

U.S. Equal Employment Opportunity Commission

Office of Inspector General



Semiannual Report to Congress

April 1, 2012, to September 30, 2012

Milton A. Mayo, Jr.
Inspector General

OIG VISION

Agents igniting change and fostering accountability, effectiveness, and efficiency in government



OIG MISSION

The OIG's mission is to detect and prevent waste, fraud, and abuse and to promote economy, efficiency, and effectiveness in Agency programs and operations.

CONTENTS

A Message from the Inspector General	4
Executive Summary	5
Introduction	7
The Audit and Evaluation Program	10
Completed Projects	
New and Ongoing Audit Projects	
New and Ongoing Evaluation Project	
Audit Follow-Up	
The Investigation Program	21
Investigative Inquiries	
Completed Investigations	
Ongoing Investigative Activities	
Appendixes	24
Appendix I. Final Office of Inspector General Audit and Evaluation Reports	
Appendix II. Index of Reporting Requirements	
Appendix III. Single Audit Act Reports	

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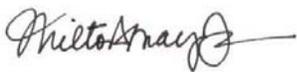
A MESSAGE FROM THE INSPECTOR GENERAL

In accordance with the Inspector General Act of 1978, as amended, I herewith submit the semiannual report for the period April 1, 2012, through September 30, 2012, which summarizes the major activities of our office for the reporting period. Section 5 of the Inspector General Act requires the Chair to transmit this report to the appropriate committees or subcommittees of Congress within 30 days of its receipt.

As I have stated previously, I am thankful and honored to serve with a team of professionals who consistently manage to meet the challenges of the Office of Inspector General's (OIG's) mission, guided by a passion for public service and an unrelenting commitment to pursuing and maintaining the highest professional standards. I commend them for their dedication and applaud their professionalism and patriotism.

The OIG experienced a productive six months. Although lacking essential staff, the OIG completed three investigations, received and processed 485 investigative inquiries, and conducted various audit and evaluation activities. Included among the audit and evaluation projects is the external peer review of the Architect of the Capitol (AOC). We have launched three important new program reviews which we believe will provide the Equal Employment Opportunity Commission (EEOC) with opportunities to advance its efforts in improving overall organizational performance and effectiveness in FY 2013 and beyond.

We look forward to continuing to work with the Agency's senior leadership, the Commissioners, and the EEOC community at-large as we advance EEOC's efforts to improve its efficiency and effectiveness in carrying out its mission to stop and remedy unlawful employment discrimination, and to realize its vision of full justice and equality in the workplace.



Milton A. Mayo Jr.
Inspector General

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 the OIG's activities and accomplishments for the period of April 1, 2012, through September 30, 2012.

During the reporting period, the OIG conducted an external audit peer review, closed three investigative matters, and received 485 inquiries, of which 231 were charge-processing issues, 183 were Title VII complaints, and 71 were other investigative allegations.

The OIG's completed, newly initiated, and ongoing audit, evaluation, and investigative projects include the following:

- The OIG contracted with Harper, Rains, Knight & Company, P.A., to perform the 2012 financial statement audit of EEOC, which is required by the Accountability of Tax Dollars Act of 2002. Fieldwork is ongoing, and the audit opinion is expected to be issued by November 15, 2012, to meet the Office of Management and Budget's (OMB's) deadline and to be included in the Agency's 2012 Performance and Accountability Report.
- The OIG contracted with Clifton Gunderson, LLP, to perform an independent evaluation of EEOC's information security program and selected EEOC systems for compliance with the Federal Information Security Management Act of 2002 (FISMA) and the OMB's reporting requirements for inspectors general contained in OMB Memorandum M-10-15. Fieldwork is under way and is scheduled to be completed by November 15, 2012, to meet the OMB reporting deadline.
- The OIG conducted an independent assessment of the Agency's management control evaluation process to determine whether it was carried out in accordance with OMB standards. The OIG expects to issue the assessment to the Chair prior to the reporting deadline of November 15, 2012, for inclusion in the Agency's 2012 Performance and Accountability Report.
- The OIG has contracted with Harper, Rains, Knight & Company, P.A., to conduct an audit of the Agency's commercial purchase card program. Fieldwork began in fiscal year (FY) 2012, and a final report is expected during the first quarter of FY 2013.
- The OIG contracted with the Urban Institute, a nonprofit organization located in Washington, D.C., to evaluate EEOC's performance measures in the EEOC FY 2012–2016 Strategic Plan. The evaluation will focus on how well the

performance measures align with critical Agency goals and activities, and whether performance measures should be improved. The draft and final reports are scheduled to be issued during the second quarter of FY 2013.

