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to Congress, 2001 - 2003**

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Note: The EEOC OIG's policy is to not post these reports on the EEOC web site

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**EEOC Office of Inspector General (OIG) Semiannual Reports to Congress Included:**

1. Semiannual Report to Congress October 1, 2000 to March 31, 2001, dated May 1, 2001
2. Semiannual Report to Congress April 1, 2001 to September 30, 2001, dated November 1, 2001
3. Semiannual Report to the Congress October 1, 2001 - March 31, 2002, dated May 1, 2002
4. Semiannual Report to the Congress April 1, 2002 - September 30, 2002, dated November 1, 2002
5. Semiannual Report to Congress October 1, 2002 - March 31, 2003, dated April 30, 2003
6. Semiannual Report to Congress April 1, 2003 - September 30, 2003, dated October 30, 2003



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION**  
**Washington, D.C. 20507**  
**131 M. Street, N.E., Washington, DC 20507**

Office of Legal Counsel  
FOIA Programs

FEB 10 2009

**Re: FOIA No. – A9-04-FOIA-113**

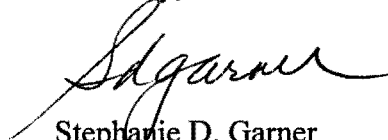
Your Freedom of Information Act (FOIA) request, received in this office on January 12, 2009 has been processed. Our search began on January 14, 2009. All agency records in creation as of January 14, 2009 are within the scope of the EEOC's search for responsive records. The paragraph(s) checked below apply:

- ☒ A portion of your request is neither granted nor denied because: ☐ Your request does not reasonably describe the records you wish disclosed or ☐ No records fitting the description of the records you seek disclosed exist or could be located after a thorough search. The remainder of your request is:
- ☒ Granted
- ☐ Denied pursuant to the subsections of the FOIA indicated at the end of this letter. An attachment to this letter explains the use of these exemptions in more detail.
- ☐ Granted in part and denied in part. Portions not released are being withheld pursuant to the subsections of the FOIA indicated at the end of this letter. An attachment to this letter explains the use of these exemptions in more detail.
- ☐ Your request is granted.
- ☐ Your request is denied pursuant to the subsections of the FOIA indicated at the end of this letter. An attachment to this letter explains the use of these exemptions in more detail.
- ☐ Your request is granted in part and denied in part. Portions not released are being withheld pursuant to the subsections of the FOIA indicated at the end of this letter. An attachment to this letter explains the use of these exemptions in more detail.
- ☐ You must send a check for \$      made payable to the United States Treasurer by mail to the above address. Manual search and review time is billed per quarter hour based on the personnel category of the person conducting the search. Fees for search services range from \$5.00 per quarter hour to \$20.00 per quarter hour. Direct costs are billed for computer searches and in certain other circumstances. Photocopying is billed at \$.15 per

page. 29 C.F.R. §1610.15. The attached Comments page will further explain any direct costs assessed. The fee has been computed as follows:

- ☐ Commercial use requests: ☐ pages of photocopying; ☐ quarter hour(s) of ☐ review time; and ☐ quarter hour(s) of ☐ search time; Direct costs are billed in the amount of ☐ for ☐.
- ☐ Requests by educational or noncommercial scientific institutions or representatives of the news media: ☐ pages of photocopying. The first 100 pages are provided free of charge.
- ☐ All other requests: ☐ pages of photocopying and ☐ quarter hour(s) of ☐ search time. Direct costs are billed in the amount of ☐ for ☐. The first 100 pages and 2 hours of search time are provided free of charge.
- ☒ The disclosed records are enclosed. No fee is charged because the cost of collecting and processing the chargeable fee equals or exceeds the amount of the fee. 29 C.F.R. § 1610.15(d).
- ☐ The disclosed records are enclosed. Photocopying and search fees have been waived pursuant to 29 C.F.R. § 1610.14.
- ☐ You may appeal this decision by writing within thirty days of receipt of this letter to the Office of Legal Counsel, FOIA Programs, Equal Employment Opportunity Commission, 131 M Street, N.E., Washington, D.C. 20507. Your appeal will be governed by 29 C.F.R. § 1610.11.
- ☒ See attached Comments page for further information.

Sincerely,



Stephanie D. Garner  
Assistant Legal Counsel/FOIA

Applicable Sections of the Freedom of Information Act, 5 U.S.C. § 552(b):

- |   |  |
|---|--|
| <input type="checkbox"/> (2)  | <input type="checkbox"/> (4)                             |
| <input type="checkbox"/> (3)(A)   | <input type="checkbox"/> (5)                             |
| <input checked="" type="checkbox"/> Section 706(b) of Title VII                             | <input type="checkbox"/> (6)                             |
| <input checked="" type="checkbox"/> Section 709(e) of Title VII                             | <input type="checkbox"/> (7)(A)                          |
| <input checked="" type="checkbox"/> Section 107 of the ADA                                  | <input type="checkbox"/> (7)(C)                          |
| <input type="checkbox"/> (3)(B)   | <input type="checkbox"/> (7)(D)                          |
| <input type="checkbox"/> 41 U.S.C. §253b(m) of the<br>National Defense Authorization<br>Act | <input checked="" type="checkbox"/> Other (see attached) |

**Re: FOIA No. – A9-04-FOIA-113**

**Comments Page**

Your request for copies of records pertaining to the Semi Annual report of the EEOC's Inspector General between the years 2000 and 2003 has been granted. The remainder of your request for copies of records relating to the EEOC's General Counsel Semi Annual Report for the years 1988 thru 1999 cannot be granted because they don't exist. An electronic copy of the requested records has been enclosed.

I hope this information has been helpful to you.

# MESSAGE TO THE CHAIRWOMAN

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May 1, 2001

The Honorable Ida L. Castro  
Chairwoman  
Equal Employment Opportunity Commission  
Washington, D.C. 20507

Dear Madam Chairwoman:

I am submitting to you the Office of Inspector General's Semiannual Report to Congress, as required by the *Inspector General Act of 1978, as amended*. The report summarizes accomplishments for the period of October 1, 2000 through March 31, 2001. The Act requires that you transmit this report, along with the management report prepared by the Office of Chief Financial Officer and Administrative Services, to the appropriate congressional committees by May 31, 2001.

This semiannual period was productive and challenging for the Office of Inspector General. We were pleased to offer consultative services by submitting financial system provider and customer information to you which helped in your selection of the Federal Financial System to provide the Agency's integrated financial management support for Fiscal Year 2002. This system will result in more effective and efficient management of EEOC's financial resources, as well as compliance with the *Federal Financial Management Improvement Act of 1996*. Further, the analysis of workflow between headquarter and field offices, and the Payments and Receipts Branch demonstrated OIG's ability to provide technical assistance, suggestions and observations to improve the payments process. These work efforts support not only the Office of Inspector General's mission but its vision to be "a team that embodies the highest standards of professionalism, technical skills and innovation promoting positive change and continuous improvement within the Agency." Indeed without the dedication, innovation and commitment to excellence demonstrated by OIG staff, the survey of financial system providers and customers, workflow analysis, and completed investigative initiatives would not have been possible.

We appreciate the support and cooperation you and your management team have provided to OIG during your tenure, and offer to you our continued support and best wishes in your endeavors.

Sincerely,



Aletha L. Brown  
Inspector General

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## AGENCY PROFILE AND ACCOMPLISHMENTS

EEOC enforces *Title VII of the Civil Rights Act of 1964, as amended*, which prohibits discrimination based on race, color, religion, sex, and national origin; the *Age Discrimination in Employment Act*, which prohibits discrimination against individuals 40 years of age or older; sections of the *Civil Rights Act of 1991*; the *Equal Pay Act*; *Title I of the Americans with Disabilities Act*, which prohibits discrimination against people with disabilities in the private sector and state and local governments; and the *Rehabilitation Act of 1973's* prohibitions against disability discrimination in the federal government.

During the reporting period EEOC issued the following policy and regulatory guidance:

- Policy guidance implementing Executive Order 13164, which requires all federal employers to establish effective written procedures for processing requests for “reasonable accommodation” by employees and applicants with disabilities. The guidance provides instructions for implementing the Order’s procedural requirements. It also addresses the circumstances in which federal managers may permissibly request medical information in connection with a request for reasonable accommodation. The Commission issued its own internal written guidance for providing “reasonable accommodation” to EEOC employees and applicants in February 2001.
- The Compliance Manual was revised to provide the Commission’s first comprehensive analysis of issues concerning employee benefit discrimination under the anti-discrimination laws it enforces. The section examines the legal standards that apply to claims of discrimination in health and life insurance benefits, long-term and short-term disability benefits, severance benefits, pension or other retirement benefits and early retirement incentives.
- The new revision of the Manual also explains that the laws enforced by the EEOC cover all forms of compensation discrimination including salary, bonuses, overtime pay, stock options, profit sharing plans, life insurance, vacation and holiday pay, reimbursement for travel expenses, and other fringe benefits. Further, guidance explains that employment practices that indirectly affect employee compensation, such as promotions, appraisal systems and work assignments, should be scrutinized carefully to assure that they are not unlawful.
- Enforcement guidance clarifying how the *Americans with Disabilities Act of 1990 (ADA)* and the *Rehabilitation Act of 1973* apply to contingent workers - those workers placed in job assignments by staffing firms, such as temporary employment agencies or contract firms. The guidance explains that these workers frequently qualify as the employees of both the staffing firm and its client and thus, both entities have obligations under the provisions of the *ADA*.
- A final regulation prohibiting the return, or “tender back,” of consideration in connection with

challenges to waivers under the *Age Discrimination in Employment Act (ADEA)*. Consistent with the Supreme Court's ruling in *Oubre v. Entergy Operations, Inc.*, 522 U.S. 422, the regulation provides that an employer may not require an employee to return, or "tender back," severance pay or other benefits in order to challenge a waiver as inconsistent with the *ADEA*.

During the reporting period, EEOC entered into several settlements of lawsuits including the following:

- The Birmingham District Office entered into a \$5 million settlement of a class action lawsuit against American Cast Iron Pipe Company (ACIPCO), which alleged race and sex discrimination. Under the terms of the agreement 346 men, who were aggrieved by a former requirement that children of employees and pensioners live with them full time in order to receive medical and dental insurance coverage, will share in the monetary compensation.
- The Chicago District Office entered into \$2.5 million voluntary settlement of claims of national origin discrimination against Commonwealth Edison Company (ComEd). The settlement agreement resolves charges that ComEd discriminated against certain Latino employees in selections for middle management positions. In addition to potential monetary compensation for a class of Latino workers, the settlement calls for ComEd to offer immediate promotions to certain Latino employees and implement other steps to prevent employment discrimination.
- The New York District Office entered into a \$782,000 settlement of a sex discrimination lawsuit against Landis Plastics, Inc. (LPI), an industrial manufacturer, with plants in New York, Illinois and Indiana, on behalf of a class of female employees who were denied jobs or promotions at the company's plant in New York. The agreement resolves charges filed by two women who alleged that women who sought entry level jobs were excluded from higher paying Material Handler positions and instead placed were in lower paid Packer positions and also were denied promotional opportunities.
- The Seattle District Office entered into a \$750,000 settlement of a lawsuit filed against Larson Automotive Group, a Tacoma-based auto dealership, for subjecting a class of African-American employees to persistent racial harassment in the form of racially offensive jokes, cartoons and slurs, and made management decisions based on the race of employees and customers.

- The St. Louis District Office entered into a \$450,000 settlement of a wage discrimination lawsuit against Arizona-based Swift Transportation Company, Inc., which charged that the company engaged in wage discrimination against six female driver managers in its Edwardsville, Kansas terminal. The settlement is one of the largest pay discrimination settlements obtained nationwide in recent years.
- The Miami District Office entered into a \$249,000 settlement of a racial harassment lawsuit filed against Sun Ag, Inc., a major citrus grower based in Fellsmere, Florida. The suit charged the company with subjecting African-American employees to a racially hostile work environment over a number of years, which included threatening remarks, displaying a hangman's noose, and racial slurs by supervisors and co-workers.
- The New York District Office entered into a \$200,000 settlement of a disability discrimination lawsuit against La Cruz Azul (Blue Cross) de Puerto Rico for allegedly violating *Title I of the Americans with Disabilities Act (ADA)* by limiting health insurance coverage for AIDS and AIDS-related conditions. The settlement is the largest settlement of a disability discrimination claim in Puerto Rico. In addition to the monetary relief, La Cruz Azul agreed to eliminate the discriminatory provision from health insurance plans it offers to employees in the future and to implement policies and procedures to eliminate disability discrimination generally in its health plans and the workplace.
- The Phoenix District Office entered into a \$175,000 settlement of a class religious discrimination lawsuit against the Daily Times newspaper of Farmington, New Mexico. The lawsuit charged that the newspaper took adverse employment actions against employees and applicants who did not share the same religious beliefs as the newspaper's publisher-owner, Eliot O'Brien.

## **OIG PROFILE AND ACCOMPLISHMENTS**

The EEOC OIG was created by the *Inspector General Act of 1978, as amended*, and established in January 1989. It is an independent objective unit responsible for assisting management in its efforts to ensure that EEOC programs and operations serve the public's interest. OIG meets this responsibility by conducting audits, investigations and related studies of Agency activities and reporting the results of this work to the Chairman and Congress. These reports recommend process improvements and identify opportunities to provide assurances to management that programs are operating as intended; operations are efficient and economical; contract decisions are based on benefits and fair costs; applicable laws are followed; and waste, fraud and misuse of resources are prevented and detected.

OIG is under the supervision of the Inspector General (IG), who provides overall direction, coordination, and leadership to staff. The IG establishes investigative and audit priorities, provides final review on all matters of major significance, and approves the general course of action to be followed by OIG staff. The office is organized into two program elements, the Immediate Office of the IG, which includes the Counsel to the IG, the Administrative Specialist and the Deputy IG; and the Audit, Inspection and Investigations Program which is supervised by the Deputy IG. Currently, there are nine full-time staff within the OIG including the IG, Deputy IG, Administrative Specialist, Counsel to the IG, an Auditor, two Criminal Investigators, a Management Analyst, and a Confidential Support Assistant.

During the reporting period staff completed several audit and review projects including a limited review of EEOC's management control system which revealed some discrepancies in data reported by field and headquarters offices during the FY 2000. At the request of EEOC's Procurement Management Division (PMD), OIG audited a cost analysis proposal which resulted in findings of no questioned, unsupported or unresolved costs. In another project OIG conducted a workflow analysis of the methodologies employed by the Chief Financial Officer (CFO), Payment and Receipts Management Division (PRMD) relating to transactions between the Agency's field and headquarters offices, and PRMD. Upon completion of the analysis, OIG provided the CFO with suggestions to improve these procedures. Finally, pursuant to the *Section 646 of the FY 2001 Consolidated Appropriations Act*, OIG issued a letter report to Congress concerning the Agency's practice of obtaining personally identifiable information from those individuals who access the Agency's web site. Ongoing work includes a performance audit of the EEOC Revolving Fund.

During the period, Investigations staff closed 161 matters of which 122 were hotlines. Charge processing issues referred by Congress, other Inspectors General, or at the written request of charging parties or respondents, accounted for the largest category. These matters were either resolved by OIG, directed to field offices, the Office of Field Programs or the Office of Federal Operations for appropriate action.

OIG conducted investigations of allegations of the unauthorized outside practice of law by a Senior Trial Attorney; the alleged impersonation of an EEOC official; and the misuse of a government owned computer to download pornography from Internet sites during duty and non-duty hours. OIG also investigated a complaint concerning the theft of a government issued VISA card number and determined that the theft was from an external source and referred the matter to the Bank of America Fraud Unit.

