

# U. S. Equal Employment Opportunity Commission

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## Office of Inspector General



## Semiannual Report to Congress

October 1, 2010 to March 31, 2011

## 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 ACTING INSPECTOR GENERAL

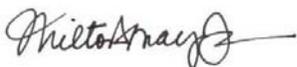
**I**n accordance with the Inspector General Act of 1978, as amended, I herewith submit the Semiannual Report for the period October 1, 2010 through March 31, 2011, which summarizes the major activities of our office for the reporting period. Section 5 of the Inspector General Act requires the Chair to transmit this report to the appropriate committees or subcommittees of the Congress within 30 days of its receipt.

The Office of the Inspector General (OIG) enjoyed a productive six months. Faced with austere budgets that continue to affect essential staffing, the OIG completed eight investigations and received 525 investigative inquiries.

Included among significant audit and evaluation projects is the evaluation of the State and Local Programs. This is the first report in the OIG's efforts to implement its new approach of conducting short term evaluations that maximize the impact of the evaluation function by providing current and relevant information for use by Agency leadership to improve the potential for more immediate gains in program performance and results. In continuing this new evaluation process, the office has begun exploring academic partnerships that will assist the OIG in its efforts to deliver a series of efficient and timely reviews.

On behalf of the OIG, I want to extend our thanks to the Chair, Jacqueline Berrien and her leadership team for their cooperation and support during the reporting period. We look forward to continuing to work with Chair Berrien and her leadership team as we pursue our oversight efforts.

In closing, I would like to thank the dedicated staff of the OIG for maintaining the highest standards of integrity and professionalism, and for their continued commitment to the mission of this office.



Milton A. Mayo Jr.  
Acting Inspector General  
April 30, 2011

## 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 October 1, 2010, through March 31, 2011.

During the reporting period the OIG issued three audit products, closed eight investigative matters, and received 525 inquiries, of which 224 were charge-processing issues, 182 were Title VII complaints, and 119 were other investigative allegations.

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

- The OIG conducted an independent evaluation of the Agency's information security program pursuant to requirements of the Federal Information Security Management Act (FISMA). The evaluation disclosed that the EEOC had a robust security program and was in substantial compliance with FISMA. However, five areas were identified for improvement: Certification and Accreditation, Configuration Management, Remote Access Management, Identity and Access Management, and the Agency's Continuous Monitoring program.
- OIG contractor Harper, Rains, Knight & Company, P.A., issued an unqualified opinion of the EEOC's fiscal year (FY) 2010 financial statements. The Independent auditors Report on internal controls identified significant deficiencies in time and attendance controls and controls over revenue and receivables.
- OIG issued a management letter for the EEOC fiscal year ending 2010. Internal control weaknesses were identified relating to controls over property and equipment, electronic official personnel file management, and Statement on Auditing Standards no. 70 (SAS 70) client control considerations and Information Technology.
- The firm of Harper, Rains, Knight & Company, P.A. commenced an audit of the EEOC's FY 2011 financial statements.
- The OIG's first review of the EEOC's State and Local Programs was completed by independent contractor Williams, Adley & Company, LLP. The purpose of the review was to generally assess the Agency's performance in managing this program and to establish a baseline for future more comprehensive reviews focused on critical performance metrics and operations of the State and Local

Programs. Recommendations were made in key areas of performance goals and objectives, oversight of case quality, payment eligibility and amounts, and the voucher payment process.

- In accordance with Agency policy directive EEOC Order 195.001 Management Accountability and Controls, the OIG issued its annual report to the Chair on November 13, 2010, validating the Agency's compliance with the Federal Managers Financial and Integrity Act. No material weaknesses were identified.
- The OIG initiated a review of the EEOC's Open Government activities, and will issue a draft and a final report during the third quarter of FY 2011.
- The OIG completed investigations involving an array of allegations including fraud, loss of Personally Identifiable Information (PII), and prohibited personnel practices.
- There are ongoing investigations in several field offices involving prohibited personnel practices, ethics violations, conflicts of interest, time and attendance fraud, mismanagement, falsification of government records, misuse of government vehicles, impersonation of a Federal official, theft of government property, threats against the Agency, forgery, and misuse of a government credit card.