- Closed investigations included cases involving two conflict-of-interest matters and a falsification of charge files.
- Ongoing investigations continue in several field offices, involving the Federal Employee Compensation Act (FECA), conflicts of interest, falsification of government records, and other matters.

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; Section 501 of the Rehabilitation Act of 1973 (in the Federal sector only); Title I of the Americans with Disabilities Act of 1990 and Americans with Disabilities Act Amendments Act of 2008; the Civil Rights Act of 1991; the Lilly Ledbetter Fair Pay Act of 2009; and the Genetic Information Nondiscrimination Act of 2008 (P.L. 110-233 Stat 881), also referred to as GINA. These statutes prohibit employment discrimination based on race, sex, color, religion, national origin, age, disability, or 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: a Chair, a Vice Chair, and three Commissioners. The Chair is responsible for the administration and implementation of policy and for the financial management and organizational development of the Commission. The Vice Chair and the Commissioners equally participate in the development and approval of the policies of EEOC, issue charges of discrimination where appropriate, and authorize the filing of lawsuits. Additionally, the President appoints a General Counsel, who is responsible for conducting litigation under the laws enforced by the Commission.

The Office of Inspector General

The U.S. Congress's 1988 amendments to the Inspector General Act of 1978 established an Office of Inspector General (OIG) at EEOC. In October 2008, Congress passed the Inspector General Reform Act of 2008, which generally buttressed the independence of inspectors general, increased their resources, and held them more accountable for their performance.

The EEOC OIG is under the supervision of the IG, an independent EEOC official subject to the general supervision of the Chair of EEOC. Under the direction of the IG, the OIG meets its statutory responsibilities by conducting and supervising audits, evaluations, and investigations designed to detect and prevent fraud, waste, and abuse, and to promote economy, efficiency, and effectiveness in the administration of the Agency's programs and operations.

The IG provides overall direction, coordination, and leadership for the OIG and is responsible for establishing and implementing the OIG's strategic vision and core values. The IG is the principal advisor to the Chair on all audit and investigative matters involving the prevention, detection, and elimination of fraud, waste, and/or abuse in any EEOC program or operation. The IG 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 and responds directly to inquiries from the public, Congress, or the news media.

The Deputy Inspector General (DIG) serves as the alter ego of the IG and participates fully in policy development and management of the diverse audit, investigation, evaluation, and support operations of the OIG. The DIG also ensures that the Audit, Evaluation, and Investigation Programs (AEIP) address their mission, goals, and objectives in accordance with the Inspector General Act, other laws, Agency policy, and congressional requests. The AEIP staff conducts audits, evaluations, and investigations of EEOC operations and activities and prepares reports for the Chair, EEOC management, and Congress.

The Counsel to the Inspector General (CIG) is the sole legal advisor in the OIG, providing advice in connection with matters of importance to the OIG. The CIG provides day-to-day guidance to the OIG's investigation team and is the primary liaison with Agency legal components and the Department of Justice. The CIG assists the IG and DIG in the development and implementation of the OIG's policies and procedures. The CIG conducts legal reviews of all audit, evaluation, and investigation reports; reviews proposed and revised legislation and regulations; and recommends appropriate responses and actions.

The Agency provided resources to fill the vacant former management analyst position [now Chief Technology Officer (CTO)], which had been vacant since April 2010. The newly selected CTO is scheduled to report for duty in early November 2012, bringing much needed relief to the OIG in this functional area. However, the deputy inspector general position remains unfilled and continues to create significant day-to-day and strategic operational challenges for the OIG. The Deputy Inspector General position, the first-line supervisor for the OIG's auditors, evaluators, and investigators, has been vacant since May 2011. Additionally, at the close of the period the OIG's staff auditor was offered and accepted a promotion with another Federal OIG, reducing our audit function by fifty-percent and creating another staff vacancy at the beginning of the first quarter of FY 2013. The continued vacancy in the important DIG leadership position, coupled with the departure of the staff auditor, portends a potential threat to the OIG's ability to meet its legislative and other mission critical mandates.