Investigations are ongoing in nine offices regarding allegations of misconduct by employees including gross mismanagement, falsification of time and attendance records, misuse of government property, prohibited personnel practices, falsification of Government documents and impersonation of an EEOC official in order to deceptively solicit companies for advertisements.

OIG is continuing its participation, which began during a previous reporting period, in a joint criminal investigation with the Drug Enforcement Administration of the Department of Justice. This activity will be reported on when it is concluded.

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## THE AUDIT PROGRAM

Audit and Inspection staff are responsible for conducting independent and objective audits, inspections, evaluations and special studies of EEOC programs, functions, activities, and operations. This work is intended to help managers improve and enhance the effectiveness of their activities.

### **Strategic Planning Goal:**

To identify administrative management approaches that improve the Agency's ability to accomplish its mission, and responsibilities in an efficient and effective manner.

### **COMPLETED ASSIGNMENTS**

Final reports issued by staff during the semiannual reporting period, are summarized below:

#### ***Workflow Analysis - Payment and Receipts Management Division (OIG Number 01-03-AIM)***

To provide technical assistance to the Agency's Financial Management Division, OIG conducted a workflow analysis of the processes employed by the Payment and Receipts Management Division (PRMD) relating to transactions between the Agency's field and headquarters offices, and PRMD. Upon completion of the analysis, OIG provided the director with the following suggested process improvements:

- ▶ Transfer the responsibility of obtaining vendor Automated Clearing House/Miscellaneous Payment Enrollment forms to the field and headquarters offices, making these offices responsible for forwarding this data to OCFOAS-PRMD for entry into the financial systems vendor maintenance table.
- ▶ Establish a centralized customer service center operated by the Agency's accounting technicians, on a rotational basis, where questions regarding financial matters can be timely answered.
- ▶ Eliminate the requirement of obtaining the Agency Chairwoman's approval of all headquarters obligations over \$2,500, and hold the office directors accountable for effectively managing their allotments, by means of performance appraisals.

***Cost Analysis Proposal - Federal Management Systems, Incorporated  
(OIG Number 01-02-APA)***

OIG was requested by contracting officials in the Agency's Procurement Management Division (PMD) to audit a proposal in the amount of \$2,181,021. The proposal was submitted by Federal Management Systems (FMS) Inc., an 8A firm. FMS submitted a proposal in response to a Request for Proposal (RFP), issued by the EEOC for administrative services. The audit resulted in findings of no questioned, unsupported or unresolved costs. Furthermore, OIG concluded that FMS's overall accounting system and related internal control policies and procedures were adequate.

***Limited Review of EEOC's Management Control System  
(OIG Number 01-01-AIC)***

To certify the Agency's annual report to the President, as mandated by the *Federal Manager's Financial Integrity Act*, OIG conducted a limited evaluation of EEOC's management control review process, as required by *EEOC Order 195.001, Internal Control Systems, dated November 22, 1989*. This evaluation determines if the Agency's annual review was conducted in accordance with the Office of Management and Budget guidelines. OIG found discrepancies in data reported by field and headquarters offices during the FY 2000. The presence of these discrepancies, however, did not affect OIG's assessment that the review was conducted in accordance with applicable guidance.

**ONGOING ASSIGNMENTS AND OTHER RELATED ACTIVITIES*****Review of the EEOC Revolving Fund***

OIG is soliciting proposals for external audit services in support of OIG's Performance Audit Review of the Revolving Fund, which began operating in 1993. Congress passed the *EEOC Education, Technical Assistance and Training Revolving Fund Act of 1992 (P.L. 102-411)* as a vehicle through which the Agency, on a fee basis, would develop and deliver comprehensive and specialized external education, technical assistance, and training relating to the laws it enforces.

Revolving Fund Activity began in 1993. OIG has never provided an independent assessment of the performance, nor conducted an independent financial audit of the EEOC's Revolving Fund. Review objectives are to determine the extent to which the program achieves a desired level of results and assess the effectiveness of the program.

***Evaluation of EEOC's Information Security Program***

The *Government Information Security Reform Act (GISRA)*, requires agencies to develop, implement and annually evaluate their agency-wide information security programs to ensure the integrity, confidentiality, authenticity, availability; and non-repudiation of information and information systems. GISRA directs IGs to perform annual independent evaluations of the information security program

and practices of the agency. OIG initiated its evaluation and will report the actual performance of EEOC in implementing the GISRA to the Office of Management and Budget at the end of the fiscal year.

### ***Other Audit Activities***

As required by *Section 5(a)(3) of the Inspector General Act of 1978, as amended*, semiannual reports shall include a summary of each audit report issued before the commencement of the reporting period on which corrective action has not been completed by the end of the reporting period. OIG has issued three reports that contain such recommendations:

- ▶ In OIG Report Number 97-05-APE, *Audit of the Injury Compensation Program*, issued on September 30, 1998, OIG has been advised by the Agency's Audit Follow-up Official that two supervisory guides: (1) The *EEOC Injury Compensation Guide for Managers and Supervisors*, and (2) The *EEOC Managers' Guide to Traumatic Injuries* have been written and are awaiting issuance along with the revision to the *EEOC Order 560.007*, which is currently in review by the Agency's Management Analysis Branch (MAB).
- ▶ In OIG Report Number 00-03-APO, *Review of Wage Determination Rates*, issued on September 29, 2000, OIG determined that EEOC needed to make an additional payment in the amount of \$18,992. This payment was due to the increases in wage and fringe benefits, social security, unemployment taxes and workers' compensation insurance. OIG has been advised by the Agency's Audit Follow-up Official that as of March 30, 2001, the final payment of \$18,992 has not been issued by the Procurement Management Division.
- ▶ In OIG Report Number, 00-09-ADF, *Imprest Fund Management Advisory*, issued September 29, 2000, OIG recommended that management implement more efficient methods to replace cash disbursements consistent with the *National Partnership for Reinventing Government* recommendations to streamline Government processes. These include electronic fund transfers, small purchase credit cards, and when applicable farecards and tokens for local travel. Additionally, it was recommended that employees be encouraged to accumulate a minimum cost of at least \$10 before applying for reimbursement. According to the Financial Management Division, the Agency plans to discontinue the use of the Agency-wide use of the Imprest Fund by October 1, 2001.



## THE INVESTIGATIVE PROGRAM

The investigative process begins with either the receipt of allegations of wrongdoing or mismanagement, or requests for review from concerned parties. The Investigative Program is subject to a strategic planning process which reviews historical data and trends and produces goals for the future. Proactive investigative activities include serving as liaison with other offices of inspector general, law enforcement agencies and professional organizations; establishing and maintaining formal and informal communications channels with Agency officials and employees; detecting circumstances which show a potential for fraud, waste and abuse; and maintaining a supportive working relationship with field offices. Work was performed in support of OIG's objective to accomplish the Agency's enforcement mission.

### **Strategic Planning Goal:**

Focus limited investigative resources on issues that represent the greatest risk, and offer maximum opportunity, to detect and prevent fraud, waste and abuse in EEOC programs and operations.

During the period, Investigations staff closed 161 matters of which 122 were hotlines.

Ethics	5
Theft/Other Criminal Conduct	6
Charge Processing	84
Fraud	8
Mismanagement/Misconduct	3
Threats	-0-
Whistleblower	1
Title VII	28
Other	26
<b>Total</b>	<b>161</b>

Charge processing issues referred by Congress, other Inspectors General, or at the written request of charging parties or respondents, accounted for the largest category. These matters were either resolved by OIG, referred to Agency field offices, Office of Field Programs or the Office of Federal Operations for appropriate action.

**COMPLETED INVESTIGATIONS*****Outside Practice of Law***

OIG conducted an investigation into an alleged unauthorized outside practice of law by a Senior Trial Attorney. As a result of the investigation, OIG determined that there was insufficient creditable evidence to establish that the employee was engaged in any outside practice of law and closed the case.

***Impersonation of an Equal Employment Opportunity Official***

OIG conducted an investigation of alleged impersonation of an EEOC official. An employee of a California publishing company attempted to solicit advertising from a Massachusetts company, by claiming to be a representative of EEOC. OIG could not establish that sufficient evidence of impersonation existed and closed the case.

***Misuse of Government Property***

OIG completed an investigation and issued a report involving an allegation of misuse of government equipment. An Agency employee used the government issued computer to download pornography from Internet sites before and during the course of normal duty hours. OIG Agents determined that during a seven day period the subject downloaded approximately 1,946 pornographic photographs. Management action is pending.

***Time and Attendance Fraud***

The OIG investigated allegations concerning time and attendance abuse by a Supervisory Investigator. The evidence adduced was insufficient to establish exact dates and time periods during which the alleged violations had occurred. Management was already aware of the situation and is monitoring the employee's time and attendance.

***Government Credit Card Theft***

OIG received a complaint concerning the theft of a government issued VISA card number. OIG investigated the matter and determined that the theft was from an external source and referred the matter to the Bank of America Fraud Unit.

***Alleged Retaliation***

In connection with an ongoing investigation, OIG received allegations from employees who claimed that due to their cooperation with the investigation their manager acted in a retaliatory manner. Employees claimed that after OIG's visit, previously acceptable policies, requirements and

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procedures for work products were changed; acceptable work products were being criticized, workloads increased, and negative mid-year performance review provided. After careful review of the facts, OIG found insufficient evidence to conclude that the management official acted in a retaliatory manner against employees who cooperated with OIG investigators.

***Back Dating of Charge Files***

OIG received allegation that a district office had falsified documents within 14 EEOC charge files. The OIG investigation revealed that the office back dated at least 14 charge files on or after October 5, 1999. The Notice of Right to Sue (EEOC Forms 161) and the letter to Charging Parties were also backdated to September 30, 1999. The files were subsequently included in the FY 1999 statistics. OIG referred this matter to the Office of Field Programs for appropriate action.

**ONGOING INVESTIGATIVE ACTIVITY**

OIG has investigations on-going in 9 offices involving allegations of employment related misconduct. These matters include allegations of gross mismanagement, falsification of time and attendance records, misuse of government property, prohibited personnel practices, falsification of Government documents, and impersonation of an EEOC official in order to deceptively solicit advertisements from companies.

OIG is continuing its participation, in a joint criminal 2-year investigation with the Drug Enforcement Administration of the Department of Justice. This activity will be reported on when it is concluded.

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## OTHER OIG ACTIVITY

### *Legislation, Regulations and Legal Matters*

During the reporting period OIG reviewed proposed revisions of EEOC Orders on EEOC Safety Program, EEOC Order No. 370.003, Orientation Program for Employees New to EEOC, EEOC Order No. 510.002, EEOC Employee Assistance Program, EEOC Order No. 570.004, Printing/Duplicating/Copying/Facsimile Management, EEOC Order No. 330.001, Delegations of Personnel Authority, EEOC Order No. 130.009, Organization, Mission and Functions, Chapter IX, EEOC Order No. 110.002, and Delegation of Travel Authority, EEOC Order No. 130.003.

### *Congressional Matters*

Pursuant to the *Section 646 of the FY 2001 Consolidated Appropriations Act*, OIG issued a report to Congress concerning the Agency's practice of obtaining personally identifiable information from individuals who access the Agency's web site. Based upon information provided by Agency personnel, as well as OIG's own independent tests, neither EEOC, nor the Government Printing Office, which maintains the Agency's external web server, employs procedures to track personally identifiable information of users visiting the Agency's official Internet site. The Agency informs individuals visiting the web site, to read or download information, that the following data is collected automatically by the web server: (1) the name of the domain and the Internet Protocol (IP) address, (2) the date and time that the individual accessed the Agency's site, and (3) the pages that the individual visited. The notice also informs the user that personal information is captured only if the user chooses to provide it.

OIG notified seven Members of the House and Senate Appropriations Committees and the Subcommittee on District of Columbia Appropriations of the Agency payments to the District of Columbia for the water and sewage services it provides to the EEOC Headquarters Building and Washington Field Office. Payment information was required pursuant to *Section 43-1552 of the D.C. Code*. The requirement resulted from the failure of some federal agencies to make timely utility payments to the District. OIG reported that EEOC remits rent payment for both locations to the General Services Administration and that utility costs are included in the rent. OIG did not provide information on how General Services Administration handles the payment of EEOC's utility bills.

### *Peer Review*

The Legal Services Corporation's Office of Inspector General conducted an external quality review of OIG as requested by the Executive Council on Integrity and Efficiency in December 2000. The review resulted in an unqualified opinion on the audit program's quality control, indicating that OIG

met the requirements of the Comptroller General's *Government Auditing Standards* in all categories of the peer review.

### ***PCIE/ECIE Strategic Plan***

The Deputy Inspector General participated in the PCIE/ECIE's efforts to develop a strategic plan for the councils.

### ***Assistance to Customers***

OIG arranged an exit conference and coordinated the process of obtaining official EEOC comments on a General Accounting Office draft report titled, *Senior Executive Service: Diversity Improved in the Past Decade (GAO-01-377)*. The report described changes in the composition of and appointments to the Senior Executive Service, by gender and race/ethnicity, from 1990 through 1999. Based upon review by the Offices of the Chairwoman, Federal Operations, General Counsel, Congressional Relations and Legislative Affairs, and Legal Counsel it was concluded that much of the traditional analysis historically used by EEOC to assist agencies in their equal employment opportunity efforts was rejected. The official response was addressed to the Comptroller General of the United States and signed by the Chairwoman. GAO made some changes based on Agency comments and included the Chairwoman's letter in the final report.

As part of an ongoing review of issues confronting the Agency's financial management system, OIG conducted a survey of federal agencies to identify types of financial management systems in use (cross service agreements and off the shelf systems) and the level of satisfaction with the services provided. This information was reported to the Chairwoman who used it to assist her in determining the best system option for the Agency.

An Agency manager complained to OIG about an incident of possible electronic eavesdropping in a field office. The manager had received an anonymous telephone call which only said "your office is tapped". OIG contacted the Federal Protection Service and arranged for a sweep of the office. There were no electronic eavesdropping devices detected or discovered.

### ***Training and Other Activities***

The Special Agents and Counsel completed a class on Issues/Problems and Solutions for the IG Community at the Public Administration Forum. The Inspector General and Counsel attended the Association of Directors of Investigation Conference in March in Williamsburg, VA.

### ***Technology Improvement Projects***

OIG has acquired modern technology in an effort to further its technological capabilities. In order to move towards a more "mobile" and "paperless" environment, OIG has procured Palm IIIxe

personal digital assistants (PDAs) for staff members. The PDAs will be used along side a zippered notepad portfolio (Seiko SmartPad) to capture handwritten notes into a digital format for storage on either the PDA or compact disk medium.

To further improve the office's capability of collecting and storing hard copy documents, OIG has built a "super work station" that houses a flatbed scanner, with a document feeder, a Compact Disk Re-writeable recorder and flatbed scanners without document feeders that will be used by technicians at their desks. This technology will enable staff members to store hard copy documents into a digital format.

## APPENDIX I - OIG AUDIT REPORTS

Report Title	Report Number	Date Issued	Dollar Value of Questioned Costs	Dollar Value of Better Used Funds	Dollar Value of Unsupported Costs
<b><u>AUDITS</u></b>					
Limited Review of EEOC's - Management Control System	01-01-AIC	12-22-00	0	0	0
Cost Analysis Proposal - Federal Management Systems, Inc.	01-02-APA	01-25-01	0	0	0
Workflow Analysis - Payment and Receipts Management Division	01-03-AIM	03-21-01	0	0	0

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# MESSAGE TO THE CHAIR

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November 1, 2001

The Honorable Cari M. Dominguez  
Chair  
Equal Employment Opportunity Commission  
Washington, D.C. 20507

Dear Madam Chair:

On behalf of the Office of Inspector General (OIG) for the Equal Employment Opportunity Commission (EEOC), I am pleased to submit the first Semiannual Report to the Congress since your appointment as Chair. This report summarizes significant OIG activities for the six month period that ended September 30, 2001.

