

U. S. Equal Employment Opportunity Commission

Office of Inspector General



Semiannual Report to Congress

April 1, 2013-September 30, 2013

**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.

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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, 2013 through September 30, 2013, 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.

During this period, the OIG issued one final audit/evaluation report, completed three investigations, and received 790 investigative inquiries, of which 329 were charge processing issues, 352 were Title VII complaints, and 109 were other investigative allegations.

The OIG staff remains resolute in our commitment to our mission and the U.S. Equal Employment Opportunity Commission's efforts to achieve Justice and Equality in the Workplace.

As always, we appreciate the support and cooperation of Chair Jacqueline A. Berrien, the Commissioners, and employees of the Commission.

Respectfully,



Milton A. Mayo Jr.
Inspector General
November 6, 2013

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, 2013, through September 30, 2013.

During this period, the OIG issued one final audit/evaluation report, completed three investigations, and received 790 investigative inquiries, of which 329 were charge processing issues, 352 were Title VII complaints, and 109 were other investigative allegations.

Included among the OIG's completed, newly initiated, and ongoing audit, evaluation and investigative projects are:

- A review of evaluations and similar studies of the EEOC's private-sector enforcement activities, conducted by IMPAQ, LLC. The evaluation made several recommendations to EEOC to improve the efficiency and effectiveness of the disposition of charges.
- Completed several investigations involving a variety of allegations, including falsification of investigative file documents, and the improper processing of discrimination charges, and misuse of government equipment in the furtherance of a federal tax fraud scheme.
- The OIG issued an advisory to the Agency involving the misuse of a government travel card by an employee who used the card for 73 personal cash advances, gasoline, food and other items between August 2012 and June 2013.
- The OIG contracted with Harper, Rains, Knight & Company, to perform the 2013 financial statement audit of the EEOC.
- The OIG contracted with Brown and Company, PLLC to perform an independent evaluation of EEOC's information security program for compliance with the Federal Information Security Management Act of 2002 (FISMA).
- The OIG contracted with Williams, Adley & Company-DC, LLP to conduct a performance audit of the EEOC Personnel Security Program.



Equal Employment Opportunity Commission

- Ongoing investigations continue in several field offices involving ethics violations, conflicts of interest, fraud, mismanagement, falsification of government records, impersonation of a Federal official, misuse of travel and purchase cards, and theft.

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.

The 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.

The EEOC is a bipartisan commission composed of five presidentially appointed members, including 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 the 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 established the Office of Inspector General (OIG) at the EEOC through the 1988 amendments of the Inspector General Act of 1978, which expanded authority to 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 the programs and operations of the Agency; providing leadership and coordination; and recommending policies for activities designed to promote economy, efficiency, and effectiveness in the administration of programs and operations.

In October 2008, Congress passed the Inspector General Reform Act of 2008, which generally buttressed 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 the general supervision of the Chair. The IG must not be prevented or prohibited by the Chair or any other EEOC official from initiating, carrying out, or completing any audit, investigation, evaluation, or other inquiry or from issuing any report.

The IG provides overall direction, coordination, and leadership to the OIG; is the principal advisor to the Chair in connection with all audit and investigative matters relating to the prevention, identification, and elimination of waste in any EEOC program or operation; and recommends the proper boundaries of audit and investigation 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 (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 DIG provides overall direction, program guidance, and supervision to the AEIP. The AEIP staff conducts audits, evaluations, and investigations of EEOC operations and activities and prepares reports for issuance to 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.

In addition to these positions, the OIG staff includes a chief technology officer, an evaluator, one auditor, two criminal investigators, an administrative specialist, and a confidential support assistant.

As previously reported the Office of Inspector General has vacancies in two key positions, Deputy Inspector General and Staff Auditor, which represents a fifty percent reduction in the audit. Since January 2010, the OIG has had at least two vacancies in key

staff positions, including either the Chief Technology Officer, Inspector General, or the Deputy Inspector General position. In 2012, the OIG filled the Chief Technology Officer position, while the Deputy Inspector General has remained vacant since May 2011. The staff auditor position has been vacant since October 2012. The continued vacancy in this position reduces the OIG's capacity to perform legislatively required audits, hinders initiating discretionary audits, and hampers the OIG audit organization's ability to meet external obligations including responding to congressional inquiries and fulfilling certain responsibilities it has to the Council of the Inspectors General on Integrity and Efficiency, such as conducting audit peer reviews of other Designated Federal Entities (DFE).