OIG Strategic Planning

As the first step toward developing a new OIG strategic plan, which aligns with the new EEOC strategic plan (FY 2012-2016), the OIG developed a draft strategic framework. The OIG will finalize the framework in the first quarter of FY 2013, and will issue a formal strategic plan for FY 2014-2016 in September 2013.



THE AUDIT AND EVALUATION PROGRAM

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

COMPLETED PROJECTS

External Peer Review of the Architect of the Capitol (OIG Report No. 2012-06-PEER)

During FY 2012, the EEOC OIG conducted an external peer review of the audit organization of the U.S. Architect of the Capitol (AOC) Office of Inspector General (OIG). On July 31, 2012, the EEOC OIG issued its report and found that the AOC OIG system of quality control for its audit organization in effect for the year ended March 31, 2012 was suitably designed and provides the AOC OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. There are no outstanding recommendations from this peer review report.

Fiscal Year	Report Number	Report Title	Date Issued
2012	2012-06-PEER	System Review Report on the Architect of the Capitol's Office of Inspector General Audit Organization	07/31/2012

NEW AND ONGOING AUDIT PROJECTS

FY 2012 Audit of the Consolidated EEOC Financial Statements

The OIG contracted with Harper, Rains, Knight & Company, P.A., to perform the FY 2012 financial statement audit of EEOC, which is required by the *Accountability of Tax Dollars Act of 2002*. Fieldwork is ongoing, and the audit opinion is expected to be issued by November 15, 2012, to meet the Office of Management and Budget's (OMB's) deadline and to be included in the Agency's 2012 Performance and Accountability Report. Additionally, the auditor will issue a management letter report identifying any internal control weaknesses shortly thereafter.

FY 2012 Federal Information Security Management Act Audit

The OIG contracted with Clifton Gunderson, LLP (aka CliftonLarsenAllen LLP), to perform an independent evaluation of EEOC's information security program and selected EEOC systems for compliance with the Federal Information Security Management Act of 2002 (FISMA) and the OMB's reporting requirements for IGs contained in OMB Memorandum M-10-15. Fieldwork is under way and is scheduled to be completed by November 15, 2012, to meet the OMB reporting deadline.

Agency Compliance with the Federal Managers' Financial Integrity Act

EEOC Order 195.001, Internal Control Systems, requires the OIG to annually provide the Chair a written advisory on whether EEOC's management control evaluation process complied with OMB guidelines. The OIG's independent assessment is to determine whether the Agency's management control evaluation process was carried out in accordance with OMB standards during the previous year. To make this determination, the OIG is reviewing:

- system assurance statements submitted by headquarters and district directors;
- functional area summary tables and functional area reports submitted by headquarters and field offices; and
- EEOC's Office of Research, Information, and Planning's FY 2012 Federal Managers' Financial Integrity Act (FMFIA) Assurance Statement and Assurance Statement Letter, with supporting documents.

The OIG will report its findings prior to November 15, 2012, for inclusion in the Agency's 2012 Performance and Accountability Report.

FY 2012 Audit of the EEOC Commercial Purchase Card Program

The OIG has contracted with Harper, Rains, Knight & Company, P.A., to conduct an audit of the Agency's commercial purchase card program. This is the OIG's first audit of the program and, in part, is being conducted as an audit program best practice, and to provide the OIG and the Agency with useful data, observations, and recommendations for preparation in meeting the new requirements of the *Government Charge Card Abuse Act of 2012*. The objectives of the audit are:

- To determine whether internal controls are in place to detect and prevent fraud, waste, abuse, and misuse in EEOC's purchase card program;

- To evaluate the effectiveness of the processes and procedures relating to EEOC's issuing, monitoring, and providing training on the use of the purchase cards/convenience checks, and to determine whether training provided to employees having responsibilities for purchase cards/convenience checks is adequate;
- To determine whether EEOC's purchase card/convenience checks program is operating in compliance with laws and regulations.

Fieldwork began in FY 2012, and a draft report is expected during the first quarter of FY 2013.

Audit Follow-up Program Review

The OIG is continuing to conduct the Audit Follow-up Program (AFP) review initiated in the previous reporting period. The review is designed to determine whether the policies, procedures, and practices utilized by EEOC in administering its AFP are sufficient to expeditiously resolve audit recommendations resulting from OIG audit activities, as well as external reviews performed by the Government Accountability Office (GAO), other executive branch audit organizations, and nongovernmental audit organizations. The completion of the work and the issuance of the report have been delayed by the departure of the lead auditor assigned to the project. OIG expects to issue a draft report during the next semiannual reporting period.