During this reporting period, we continued to work with EEOC to identify sound business management and operational improvements in the Agency's programs and operations. The Investigations staff closed 213 matters through either OIG investigation, resolution, or referral to other Agency offices for appropriate action. Audit activities include completion of an evaluation of the Agency's information security plan and field work associated with the audit of the Education, Technical Assistant and Training Revolving Fund.

As detailed later in this report, the audit and investigative activities carried out during this period, together with other initiatives that are still in progress, have specifically addressed all issues that we've identified as management challenges facing EEOC and accomplished OIG's strategic goals.

I want to take this opportunity to thank you, the Commissioners, and EEOC's senior managers, for the support that the OIG has received during this reporting period. I also want to express my sincere appreciation for the accomplishments of all OIG employees, and commend them for their continued commitment to the mission, professionalism, and willingness to accept new challenges.

Sincerely,



Aletha L. Brown  
Inspector General

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## EXECUTIVE SUMMARY

This section highlights selected audits and investigations conducted during the reporting period. More detailed summaries appear in subsequent sections of this report.

### **AUDITS**

OIG completed an evaluation of the Agency Information Security Plan pursuant to the *Government Information Security Reform Act*. OIG concluded that EEOC's automated information security program meets the requirements of the law.

The OIG obtained the services of an independent external audit firm to perform, with OIG oversight, the audit of the *EEOC Education, Technical Assistance and Training Revolving Fund Act of 1992 (P.L. 102-411)*. The Revolving Fund was created as a vehicle through which the Agency, on a fee basis, would develop and deliver comprehensive and specialized external education, technical assistance, and training relating to the laws it enforces. Field work was completed in September and a draft report is forthcoming.

As part of the evaluation of the validity of information entered into the Agency's Charge Data System (CDS) by field offices, OIG conducted an evaluation of the procedures employed by a field office regarding the accuracy of monetary benefit information entered into CDS. A draft report is anticipated during the first quarter of FY 2002.

OIG began a review of the Agency's financial and personnel and payroll systems implementation. The Integrated Financial Management System (IFMS) will provide a single integrated source of financial data for all internal management and external reporting needs. The Federal Personnel/Payroll System (FPPS) will provide real-time access to personnel and payroll data for agency decision making. Field work will be completed by the end of December 2001.

OIG began conducting an overall assessment of *Government Performance and Results Act (GPRA)* documents, determined the scope of the assignment and conducted initial data gathering. OIG intends to communicate work results in time to assist EEOC in developing the FY 2001 Performance Report and the FY 2003 Performance Plan documents.

## **INVESTIGATIONS**

During the period, Investigations staff closed 213 matters, of which 155 were hotline contacts. OIG investigative activities included the investigation of allegations that someone used a Government VISA Smart Pay card, issued to an EEOC district office, to make an unauthorized purchase of a round trip plane ticket. The matter was referred to the Bank of America Fraud Division for inquiry.

OIG completed work on a joint 2-year investigation with the Drug Enforcement Administration of the Department of Justice. A report addressing the conduct of an EEOC employee is under review by OIG Management.

OIG received an allegation that a supervisor had used his position to obtain sexual favors from a subordinate employee and had physically assaulted the employee in the work place. The OIG investigation revealed that the supervisor in question did not have any supervisory authority over the employee and that the two had been involved in a consensual intimate relationship. The investigation also revealed that the supervisory official had pushed and attempted to choke the employee during an altercation which occurred in the office. Agency management disciplined the supervisory employee.

In another matter it was alleged that while on a detail to another office, a District Director used the Government-owned vehicle for personal use and had also misused the Government telephones to make personal long distance calls. An OIG inquiry revealed that the District Director had received permission from the Commission's Designated Agency Ethics Official (DAEO) to use the Government vehicle while on a detail and that there had been no misuse of the Agency's telephones by the District Director.

OIG lent assistance to the Federal Bureau of Investigations (FBI) Evidence Recovery Team following the September 11, 2001 Terrorist Attacks. The Criminal Investigators assisted in the extensive search and recovery of evidence at the Pentagon. Two Agents assisted in the recovery efforts for a total of 112 hours.

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## THE OFFICE OF INSPECTOR GENERAL

The *Inspector General Act of 1978* was passed to ensure a level of integrity and efficiency that fulfills the American taxpayer's expectation for excellence and accountability in the Federal Government and its programs. Inspectors General (IG) are under the general supervision of the agency head and have substantial independence, authority and responsibility to conduct audits and investigations of agency programs. They have direct access to all agency records and materials (physical and electronic); issue subpoenas for all necessary information, data, reports, and other documentary evidence; administer oaths before taking testimony; hire their own staff; and request assistance from other Federal, state and local government agencies. They also act as independent fact finders, often undertaking initiatives at the request of the agency head, and provide assessments in such areas as financial management systems and internal controls. Generally, the IG and agency management pursue the same goal of efficient and effective program operation and service delivery.

Congress established an Office of Inspector General at the EEOC through the 1988 amendment of the *Inspector General Act*, which expanded authority to independent agencies and federal entities. OIG's primary responsibility is to assist the EEOC by ensuring integrity, efficiency, and accountability in the agency's programs to enforce laws against discrimination in the workplace. Specifically, OIG supports the Agency by carrying out its mandate to independently and objectively conduct and supervise audits and investigations; prevent and detect fraud, waste, and abuse; and promote economy and efficiency in programs and operations. The OIG keeps EEOC's Chair and members of the Congress fully and currently informed about problems, recommends corrective actions, and monitors the EEOC's progress in implementing such action.

### ORGANIZATION AND FUNCTIONS

The OIG is under the supervision of the Inspector General who provides overall direction, coordination, and leadership to staff. The OIG includes a deputy inspector general, an audit staff, an investigative staff, an independent counsel, and an administrative staff. The Deputy Inspector General serves as alter ego of the Inspector General and has the responsibility for providing overall program guidance, direction and supervision to audit and investigative staffs. The audit program provides assurance to the Chair and to Congress that EEOC programs are working efficiently and effectively. The audit staff conducts performance and financial audits, as well as special reviews and evaluations. These audits focus on management controls, administrative and program operations, transaction processing and financial and other information systems. In special evaluations, the OIG considers the

implications of EEOC programs, operations and policies.

The mission of the investigative program is to perform investigative activities related to the integrity of the EEOC's programs. Most of OIG's investigations focus on violations of law or misconduct by Agency employees, as well as allegations of irregularities or abuses in operations and programs. When needed, OIG's investigators work in concert with other law enforcement entities. More than half of investigative inquiries result from employees and the general public contacting OIG's hotline. A significant amount of these calls concern EEOC's discrimination complaint process and are referred to the appropriate program office.

OIG's Counsel to the Inspector General provides independent legal advice on issues concerning criminal law and procedures, evidence, and administrative and constitutional law as they relate to OIG's investigative program. The CIG develops legal interpretations of appropriation law, financial management statutes and regulations and procurement and funding rules in support of the OIG's audit program. The CIG reviews each report product issued by OIG for legal sufficiency. Additionally, the CIG conducts reviews and provides comments on existing and proposed legislation, regulations, directives and policy issues that affect EEOC and OIG programs and operations.

The administrative staff maintains control of OIG funds, manages personnel and procurement operations, operates OIG's hotline, responds to inquiries from the public and performs a variety of other support functions.

During the period, OIG hired a senior evaluator to provide in-depth coverage of Agency performance and operations. Also, OIG instituted Law Enforcement Availability Pay (LEAP) for criminal investigators. Availability pay is a type of premium pay that is paid to Federal Law Enforcement Officers who are criminal investigators. Due to the nature of their work, criminal investigators are required to work, or be available to work, substantial amounts of "unscheduled duty." Availability pay is generally an entitlement that an agency may provide if the required conditions are met.

## **THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION**

The EEOC is the federal agency responsible for enforcement of: the *Age Discrimination in Employment Act of 1967*; Title VII of the *Civil Rights Act of 1964, as amended*; the *Equal Pay Act of 1963*; in the Federal sector only, *section 501 of the Rehabilitation Act of 1963*; the *Americans with Disabilities Act of 1990*; and the *Civil Rights Act of 1991*. These statutes prohibit employment discrimination based on race, sex, religion, national origin, age, or handicap status. The EEOC is also responsible for carrying out Executive Order 12067,

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which promotes coordination and minimizes conflict and duplication among Federal agencies that administer statutes or regulations involving employment discrimination.

The EEOC budget for FY 2001 was \$303.2 million. The budget supports three activities:

*Executive direction and support* activity provides for the direction and coordination of the Agency's programs, and also provides administrative and management support services.

*Enforcement* activity resolves charges of employment discrimination filed with the Commission and pursues litigation to enforce compliance with *Title VII*, the *Equal Pay Act*, the *Age Discrimination and Employment Act*, the *Americans with Disabilities Act*, and the *Civil Rights Act of 1991*. EEOC continues to reduce charge inventories through a Comprehensive Enforcement Program that ensures collaboration between investigatory and legal staff in all phases of the Commission's work, including outreach, intake, and investigation, to expedite charge resolution; and, when cases are not settled through mediation, to ensure that these, and other older and more complex cases, are addressed in a fair and efficient manner. Regarding complaints in the federal sector, the appeals inventory has been reduced to about 7,500 appeals by the end of FY 2001, from a high of almost 12,000 in February 2000.

*State and local grants* activity provides funds to state and local fair employment practices agencies to assist in the resolution of employment discrimination complaints. The EEOC Education, Technical Assistance, and Training Revolving Fund Act of 1992 created a revolving fund to pay for the cost of providing education, technical assistance and training relating to the laws administered by the Commission.

The EEOC operates 50 field offices and has a workforce of about 2,900. In July 2001, the EEOC opened its 51<sup>st</sup> office in San Juan, Puerto Rico. The San Juan office will handle employment discrimination charges from Puerto Rico and the U.S. Virgin Islands.

On August 6, 2001, Cari M. Dominguez was sworn in as Chair of the EEOC, succeeding Ida L. Castro. Most recently, Chair Dominguez served as a principal of Dominguez and Associates, a Maryland-based consulting firm. Ms. Dominguez continues a distinguished career in federal service, having previously served in the U. S. Department of Labor as Assistant Secretary for Employment Standards and as Director of the Office of Federal Contract Compliance Programs.

Among the tragic events of Tuesday, September 11, 2001, was the destruction of the

Agency's New York District Office, located on the 18<sup>th</sup> floor of the World Trade Center, Building 7. Fortunately, all EEOC personnel were safely evacuated from the building before it collapsed. The agency expects to have New York personnel relocated to an alternative worksite(s) and operations should resume in early Fiscal Year 2002.

## **MANAGEMENT CHALLENGES FACING EEOC**

During the reporting period, OIG assessed the issues confronting government entities and identified those which present the greatest challenges to EEOC management. As of August 30, 2001, OIG identified the following challenges. (These are not ranked in order of importance.)

### **Utilization of Human Capital**

Maintenance of a highly competent staff to carry out EEOC's law enforcement mission. This includes recruitment and retention strategies; training, skills development and maintenance; telecommuting and the virtual office; alternative work scheduling and job sharing; and increased use of contractors.

### **Information Technology and Security**

Development of an information system architecture that enables the Agency to enhance its communication performance through continuous technological improvements, as well as developing means to ensure the security and availability of the Agency's information system assets and data.

### **Performance Based Management and Budgeting**

Identification of appropriate performance measures and applying them to budget and management decision making and transitioning from output to outcomes.

### **Business Process Re-engineering**

Evaluation of the way EEOC conducts its operations and determining the impact of new financial management, payroll and personnel, and integrated mission systems on existing business processes.



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## THE AUDIT PROGRAM

Audit and Evaluation staff are responsible for conducting independent and objective audits, evaluations, and special studies of EEOC programs, functions, activities, and operations. This work is intended to help managers improve and enhance the effectiveness and efficiency of their programs.

*All work conducted under the Audit Program supports the OIG Strategic Goal to improve the economy, efficiency, and effectiveness of EEOC programs, operations, and activities.*

### **COMPLETED ASSIGNMENT**

#### **Evaluation of Agency Information Security Plan Pursuant to Government Information Security Reform Act Requirements (OIG Report Number: 01-06-AIC)**

OIG issued an executive summary of its assessment of the Agency's automated information security program, as required by the *Government Information Security Reform Act of 2001* (GISRA). GISRA outlines the information security management requirements for agencies, including an annual independent assessment conducted by each agency's Inspector General.

OIG concluded that EEOC's automated information security program meets the requirements prescribed by GISRA. OIG bases its opinion on a comparison of the Agency's security program, policies, procedures, and internal controls, to the information security system standards outlined in the General Accounting Office's (GAO), "*Federal Information System Controls Audit Manual*"; Chief Information Officer Council's, "*Federal Information Technology Assessment Framework*"; and the National Institute of Science and Technology's, "*Self-Assessment Guide for Information Technology Systems*."

### **ONGOING AUDIT ACTIVITY**

#### **OIG Performance Audit of the Education, Technical Assistance and Training Revolving Fund. (OIG Report Number 01-07-APO)**

Congress passed the *EEOC Education, Technical Assistance and Training Revolving Fund Act of 1992 (P.L. 102-411)* as a vehicle through which the Agency, on a fee basis, would develop and deliver comprehensive and specialized external education, technical assistance, and training relating to the laws it enforces. The Revolving Fund, which commenced

operations in 1993, is a public enterprise fund that carries out a cycle of business-type operations. The OIG initiated its first audit of the fund during the reporting period and contracted M.D. Oppenheim & Company, P.C. (MDO) to conduct the audit. The purpose of the audit was to determine the extent to which the Revolving Fund achieved the results and provided benefits established by *P.L. 102-411*. Also OIG will identify factors inhibiting satisfactory performance and methods to improve program performance. MDO has completed its field work and a draft report will be issued in Fiscal Year 2002.

**Office of Human Resources Computer Security Awareness Training Program Management Advisory (OIG Report Number 01-10-AIC)**

OIG has completed field work on an evaluation of the Agency's Computer Security Awareness Training Program. *EEOC Order 240.005 - Automated Information Security* establishes the Office of Human Resources as responsible for ensuring that all employees, especially new employees, have received and signed an acknowledgment that they have read a copy of *Information Security Responsibilities of EEOC Employees*. In reviewing this management control activity OIG is examining the level of compliance with the *Order*. This management advisory will issue during the first quarter of Fiscal Year 2002.

**Evaluation of Investigative Charge File Information Reporting (OIG Report Number 01-05 -AEN)**

As part of the evaluation of the validity of information entered into the Agency's Charge Data System (CDS) by field offices, OIG conducted an evaluation of the procedures employed by a field office regarding the accuracy of monetary benefit information entered into CDS. The purpose of this evaluation was to assess the validity and accuracy of the monetary benefit information reported by the field office, and to ensure that applicable guidelines and procedures are followed, in order to ensure that reported information is appropriately safeguarded against potential fraud, waste, and/or abuse. A draft report is anticipated in the first quarter of Fiscal Year 2002.

**Evaluation of EEOC's Performance Planning and Reporting Under the Government Performance and Results Act (OIG Report Number 01-12-AMR)**

The *Government Performance and Results Act of 1993 (GPRA)*, requires Federal agencies to prepare annual performance plans and performance reports. The Annual Performance Plan communicates what the Agency proposes to accomplish during the fiscal year, how it will be accomplished, and describes how the Agency will assess whether the desired results

are achieved. The Performance Report communicates results by reporting on achievement of performance measures.

OIG began conducting an overall assessment of GPRA documents, determined the scope of the assignment and conducted initial data gathering. OIG intends to communicate work results in time to assist EEOC in developing the FY 2001 Performance Report and the FY 2003 Performance Plan documents.