Since January 2010, the Counsel to the Inspector General has served as the Acting Deputy Inspector General, in addition to her counsel duties which include the day-to-day oversight of the OIG's investigative program. As noted in previous semiannual reports, this DIG vacancy adversely impacts the qualitative managerial review needed to ensure that OIG work products are of a consistently high caliber. The OIG can no longer continue to operate at the current staffing level without severely risking its ability to meet mission critical responsibilities.

During this reporting period, the OIG completed a draft of its first Information Technology Work Plan (ITWP). This ITWP will guide OIG efforts in planning future IT Evaluation/Audit projects as well as internal OIG IT infrastructure initiatives. The ITWP will be incorporated as part of the overall OIG Work Plan.

Among the critical pillars of the ITWP is its focus on discovering and developing methodologies to improve and sustain successful collaboration among staff in an environment trending towards increased mobilization. During the past several years, the OIG has explored various uses of information technology to improve collaboration among staff. This includes the testing of a cloud-based project management system; converting to an investigative management and tracking system with remote access; the phased implementation of an automated audit tracking system; and the use of cloud-based meeting and conferencing tools such as GotoMeeting.

While this initiative is reliant upon technology, it is not technology-driven. OIG strategically incorporates technology to improve its business processes, practices, planning, collaboration, and products rather than adopting new and emerging technologies simply because they are deemed to be on leading edge, but may be ill-suited to our mission, vision, and organizational culture.

In addition:

- The OIG began implementing phase two of the System Development Lifecycle for the OIG's automated audit tracking system. Phase three work should commence during third quarter FY 2014, and phase four (operations and maintenance) during the fourth quarter FY 2014.

- The OIG began upgrading the operating system and database of its investigative case management system. Work should be completed on these upgrades during the second quarter FY 2014.
- The OIG is in phase two of developing a new OIG Website. The new website will be used as a mechanism to provide: (1) greater transparency of the operations of the OIG by enhancing access to audit and evaluation reports and other public documents; (2) an improved electronic portal for the public to report fraud, waste, and abuse; and (3) a medium to implement the use of social media to boost our ability to reach and inform our stakeholders about the OIG's vision, mission, and operations. Work began on this project in the fourth quarter FY 2013, and should be completed by the end of the second quarter FY 2014.



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

Review of Evaluations (OIG Report No. 2012-09-REV)

The EEOC is responsible for enforcing private-sector employment discrimination laws. Over the years, a wide range of studies have been conducted by academic institutions, Federal entities, etc., of the Agency's private-sector enforcement activities, resulting in various findings and recommendations. The OIG contracted with IMPAQ International, LLC, a social science research firm, to conduct a synthesized review of these studies to determine whether new and useful conclusions or recommendations could be ascertained that may provide EEOC's workforce with opportunities to improve the efficiency and effectiveness of its management of the Agency's private-sector enforcement activities.

The review focused on synthesizing information from studies (circa 1996-2012) examining EEOC's key charge processing activities, as well as input obtained through interviews conducted by IMPAQ with EEOC leadership and staff. Key questions for the review included:

- What factors are associated with the efficiency with which the EEOC carries out private sector charge processing activities?
- What factors are associated with the effectiveness with which the EEOC carries out private sector charge processing activities?
- What are the key information gaps related to developing strategies to more efficiently and effectively carry out private sector charge processing activities?

On April 9, 2013, the final report issued and recommended that:

1. *The EEOC should further standardize intake procedures across field offices.* Consistent with ongoing efforts to improve the uniformity of intake materials and other efforts to establish greater communication with and between field offices, best practices related to the intake interview should be identified and widely adopted with accompanying training as needed.