## **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 presidential 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 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' 1988 amendments to the Inspector General Act of 1978 established an Office of Inspector General (OIG) at the 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 Inspector General (IG), an independent EEOC official subject to the general supervision of the Chair of the 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 waste, fraud 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, the 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.

In addition to these personnel, the OIG staff includes an evaluator, an IT specialist, two auditors, two criminal investigators, an administrative specialist, and a confidential support assistant. An Agency staff attorney began a career development detail with the OIG during the first quarter of FY 2011.

The OIG has two vacant positions. The position of Inspector General has been vacant since January 2010 following the retirement of the previous IG. The OIG's Management Analyst position has been vacant since April 2010. The Management Analyst managed the OIG's IT program, including its oversight of the Agency's annual Federal Information Security Management Act (FISMA) evaluation. Following a desk audit by the EEOC's Office of Human Resources (OHR), the position was reclassified into the GS-2210 series Information Technology Management. However, in light of a mandatory freeze on government hiring, the OIG awaits clearance to recruit for this essential position.



## 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

#### Fiscal Year 2010 FISMA Independent Evaluation

The OIG contracted with Delta Corporate Services-Government Solutions Group (Delta) to perform the OIG's independent evaluation of the effectiveness of the Agency's information security program. Delta reported that the EEOC had a robust security program and was in substantial compliance with the FISMA. However, Delta noted the following areas where improvements were needed to better comply with National Institute of Standards and Technology (NIST) standards and guidelines and FISMA requirements:

1. Certification and accreditation
2. Configuration management
3. Remote access management
4. Identity and access management
5. Continuous monitoring

#### Audit of the EEOC's Fiscal Year 2010 Financial Statements

The OIG contracted with the independent certified public accounting firm of Harper, Rains, Knight & Company, P.A. (HRK) to audit the financial statements of the EEOC for FY 2010. HRK issued an unqualified opinion on EEOC's FY 2010 financial statements. In its Report on Internal Control over Financial Reporting, HRK noted two areas involving internal control that were considered to be significant deficiencies. These included time and attendance controls and controls over revenue and receivables. In its report on Compliance with Applicable Laws and Regulations, HRK noted no instances of non compliance with laws and regulations applicable to the Agency.

## Management Letter for the EEOC for Year Ending September 30, 2010

On February 7, 2011, OIG issued its management letter in connection with the FY 2010 financial statement audit. This year's management letter identified internal control weaknesses relating to the following areas: property and equipment, electronic official personnel files, SAS 70 client control considerations and information technology. Included in the recommendations to EEOC management were to 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; and to conduct internal audits of submitted property certifications to ensure reported property is correctly reported as to type and location. Also, the report included recommendations relating to information technology that were contained in the FY 2010 FISMA report.

Management generally concurred with HRK's recommendations with the exception of the recommendation #2 relating to conducting internal audits of submitted property certifications. Responses from management were included as part of the report.

### Evaluation of the Management of the EEOC's State and Local Programs

EEOC provided about \$30 million in FY 2010 to its state and local partners, known as Fair Employment Practice Agencies (FEPAs), to resolve employment discrimination charges. The OIG contracted with the Washington, D.C., office of Williams, Adley & Company, LLP (Williams Adley), to conduct a program evaluation of the EEOC State and Local Programs Office to generally assess the Agency's performance in managing this program.

Williams Adley issued a final report with these key findings and conclusions:

1. EEOC has not established any performance goals or objectives for the FEPAs.
2. Potential areas for improving efficiency through the use of technology and training should be capitalized upon by EEOC.
3. The internal EEOC budget allocation and funding process is not efficient because the allocations are not available and recorded in the financial management system until the middle of the fiscal year and thus no FEPA payments can be processed until that point.
4. The EEOC's financial policies and procedures related to the voucher payment process are not documented and communicated effectively throughout the organization.