### **Evaluation of EEOC Field Office Infrastructure (OIG Report Number 01-13-AMR)**

OIG is conducting an evaluation of EEOC's field office infrastructure. Through a limited case study approach, OIG will examine such issues as space utilization, the use of technology and the Agency's use of telecommuting, in an effort to examine the effectiveness and efficiency of the existing field office environment. The evaluation includes a general analysis of Agency-wide data and a detailed analysis of one representative field location, as well as a look at best practices and bench marking in the Federal government and the private sector. OIG intends to issue a preliminary report in Fiscal Year 2002.

*The following audits meet OIG's Strategic Goal to strengthen EEOC Financial Management through Mandated Audits and Oversight Responsibilities.*

### **Contract Audit Close-Out of Contract Number 06/0831/0156, KPMG Peat Marwick (OIG Report Number 01-08-ACC)**

OIG is conducting a contract closeout audit of Contract Number 06/0831/0156. This contract called for the contractor to provide automated data processing support to the EEOC. The purpose of the audit is to ensure the accuracy of costs charged for services provided and determine the final cost of the contract to the Agency. The report will issue during the first quarter of Fiscal Year 2002.

### **Review of Travel Vouchers and Claims for Reimbursements (OIG Number 01-11-ATR)**

OIG plans to review employee travel vouchers and claims for reimbursement for FY 2001. A request for proposals was issued during the period. The objectives of the review are to determine whether travel vouchers and orders were properly authorized and paid. OIG plans to hire a contractor that will conduct a significant portion of this work, and will issue a report in Fiscal Year 2002.

### **Monitoring of the Implementation of Agency's Financial, Personnel and Payroll Systems**

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During the reporting period, OIG began a review of the Agency's financial, personnel and payroll systems implementation. EEOC has partnered with the Department of Interior to support these mission critical operations. The Integrated Financial Management System (IFMS), which replaces the troubled FINASST system, will provide a single integrated source of financial data for all internal management and external reporting needs, while the Federal Personnel/Payroll System (FPPS) provides real-time access to personnel and payroll data for agency decision making. Both systems employ proven mature technology and promise enhanced communications and improved data accuracy, reliability and reporting for employees, vendors and the general public. OIG's goal is to timely identify challenges, recommend solutions, and report observations. The FPPS conducted successful parallel testing in August and became operational on September 23, 2001. While IFMS became operational on October 1, 2001, without backup from FINASST. OIG will complete its system implementation review at the end of December 2001.

### **OTHER AUDIT & EVALUATION ACTIVITIES**

#### **Single Audit Act**

*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 review resulting audit reports to determine whether prompt and appropriate corrective action has been taken in response to audit findings. OIG reviewed 97 audit reports, that were issued by public accounting firms, concerning Fair Employment Practice Agencies that have work sharing agreements with EEOC. (See Appendix)

**Audit Follow-up**

As required by *Section 5(a)(3) of the Inspector General Act of 1978, as amended*, semiannual reports shall include a summary of each audit report issued before the commencement of the reporting period on which corrective action has not been completed by the end of the reporting period. OIG currently has one report with a recommendation that is outstanding:

OIG reported in a previous semiannual that in *OIG Report Number 00-03-APO, Review of Wage Determination Rates*, issued on September 29, 2000, a determination was made by OIG recommending that upon completion of the contract for services rendered to Agency by the vendor, EEOC issue an additional payment in the amount of \$18,992. OIG has been advised by the Agency's Audit Follow-up Official that issuance of the additional payment is still pending.

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## THE INVESTIGATIVE PROGRAM

*All investigative work performed supports 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.*

During the period, Investigations staff closed 213 matters, of which 155 were hotline contacts. Employment discrimination complaint (charge processing) issues were referred to OIG by Congress, other inspectors general and by charging parties or respondents (employers). These charges were either resolved by OIG and/or directed to field offices, the Office of Field Programs (OFP) and the Office of Federal Operations (OFO), for appropriate action. Also, OIG lent assistance to the Federal Bureau of Investigations Evidence Recovery Team, following the September 11, 2001 terrorist attacks. The criminal Investigators spent 112 hours at the Pentagon participating in the extensive search for and recovery of evidence.

### INVESTIGATIVE INQUIRIES

Allegations	Total
Charge Processing	87
Other	73
Title VII	29
Mismanagement	9
Ethics	3
Theft	2
Other Criminal Violations	1
Fraud	9
<b>Totals</b>	<b>213</b>

**COMPLETED INVESTIGATIONS****Joint Investigation**

OIG completed work on a joint 2-year investigation with the Drug Enforcement Administration of the Department of Justice. A report addressing the conduct of an EEOC employee is under review by OIG Management.

**Report of Stolen Credit Card**

A Government VISA Smart Pay card, issued to an EEOC district office was used to make a purchase of a round trip plane ticket. The ticket was not authorized or purchased for the office to which the card was issued. The matter was referred to the Bank of America Fraud Division for inquiry.

**Allegation of Improper Promotion Practices**

OIG received an allegation that a District Director had given an employee a promotion based on a sexual relationship. A review of the pertinent records in the matter was conducted. The records revealed that the employee was eligible for the promotion. The case was subsequently closed.

**Alleged Misuse of a Government Vehicle and Telephone**

OIG received an allegation that a District Director had used the Government vehicle assigned to the office at which he worked for personal use and had misused the Government telephones to make personal long distance calls. An OIG inquiry revealed that the District Director had received permission from the Commission's Designated Agency Ethics Official (DAEO) to use the Government vehicle while he was on a detail and that there had been no misuse of the Agency's telephones by the District Director.

**Alleged Practice of Law Without a License**

This allegation involved an EEOC Administrative Law judge who failed to maintain an active status with the State Bar. The complainant questioned the legality of the decision issued by the Administrative Judge. OIG investigated the complaint and determined that the State Bar affirmed the Administrative Judge was licensed to practice in the state, but was in an inactive status with the Bar. The Administrative Judge used a special exemption granted to attorneys in Federal positions.

**Alleged Assault and Ethics Violation by a Supervisor**

OIG received an allegation that a supervisor had used his position to obtain sexual favors from a subordinate employee and had physically assaulted the employee in the work place. The OIG investigation revealed that the supervisor in question did not have any supervisory authority over the employee and that the two had been involved in a consensual intimate relationship. The investigation also revealed that the supervisory official had pushed and attempted to choke the employee during an altercation which occurred in the office. Agency management disciplined the supervisory employee.

**Pre-selection Allegation Involving Prohibited Personnel Practices**

OIG received an anonymous allegation that an employee had been preselected for a position in the Agency. Evidence provided by the complainant showed that the individual selected for the position, was named in a letter and identified for the position three months prior to the issuance of the announcement. The OIG investigation supported the allegation. OIG closed the investigation after determining that all the individuals involved in the preselection had terminated their employment with the EEOC. The individual selected has since transferred out of the Agency.

**Mail Fraud/Impersonation of an EEOC Official**

OIG received a complaint that entailed the mailing of 25 letters to individuals in the private sector, requesting information on their employer in a discrimination case. The letters used EEOC letterhead and contained EEOC questionnaires. It was determined that the letters were not originated by an EEOC employee, however we could not identify who actually produced the letters. The case was closed pending discovery of additional evidence.

**Impersonation of an EEOC Official**

OIG received a complaint involving the transmittal of a letter addressing a discrimination charge against a private sector employer. OIG determined that the letter did not originate from an EEOC employee, and was unable to determine the author of the letter and therefore the case was closed.



**Retaliation for Filing a Complaint with OIG**

An EEOC employee alleged that she was disciplined for reporting a violation to OIG. Upon investigation, OIG determined that the alleged disciplinary action was initiated prior to any contact with OIG. No *nexus* could be established between the complaint or the disciplinary action and the case was closed.

**ONGOING INVESTIGATIVE ACTIVITY**

OIG currently has investigations ongoing in headquarters and seven field offices regarding allegations of misconduct by employees in connection with their employment, mismanagement by managers in connection to their subordinate employees, and falsification of time and attendance records. Other allegations include misuse of government equipment, falsification of government documents, improper disclosure of information, conflict of interest, false testimony in a court proceeding, and the impersonation of an EEOC official in order to deceptively solicit companies for advertisements.

## OTHER OIG ACTIVITY

*In addition to audit and investigative work, staff engaged in various professional activities in support of OIG's strategic goals to 1) attract, develop and retain a highly skilled workforce; 2) provide professional development, foster diversity, respect and teamwork and create an environment in which employees are motivated to excel and achieve their highest potential; and 3) maintain effective liaison with EEOC management, external law enforcement entities, and key congressional staff.*

### **PROFESSIONAL DEVELOPMENT AND ASSOCIATION**

#### **Federal Law Enforcement Training Center Inspector General Training Academy**

A staff Criminal Investigator attended the Inspector General Investigator Training Program at the Federal Law Enforcement Center in Glynnco, Georgia. He successfully completed the 4 week training and has since returned to reassume his case load and is aggressively pursuing fraud, waste and abuse within the Commission.

#### **National White Collar Crime Institute**

OIG sent its Criminal Investigators to the National White Collar Crime Institute, in West Virginia. These staff members have successfully completed this Basic Data Recovery and Analysis course. Since this time they have been able to apply the essential elements acquired in the pursuit to prevent fraud, waste and abuse in the Commission.

#### **Writing Better Statements of Work (SOW), Auditing in a Paperless Environment and Conducting Performance Audits**

OIG's Auditor attended three auditing courses designed to improve skills in the planning, organizing and writing of sound and effective statements of work; concepts, requirements, techniques and other basic information needed for auditing in a paperless environment; and conducting performance audits in accordance with Generally Accepted Government Auditing Standards.

**Harvard University's Senior Managers in Government Program**

The Inspector General attended Harvard University's Senior Managers in Government Program. The three week program included executives in federal, state and international government agencies and involved case studies addressing political and change management, managing for results, and policy development. Exercises in negotiation, persuasion, team building, and implementing strategy were beneficial in enhancing executive decision making. Other professional activities included attendance at the IG Retreat and Association of Investigative Directors Conference.

**Association of Inspectors General, Inspector General Institute**

The Deputy Inspector General successfully completed the Association of Inspectors General (AIG), Inspector General Institute which was held at American University in Washington, DC. The AIG consists of State and federal government inspectors general and professional staff in their agencies, as well as other officials responsible for inspection and oversight with respect to public, not-for-profit, and independent sector organizations. The Institute provides instruction in areas of ethics; public management issues; legal issues; audits, inspections and reviews; and investigation of fraud, waste and abuse. The Association awards the designation of Certified Inspector General to individuals who successfully complete the Institute and meet the eligibility requirements regarding education and experience.

**FBI Fraud and Public Corruption Seminar**

OIG Agents attended the FBI seminar on Financial Fraud and Public Corruption. OIG Agents heard from Assistant United States Attorneys concerning the related statutes and prosecutorial guidelines. FBI Agents spoke on the difficulties in completing a financial fraud investigation and public corruption case, as well as, addressing how to overcome problems hindering a successful prosecution. The FBI Behavioral Science Unit spoke on stress management for law enforcement officers.

**Secret Service Electronic Crime Forum**

OIG Criminal Investigators attended the Secret Service Electronic Crime Forum. The Forum addressed Electronic Crime Computer Based Training, Internet Crime Investigation, Telecommunications Crime & Tracking Wireless Communications, The Future of Electronic Evidence Recovery and Electronic Crime & the Law. Special Agents of the U.S. Secret Service and Assistant U.S. Attorneys spoke on the topics.

**Network Intrusion and Exploitation Training**

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OIG's Management Analyst participated in a two week course on Networks and Networking for Agents, and System Security and Exploitation course which provided the most current information on computer intrusion detection, response and investigation.

### **Supervisory Training**

OIG provided a Special Agent the opportunity to obtain training for future career advancement. The Agent attended the Ultimate Supervisors Workshop and Team Leader Training sponsored by Rockhurst College. The training involved the Fundamentals of Leadership, Building Highly Motivated Teams, Communications Techniques, How to handle Difficult Employees, Managing your Time, Priorities and Projects, Habits and Traits of Highly Successful Leaders and Creating Vision and Planning Goals.

### **Administrative Support Training**

The Administrative Staff members attended Business Writing & Grammar Skills workshops to improve techniques in writing and proofreading business letters, reports, memos and proposals. The Confidential Assistant attended a USDA Graduate course on Editing for Impact to improve/enhance skills for preparing written products. The Administrative Specialist and the Confidential Support Assistant attended the 2001 Conference for Administrative Professionals - a two day seminar dedicated to boosting interpersonal communication skills and career goals.

Also, the Administrative Specialist attended training on the Agency's new Integrated Financial Management System and the Federal Personnel and Payroll System.

### **Clear Writing Through Critical Thinking**

The Auditor attended this course to strengthen reasoning skills, think more clearly, analyze information more effectively, examine ideas from different points of view, establish a logical framework for each piece of writing, organize and develop ideas for maximum effect, construct clear and persuasive arguments and overcome any weaknesses in writings related to reasoning, structure and logic.

### **Strategies for Implementing the Government Information Security Reform Act**

The Management Analyst attended this seminar to exchange information with other agencies regarding implementing information security solutions.

### **Secret Service E-crimes Task Force**

The Investigative Staff attended and participated in a recently developed task force headed by the U.S. Secret Service. The E-crimes Task Force is sharing technological information, and future available resources as the needs arise in our technologically advancing society.

### **PCIE/ECIE Investigative Subcommittee**

OIG participates in this working group which provides feedback to the Investigative Committee of the joint President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency (PCIE/ECIE). This subcommittee focuses on issues concerning the IG community and works to address those issues by providing the PCIE/ECIE with appropriate view points on the matters.

*OIG continues to adopt advanced technology as prescribed by the Strategic Goal to manage OIG operations effectively and efficiently using information technology in support of audits, evaluations and investigations.*

### **INVESTIGATIVE TECHNOLOGY UPDATE**

OIG began using Choice Point Information Systems during this reporting period. Specifically, the AutoTrack program enables investigators to do their job better, smarter and faster. They have the power to identify and locate individuals, assets and businesses anywhere in the nation, more quickly, easily and effectively. The Internet browser-based technology links myriad databases to give agents online access to over four billion records, combining public records and publicly available information, including access to major consumer reporting agencies.