2. *The EEOC should document criteria for determining Category C charges.* To enhance efficiency and effectiveness and promote the delivery of excellent and consistent service as sought in the Strategic Plan, the EEOC should continue to pursue ways to improve its triaging of charges, especially with regard to identifying Category C charges.
3. *The EEOC should continue efforts to develop a national approach for addressing systemic discrimination.* The EEOC has made progress in recent years addressing systemic discrimination. The Commission has set a target that by FY 2016, 22-24 percent of the cases on its active litigation docket will constitute systemic cases. This is an increase from the 20 percent baseline of FY 2012. To attain the FY 2016 goal, we encourage the EEOC to remain committed to identifying systemic discrimination through a strategic, nationwide, and coordinated approach aided by newly adopted and future technological capabilities, excellent guidance from subject experts, and continued oversight by EEOC leadership.
4. *The EEOC should continue to review the range of information obtained during intake interviews and how it is stored in IMS.* Along with further standardizing intake procedures, the EEOC should examine the information that is currently obtained from charging parties and assess whether every element of information is essential and whether additional information is needed for a given charge or for addressing systemic discrimination.
5. *The EEOC should investigate the merits of expanding the information it obtains related to hiring and terminations.* The EEOC should investigate whether it would be advantageous to its mission to obtain more information. Currently, much of the data collected on hiring and termination is determined by law. The EEOC should consider both obtaining additional information from the employers, employees, and applicants currently providing information, and expanding the groups of employers and employees required to provide the EEOC with information.

NEW AND ONGOING AUDIT AND EVALUATION PROJECTS

FY 2013 Audit of the Consolidated EEOC Financial Statements

The public accounting firm of Harper, Rains, Knight & Company, P.A., is performing the 2013 financial statement audit of the EEOC, which is required by the Accountability of Tax Dollars Act of 2002. Fieldwork is ongoing, and the audit opinion will be included in the Agency's 2013 Performance and Accountability Report. Additionally, the auditor will issue a management letter report identifying any internal control weaknesses shortly thereafter.

Agency Compliance with the Federal Managers' Financial Integrity Act (FMFIA)

The OIG's independent assessment is to determine if the Agency's management control evaluation process was conducted in accordance with Office of Management and Budget (OMB) standards. 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. 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 2013 Federal Managers' Financial Integrity Act (FMFIA) Assurance Statement and Assurance Statement Letter, with supporting documents.

Cooperative Audit Resolution and Oversight Initiative (CAROI)

The OIG continued work on its CAROI, launched in 2012, and continues to achieve improvements in its relationship with the auditees, and Agency audit follow-up officials. These improvements have resulted in the closure of a number of unresolved audit recommendations, better communications among participants in the audit follow-up program, and improved accuracy in audit follow-up reporting, and better overall implementation of the process. An advisory report on the CAROI effort, originally scheduled for the third quarter of FY 2013, is now planned for the first quarter of FY 2014.

Also during this reporting period, OIG's Senior Evaluator made a presentation at a CAROI conference sponsored by the State of Maryland. The presentation, *EEOC and CAROI, a Promising Beginning*, explained how the CAROI could be applied in a smaller Federal entity and underscored how it contributed to improvements in EEOC's audit follow-up program.

Open Government and Transparency Progress Review

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. OIG's progress review focuses on EEOC Open Government and related activities from July 16, 2011, to the present. During this reporting period, EEOC circulated, within EEOC, a draft update to its Open Government Plan. Once OIG has reviewed the final plan, we will issue our progress report.

Fiscal Year 2013 Federal Information Security Management Act Independent Evaluation (FISMA)

OIG contracted with Brown and Company, PLLC 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). Fieldwork is underway and is scheduled to be completed to meet the OMB reporting deadline.

Personnel Security Program Performance Audit

OIG contracted with Williams Adley & Company-DC, LLP to conduct a performance audit of the EEOC Personnel Security Program. The objective of this audit is to ensure that EEOC has implemented a personnel security program that adheres to federal government laws, regulations, and policies. Work began during the fourth quarter FY 2013 and should be completed by the beginning of the third quarter.

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.

Equal Employment Opportunity Commission

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. One new report was issued during this reporting period (April 1, 2013–September 30, 2013), which contained findings.

Reports Issued During This Reporting Period

Fiscal Year	Report Number	Report Title	Date Issued
2013	2012-09-REV	Review of Evaluations	04/09/13

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 2013. The OIG is reporting a total of 15 reviews with a total of 50 open recommendations for this reporting period. The following table shows those recommendations for which corrective action has not been completed.

Recommendations for Which Corrective Actions Have Not Been Completed

Fiscal year	Report number	Report title	Date issued
2013	2012-01-FIN	FY 2012 Financial Statement Audit Report	11/16/2012
<ul style="list-style-type: none"> • Update controls over maintenance of personnel files and perform a thorough review of its employees’ personnel files to ensure that documentation is current and complete. • Identify and update all policies and procedures impacted by the implementation of FCS. • Document and Monitor implementation of all complimentary user control considerations. • Implement stringent reconciliations and resolution procedures over financial reporting reconciliations of management reports/sub- ledgers to FCS general ledger data. • Implement procedures over manual adjustments made by its service provider that meets the same rigor and documentation standards as internally generated manual adjustments. 			