NEW AND ONGOING EVALUATION PROJECTS

EEOC Strategic Plan and Performance Management

During the previous reporting period, the OIG initiated a review designed to assess the efficacy of EEOC's newly adopted FY 2012-2016 strategic plan, as well as the Agency's progress towards its implementation. Based upon our initial review of the plan, which contains 14 performance measures, many of which were not in EEOC's previous strategic plan, we determined that a more narrowly focused assessment of key performance measures, including how well they align with critical Agency goals and activities would provide greater value to EEOC management, customers, and stakeholders. Accordingly, the OIG contracted with the Urban Institute, a nonprofit organization located in Washington, D.C., to evaluate EEOC's performance measures. In addition to focusing on the alignment of the measures, the evaluation should provide insight on whether there are opportunities to improve the measures during the early stages of its implementation. Key areas of the evaluation include:

- Does EEOC have performance measures for its key strategic goals and objectives?

- Are the performance measures effective measures of the Agency’s progress in achieving its strategic goals and objectives?
- Are the performance measures objective, understandable (to all stakeholders), and outcome-based?

The draft and final reports are scheduled to be issued during the second quarter of FY 2013.

Management of Private-Sector Enforcement Activities

EEOC’s primary activity is enforcement of private-sector employment discrimination laws. The OIG contracted with IMPAQ, LLC, of Columbia, Maryland, to conduct a review of evaluations and similar studies concerning EEOC’s private-sector enforcement activities. The evaluation will focus on whether these studies may provide EEOC’s workforce with opportunities to improve the efficiency and effectiveness of the disposition of charges. The scope of the evaluation will focus on determining whether new and useful conclusions or recommendations regarding enforcement activities can be drawn by analyzing studies from 1996 to the present. The draft and final reports are scheduled to be issued during the second quarter of FY 2013.

Open Government and Transparency

On December 8, 2009, the OMB issued memorandum M10-06, known as the “Open Government Directive” (OGD). It requires executive agencies to take specific actions to implement the three principles of transparency, participation, and collaboration that form the cornerstone of open government set forth by the President. On July 15, 2011, the OIG issued a management advisory on EEOC’s Open Government activities. During the current period, the OIG initiated a progress review of Open Government activities. The OIG’s progress review focuses on EEOC Open Government and related activities from July 16, 2011, to the present. The OIG report is scheduled to issue in the first quarter of FY 2013.

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.

Reports Issued During This Reporting Period

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. There were no reports issued.

Recommendations for Which Corrective Actions Have Not Been Completed

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. OIG staff met with Agency follow-up officials in September 2012. The OIG is reporting a total of 12 reviews with 48 open recommendations for this reporting period. The tables show those recommendations for which corrective action has not been completed.

Fiscal Year	Report Number	Report Title	Date Issued
2011	2011-03-FIN	FY 2011 Financial Statement Management Letter Report	12/15/2011
Open Recommendations:			
<ul style="list-style-type: none">• Conduct more thorough inspections of submitted property reports to ensure that property is correctly reported as to type, location, and proper inclusion on sensitive property reports.• Report those offices that do not submit property certifications in accordance with established policy to the Office of the Chair, and require that justifications be provided for late certifications.• Establish a policy and procedure to perform internal audits of the EEOC's electronic official personnel file (eOPF) system to ensure proper implementation and application of all Office of Personnel Management (OPM) and EEOC policies and procedures regarding the recording and maintenance of official personnel records.			

Fiscal Year	Report Number	Report Title	Date Issued
2011	2011-05-FISMA	FY 2011 Federal Information Security Management Act (FISMA) Report	11/17/2011
<p>Open Recommendations:</p> <ul style="list-style-type: none"> • Implement a centralized repository to maintain control of access request forms. • Implement multifactor authentication for network access for nonprivileged accounts. • Reevaluate and update the Agency’s Business Impact Analysis to ensure that it accurately represents the current EEOC environment and addresses the deficiencies noted in the disaster recovery tests. • Apply software security patch releases on a timely basis to protect against known vulnerabilities. • Follow Federal guidance in applying critical patch updates on required timelines to ensure that the systems are not left susceptible to known vulnerabilities. • Perform credential scans. • Remove virtual private network (VPN) accounts of separated employees and contractors and adhere to Agency policy. A recertification of accounts should be performed to ensure that only active employees have active accounts. 			