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IG ACT CITE	REPORTING REQUIREMENTS	PAGE
Section 4 (a) (2)	Review of Legislation and Regulations	N/A
Section 5 (a) (1)	Significant Problems, Abuses and Deficiencies	7 - 15
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	11
Section 5 (a) (4)	Matters Referred to Prosecutive Authorities	N/A
Section 5 (a) (5)	Summary of Instances Where Information Was Refused	N/A
Section 5 (a) (6)	List of Audit Reports	N/A
Section 5 (a) (7)	Summary of Significant Reports	7 - 15
Section 5 (a) (8)	Questioned and Unsupported Costs	N/A
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 OIG Disagreed	N/A

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<i>SINGLE AUDIT ACT REPORTS</i>	
The Otoe-Missouria Tribe of Indians, FY 1997	The Chemehuevi Indian Tribe, FY 1998
The Cheyenne-Arapaho Tribes of Oklahoma, FY 1997	The Commonwealth of Kentucky, FY 1998
The Joint Programs of the Shoshone and Arapaho Tribes of the Wind River Reservations, FY 1997	The State of Alaska, FY 1999
The Puyallup Tribe of Indians, FY 1998	The State of Washington, FY 1999
The Confederate Tribes, FY 1998	The North Slope Borough, FY 1999
The Band of Yakama Indian Nation, FY 1998	The State of Idaho, FY 1999
The Swinomish Indian Tribal Community, FY 1998	The Spokane Tribe of Indians, FY1999
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The Hoopa Valley Tribe, FY 1998	The State of Utah, FY 1999
The San Carlos Apache Tribe, FY 1998	The White Mountain Apache Tribe, FY 1999
The Hopi Tribe, FY 1998	The Tohono O'odham Nation, FY1999
The State of New Jersey, FY 1998	The State of New Jersey, FY 1999

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<i><b>SINGLE AUDIT ACT REPORTS</b></i>	
The State of Minnesota, FY 1998	The State of West Virginia, FY 1999
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The State of Rhode Island and Providence Plantation, FY 1999	The State of North Carolina, FY 1999
The State of New York, FY 1999	The State of Florida, FY 1999
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The State of Iowa, FY 1999	The Southern Ute Indian Tribe, FY 1999
The Fond du Lac Reservation, FY 1999	The Chemehuevi Indian Tribe, FY 1999
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<i><b>SINGLE AUDIT ACT REPORTS</b></i>	
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The Blackfeet Tribe, FY 1999	The State of Louisiana, FY 2000
The Ute Mountain Ute Tribe, FY 1999	The State of Florida, FY 2000
The Joint Programs of the Shoshone and Arapaho Tribes of the Wind River Reservations, FY 1999	The City of Austin, FY 2000
The State of Nevada, FY 2000	The State of Ohio, FY 2000
The California State University, Long Beach Foundation, FY 2000	The City of Columbus, FY 2000
The State of North Dakota, FY 2000	The State of North Carolina, FY 2000
The State of Colorado, FY 2000	New Hanover County, FY 2000
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The State of South Dakota, FY 2000	The State of Maryland, FY 2000
The State of Michigan, FY 2000	The State of Oregon, FY 2000
The North Slope Borough, FY 2000	

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# U. S. Equal Employment Opportunity Commission

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Office of Inspector General



## Semiannual Report to the Congress

October 1, 2001 - March 31, 2002

# MESSAGE TO THE CHAIR

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May 1, 2002

The Honorable Cari M. Dominguez  
Chair  
Equal Employment Opportunity Commission  
Washington, D.C. 20507

Dear Madam Chair:

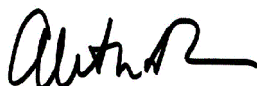
I am submitting to you the Office of Inspector General's Semiannual Report to Congress, as required by the *Inspector General Act of 1978, as amended*. The report summarizes accomplishments for the period of October 1, 2001 through March 31, 2002. The Act requires that you transmit this report, along with the management report prepared by the Office of Chief Financial Officer and Administrative Services, to the appropriate congressional committees by May 31, 2002.

During this semiannual period, significant work completed or being conducted by the Office of Inspector General (OIG) includes our first evaluation of Equal Employment Opportunity Commission's Government Performance and Results Act reporting, an assessment of Agency initiatives against the standards for success established to measure progress toward achieving President Bush's Management Agenda, and the evaluation of the Agency's infrastructure use and space utilization. Other work included investigations into allegations of misconduct and mismanagement, falsification of court documents, and conflict of interest; and reviews of the financial management, personnel and payroll systems implementation, Federal Managers Financial Integrity Act reporting, and investigative charge file information reporting; and a performance audit of the Education, Technical Assistance and Training Revolving Fund.

This work supports not only the mission embodied in the Inspector General Act, but OIG's vision to be "a team that embodies the highest standards of professionalism, technical skills and innovation promoting positive change and continuous improvement within the Agency." I congratulate my staff members on their dedication, innovation and commitment to excellence.

We appreciate the cooperation you and your management team have provided to the OIG. We look forward to continuing our tradition of providing quality service to the Agency.

Sincerely,



Aletha L. Brown  
Inspector General

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## EXECUTIVE SUMMARY

This is the 26<sup>th</sup> semiannual report issued by the Equal Employment Opportunity Commission's (EEOC) Office of Inspector General (OIG) since becoming a statutory Inspector General in 1989, pursuant to the 1988 amendments to the *Inspector General Act of 1978 (Public Law 95-452)*.

This report summarizes the OIG's activities and accomplishments for the period October 1, 2001 through March 31, 2002. We focused our resources on conducting audits, program evaluations, reviews and investigations, as well as, providing technical advice and assistance to the management of EEOC.

This section of the report highlights selected audits, investigations, staff activities and other projects completed during the reporting period.

During the period, investigations staff closed 135 matters, of which 117 were hotline contacts. The investigations completed include a joint investigation with the U. S. Drug Enforcement Administration (DEA) involving an EEOC employee who had several conversations with a known leader of a Mexican drug cartel and a third party regarding the possibility of obtaining falsified immigration documents. Since the United States Attorney's Office declined to prosecute, OIG concluded its administrative investigation with a report which found that the employee had violated ethics standards. The investigation of an Agency official who allegedly signed another attorney's signature on official court filings without appropriate authorization from the attorney resulted in a ruling by a Federal Magistrate finding the official violated Federal District Court rules. An investigation into alleged improprieties involving the management of the Agency's financial operations found that a management official circumvented established internal controls but did not violate any laws or regulations. OIG has ongoing investigations involving allegations of employee misconduct, mismanagement by senior officials, falsification of time and attendance records, and falsification of travel vouchers.

OIG completed a review of the Agency's Employee Computer Security Awareness Training Program. This review was conducted as part of OIG's continuing evaluation of the Agency's automated information systems as required by the Government Information Security Reform Act (GISRA). OIG found that established procedures for informing new employees of their automated information security responsibilities were not followed consistently. OIG's review of EEOC's management control system resulted in a report which concluded that for FY 2001, the evaluation process was conducted in accordance with Office of Management and Budget guidelines. However, OIG continues to review the process in an effort to identify measures to improve its effectiveness. Finally, while the management control self-assessment of OIG's internal audit and investigative operations did not reveal any deficiencies in mission-related functional areas, a control deficiency was identified in the external audit area.



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The *Government Performance and Results Act (GPRA)* of 1993, requires Federal agencies to prepare annual performance plans and performance reports. OIG conducted a general assessment of the Agency's 2002 *Annual Performance Plan* and 2000 *Annual Performance Report* to determine how well EEOC reports and supports GPRA performance information. OIG submitted a draft report to EEOC for comment in March 2002. The final report will be issued in the next reporting period and should assist the Agency in developing future performance plans and performance reports.

Ongoing work includes a review of the financial, personnel and payroll systems implementation, which will identify challenges and corrective actions and also measure progress towards meeting goals and milestones. OIG's review of monetary benefit information accuracy in an EEOC field office found several discrepancies in information reported in the Charge Data System when compared with actual case file documentation. A draft report was issued and management's response is forthcoming. An evaluation of EEOC's infrastructure and space utilization using a case study approach, will assess an expanded use of telework and may create options for increasing the effectiveness and efficiency in the utilization of selected infrastructure, including office space and technology.

President George W. Bush's August 2001 Management Reform Agenda included five government-wide initiatives: Strategic Management of Human Capital; Expanded Electronic Government; Competitive Sourcing; Improved Financial Performance; and Budget and Performance Integration. The Office of Management and Budget (OMB) developed core criteria standards and a scorecard to evaluate 26 federal agencies' progress towards goals outlined under the President's Management Reform Agenda. The five government-wide initiatives were evaluated using a simple color-coded grading system consisting of green for success, yellow for mixed results, and red for unsatisfactory. Although the EEOC was not selected by OMB to be evaluated, the OIG conducted its own assessment to determine where the Agency stood in meeting these newly developed standards for success. Based upon our assessment the Agency was given red lights in four of the five initiatives (Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Performance; and Budget and Performance Integration), and a yellow light for EEOC's efforts in Expanded Electronic Government. In addition to awarding the scores, agency accomplishments, weaknesses, and planned actions for achieving success in all areas relating to the OMB scorecard process were identified.

In accordance with the *President's Council on Integrity and Efficiency's (PCIE) Guide for Conducting Peer Reviews of the Audit Operations of the Offices of Inspector General*, OIG conducted a peer review of the audit operations of the Smithsonian Institution's (Smithsonian) Office of Inspector General for the two-year period ended September 30, 2001. In our opinion, the system of quality control for the audit function of the Smithsonian Institution has been designed in accordance with the standards established by the PCIE.



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## THE OFFICE OF INSPECTOR GENERAL

The *Inspector General Act of 1978* was passed to ensure a level of integrity and efficiency that fulfills the American taxpayer's expectation for excellence and accountability in the Federal Government and its programs. Inspectors General are under the general supervision of the agency head and have substantial independence, authority and responsibility to conduct audits and investigations of agency programs. They have direct access to all agency records and materials (physical and electronic); issue subpoenas for necessary information, data, reports, and other evidence; administer oaths before taking testimony; hire staff; and request assistance from other Federal, state and local government agencies. They also act as independent fact finders, often undertaking initiatives at the request of the agency head, and provide assessments in such areas as financial management systems and internal controls. Generally, the Inspector General (IG) and agency management pursue the same goal of efficient and effective program operation and service delivery.

Congress established an Office of Inspector General at the EEOC through the 1988 amendment of the *Inspector General Act*, which expanded authority to independent agencies and federal entities. OIG's primary responsibility is to assist the EEOC by ensuring integrity, efficiency, and accountability in the agency's programs to enforce laws against discrimination in the workplace. Specifically, OIG supports the Agency by carrying out its mandate to independently and objectively conduct and supervise audits and investigations; prevent and detect fraud, waste, and abuse; and promote economy and efficiency in programs and operations. The OIG keeps EEOC's Chair and members of the Congress fully and currently informed about problems, recommends corrective action(s), and monitors the EEOC's progress in implementing such action.

### ORGANIZATION AND FUNCTIONS

The OIG is under the supervision of the IG, who provides overall direction, coordination, and leadership to staff. The OIG includes a deputy inspector general, an audit and evaluation staff, an investigative staff, an independent counsel, and an administrative staff. The Deputy Inspector General serves as alter ego of the Inspector General and has the responsibility for providing overall program guidance, direction and supervision to audit, evaluation and investigative staffs. The audit program provides assurance to the Chair and Congress that EEOC programs are working efficiently and effectively. The audit staff conducts performance and financial audits, as well as special reviews and evaluations. These audits focus on management controls, administrative and program operations, transaction processing and financial and other information systems. In special evaluations, the OIG considers the implications of EEOC programs, operations and policies.

The mission of the investigative program is to perform investigative activities related to the integrity of the EEOC's programs. Most of OIG's investigations focus on violations of law or misconduct by Agency employees, as well as, allegations of irregularities or abuses in operations and programs. When needed, OIG's investigators work in concert with other law enforcement entities. More than

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half of investigative inquiries result from employees and the general public calling OIG's 24 hour telephone (hotline) to report wrongdoing. A significant amount of these calls concern EEOC's discrimination complaint process and are referred to the appropriate program office.

OIG's Counsel to the IG supervises the day-to-day operations of the Investigations Program, and provides independent legal advice on issues concerning criminal law and procedures, evidence, and administrative and constitutional law as they relate to OIG's investigative program. Counsel develops legal interpretations of appropriation law, financial management statutes and regulations and procurement and funding rules in support of the OIG's audit program. The CIG reviews each report product issued by OIG for legal sufficiency. Additionally, the CIG conducts reviews and provides comments on existing and proposed legislation, regulations, directives and policy issues that affect EEOC and OIG programs and operations.

The administrative and program support staff maintain control of OIG funds, manages personnel and procurement operations, operates OIG's hotline, responds to inquiries from the public and performs a variety of other support functions.

During the period, OIG hired a senior auditor to provide in-depth coverage of Agency performance and operations.

## **THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION**

The EEOC is the federal agency responsible for enforcement of the *Equal Pay Act of 1963*; in the Federal sector only; *Title VII of the Civil Rights Act of 1964, as amended*; the *Age Discrimination in Employment Act of 1967*; *section 501 of the Rehabilitation Act of 1973*; the *Americans with Disabilities Act of 1990*; and the *Civil Rights Act of 1991*. These statutes prohibit employment discrimination based on race, color, sex, religion, national origin, age, or disability. 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.

In an effort to address workplace bias directed against individuals who are, or are perceived to be, Arab, Muslim, Middle Eastern, South Asian or Sikh, since September 11, 2001, EEOC issued a joint statement with the U.S. Departments of Justice and Labor, on November 19, 2001, reaffirming the federal government's commitment to upholding the federal anti-discrimination laws in the aftermath of the events of September 11. Also on December 11, 2001, the EEOC held the first public meeting under the leadership of Chair Cari M. Dominguez, which featured representatives of a variety of Arab, Muslim, Sikh, Middle Eastern, and South Asian groups who presented testimony and recommendations on combating backlash discrimination against members of these communities.

During the reporting period, Chair Cari M. Dominguez introduced her Five Point Plan, which

provides the strategic framework for accomplishing her vision for the Agency. The plan covers proactive prevention, proficient resolution, strategic enforcement and litigation, promotion and expansion of mediation and alternative dispute resolution, and the development of EEOC as a model workplace. The Chair also held the first ever all headquarters (including the Washington Field Office) employee meeting on March 18, 2002. Finally, Leslie E. Silverman, nominated by President George W. Bush and unanimously confirmed by the U.S. Senate, was sworn in as a Commissioner on March 7, 2002.

On February 22, 2002, EEOC released comprehensive enforcement and litigation statistics for FY 2001 (October 1, 2000 through September 30, 2001). According to the data, discrimination charges filed against private employers increased one percent from the previous year to 80,840, the highest level since the mid-1990s. The types of discrimination with the highest rate of increase in FY 2001, compared to the prior year, were allegations of discrimination based on age (one and one-half percentage point increase) and disability (one-half percentage point increase). Additionally, the FY 2001 data showed that the average charge processing time for private sector charges is 182 days, the lowest level since the early 1980s, and that the average time to resolve a charge through voluntary mediation was 84 days, a drop of 12 days from the prior year.

On January 15, 2002, by a 6-3 vote, the United States Supreme Court ruled in *EEOC v. Waffle House, Inc.* (No. 99-1823) that a private arbitration agreement between an individual and that individual's employer does not prevent the EEOC from filing a court action in its own name and recovering monetary damages for the individual. The Supreme Court recognized that EEOC is authorized to bring suit in its own name and has the prerogative, as a federal enforcement agency, to decide what relief is appropriately sought in a particular action brought, by the agency. The Supreme Court reversed a lower court decision that had prevented EEOC from recovering monetary damages on behalf of an individual who had previously agreed with his employer to arbitrate the individual's private claim of discrimination.

The EEOC entered into settlements of several major lawsuits including a \$6.8 million settlement of an Americans with Disabilities Act (ADA) lawsuit against Wal-Mart Stores, America's largest retailer; a \$9 million settlement of a class action suit brought by African-Americans, Hispanics, and female employees and applicants filed against Eagle Global Logistics in Houston, Texas, and a multi-million dollar settlement of a major class action lawsuit alleging pregnancy discrimination against Verizon predecessor companies NYNEX and Bell Atlantic. The settlement will cover current and former employees of Verizon in 13 states and the District of Columbia and is one of the largest pregnancy discrimination settlements of its kind.

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## **MANAGEMENT CHALLENGES FACING EEOC**

The four issues identified by OIG in August 2001 continue to represent significant challenges to EEOC management. Program accomplishments in two of the issues are addressed below. The remaining challenges require additional emphasis and coordination before improvements are realized. These issues correspond significantly with initiatives outlined in the President's Management Agenda.