Fiscal year	Report number	Report title	Date issued
2013	2012-03-FISMA	FY 2012 Federal Information Security Management Act Report	11/14/2012
<ul style="list-style-type: none"> • EEOC implement a centralized repository to maintain control of access request forms. • EEOC implement multifactor authentication for network access to non-privileged and privileged accounts. • EEOC management ensure that all network users have read and signed acknowledgement of receipt of Information Security Responsibilities of EEOC System Users and that forms are managed in a centralized location. • EEOC management revise the agency’s policy to correctly reflect the entire severity rating list published by US CERT. 			

Fiscal year	Report number	Report title	Date issued
2013	2012-02-FIN	FY 2012 Financial Statement Management Letter Report	12/19/2012
<ul style="list-style-type: none"> • Update controls over maintenance of personnel files and perform a thorough review of its employees’ personnel files to ensure that documentation is current and complete. • Identify and update all policies and procedures impacted by the implementation of FCS. • Document and Monitor implementation of all complimentary user control considerations. • Implement stringent reconciliations and resolution procedures over financial reporting reconciliations of management reports/sub- ledgers to FCS general ledger data. • Implement procedures over manual adjustments made by its service provider that meet the same rigor and documentation standards as internally generated manual adjustments. • Depreciation be calculated and recorded in FCS on a monthly basis. 			

Fiscal year	Report number	Report title	Date issued
2013	2012-10-PMEV	Evaluation of EEOC’s Performance Measures	03/21/2013
<ul style="list-style-type: none"> • Include measures such as proposed in Section III of this report as soon as possible in 			

EEOC’s annual Performance and Accountability Report (PAR) These are the outcomes that citizens, Congress, and OMB are most likely to consider important. Progress o the measures should be a major focus of EEOC.

- Plan to include at least a subset of the measures as the principal outcome measures in EEOC’s next strategic plan. The data obtained from 2012-2016 on the measures will provide baseline data for establishing targets for the next strategic plan.
- Begin introducing some of these measures in to updates of the current strategic plan.
- Expand the new Strategic Enforcement Plan (SEP) requirement for quarterly reviews to include not only SEP progress reflected in the latest EEOC performance reports...EEOC management would likely benefit considerably with the implementation of quarterly data driven reviews such as those required by large federal agencies.
- Provide commissioners and managers with easy access to relevant disaggregation of the outcome measure values. Outcome data would be broken out by such characteristics as priority level, industry, and key characteristics of charging parties.
- Ask the appropriate office to provide explanations for unexpectedly poor, and very good, measurement data values shown in the latest performance report. Such explanations should be included as part of both external and internal performance reports. Such information would be part of the performance reports and would encourage management at all levels to focus on needed improvements.

Fiscal year	Report number	Report title	Date issued
2013	2012-08-PURCH	Performance Audit of EEOC Charge Card Program	03/28/2013
		<ul style="list-style-type: none"> • Perform further analysis on its government charge card operations to identify all of the controls that should be implemented per OMB directives including the identification of procedures performed utilizing the new accounting system (FCS) as well as the current duties of personnel interacting with the system. Specifically, 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; identify all requirements in OMB Circular A-123, Appendix B and determine procedures necessary to comply with the requirements, and ensure policies and procedures are reviewed on an annual basis or more frequently if substantial changes have occurred in EEOC’s systems or laws and regulations have been issued to ensure that policies and procedures are appropriate for the current environment. • Develop a system to (1.) identify and track all of its charge card activity, including open accounts, closed accounts, cardholder approver levels, and cardholder training (2.) perform an evaluation of its service providers controls over the charge card program to ensure that controls are appropriate and operating effectively (3.) monitor all of its controls whether performed at EEOC or at a service provider at least annually 	

to ensure that controls remain adequate and continue to operate effectively.