The report recommends

1. management of the Office of Field Programs develop and implement strategic performance goals and objectives;
2. management of the State and Local Programs Office consider including additional funding in future budget requests to invest in electronic applications and related

technology for the EEOC review of the FEPA work performed for EEOC (known as substantial weight reviews) and additional training for the FEPAs;

3. management of the State and Local Office perform a full assessment of the costs for resolution and intake; reassess the current payment amounts and the case quotas and consider that State and Local Program management consider allocating additional funds to provide incentive payments to FEPAs to go beyond their case quotas in order to encourage increased productivity;
4. EEOC revisit its budget allocation process to determine ways that the process can be made more efficient and timely and to provide better controls designed to reduce the potential for fraud; and
5. EEOC develop written procedures for processing voucher payments and develop and institute a consistent monitoring process for the District Offices that occurs throughout the fiscal year, not just at year-end.

### **Agency Compliance with the Federal Managers' Financial Integrity Act**

Agency policy directive EEOC Order 195.001 Management Accountability and Controls requires the OIG to annually provide a written advisory to the head of the Agency regarding whether the management control evaluation process complied with the Office of Management and Budget (OMB) guidelines. The OIG issued its annual report to the Chair on November 13, 2010, validating the Agency's compliance with the Federal Managers' Financial Integrity Act (FMFIA). To make this determination, the OIG reviewed:

- assurance statements submitted by headquarters and district office directors attesting that their systems of management accountability and control were effective and that resources under their control were used consistent with the Agency's mission and in compliance with the laws and regulations set out in the FMFIA,
- all functional area summary tables and functional area reports submitted by headquarters and field offices, and
- the FY 2010 FMFIA assurance statement and assurance statement letter of the Office of Research, Information and Planning's (ORIP's), with supporting documents.

The OIG concluded that the Agency's management control evaluation was conducted in accordance with OMB's standards and concurred with ORIP's assertion that the Agency had no material weaknesses during the reporting cycle.

## **NEW AND ONGOING AUDIT AND EVALUATION PROJECTS**

### **Audit of EEOC's FY 2011 Financial Statements**

The OIG has contracted with Harper, Rains, & Knight to perform the FY 2011 financial statement audit of the EEOC, which is required by the Accountability of Tax Dollars Act of 2002. An entrance conference was held on February 17, 2011. Fieldwork will begin in April 2011. OIG expects the audit opinion to be issued prior to November 15, 2011, to meet OMB's reporting deadline and for inclusion in the Agency's 2011 Performance and Accountability Report. Additionally, a Management Letter Report will be issued shortly after the financial statement audit identifying any internal control weaknesses.

### **Internal Control Review of the Miami District Office**

The OIG deferred issuing this internal review report pending the completion of an OIG investigative review of allegations of misuse of government convenience checks and time and attendance fraud. The deferred draft report will be released in the third quarter of FY 2011.

### **Management Advisory on EEOC's Open Government Activities**

The OIG initiated a progress review of the Agency's success in implementing the President's 2009 open government initiative issued by the OMB (memorandum M10-06) and referred to as the "Open Government Directive" (OGD). In general, M10-06 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. The OIG's review is not a compliance review or a comprehensive performance assessment. Rather, the review is intended to broadly assess the Agency's OGD activities to date, and provide observations for its consideration as it proceeds to full implementation of the OGD. The OIG will issue draft and final reports during the third quarter of FY 2011.

**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 resolved findings and recommendations is essential to improving the effectiveness and efficiency of Agency operations. Therefore, EEOC needs to review and enhance the corrective action process to ensure the prompt resolution and implementation of audit recommendations.

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. The following table shows reports issued during this reporting period (October 1, 2010–March 31, 2011) that contained findings.

**Reports Issued During This Reporting Period**

Fiscal year	Report number	Report title	Date issued
2010	2010-04-FIN	FY 2010 Financial Statement Audit Management Letter Report	2/7/2011
2010	2010-03-FIN	FY 2010 Financial Statement Audit	11/10/2010
2010	2010-07-FISMA	Federal Information Security Management Act Report	11/1/2010
2010	2010-09-AEP	Evaluation of the Management of the EEOC’s State and Local Programs	3/21/2011

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 the Agency follow-up officials in April 2011. No corrective action plans had been received since our meeting held in August 2010. The OIG’s fall 2010 Semiannual Report to Congress disclosed no reviews with 52 open recommendations. The OIG is reporting a total of 10 reviews with a total of 32 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
2009	2009-05-FIN	<b>FY 2009 Financial Statement Audit Management Letter Report</b>	1/12/2010
Open Recommendations:			
<ul style="list-style-type: none"> <li>• 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.)</li> <li>• 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.)</li> <li>• 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.)</li> </ul>			