### **Utilization of Human Capital**

EEOC's Office of Human Resources (OHR) has adopted the Office of Personnel Management's Human Capital Scorecard to direct its program and process improvements. The five dimensions of the Human Capital Scorecard are strategic alignment; strategic competencies, leadership, performance culture, and learning. Since the OIG's last semiannual report, OHR reported the creation of a position description task force; implementation of QUICKHIRE; assessment of training needs for major EEOC occupations and identification of gaps; and continued leadership development through the SES training program. Also, OHR provided management development courses for non-managers; redesigned the SES performance management system; redesigned awards program; participated in field performance management training; conducted needs assessments; established succession planning programs; and implemented a new employee orientation program. Remaining challenges include the need to develop and implement a five-year Restructuring Plan which will provide the core strategy to undertake a critical review of EEOC's organizational structure.

### **Information Technology and Security**

The Office of Information Resources Management (OIRM) has revised its priorities and will use technology to enable the implementation of the Chair's Five Point Program. OIRM's goal is to adopt technologies to transform operations and simplify business processes that will drive improvements in efficiency, effectiveness and service delivery. Agency improvement initiatives include electronic filing of discrimination complaints and Freedom of Information Act applications; website enhancements; EEO-1 Survey reporting; Revolving Fund registration; and projects involving human resources (e-training, e-timecards, e-personnel actions) and finance management (e-payment, e-procurement, e-travel). Continuous improvement initiatives address capital planning and investment control, enterprise architecture, performance management, Information Technology security, and E-gov project participation.

### **Performance Based Management and Budgeting**

EEOC does not have an integrated budget and performance process. The Office of Chief Financial Officer and Administrative Services, and the Office of Research, Information and Planning are in the early stages of defining and integrating performance measures into agency budget submissions and operations. Other objectives include aligning authority and accountability; using the budget process

to identify the full cost of programs; and comparing performance and cost across programs. The Integrated Financial Management System, implemented in October 2001, provides the foundation to view program financial data. The improvement required is the alignment of the data collection cycle for performance metrics with the budget submission cycle.

**Business Process Re-engineering**

In December 2001, a contractor's report to the Agency identified areas where re-engineered business processes could lead to greater operational efficiencies and eventual cost savings. The recommendations of this report, along with reports resulting from studies being conducted by OIG and the National Academy of Public Administration, will be considered by senior management in the development of a five year Agency Restructuring Plan which is intended to lead to overall improvement of Agency performance.



## THE AUDIT AND EVALUATION PROGRAM

*All work conducted under the Audit Program supports the OIG Strategic Goal to improve the economy, efficiency, and effectiveness of EEOC programs, operations, and activities.*

### COMPLETED ASSIGNMENTS

During the reporting period OIG completed a number of audit and evaluations projects.

#### **OIG Performance Audit of the Education, Technical Assistance and Training Revolving Fund. (OIG Report Number 01-07-APO)**

Congress passed the EEOC *Education, Technical Assistance and Training Revolving Fund Act of 1992 (P.L. 102.411)* (Revolving Fund) as a vehicle through which the Agency, on a fee basis, would develop and deliver specialized comprehensive education, technical assistance, and training relating to the laws it enforces. Through an outsourcing agreement with M.D. Oppenheim & Company, P.C. (MDO), the OIG conducted its first audit of the Revolving Fund. The purpose of the audit was to determine the extent to which the Revolving Fund achieved the results and provided benefits consistent with the requirements established by *P.L. 102.411*.

OIG identified weaknesses in the operation of the revolving fund that include inadequate financial management, inability to determine the full direct and indirect costs, and noncompliance with reporting requirements of the Revolving Fund Act of 1992. The final report offered the following recommendations to management:

- G** Designate a financial manager for the Revolving Fund to ensure that the Fund is being properly administered and reflects business-like qualities of a public enterprise fund. Also, take steps to ensure that registrations are prepaid by the customer and receivables are established only under rare circumstances.
- G** Develop an integrated cost accounting system that is consistent with EEOC's Integrated Financial Management System (IFMS).

- G** Re-evaluate the performance measurement process to address outcomes that are compatible with the strategic plan and in line with budget activities. Also, include the financial self-sustainability of the Revolving Fund as a performance measure.
- G** Initiate a mediator-conducted forum to facilitate communication between the Financial Management Division (FMD) and Revolving Fund staffs.
- G** Revisit the issue of discontinuing the use of the Government Printing Office for the Revolving Fund needs to remedy the apparent waste in public printing, per U.S.C. Title 44, Sections 103,105, and 504.
- G** Ensure that adequate controls over the Quality Enhancement Fund are established and funds are used properly.
- G** Add tables to the Annual Report narrative to report the unit cost and fee receipts for providing revolving fund services, which are supported and reconciled to the general ledger.
- G** Obtain a legal review of the Revolving Fund operations to determine whether the ongoing and unreported transfers from the Commission's Salaries and Expense appropriation, over the long term, amount to an improper augmentation of the Revolving Fund.

Management accepted most of these recommendations and a corrective action work plan is pending.

### **Contract Audit Closeout - KPMG Consulting**

OIG completed a contract closeout audit of Contract Number 06/0831/0156. This contract required the contractor to provide automated data processing support to the EEOC. The purpose of the audit was to ensure the accuracy of costs charged for services provided, to determine the final cost of the contract to the Agency, and to determine the status of any unliquidated obligations. Certifying the validity of unliquidated obligations is necessary for accurate financial statement reporting purposes.

As a result of our audit, a total of \$29,851.13 in unliquidated obligations relating to fiscal years 1997-1998 was identified. Additionally, OIG discovered \$1,018.92 relating to fiscal year 1997 that should have been deobligated. In a draft report, OIG recommended that EEOC's procurement operations ensure that quarterly reviews of obligated balances and requests for deobligation of funds are conducted and submitted to the Financial Management Division for processing.

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## **Pre-award Review of Contractor Submissions for Competitive Selection**

At the request of the IG for the Federal Labor Relations Authority (FLRA), we conducted a review of submissions by three contractors bidding, under competitive selection, to perform the 2002 annual financial *Audit of FY 1999-2001 Financial Reports, Central Services Fund and Budget Formulation Process*. Our objective was to rate and rank the submissions to determine the best qualified contractor for FLRA audit. Our methodology consisted of completing several questionnaires, reviewing cost submissions and checking the references of the prospective contractors in connection with their quality of work and professionalism.

## **Management Advisory - OMB Scorecard and EEOC**

In August 2001, President Bush launched his Management Reform Agenda with the goal of providing a greater focus on agency performance. Included in the President's Management Reform Agenda were five government-wide initiatives: Strategic Management of Human Capital; Expanded Electronic Government; Competitive Sourcing; Improved Financial Performance; and Budget and Performance Integration. OMB developed core criteria standards and a scorecard to evaluate agencies in each of the five initiatives. A simple grading system was used: green for success, yellow for mixed results, and red for unsatisfactory. In order to receive a green light, agencies must meet all core criteria standards. Red lights are awarded if agencies fail to meet any one of the core criteria standards. Of the twenty-six agencies graded by OMB, only one agency was awarded a green light in any one of the five initiatives.

Although the EEOC was not selected by OMB to be evaluated, OIG conducted its own assessment, using OMB criteria, to determine where the Agency stood in meeting these newly developed standards for success in each of the five initiatives. The OIG review provided the Agency with a perspective on where it stood in relation to agencies selected by OMB for evaluation. As a result of our review, the OIG awarded red lights in four of the five initiatives (Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Performance; and Budget and Performance Integration). A yellow light was awarded for EEOC's efforts in Expanded Electronic Government. Additionally, we identified agency accomplishments, weaknesses, and planned actions for achieving success in all areas relating to the OMB scorecard process.

## **FY 2002 Peer Review of the Smithsonian Institution's Office of Inspector General**

In accordance with the PCIE's *Guide for Conducting Peer Reviews of the Audit Operations of the Offices of Inspector General*, OIG conducted a peer review of the audit operations of the Smithsonian Institution's (Smithsonian) Office of Inspector General, for the two-year period ended September 30, 2001. The purpose of our review was to issue an opinion on the quality control system in effect at the Smithsonian's OIG and verify compliance with quality standards established by the PCIE. Based on our review, we issued an unqualified opinion on the Smithsonian's OIG audit



operations. In a separate Letter of Comments, we identified several reportable conditions which will be addressed by the IG and reviewed in the next peer review.

### **Review of EEOC's Computer Security Awareness Program**

OIG conducted a review of the Office of Human Resources' (OHR) Employee Computer Security Awareness Training Program. This review was conducted as part of OIG's continuing evaluation of the Agency's automated information systems as required by the Government Information Security Reform Act (GISRA). We reviewed the program's internal controls to determine whether they ensured the program's effectiveness and surveyed field offices to obtain information about security awareness practices. OIG found that additional written procedures addressing the retention of employee security information were needed, and that procedures established to inform new employees of their automated information security responsibilities were not consistently adhered to throughout the Agency. OHR management responded positively to the report and issued procedures for ensuring that all new appointments receive computer security training and certify awareness of security responsibilities.

### **Limited Review of EEOC's Management Control System**

A review of EEOC's management control system was conducted, as required by the *Federal Managers' Financial Integrity Act (P.L. 97-255)*. OIG's independent assessment confirmed that the Agency suffered no material weaknesses and that only one financial non-conformance occurred in the Agency's financial management system during FY 2001. This non-conformance will be corrected by the implementation of the Integrated Financial Management System. OIG concluded that EEOC's management control evaluation process was conducted in accordance with applicable Office of Management and Budget guidelines. However, we found that there continues to be shortcomings in the evaluation process itself. During the next semiannual reporting period, OIG will issue recommendations to improve the effectiveness of the Agency's overall *FMFIA* process.

### **Self-Assessment of OIG's Internal Control Procedures**

During the reporting period, OIG performed a self-assessment of its internal control procedures. The self-assessment identified no deficiencies in the internal audit and investigation mission related functional areas. However, a control deficiency for external audits was found. OIG had no procedures in place to track recommendations made by external audit entities. OIG management has taken the necessary steps to correct the deficiency, and the changes will be incorporated into OIG's revised *Audit and Inspection Policy and Procedures Manual*. In addition, several administrative and automated information system internal control deficiencies were identified which warrant corrective action. An OIG staff member has been assigned to monitor the progress of corrective actions in an effort to ensure that all deficiencies are addressed and corrected.

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## **ONGOING AUDIT AND EVALUATION ACTIVITIES**

### **Draft Report - Evaluation of EEOC's Performance Planning and Reporting Under the Government Performance and Results Act**

The *Government Performance and Results Act* (GPRA) of 1993, requires Federal agencies to prepare annual performance plans and performance reports. The Annual Performance Plan communicates what the Agency proposes to accomplish during the fiscal year, how it will be accomplished, and describes how the Agency will assess whether the desired results were achieved. The Performance Report communicates results by reporting on achievement of performance measures.

OIG conducted a general assessment of the Agency's 2002 *Annual Performance Plan* and 2000 *Annual Performance Report* to determine how well EEOC reports and supports GPRA performance information. OIG found that these documents contain information that is useful in determining intended performance, credibility of performance data and progress towards meeting Agency goals. However, in each of these areas, we found significant gaps between what EEOC reported and the standards outlined in GPRA reporting guidelines. Major areas for improvement include presenting information more clearly and concisely, including goals and measures that will provide a fuller picture of intended performance, and adding adequate descriptions for the methods used to ensure the accuracy and reliability of performance data. OIG submitted the draft report to EEOC for comment in March 2002. The final report will be issued in the next reporting period and should assist EEOC in developing future performance plans and performance reports.

### **Draft Report - Review of Field Office Monetary Benefit Information Accuracy**

During the period, a review of the validity of reported monetary benefit information from a field office was conducted. The purpose of this review was to: (1) assess the validity and accuracy of the monetary benefit information reported by the field office, (2) determine the compliance with applicable guidelines and procedures, and (3) determine whether reported information was appropriately safeguarded against potential fraud, waste, and abuse. As a result of our field work, we found several instances where monetary benefit information reported in the Charge Data System (CDS) was not supported by documentation contained in the actual case. In a draft report to field management, OIG concluded that shortcomings identified during the review can be remedied by effective enforcement of established controls that address case file documentation, verification and calculation of monetary benefit information entered into CDS.

Furthermore, we identified an internal control weakness in CDS information integrity, regarding employee access to CDS information. Many of the field office employees failed to use assigned user login accounts and instead opted to use system defined generic login accounts which defeats the security functions of user-login accounts. OIG made several recommendations as to how the field office could better document and ensure the integrity of its CDS information. OIG is awaiting

management comments on the draft report. A final report on this matter will be issued during the next reporting period.

### **Evaluation of EEOC Infrastructure**

OIG is conducting an evaluation of EEOC's infrastructure use and space utilization. Using a case study approach, the evaluation will assess an expanded use of telework by the Agency which may create options for increasing effectiveness and efficiency in the utilization of selected EEOC infrastructure, including office space and technology. OIG gathered data, conducted interviews, and analyzed Agency-wide data. OIG will begin field visits in May. Field work will be completed in July and a report issued to the Chair by September 30, 2002.

### **Monitoring the Implementation of Agency's Financial, Personnel and Payroll Systems**

OIG continued its review of the Integrated Financial Management System and the Federal Personnel and Payroll System. EEOC partnered with the Department of the Interior which supports these mission critical systems. These systems were implemented in September and October 2001, respectively. OIG will report on activities of the financial, personnel and payroll systems implementation and will identify successes, challenges, corrective actions and progress towards meeting goals and milestones during the next reporting period.

### **Audit Manual Update**

OIG is currently in the process of updating the *Audit and Inspection Policy and Procedures Manual*. This operations manual will provide general guidance on policies and procedures to be followed by the OIG's auditors, evaluators and other OIG personnel in the performance of their professional responsibilities.

### **Government Information Security Reform Act**

The *Government Information Security Reform Act (GISRA)* requires agencies to develop, implement and annually evaluate their agency-wide information security programs. This is done to ensure the integrity, confidentiality, authenticity, and availability of information and information systems. *GISRA* also directs IG's to conduct annual independent evaluations of their Agency's information security program and practices. OIG is currently conducting an information security evaluation of EEOC's Federal Personnel and Payroll System (FPPS) and plans to issue its findings before the end of the fiscal year.

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## OTHER AUDIT & EVALUATION ACTIVITIES

### Single Audit Act

*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 review resulting audit reports to determine whether prompt and appropriate corrective action has been taken in response to audit findings. OIG conducted a review of 35 audit reports issued by public accounting firms, concerning Fair Employment Practice Agencies that have work sharing agreements with EEOC. (See Appendix II)

### Audit Follow-up

As required by *Section 5(a)(3) of the Inspector General Act, as amended*, semiannual reports shall include identification of each significant recommendation previously reported on which corrective action has not been completed. OIG has no reports with recommendations previously reported in which corrective action has not been completed.

As required by *Section 5(a)(1) of the Inspector General Act of 1978, as amended*, semiannual reports shall include a summary of each audit report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period. OIG has no audit/evaluation reports that were issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period.



## THE INVESTIGATIVE PROGRAM

*All investigative work performed supports 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.*

During the period, OIG received 165 matters. Investigations staff closed 135 matters, of which 117 were hotline contacts. Charge processing issues were referred to OIG by members of Congress, other Inspectors General, or at the request of charging parties or respondents. These matters were either resolved by OIG and /or directed to field offices, the Office of Field Programs (OFF) and the Office of Federal Operations (OFO), for appropriate action.