- Develop policies and procedures to identify and track all cardholder required training. Documentation should be maintained following NARA requirements for cardholders who have successfully completed training requirements.
- Develop controls over the retention of application documents for charge card accounts.
- Monitor controls over transaction approval whether performed at EEOC or at a service provider.
- Implement policies and procedures over record retention for purchase and travel card transactions.
- Improve controls over the closure of charge card accounts. The Purchase Card Program Manager should maintain documentation of all account closures electronically or in hard copy to include name of DRM or A/OPC who received the employee's charge card, date of turn in of card, date of card destruction, and confirmation date of account closure from the Charge Card vendor.
- Develop and implement policies to require reviews of total cardholder activity to ensure compliance with monthly spending authority for all cardholders. Documentation of authority to exceed cardholders spending limits should be maintained by management. Penalties for exceeding authorized spending limits should be established and enforced.
- Develop and implement policies and procedures to use data mining to monitor charge card activity.
- Consider supplementing the listing of disallowed merchant category codes used by its charge card vendor with additional disallowed codes based on EEOC's policies on purchase and travel expenses.

Fiscal year	Report number	Report title	Date issued
2012	2011-05-FISMA	Federal Information Security Management Act Report	11/17/2011
<ul style="list-style-type: none"> • EEOC implement a centralized repository to maintain control over access forms. • Implement multifactor authentication for network access to non-privileged and privileged accounts. 			

Fiscal year	Report number	Report title	Date issued
2012	2011-03-FIN	FY 2011 Financial Statement Audit Management Letter Report	12/15/2011
<ul style="list-style-type: none"> • Establish a policy and procedure to perform internal audits of the EEOC eOPF system for proper implementation and application of all OPM and EEOC policies and procedures over the recording and maintaining of official personnel records. 			

Fiscal year	Report number	Report title	Date issued
2010	2010-04-FIN	FY 2010 Financial Statement Audit Management Letter Report	2/7/2011
<ul style="list-style-type: none"> • Establish a policy to perform internal audits of the EEOC eOPF system for proper implementation and application of all OPM and EEOC policies and procedures over the recording and maintaining 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
<ul style="list-style-type: none"> • Develop/improve vulnerability scanning capability, and incorporate the results of scanning into the POA&M process. • Implement multifactor authentication. • Ensure that procedures are followed for disabling accounts no longer added. 			

Fiscal year	Report number	Report title	Date issued
2009	2009-05-FIN	FY 2009 Financial Statement Audit Management Letter Report	1/12/2010
<ul style="list-style-type: none"> • EEOC should ensure that all users accounts are 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 Controls for Creating, Changing, and Terminating System Account Policy; 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.) • EEOC 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 best standards. (Finding repeated in FY 2010 Management Letter.) • EEOC management develops and implements policies and procedures for outsourced applications to ensure 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
<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
<ul style="list-style-type: none"> • 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
2008	2008-03-AMR	Oversight of Federal Agency Reporting Management Directive 715 (MD-715) and Related Topics	9/26/2008
<ul style="list-style-type: none"> • Require Federal agencies to submit Part G, of their Equal Employment Opportunity assessment, 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
<ul style="list-style-type: none"> • Ensure that all field office staff take the 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
<ul style="list-style-type: none"> • Approve the establishment of the EEOC Training Institute Steering Committee. • Update the Revolving Fund Business Plan to reflect strategic direction, vision, and goals over the next three to five years. • Seek professional assistance to develop a more effective budgeting method to project financial information 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. The OIG has no audit or evaluation reports that were 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 Inquiries Received April 1, 2013 – September 30, 2013	
Allegations	Number
Charge Processing	329
Other Statutes	67
Title VII	352
Mismanagement	0
Ethics Violations	6
Backgrounds	5
Theft	1
Threats	1
Fraud	2
Other Criminal Allegations	25
Congressional Inquiries	2
Total	790

COMPLETED INVESTIGATIVE ACTIVITIES

Misuse of Government Travel Card Privileges

An OIG performance audit of the Agency’s travel card program revealed that the program was at high risk of fraud, waste, and abuse. Government travel card procedures state that the travel card should be used for major expenses connected with official government travel and prohibits the use of the card for the “withdrawal of cash for any other purpose other than a travel advance.” As a follow-up to the audit, OIG obtained and reviewed Citibank travel card records and found evidence that an employee used the government travel card to get 73 cash advances between August 2012 and June 2013. During this same period, the employee used the card to purchase gasoline, food, etc. All of the transactions occurred within the employee’s local commuting area, and there was no evidence that any of the cash advances or other transactions were for official government travel. The employee’s use of the card was deemed misuse, and the OIG issued an advisory citing its findings to the Office of the Chief Financial Officer which oversees and administers the Agency’s purchase card and employee travel card programs.