Fiscal year	Report number	Report title	Date issued
2009	2009-04-FIN	<b>FY 2009 Financial Statement Audit Report</b>	11/13/2009
Open Recommendations:			
<ul style="list-style-type: none"> <li>• The Chief Financial Officer (CFO), along with the Director of the Revolving Fund Division (RFD), review accrual procedures in place and refine these procedures to ensure that all revenue not earned at year end is properly classified as deferred in the financial statement.</li> </ul>			

**Equal Employment Opportunity Commission**

Fiscal year	Report number	Report title	Date issued
2008	2008-13-AEP	<b>Independent Evaluation of Agency Compliance with Federal Information Systems Management Act</b>	9/24/2008
<p>Open Recommendations:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Develop and implement policies and procedures to provide periodic reminders to all employees and contractors of their responsibilities to take reasonable measures to safeguard authenticators (passwords) from being exposed to unauthorized personnel.</li> </ul>			

Fiscal year	Report number	Report title	Date issued
2008	2008-12-AEP	<b>FY 2008 Independent Audit of EEOC Privacy Program</b>	9/30/2008
<p>Open Recommendations:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Centralize administration of Web site privacy policies.</li> <li>• Ensure that all privacy policies posted to EEOC Web sites comply with OMB requirements.</li> <li>• 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.</li> <li>• Review all privacy laws and regulations and identify those applicable to the EEOC.</li> <li>• Develop, document, and implement a formal process for ensuring all new privacy-related laws and regulations are evaluated to determine whether the EEOC is required to follow them.</li> <li>• Continue with the planned action to implement two-factor authentication with the implementation of badges for Homeland Security Presidential Directive 12.</li> </ul>			

**Equal Employment Opportunity Commission**

Fiscal year	Report number	Report title	Date issued
2009	2008-06-FIN	<b>FY 2008 Financial Statement Audit Management Letter Report</b> Open Recommendations:	2/12/2009
<ul style="list-style-type: none"> <li>• 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.)</li> </ul>			

Fiscal year	Report number	Report title	Date issued
2008	2008-03-AMR	<b>Oversight of Federal Agency Reporting Management Directive 715 (MD-715) and Related Topics</b> Open Recommendations:	9/26/2008
<ul style="list-style-type: none"> <li>• Develop a written plan, including a schedule, to ensure timely training for staff with major oversight assignments.</li> <li>• Assess the Federal Sector Programs' organizational structure based on the currently authorized positions in order to create more stability.</li> <li>• Develop a plan with milestones for making MD-715 a Web-based submission process.</li> <li>• Ensure that all agencies receive feedback from the Office of Federal Operations' on MD-715 in time to fully prepare for FY 2008 submissions.</li> <li>• Obtain customer feedback on MD-715 and other oversight issues using a real-time blog or similar mechanism.</li> <li>• Require Federal agencies to submit Part G, of their Equal Employment Opportunity assessment, with their annual MD-715 submissions.</li> </ul>			

**Equal Employment Opportunity Commission**

Fiscal year	Report number	Report title	Date issued
2007	2007-12-AMR	<b>Evaluation of EEOC Field Office Continuity of Operations (COOP) Plans</b>	3/27/2008
Open Recommendations:			
<ul style="list-style-type: none"> <li>• Direct field office directors to prepare COOP activities to ensure that field offices are adequately prepared for a COOP event.</li> <li>• Ensure that all field office staff take the COOP awareness course.</li> <li>• Develop and implement policies and procedures instructing field office staff to store all mission-critical electronic files on Agency-managed network drives.</li> </ul>			

Fiscal year	Report number	Report title	Date issued
2008	2007-11-RFPERF	<b>Performance Audit of the Equal Employment Opportunity Commission's Education, Training, and Technical Assistance Program Revolving Fund</b>	8/26/2008
Open Recommendations:			
<ul style="list-style-type: none"> <li>• Operate the Revolving Fund as an independent program within the Agency.</li> <li>• Approve the establishment of the EEOC Training Institute Steering Committee.</li> <li>• Update the Revolving Fund Business Plan to reflect strategic direction, vision, and goals over the next three to five years.</li> <li>• Initiate cross-training between job functions where reasonable and practical.</li> <li>• Reconcile spending plans to amounts recorded in the accounting system.</li> <li>• Seek professional assistance to develop a more effective budgeting method to project financial information to plan training events and monitor goals.</li> </ul>			