### INVESTIGATIVE INQUIRIES RECEIVED DURING THE REPORTING PERIOD

ALLEGATIONS	TOTAL
Charge Processing	64
Other	40
Title VII	28
Mismanagement	7
Ethics	4
Theft	3
Fraud	13
Threat	3
Assault	2
Whistleblower	1
<b>TOTALS</b>	<b>165</b>

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## COMPLETED INVESTIGATIONS

### Joint Investigation with DEA

OIG concluded its efforts in connection with a joint investigation with the U.S. Drug Enforcement Administration (DEA). The investigation involved an EEOC employee who was involved in conversations with a known leader of a Mexican drug cartel and a third party regarding the possibility of obtaining falsified immigration documents to aid the Mexican drug leader in obtaining illegal entry into the United States. The United States Attorney's Office declined to prosecute the matter, after determining that the drug leader was arrested in Mexico before any actions in furtherance of a conspiracy to falsify immigration documents were taken. Accordingly, the OIG proceeded with an administrative investigation of the matter and issued a report which concluded that the employee violated several provisions of the *Government-wide Standards of Ethical Conduct for Employees of the Executive Branch*, 5 C.F.R. Part 2635.

### Inappropriate Use of the Agency's Electronic mail (e-mail) System

OIG investigated the origin of a derogatory letter which was circulated via the Agency e-mail. The e-mail contained controversial language concerning African Americans. OIG identified the source of the e-mail, but prior to the issuance of a report, the subject retired from Federal Service and the case was closed.

### Falsification of Court Documents

OIG received a complaint that an Agency official had signed another attorney's signature on official court filings without appropriate authorization from the attorney. During the investigation a Federal Magistrate ruled that the Agency official was in violation of the Federal District Court local rules. OIG is issuing a memorandum to appropriate management officials to apprise them of the matter and the need for appropriate corrective action.

### Conflict of Interest

OIG investigated an allegation of conflict of interest involving a District Director whose immediate family member represents parties in employment discrimination charges filed with the District Director's Office. An OIG investigation revealed that the District Director had taken appropriate actions to recuse himself from any involvement in the processing of cases in which the immediate family member served as a representative.

### **Financial Mismanagement**

OIG investigated allegations of the improprieties in the management of Agency financial operations. Through its investigation, OIG determined that a senior manager failed to follow established policies and procedures in the processing of invoices and payments. Although, the management official circumvented established internal controls, the actions taken did not violate any laws or regulations.

### **Allegation of Privacy Act Violation**

OIG conducted an investigation concerning an employee who allegedly violated the *Privacy Act of 1984*, 5 U.S.C. § 552(a) and the EEOC Privacy Regulations by disclosing charge file information to an unauthorized individual. OIG determined there was insufficient evidence to establish any wrongdoing and the matter was subsequently closed.

### **Employee Misconduct**

OIG received an allegation that an EEOC employee had misrepresented himself as a law enforcement officer working surveillance, to avoid having his vehicle towed after illegally parking in a handicapped parking space. The police was called and the employee was required to pay a fee to the towing company to avoid having the car towed. The employee's supervisors were advised of the incident and have since taken action.

### **Misuse of Government Equipment and E-Mail**

OIG investigated a matter involving an EEOC Field Office Director and a Program Analyst who misused government equipment and violated EEOC Policy on E-mail Usage. The investigation revealed that the Director mistakenly e-mailed a controversial photograph to a third party who was offended by the content. The conduct of the Field Office Director and the Program Analyst was reported to Management for appropriate action.

### **Nigerian Scam Alert**

During the period, OIG issued a "Fraud, Waste and Abuse Alert" warning all employees to be aware of several Nigerian Letter Scams that were being sent throughout the country via EEOC's e-mail system. The scam attempts to defraud individuals by enticing potential victims with large amounts of money for participating in the scheme. Several employees had been contacted by persons looking for assistance who claimed to be Nigerian businessmen or government officials with access to millions of dollars.

***ONGOING INVESTIGATIVE ACTIVITIES***

OIG has investigations ongoing in headquarters and several field offices. These investigations includes allegations of employee misconduct, involving possible both criminal and ethical violations, mismanagement by senior officials, falsification of time and attendance records and falsification of travel vouchers. These matters will be reported on as they are concluded.



## OTHER OIG ACTIVITIES

### *CONGRESSIONAL ACTIVITIES*

#### **Congressional Inquiry - Agency Use of General Services Administration's SmartPay Program**

In response to a Congressional inquiry from the Honorable Charles E. Grassley, OIG provided information regarding its evaluative experience concerning the Agency's SmartPay Program. OIG reported to Senator Grassley that, since the inception of the SmartPay program, OIG had not investigated any employee misuse of a government purchase or travel card, nor did we conduct any audits or investigations of the use of SmartPay accounts. We further informed Senator Grassley that we plan to review the Agency's SmartPay accounts in the future.

#### **Agency Correspondence and Customer Service**

OIG reviewed its database for the period October 1, 1999 to September 30, 2001, to identify all hotline complaints, investigative allegations and Congressional inquiries addressing the responsiveness of EEOC to its customers. Based on this review, OIG concluded that timeliness and quality of responses from EEOC offices to customers do not appear problematic. OIG suggested that the Chief Operating Officer consider issuing a memorandum to EEOC staff outlining customer service expectations. On March 29, 2002, revised correspondence procedures were issued to field office directors.

#### **Legislative and Regulatory Matters**

The following EEOC Orders and Directives were reviewed during the semi-annual reporting period:

- Interagency Coordination of Proposed EEOC Issuances - EEOC Order No. 150.004
- Clearance Procedures - EEOC Order No. 501.006
- Employee Recognition and Awards Program Handbook (Draft)
- Office of Information Technology, Chapter XIII, EEOC Order No. 110.003

At the request of the Chief Operating Officer, OIG reviewed procedures for the use of EEOC credentials and Investigator badges and offered recommendations and observations that were included in procedures issued to investigators.

## ***INSPECTOR GENERAL ACTIVITIES***

### **EEOC's District Directors and Regional Attorneys Conference**

In March 2002, the IG moderated a panel which included EEOC's Chief Financial Officer and the Directors of Human Resources and Information Resources Management. These executives provided a status of Agency initiatives addressing strategic human capital, electronic government, financial management, competitive sourcing, and budget and performance integration. The IG gave an overview of the President's Management Agenda and the Executive Branch Scorecard. She ended the presentation with EEOC's scores, as determined by OIG's evaluation of the Agency against the Scorecard Standards for Success.

### **Tennessee Valley Authority, Office of Inspector General Second Annual Training Symposium**

In February 2002, the IG participated on a panel that included the Deputy Inspectors General from the Postal Service and the Departments of Commerce and Energy. Aside from providing details about EEOC's Office of Inspector General, Ms. Brown addressed human capital issues, operational concerns, and future challenges facing the inspectors general community.

### **New Inspector General Orientation**

In November 2001, the IG participated on a panel that included the Inspectors General of the Departments of Education and the Treasury. The panel addressed the topic of "Departmental/Agency Head Relations," informing newly appointed inspectors general of the most important relationship that the IG has, and the most difficult to maintain. Specifically, the IG addressed lessons learned and practices resulting from successful working relationships.

### **Other Inspector General Activities**

The IG attended the Association of Government Auditors Leadership Conference, provided opening remarks at EEOC's African American History Month Observance, and attended the Office of Personnel Management's Senior Executive Service Briefing on the President's Management Agenda. The IG currently serves as the ECIE's representative on the editorial board of the Journal of Public Inquiry and on the Legislative Committee of the PCIE.

## ***PROFESSIONAL DEVELOPMENT AND ASSOCIATION***

OIG staff members participated in several professional associations, committees and organizations including the PCIE/ECIE Inspections Roundtable, the Government Evaluators Group, the Association of Government Accountants, EEOC Chapter of Toastmasters International, the Council of Counsels to Inspectors General, and the PCIE/ECIE Investigations Subcommittee.

The staff also engaged in other professional activities in support of OIG's strategic goals to 1) attract, develop and retain a highly skilled workforce; 2) provide professional development, fostering diversity, respect and teamwork and to create an environment in which employees are motivated to excel and achieve their highest potential; and 3) maintain effective liaison with EEOC management, external law enforcement entities and key congressional staff.

## ***TECHNOLOGY UPDATES***

### **Technological Advancement**

In an effort to evolve to a "paperless" environment, OIG has instituted several new initiatives. OIG has automated its Hotline Tracking Form using Adobe Acrobat 5.0, and has automated its project management capabilities by the acquisition of Microsoft Project 2000, which will be used to track individual project status and workflow. Also, audit staff are identifying and evaluating auditing software programs to implement an electronic auditing environment.

## INDEX OF REPORTING REQUIREMENTS

IG ACT CITE	REPORTING REQUIREMENTS	PAGE
Section 4 (a) (2)	Review of Legislation and Regulations	N/A
Section 5 (a) (1)	Significant Problems, Abuses and Deficiencies	8 - 18
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	N/A
Section 5 (a) (4)	Matters Referred to Prosecutive Authorities	N/A
Section 5 (a) (5)	Summary of Instances Where Information Was Refused	N/A
Section 5 (a) (6)	List of Audit Reports	23
Section 5 (a) (7)	Summary of Significant Reports	8 - 18
Section 5 (a) (8)	Questioned and Unsupported Costs	N/A
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 OIG Disagreed	N/A

## APPENDIX I - OIG AUDIT AND EVALUATION REPORTS

Report Title	Report Number	Date Issued	Dollar Value of Questioned Costs	Dollar Value of Better Used Funds	Dollar Value of Unsupported Costs
<b><u>AUDITS</u></b>					
OIG Performance Audit of the Education, Technical Assistance and Training Revolving Fund	01-07-APO	10/23/01	\$-0-	\$-0-	\$-0-
<b><u>EVALUATIONS</u></b>					
Evaluation of EEOC's Computer Security Awareness Program	01-10-AIC	12/27/01	\$-0-	\$-0-	\$-0-
Draft Report - Review of Monetary Benefit Information Accuracy - An Agency Field Office	01-05-AEN	03/20/02	\$-0-	\$-0-	\$-0-
Limited Review of EEOC's Management Control System	02-01-AIC	12/19/01	\$-0-	\$-0-	\$-0-
Draft - Evaluation of EEOC's Performance Planning and Reporting Under the Government Performance and Results Act	01-12-AMR	03/26/02	\$-0-	\$-0-	\$-0-
<b><u>MANAGEMENT ADVISORY</u></b>					
Management Advisory: OMB Scorecard	02-08-MIS	02/28/02	\$-0-	\$-0-	\$-0-
<b>Total</b>			<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>

## APPENDIX II - SINGLE AUDIT ACT REPORTS

The State of Illinois, FY 2000	The Hoopa Valley Tribe, FY 1999
The Cheyenne-Arapaho Tribes of Oklahoma, FY 1997	The Hualapa Tribe, FY 1998
The Oglala Sioux Tribe, FY 1997	The Colorado River Indian Tribe, FY 1999
The State of Texas, FY 2000	The State of Arizona, FY 2001
The State of Indiana, FY 2000	The Spokane Tribe of Indians, FY 1999
The State of Maine, FY 2000	The Hualapa Tribe, FY 1999
The State of Rhode Island and Providence Plantations, FY 2000	The State of Idaho, FY 2000
The State of Massachusetts, FY 2000	The State of Wisconsin, FY 2000
The San Carlos Apache Tribe, FY 1999	The State of New York, FY 2001
The State of Washington, FY 1999	Commonwealth of Kentucky, FY 2000
The Swinomish Indian Tribal Community, FY 2000	The Shoshone and Arapahoe Tribes of the Wind Reservation, FY 1997
The State of Alaska, FY 2000	The Shoshone and Arapahoe Tribes of the Wind Reservation, FY 1998
The Rosebud Sioux Tribe, FY 1999	The Shoshone and Arapahoe Tribes of the Wind Reservation, FY 1999
The Tulalip Tribes of Washington, FY 1999	The Fort Belknap Indian Community, FY 1999
The Assiniboine & Sioux Tribes, FY 1998	The Cherokee Nation, FY 1999
The Assiniboine & Sioux Tribes, FY 1999	The Cherokee Nation, FY 2000
The New Hanover County, FY 2001	The State of Georgia, FY 2000
The Pueblo of Zuni, FY 1998	The Cheyenne-Arapahoe Tribes of Oklahoma, FY 1999



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# U. S. Equal Empl oyment Opportunity Commission

Office of Inspector General



## Semiannual Report to the Congress

April 1, 2002 - September 30, 2002

# MESSAGE TO THE CHAIR

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November 1, 2002

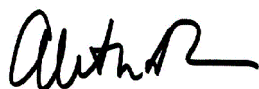
The Honorable Cari M. Dominguez  
Chair  
Equal Employment Opportunity Commission  
Washington, D.C. 20507

Dear Madam Chair:

Pursuant to Section 5(b) of the Inspector General Act (IG Act) of 1978, as amended, I am providing the Office of Inspector General's (OIG) Semiannual Report to Congress summarizing our activities for the 6-month period that ended September 30, 2002. The IG Act requires you to submit this report, and the management report prepared by the Office of the Chief Financial Officer and Administrative Services, to the appropriate committees or subcommittees of the Congress within 30 days of receipt.

We appreciate the continuing support and cooperation that you, your management team and Equal Employment Opportunity Commission employees provide to the Office of Inspector General.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aletha L. Brown', with a stylized flourish at the end.

Aletha L. Brown  
Inspector General

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## EXECUTIVE SUMMARY

This is the 27<sup>th</sup> semiannual report issued by the Equal Employment Opportunity Commission's (EEOC) Office of Inspector General (OIG) since becoming a statutory Inspector General in 1989, pursuant to the 1988 amendments to the *Inspector General Act of 1978, as amended*.

This report summarizes OIG's activities and accomplishments for the period April 1, 2002 through September 30, 2002. This section of the report highlights selected audits, investigations, staff activities and other projects completed during the reporting period.

During the period, investigations staff closed 155 matters, of which 134 were hotline contacts. OIG concluded investigations of alleged inappropriate conduct toward a charging party by an EEOC field office investigator, and of allegations that an EEOC field office employee made false statements under oath during the course of a deposition taken in connection with a charge of discrimination that the employee had investigated. OIG currently has investigations ongoing in headquarters and five field offices regarding allegations of employee misconduct, mismanagement by managers, falsification of time and attendance records, falsification of charge files, post-employment conflict of interest and falsification of travel vouchers.

As required by the *Government Information Security Reform Act (GISRA), Public Law 106-398, Title X, subtitle G*, the Office of Inspector General (OIG) conducted an independent assessment of the Agency's information security program. During Fiscal Year (FY) 2002, we completed the following reviews:

- (1) the information security training program for new employees;
- (2) the access privileges of the Charge Data System (CDS) in a District Office; and
- (3) the Internal Security Controls for EEOC's Federal Personnel/Payroll System (FPPS).

Based upon our assessment we concluded that although EEOC is in the process of developing various materials to aid in the training of employees in computer security, the Agency lacks a formal computer security-training program. Moreover, while the Agency's Office of Information Technology (OIT) conducted a physical risk assessment in FY'02, its scope did not include field offices. In our view, EEOC needs to conduct a physical security assessment of its field offices to ensure the security of the Agency's information system assets in those locations.

In previous semiannual reports to Congress, OIG had identified four areas that represented challenges to the management of EEOC. An evaluation of Agency operations in August 2001 revealed that utilization of human capital, information technology and security, performance based management and budgeting and business process re-engineering were the most important challenges facing the management. These areas are being addressed in large measure by the efforts of senior managers who have taken the lead in meeting the initiatives of the President's Management Agenda.

As a result of work done in the last reporting period, the Agency has made "Getting to Green" one

of its top priorities, as evidenced by inclusion of related measures in senior executive performance plans and the issuance of program action plans and timelines for meeting the core criteria associated with the various initiatives. By the end of the reporting period, action plans for all five initiatives had been submitted.