Falsification and Improper Handling of Discrimination Charges

The Office of Inspector General received a complaint from a confidential source alleging that an EEOC investigator failed to properly investigate charges of discrimination by denying large numbers of charging parties their right to due process, failing to follow EEOC policies and procedures in the processing of charges, failing to conduct determination conferences with charging parties prior to closing charges, and falsifying charge processing forms, all in an effort to close large volumes of discrimination cases. The Office of Inspector General obtained and reviewed discrimination charge files closed by the employee for FY 2012. While our review disclosed inconsistencies in the charge files and data contained in the Agency’s Information Management System, the Agency determined there was no evidence of falsification of documents. Moreover, the Office of Field Programs advised that its review of the charge files investigated by the employee revealed that his overall work was good; his categorization of charges was done in accordance with the Agency’s Priority Charge Handling Procedures, and his case resolutions were appropriately documented. In light of these findings, the matter was closed.

Agency Employee Uses EEOC Equipment in Tax Fraud Scheme

The Office of Inspector General assisted the Internal Revenue Service Criminal Investigative Division in a matter involving an EEOC employee who prepared fraudulent Federal tax returns. The employee prepared twenty tax returns for friends and family members during the 2009, 2010, 2011 tax years while employed full-time with the

EEOC. The employee used Agency time and equipment to process the fraudulent returns involving phony information related to educational expenses and business information to illegally obtain tax credits for the filers, resulting in a tax loss to the U.S. Treasury of more than \$90,000. The employee kept a large percentage of the refunds generated. The employee was indicted and pleaded guilty to 13 charges related to tax fraud and has since resigned from federal service.

Alleged Improper Use of Position

The OIG received several anonymous complaints alleging that an EEOC senior official, whose confirmation to a second term was pending before the U.S. Senate, was improperly influenced in the performance of their official duties by a party with a matter pending before the EEOC. The alleged improper influence was a purported offer to assist the official in obtaining confirmation by the Senate to a second term in office, ostensibly in return for the official's support on the matter before the EEOC. The OIG's review of the allegation failed to adduce any credible evidence that the official was improperly influenced by an offer of support for re-confirmation to a second term. Indeed, there was no evidence adduced which established that a offer of assistance was ever made. Accordingly, the OIG determined that no further investigative action is warranted, and the matter was closed.

ONGOING INVESTIGATIVE ACTIVITY

The OIG has ongoing investigations in several field offices involving ethics violations, conflicts of interest, fraud, mismanagement, falsification of government records, impersonation of a Federal official, misuse of travel and purchase cards, 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
Review of Evaluations	4/9/13	\$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	
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	11-14
Section 5(a)(7)	Summary of Significant Reports	11-14
Section 5(a)(8)	Questioned and Unsupported Costs	
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 26 audit reports issued by public accounting firms concerning Fair Employment Practice Agencies (FEPAs) that have work-sharing agreements with the EEOC. There were no audit findings for the FEPAs that involved EEOC funds.

SINGLE AUDIT ACT REPORTS

State of Rhode Island, June 30, 2011	State of Massachusetts, June 30, 2012
State of New York, March 31, 2012	District of Columbia, September 30, 2011
State of Missouri, June 30, 2012	State of California, June 30, 2012
State of Arizona, June 30, 2012	State of Pennsylvania, June 30, 2012
State of Delaware, June 30, 2012	State of New Jersey, June 30, 2012
State of Kentucky, June 30, 2012	State of Louisiana, June 30, 2012
State of Nevada, June 30, 2012	City of New York, June 30, 2012
State of Nebraska, June 30, 2012	State of Tennessee, June 30, 2012
State of North Carolina, June 30, 2012	State of Kansas, June 30, 2012
State of Alaska, June 30, 2012	State of Colorado, June 30, 2012
State of Illinois, June 30, 2012	State of Maryland, June 30, 2012
State of Oregon, June 30, 2012	State of South Dakota, June 30, 2012
State of Oklahoma, September 30, 2012	State of Georgia, June 30, 2012



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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.

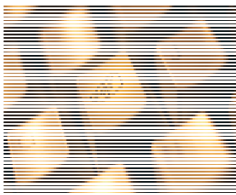
What Should you Report

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 77067
Washington, DC 20013-7067

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