.

What Should you Report

You should report any concern you may have over a situation in which EEOC is the potential victim of fraudulent acts by employees, contractors, or others. It includes any violations of laws, rules, regulations, gross mismanagement, gross waste or misappropriation of funds, and abuses of authority.

OIG Hotline Contact Information



To contact our OIG Hotline please call:
Toll-free 1-800-849-4230



For general information inquiries please visit our Contact webpage:
[HTTPS://OIG.EEOC.GOV/CONTACT](https://oig.eeoc.gov/contact)

To submit report fraud/waste/ abuse please visit our
Hotline webpage:
[HTTPS://OIG.EEOC.GOV/HOTLINE](https://oig.eeoc.gov/hotline)



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Equal Employment Opportunity Commission
Office of Inspector General
PO Box 77067
Washington, DC 20013-7067

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