Fiscal Year	Report Number	Report Title	Date Issued
2010	2010-04-FIN	FY 2010 Financial Statement Audit Management Letter Report	2/7/2011
<p>Open Recommendations:</p> <ul style="list-style-type: none"> • Report those offices that do not submit property certifications in accordance with established policy to the Office of the Chair, and require that justification be provided for late certifications. • Conduct internal audits of submitted property certifications to ensure that property is correctly reported as to type and location. • Establish a policy to perform internal audits of the EEOC eOPF system to ensure proper implementation and application of all OPM and EEOC policies and procedures regarding the recording and maintenance of official personnel records. • Implement and document the implementation of all applicable client control considerations provided by the service provider. The documentation should be readily available for review and shared with all relevant EEOC offices. 			

Fiscal Year	Report Number	Report Title	Date Issued
2010	2010-07-FISMA	Federal Information Security Management Act Report	11/1/2010
<p>Open Recommendations:</p> <ul style="list-style-type: none"> • Develop and improve vulnerability scanning capability and incorporate the results of scanning into the Plan of Action and Milestones (POA&M) process. • Implement multifactor authentication. • Ensure that procedures are followed for disabling accounts no longer needed. 			

Fiscal Year	Report Number	Report Title	Date Issued
2010	2010-09-AEP	Evaluation of the Management of the EEOC's State and Local Programs	3/21/2011
<p>Open Recommendations:</p> <ul style="list-style-type: none"> • Develop and implement strategic performance goals and objectives that are reflective of the program, measurable, and in accordance with the requirements of the Government Performance and Results Act (GPRA). • Work with the Chief Financial Officer to include the performance goals, objectives, and measures in the annual Performance and Accountability Report. • Request additional funding to provide Fair Employment Practice Agencies (FEPAs) with formal Substantial Weight Review (SWR) training and other alternative training methods that will allow FEPAs to take advantage of the actual technology and to reach a wider audience in a more efficient and cost-effective manner. • Perform a full assessment of the cost for resolution and intakes, reassess the current payment amounts and case quotas, and consider making appropriate adjustments to the payment amounts and budgeted quotas in order to provide a fee that covers a greater percentage of the cost of case processing. • Request additional funds to provide incentive payments to FEPAs to go beyond their case quotas in order to encourage continued productivity. • Revisit the FEPA budget allocation process to determine ways that the process can be improved to be more efficient and timely and provide better controls designed to reduce the potential for fraud. • Develop and institute a consistent monitoring process for the district offices that is carried out throughout the fiscal year and not just at fiscal year-end. • Develop written procedures for processing voucher payments in collaboration with the Office of Finance. 			

Fiscal Year	Report Number	Report Title	Date Issued
2009	2009-05-FIN	FY 2009 Financial Statement Audit Management Letter Report	1/12/2010
<p>Open Recommendations:</p> <ul style="list-style-type: none"> • Ensure that every user account is assigned to a unique individual; ensure that all data network and e-mail accounts are created and authorized in accordance with EEOC policies and procedures; disable network and e-mail accounts that have not been used within 30 days, as mandated by the Office of Information Technology's (OIT's) Controls for Creating, Changing, and Terminating System Account Policy; and ensure that all offices comply with the required annual user account confirmation procedures listing within the EEOC OIT policy on creating, changing, and terminating system accounts. (Finding repeated in FY 2010 management letter.) • Update the Network Vulnerability Scan Policies and Procedures to ensure that the volume of medium- and high-risk vulnerabilities identified as a result of scanning is in accordance with industry standards. (Finding repeated in FY 2010 management letter.) • Develop and implement policies and procedures for outsourced applications to ensure that application security violations are appropriately reviewed and reported. (Finding repeated in FY 2010 management letter.) 			

Fiscal Year	Report Number	Report Title	Date Issued
2008	2008-13-AEP	Independent Evaluation of Agency Compliance with Federal Information Systems Management Act	9/24/2008
<p>Open Recommendations:</p> <ul style="list-style-type: none"> • Implement plans and procedures with the Agency field offices to identify and excess all old and nonworking information systems by April 30, 2008; also ensure that information is appropriately destroyed before the systems' excess. 			