Fiscal year	Report number	Report title	Date issued
2007	2007-07-ADV	<b>Strategic Management of Human Capital, Succession Planning</b>	4/29/2009
Open Recommendations:			
<ul style="list-style-type: none"> <li>• EEOC's Chair and senior management should take an active role in the Agency's succession planning efforts, including ensuring that OHR takes actions to move the Executive and Senior Leadership Development Program forward including finalizing the document.</li> </ul>			

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Equal Employment Opportunity Commission

Fiscal year	Report number	Report title	Date issued
2006	2006-04-FIN	<b>FY 2006 Management Letter Report</b> Open Recommendations:	02/09/2007
<ul style="list-style-type: none"><li>• Report headquarters offices to the Office of the Chair and field offices to the director of the Office of Field Programs for their noncompliance with the property certification policy.</li></ul>			

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 October 1, 2010–March 31, 2011	
Allegations	Number
Charge Processing	224
Other Statutes	46
Title VII	182
Mismanagement	1
Ethics	1
Backgrounds	13
Theft	3
Threats	39
Fraud	4
Other Criminal Violations	10
Congressional Inquiries	2
<b>Total</b>	<b>525</b>

## COMPLETED INVESTIGATIONS

### Mail Fraud

The OIG conducted an investigative review of a suspicious survey sent to numerous United States postmasters in the Kansas City, Kansas area. The survey requested responses to questions about sexual relationships with subordinate employees.

Upon determining that the matter was being investigated by the United States Postal Inspection Service (USPIS), the OIG deferred its investigation to the USPIS and closed the matter.

### Check Fraud

The OIG conducted an investigation into allegations of fraud related to the misuse of government convenience checks, mismanagement, and time and attendance fraud in an Agency district office. Based on an OIG internal control review of the office, and action taken by Agency management to install new leadership in the office, the OIG determined that further investigative action was unwarranted. The allegations of mismanagement were addressed by the Agency. The OIG closed the matter.

### Misuse of a Government Vehicle

The OIG received an allegation that a district office employee was using a government owned vehicle to transport drugs. The anonymous complainant further alleged that the employee was stealing government computers and equipment, and trading them for narcotics. The OIG conducted a preliminary inquiry of the matter which included conferring with a local law enforcement drug task force. The complaint was closed due to insufficient evidence to support the allegation.

### Misuse of the Government Travel Card

The OIG received a complaint alleging misuse of the Citibank government travel card by an employee prior to and following the employee's separation from the Agency. The employee used the travel card to pay for personal telephone services and made cash withdrawals. The OIG documented approximately \$3,000 in unauthorized spending. The employee retired before paying the debt and subsequently became delinquent in payment of the debt. The OIG contacted the Assistant United States Attorney (AUSA) for the district to address the misuse by the employee. The AUSA declined to prosecute in the matter. The OIG proposed that Citibank take civil action against the employee to recover the debt.

## **Fraud**

The OIG received numerous complaints involving the solicitation for advertisement by an Internet magazine. The solicitation implied that the EEOC supported the magazine, and that companies would be violating the law by not placing an advertisement in the magazine. The OIG conducted a preliminary investigation to determine whether further evidence could be obtained. The OIG succeeded in identifying potential victims of this illegal scheme and referred the matter to the Federal Bureau of Investigation (FBI). The matter was closed following the referral.

## **Loss of Personally Identifiable Information (PII)**

The Office of Inspector General received a complaint involving the possible release of personally identifiable information (PII) in an Agency district office. The preliminary investigation revealed the PII had been posted on an Agency shared drive. The share drive is an internal drive accessed through the Agency Local Area Network (LAN). The complaint alleged contractors or temporary employees within the district office could have obtained the information for illegal activity. The OIG contacted the Agency PII Core Management Group and alerted it of the potential loss of PII. The Agency took appropriate action as prescribed by the U.S. Computer Emergency Readiness Team (US CERT).