Fiscal Year	Report Number	Report Title	Date Issued
2008	2008-12-AEP	FY 2008 Independent Audit of EEOC Privacy Program	9/30/2008
<p>Open Recommendations:</p> <ul style="list-style-type: none"> • Develop and implement policies and procedures to provide periodic reminders to all employees and contractors of their responsibilities to protect sensitive personally identifiable information (PII) in both electronic and hard-copy format. • Develop, document, and implement procedures to monitor compliance with EEOC policies and procedures related to the protection, processing, storage, and destruction of sensitive hard-copy PII. • Centralize administration of Web site privacy policies. • Ensure that all privacy policies posted to EEOC Web sites comply with OMB requirements. • Ensure that all privacy policies are posted on (a) EEOC’s principal Web site, (b) any known major entry points to EEOC sites, and (c) any Web page that collects substantial information in identifiable form. • Review all privacy laws and regulations and identify those applicable to EEOC. • Develop, document, and implement a formal process for ensuring that all new privacy-related laws and regulations are evaluated to determine whether EEOC is required to follow them. • Continue with the planned action to implement two-factor authentication with the implementation of badges for Homeland Security Presidential Directive 12. 			

Fiscal Year	Report Number	Report Title	Date Issued
2009	2008-06-FIN	FY 2008 Financial Statement Audit Management Letter Report	2/12/2009
<p>Open Recommendations:</p> <ul style="list-style-type: none"> • Office of Human Resources (OHR): Obtain and file all documentation supporting personnel and payroll actions taken and ensure that information is available for review upon request. (Finding repeated in FY 2010 management letter.) 			

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	9/26/2008
Open Recommendations:			
<ul style="list-style-type: none"> • Obtain customer feedback on MD-715 and other oversight issues using a real-time blog or similar mechanism. • Require Federal agencies to submit Part G of their Equal Employment Opportunity assessments with their annual MD-715 submissions. 			

Fiscal Year	Report Number	Report Title	Date Issued
2007	2007-12-AMR	Evaluation of EEOC Field Office Continuity of Operations (COOP) Plans	3/27/2008
Open Recommendations:			
<ul style="list-style-type: none"> • Ensure that all field office staff members take the continuity of operations (COOP) awareness course. • Develop and implement policies and procedures instructing field office staff to store all mission-critical electronic files on Agency-managed network drives. 			

Fiscal Year	Report Number	Report Title	Date Issued
2008	2007-11-RFPERF	Performance Audit of the Equal Employment Opportunity Commission's Education, Training, and Technical Assistance Program Revolving Fund	8/26/2008
Open Recommendations:			
<ul style="list-style-type: none"> • Operate the Revolving Fund as an independent program within the Agency. • Approve the establishment of the EEOC Training Institute Steering Committee. • Update the Revolving Fund business plan to reflect the strategic direction, vision, and goals over the next three to five years. • Initiate cross-training between job functions where reasonable and practical. • Reconcile spending plans to amounts recorded in the accounting system. 			

- Seek professional assistance to develop a more effective budgeting method for projecting financial information used to plan training events and monitor goals.

As required by Section 5(a)(10) of the Inspector General Act of 1978, as amended, semiannual reports shall include a summary of each audit report issued before the start of the reporting period for which no management decision has been made by the end of the reporting period. There are no audit or evaluation reports that the OIG issued before the reporting period began for which no management decision has been made.



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 April 1, 2012–September 30, 2012	
Allegations	Number
Charge Processing	231
Other Statutes	30
Title VII	183
Mismanagement	1
Ethics Violations	1
Backgrounds	7
Theft	5
Threats	3
Fraud	5
Other Criminal Allegations	17
Congressional Inquiries	2
Total	485

COMPLETED INVESTIGATIONS

Conflict of Interest

The OIG was referred an allegation from the Office of Legal Counsel, resulting from its review of the Financial Disclosure Report filed by an Agency employee, for possible violation of Title 18 U.S.C. §208. During the course of the investigation, the OIG reviewed the investigative files on the charge of discrimination, conducted interviews with the assigned investigators for the specific case files, and interviewed the supervisory investigator. Based upon the evidence, we determined that the Agency employee had not participated “personally and substantially” in the discrimination cases in question. The employee’s actions were strictly perfunctory or administrative in nature, and did not influence the disposition of the charges. The matter was closed.