## **ONGOING INVESTIGATIVE ACTIVITIES**

The OIG has ongoing investigations in several field offices involving prohibited personnel practices, ethics violations, conflicts of interest, time and attendance fraud, mismanagement, falsification of government records, misuse of government vehicles, impersonation of a Federal official, theft of government property, threats against the Agency, forgery, and misuse of a government credit card.

## OTHER OIG PROGRAM ACTIVITIES

### Review of 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 did not receive any audit reports issued by public accounting firms concerning Fair Employment Practices Agencies (FEPAs) that have work-sharing agreements with EEOC. Additionally, there were no audit findings for the FEPAs that involved EEOC funds (see Appendix III).

### OIG Implementation of New Telework Policy in Compliance with the President's Telework Enhancement Act of 2010

The success of the OIG's 2005 telework pilot and the enactment of the President's Telework Enhancement Act of 2010 provided the framework for the new telework program. The OIG implemented a new office wide telework policy in an effort to improve its continuity of operations, promote management effectiveness and enhance work-life balance.

In recent years, the OIG participated in a telework pilot program as an experiment to see how well the telework concept works for the organization and its employees. The OIG's objective during the pilot was to determine whether telework would result in improved efficiency in its use of office space, without negative impacts on the quality of our work. Participants in the pilot were required to work a minimum of four days per pay period from an approved telework site.

On December 9, 2010 President Obama signed the Telework Enhancement Act of 2010. This act provides a framework for federal agencies to better leverage technology and to maximize the use of flexible work arrangements, which will aid in recruiting new Federal workers, help retain valuable talent and allow the Federal government to maintain productivity in various situations including those involving national security and other emergency situations. In order to maximize the impact of this new law, agencies are expected to coordinate with the U.S. Office of Personnel Management (OPM) to help with efforts to build effective telework programs with three key objectives in mind:

1. **Improve Continuity of Operations (COOP)** - use telework as a strategy to keep government operational during inclement weather or other emergencies.

2. **Promote Management Effectiveness**-use telework to target reductions in management costs related to employee turnover and absenteeism, and to reduce real estate costs, environmental impact, and transit costs.
3. **Enhance Work-life Balance**- use telework to allow employees to better manage their work and family obligations, retaining a more resilient Federal workforce able to better meet Agency goals.

The OIG's telework program was implemented in February, 2011 in accordance with guidelines and recommendations provided by OPM on the Telework Enhancement Act of 2010.

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

<b>Report Title</b>	<b>Date issued</b>	<b>Questioned costs</b>	<b>Funds Put to Better use</b>	<b>Unsupported costs</b>
FY 2010 Financial Statement Audit	11/12/2010	\$0	\$0	\$0
FY 2010 Financial Statement Audit Management Letter	2/7/2011	\$0	\$0	\$0
Federal Managers' Financial Integrity Act	11/10/2010	\$0	\$0	\$0
Evaluation of the Management of EEOC's State and Local Programs	3/21/ 2011	\$0	\$0	\$0

**APPENDIX II. INDEX OF REPORTING REQUIREMENTS**

<b>Inspector General Act citation</b>	<b>Reporting requirements</b>	<b>Page</b>
Section 4(a)(2)	Review of Legislation and Regulations	NA
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	6-15
Section 5(a)(2)	Recommendations with Respect to Significant Problems, Abuses, and Deficiencies	6-15
Section 5(a)(3)	Significant Recommendations Included in Previous Reports on Which Corrective Action Has Not Been Completed	11-15
Section 5(a)(4)	Matters Referred to Prosecutorial Authorities	17-18
Section 5(a)(5)	Summary of Instances in which Information Was Refused	NA
Section 5(a)(6)	List of Audit Reports	10
Section 5(a)(7)	Summary of Significant Reports	2-3
Section 5(a)(8)	Questioned and Unsupported Costs	21
Section 5(a)(9)	Recommendations That Funds Be Put to Better Use	21
Section 5(a)(10)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	11
Section 5(a)(11)	Significant Management Decisions That Were Revised During the Reporting Period	NA
Section 5(a)(12)	Significant Management Decisions with Which the OIG disagreed	NA

**APPENDIX III. SINGLE AUDIT ACT REPORTS**

None issued.

## Equal Employment Opportunity Commission



### 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](mailto: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**