Falsification of Charge Files

The OIG received a complaint that an Agency employee willingly and knowingly falsified a discrimination charge file, presumptively in violation of Title 18 U.S.C. §1001, by improperly coding the case determination to incorrectly reflect the outcome as having resulted in a mediation, where, in fact, no mediation had taken place. Our investigation disclosed that while no mediation occurred, and that the subject admitted to coding the closure as a mediation, there was no evidence that the subject acted with intent to willfully and knowingly falsify the charges. Rather, it appears that the employee erroneously believed that the codes used were appropriate under the circumstances. Moreover, the evidence demonstrated that there was a lack of clarity and consistency among staff regarding the use of certain codes, and that other Agency personnel used the same codes under similar circumstances. Thus, the OIG determined that the evidence adduced from the investigation failed to support a conclusion that the employee’s actions constituted a false statement in violation of Title 18 U.S.C. §1001.

Conflict of Interest

The OIG completed its investigation of allegations of conflict of interest concerning an employee’s involvement in employment discrimination investigations of companies in which the employee may have had a financial interest. Title 18 U.S.C. §208 prohibits any government employee from participating personally and substantially, as a government officer or employee, in investigations and other proceedings in which, to his or her knowledge, the employee or the employee’s spouse or minor child has a financial interest. Based upon the evidence uncovered during its investigation, the OIG found no violation of Title 18 U.S.C. §208 in connection with the employee’s involvement in the investigations and case resolutions.

ONGOING INVESTIGATIVE ACTIVITIES

The OIG is conducting ongoing investigations involving ethics violations, conflicts of interest, fraud, mismanagement, falsification of government records, impersonation of a Federal official, theft of government property, misuse of computers, and threats against the Agency.

APPENDIX I. FINAL OFFICE OF INSPECTOR GENERAL AUDIT AND EVALUATION REPORTS

Report Title	Date Issued	Questioned Costs	Funds Put to Better Use	Unsupported Costs
External Peer Review of the Architect of the Capitol	7/31/2012	\$0	\$0	\$0

APPENDIX II. 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	N/A
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	N/A
Section 5(a)(3)	Significant Recommendations Included in Previous Reports on Which Corrective Action Has Not Been Completed	14–20
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	10
Section 5(a)(7)	Summary of Significant Reports	10
Section 5(a)(8)	Questioned and Unsupported Costs	24
Section 5(a)(9)	Recommendations That Funds Be Put to Better Use	N/A
Section 5(a)(10)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	N/A
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

APPENDIX III. SINGLE AUDIT ACT REPORTS

The Single Audit Act of 1984 requires recipients of Federal funds to arrange for audits of their activities. Federal agencies that award these funds must receive annual audit reports to determine whether prompt and appropriate corrective action has been taken in response to audit findings. During the reporting period, the OIG reviewed 30 audit reports issued by public accounting firms concerning Fair Employment Practice Agencies (FEPAs) that have work-sharing agreements with EEOC. There were no audit findings for the FEPAs that involved EEOC funds.

SINGLE AUDIT ACT REPORTS

The Government of the District of Columbia, September 30, 2010	The Tribal Council Cherokee Nation, September 30, 2010
The State of Louisiana, June 30, 2011	The State of Oregon, June 30, 2011
The State of West Virginia, June 30, 2011	The State of Alaska, June 30, 2011
The State of Kentucky, June 30, 2011	The State of Kansas, June 30, 2010
The State of Indiana, June 30, 2011	The State of Oklahoma, June 30, 2010
The State of Arizona, June 30, 2011	The State of Missouri, June 30, 2010
The State of California, June 30, 2011	The State of Tennessee, June 30, 2011
The State of Nevada, June 30, 2011	The State of Vermont, June 30, 2011
The City of New York, June 30, 2011	The State of Pennsylvania, June 30, 2011
The State of New Hampshire, June 30, 2011	The State of New Jersey, June 30, 2011
The State of Massachusetts, June 30, 2011	The State of Maryland, June 30, 2011
The State of New York, March 31, 2011	The State of Ohio, June 30, 2011
The State of Pennsylvania, June 30, 2010	The State of South Dakota, June 30, 2011
The State of Colorado, June 30, 2011	The State of Delaware, June 30, 2011
The State of Nebraska, June 30, 2011	The State of Maine, June 30, 2011

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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, e-mail, or by 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



Call:
EEOC-OIG Hotline
Toll-free 1-800-849-4230



E-Mail:
INSPECTOR.GENERAL@EEOC.GOV



Write:
Equal Employment Opportunity Commission
Office of Inspector General
PO Box 7706
Washington, DC 20013-7706

Identities of Writers, E-mailers, and Callers are always Fully Protected