In our March 2002 Semiannual Report, we recommended that management obtain a legal review of the Revolving Fund's operations to determine whether the ongoing and unreported transfers from the Commission's Salaries and Expense appropriation to the Revolving Fund, over the long term, amount to an improper augmentation of the Revolving Fund. The Agency referred the matter to the Office of Legal Counsel (OLC) for a legal opinion. OLC reviewed the issue and concluded that as a technical matter, there was no illegal augmentation occurring, but observed that the Revolving Fund must obtain complete self-sufficiency in order to comply with the *Economy Act*. OIG is reviewing OLC's opinion to determine an appropriate course of action relative to this matter.

The *Government Performance and Results Act (GPRA)* of 1993, requires Federal agencies to prepare annual performance plans and performance reports. OIG conducted its first general assessment of the Agency's *2002 Annual Performance Plan* and *2000 Annual Performance Report* to determine how well EEOC reports and supports GPRA performance information. OIG submitted a draft report to EEOC for comment in March 2002. OIG has received and reviewed management's comments, and will issue the final report in the first quarter of FY 2003.

Ongoing work includes a preparation for the performance of OIG's first audit of the Agency's annual financial statement. OIG has retained the services of a CPA firm to conduct the audit, and field work will commence in October 2002.

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## THE OFFICE OF INSPECTOR GENERAL

The *Inspector General Act of 1978* was passed to ensure a level of integrity and efficiency that fulfills the American taxpayer's expectation for excellence and accountability in the Federal Government and its programs. Inspectors General are under the general supervision of the agency head and have substantial independence, authority and responsibility to conduct audits and investigations of agency programs. They have direct access to all agency records and materials (physical and electronic); issue subpoenas for necessary information, data, reports, and other evidence; administer oaths before taking testimony; hire staff; and request assistance from other Federal, state and local government agencies. They also act as independent fact finders, often undertaking initiatives at the request of the agency head, and provide assessments in such areas as financial management systems and internal controls. Generally, the Inspector General (IG) and agency management pursue the same goal of efficient and effective program operation and service delivery.

Congress established an Office of Inspector General at the EEOC through the 1988 amendment of the *Inspector General Act*, which expanded authority to independent agencies and federal entities. OIG's primary responsibility is to assist the EEOC by ensuring integrity, efficiency, and accountability in the agency's programs to enforce laws against discrimination in the workplace. Specifically, OIG supports the Agency by carrying out its mandate to independently and objectively conduct and supervise audits and investigations; prevent and detect fraud, waste, and abuse; and promote economy and efficiency in programs and operations. The OIG keeps EEOC's Chair and members of the Congress fully and currently informed about problems, recommends corrective action(s), and monitors the EEOC's progress in implementing such action.

### ORGANIZATION AND FUNCTIONS

The OIG is under the supervision of the IG, who provides overall direction, coordination, and leadership to staff. The OIG includes a deputy inspector general, an audit and evaluation staff, an investigative staff, an independent counsel, and an administrative staff. The Deputy Inspector General serves as alter ego of the Inspector General and has the responsibility for providing overall program guidance, direction and supervision to audit, evaluation and investigative staffs. The audit program provides assurance to the Chair and Congress that EEOC programs are working efficiently and effectively. The audit staff conducts performance and financial audits, as well as special reviews and evaluations. These audits focus on management controls, administrative and program operations, transaction processing and financial and other information systems. In special evaluations, the OIG considers the implications of EEOC programs, operations and policies.

The mission of the investigative program is to perform investigative activities related to the integrity of the EEOC's programs. Most of OIG's investigations focus on violations of law or misconduct by Agency employees, as well as, allegations of irregularities or abuses in operations and programs. When needed, OIG's investigators work in concert with other law enforcement entities. More than half of investigative inquiries result from employees and the general public calling OIG's 24-hour

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telephone (hotline) to report wrongdoing. A significant amount of these calls concern EEOC's discrimination complaint process and are referred to the appropriate program office.

OIG's Counsel to the IG (CIG) supervises the day-to-day operations of the Investigations Program, and provides independent legal advice on issues concerning criminal law and procedures, evidence, and administrative and constitutional law as they relate to OIG's investigative program. Counsel develops legal interpretations of appropriation law, financial management statutes and regulations and procurement and funding rules in support of the OIG's audit program. The CIG reviews each report product issued by OIG for legal sufficiency. Additionally, the CIG conducts reviews and provides comments on existing and proposed legislation, regulations, directives and policy issues that affect EEOC and OIG programs and operations.

The administrative and program support staff maintain control of OIG funds, manage personnel and procurement operations, operate OIG's hotline, respond to inquiries from the public and perform a variety of other support functions.

During the reporting period one of OIG's two criminal investigators accepted an appointment with the Transportation Security Administration.

## **THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION**

The 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 (ADEA)*; in the Federal sector only, *section 501 of the Rehabilitation Act of 1973*; *Title I of the Americans with Disabilities Act of 1990 (ADA)*; and the *Civil Rights Act of 1991*. These statutes prohibit employment discrimination based on race, sex, color, religion, national origin, age, or disability. 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.

In April 2002, the EEOC initiated a series of workshops designed to share information on the employment of individuals with disabilities with small businesses nationwide. The workshops, which are being developed through EEOC's Office of Legal Counsel and field offices throughout the U.S. and in response to the President's New Freedom Initiative, will be customized for each group of small business participants. The focus will be on the advantages of hiring people with disabilities and will address such topics as permissible questions during job interviews, reasonable accommodations, recruitment resources, and tax incentives. An overview of this new program, along with information on how small businesses can take part in these free workshops across the country, as well as regional EEOC contacts is available on the EEOC web site at [www.eeoc.gov](http://www.eeoc.gov). In addition, in August 2002, the EEOC issued *The Americans with Disabilities Act: A Primer for Small Business*, a practical, reader-friendly handbook outlining the employment provisions of the ADA as they relate to employees and job applicants.

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On May 21, 2002, the EEOC issued a final rule to clarify the application of the employment provisions of the *ADA* to federal government workers. This final rule implements the amendments to *section 501 of the Rehabilitation Act* and updates the EEOC's *Rehabilitation Act* regulation in 29 C.F.R. §1614.203. Final rule highlights include:

- The final rule incorporates by reference the EEOC's *ADA* regulation, at 29 C.F.R. Part 1630.
- The regular limits on reassignment of federal employees with disabilities as a reasonable accommodation, formerly included in 29 C.F.R. §1614.203(g), have been deleted, and the *ADA* standard will now be applied.
- The final rule amends the federal sector disability regulation, 29 C.F.R. §1614.203, and sets forth the obligation of the federal government to be the "model employer of individuals with disabilities."

On August 13, 2002, EEOC issued an extensive five-year litigation study report, covering Fiscal Years 1997 through 2001 (October 1, 1996 - September 30, 2001). The study showed that approximately 91% of federal employment discrimination lawsuits initiated by EEOC are successfully resolved through Consent Decrees, settlement agreements, and favorable court orders. Additionally, EEOC's success rate in trials is 60.24%, compared to a success rate of 26.8% for private plaintiffs in employment discrimination lawsuits, and the Agency's success rate is 80% in the appeal of trials, compared to a 16% rate of success for private bar attorneys. Other key points of the study show that over the five-year period:

- The EEOC filed a total of 1,963 suits - including 1,768 direct suits, 162 subpoena enforcement actions, 15 Temporary Restraining Orders, 14 interventions, and four suits to enforce administrative agreements resolving charges.
- A total of 570 cases were filed on behalf of a class (31.9% of all cases); another 1,212 (68.1%) were filed on behalf of individuals.
- Of the total suits filed, cases alleging sex discrimination accounted for 30.1%; suits alleging retaliation accounted for 22.2%; race discrimination lawsuits constituted 13.5%; disability cases accounted for 12.8%; age discrimination cases comprised 8.2%; national origin 7%; religion 4.3%; equal pay 1.6%; and color 0.25%.
- The EEOC obtained \$409.7 million in remedial relief through litigation, with average monetary benefits per lawsuit resolved at \$263,945.

In June 2002, the EEOC rescinded its 1999 Guidance of "Remedies Available to Undocumented Workers Under Federal Employment Discrimination Laws", which was necessitated by the Supreme Court's decision in *Hoffman Plastic Compounds, Inc. v. National Labor Relations Board*, 122 S. Ct. 1275 (2002). Prior to the *Hoffman* decision, the EEOC allowed post termination backpay awards to undocumented workers. In *Hoffman* the Supreme Court held that federal immigration



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policy precludes an award of backpay to an undocumented worker under the *National Labor Relations Act (NLRA)*. The Agency indicated that the Supreme Court's decision in *Hoffman* does not adversely affect the government's ability to root out discrimination against undocumented workers.

In September 2002, the EEOC filed several post-9/11 backlash national origin and/or religion discrimination lawsuits including the following:

- The Miami District Office filed a national origin discrimination lawsuit against the Chromalloy Casting Tampa Corporation, a manufacturer of precision investment castings for the aerospace industry. The lawsuit alleges that a naturalized American citizen of Palestinian descent was singled out and discharged within days of the 9/11 attacks for no other reason than his national origin.
- The New York District Office filed a religion and national origin lawsuit against the Worcester Art Museum alleging that an Afghan-American Muslim man was ostracized by his co-workers, and one of his co-workers falsely reported to authorities that the individual was a suspected terrorist. On January 2, 2002, the individual was terminated from his position as a security guard, without notice, for allegedly taking excessive time to complete his security rounds on three occasions. The suit alleged that the museum failed to take any action against several other guards who took longer to complete their rounds.
- The Phoenix District Office filed a post-9/11 backlash religious bias lawsuit against Alamo Rent-A-Car, LLC and ANC Rental Corporation when a customer service representative who had worked for Alamo since 1999, sought permission to cover her head with a scarf during the holy month of Ramadan, consistent with her religious beliefs. Alamo had previously permitted the employee to wear a head covering during Ramadan in 1999 and 2000, but denied her permission in 2001. She was told that Company dress code prohibited wearing a scarf, despite the fact that Alamo had no such policy.

## **MANAGEMENT CHALLENGES FACING EEOC**

In previous semiannual reports to Congress, OIG had identified four areas that represented challenges to the management of EEOC. An evaluation of Agency operations in August 2001 revealed that utilization of human capital, information technology and security, performance based management and budgeting and business process re-engineering were the most important challenges facing management. These areas are being addressed in large measure by the efforts of senior managers who have taken the lead in meeting the initiatives of the President's Management Agenda.

### **The President's Management Agenda - "Getting To Green"**

The five initiatives of the President's Management Agenda include: E-Government (E-GOV)

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Financial Management, Budget and Performance Integration, Strategic Management of Human Capital and Competitive Sourcing. In our last report, we reported our assessment of the Commission's efforts

in meeting the core criteria requirements associated with the President's Management Agenda. We awarded red lights in 4 of the 5 initiatives. A yellow light was awarded for the E-Gov initiative. Since that time, the Commission has developed project plans and time lines to meet the core criteria associated with each initiative. Additionally, senior executive performance plans now include performance measures that address their efforts to improve programs and operations in these five critical areas.

Significant progress to improve financial performance is evidenced by OIG's upcoming audit of the Agency's Fiscal Year (FY) 2002 financial statements. Scheduled to begin in October 2002, this is the first time that such an audit will be undertaken.

Expanded e-government measures include integrating e-commerce through the Department of Interior's service center. Productivity improvements obtained include implementing web-based Quick Hire for employee recruitment, integrating core financial systems with procurement and fixed asset management and implementing the Integrated Mission System pilot in the Baltimore District Office.

Progress towards integrating budget and performance will be evidenced by the FY 2004 budget submission to Congress. In other areas, the planned actions are to be implemented over the next few years. It is imperative that management continue to emphasize the importance of the President's Management Agenda. OIG will periodically assess the status of the Commission in meeting its established time lines for ensuring compliance with the Executive Management's Scorecard's criteria for success.

In addition to these challenges a major overhaul of the federal discrimination complaint process is anticipated. An important commission meeting with stakeholders will be held in the first quarter of 2003 to obtain their experiences with, or recommendations to improve, the current system. Although year end accomplishments revealed that a record high 9,452 appeals were closed, the age of inventory was reduced to 256 days compared to 430 days at the beginning of FY 2002, and there were 673 open appeals that were more than 500 days old compared to 3,924 in February 2001, the federal discrimination complaint process continues to be untimely and burdensome.

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## THE AUDIT AND EVALUATION PROGRAM



*All work conducted under the Audit Program supports the OIG Strategic Goal to improve the economy, efficiency, and effectiveness of EEOC programs, operations, and activities.*

### COMPLETED ASSIGNMENTS

During the reporting period a number of audit and evaluation projects were completed.

#### **Review of Monetary Benefit Information Accuracy**

As reported in our previous semiannual report, a draft report was issued regarding the accuracy of monetary benefit information reported in the Agency's Charge Data System (CDS). The scope of the review involved one field office. Although OIG identified areas where improvement is needed concerning documentation, overall the case files reviewed were found to be complete and supervisory review evident. A final report was issued, which reflected management's comments and corrective actions undertaken.

#### **Independent Assessment of the EEOC's Government Information Security Reform Act Compliance**

As required by the *Government Information Security Reform Act (GISRA)*, Public Law 106-398, Title X, subtitle G, the Office of Inspector General conducted an independent assessment of the Agency's information security program. During FY'02, we completed the following reviews:

- (1) the information security training program for new employees;
- (2) the access privileges of the Charge Data System (CDS) in a District Office; and
- (3) the Internal Security Controls for EEOC's Federal Personnel/Payroll System (FPPS).

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During the course of this *GISRA* reporting cycle, we also reviewed the Agency's progress in computer security training and in the area of physical security. Based on our reviews, we have noted the following conditions:

- **Computer Security Training** – Currently, EEOC does not have a computer security-training program. The Office of Information Technology (OIT) is in the process of developing various training materials to aid in the training of EEOC employees. Furthermore, information technology specialists in agency field offices need more formal classroom education in information systems and information security.
- **Physical Security Assessment for Field Offices** – EEOC needs to conduct a physical security assessment of its field offices to ensure the security of the Agency's information system assets in field offices. According to the OIT, in FY'02, a physical risk assessment was conducted of the headquarters physical facility and its mechanical, electrical, communications, plumbing and fire systems. However, the assessment did not include field offices.

## ONGOING AUDIT AND EVALUATION ACTIVITIES

### **Draft Report - Assessment of Reducing Infrastructure Costs Through Increased Use of Telework** (OIG Report Number 01-13-AMR)

OIG's objective was to determine whether increased use of telework could create options for increasing effectiveness and efficiency of selected EEOC infrastructure, particularly office space. The central question addressed by the evaluation is whether, through use of frequent telework, EEOC can reduce real estate costs while sustaining or improving mission performance. Techniques of the assessment included designing and building a cost model, and assessing survey and focus group data gathered during visits to four EEOC field offices.

OIG found that implementation of frequent telework could result in substantial net savings for each of the four field offices we studied. The cost model shows net savings of about \$1.3 million in the first five years. Savings come from office sharing among those who telework frequently, resulting in reduced space needs. This lowers costs for real estate and produces savings that are substantially higher than the costs to set up and maintain a frequent telework program. Annual cost savings begin in the second year of frequent telework. Major cumulative savings begin in the third year. OIG submitted the draft report to EEOC management for comment in September 2002. OIG plans to issue the final report in November 2002.

### **Draft Report - Evaluation of EEOC's Performance Planning and Reporting Under the Government Performance and Results Act** (OIG Report Number 01-12-AMR)

The *Government Performance and Results Act (GPRA) of 1993* requires Federal agencies to prepare annual performance plans and performance reports. The Annual Performance Plan communicates

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what the Agency proposes to accomplish during the fiscal year, how it will be accomplished, and describes how the Agency will assess whether the desired results were achieved. The Performance Report communicates results by reporting on achievement of performance measures.

OIG conducted a general assessment of the Agency's 2002 *Annual Performance Plan* and 2000 *Annual Performance Report* to determine how well EEOC reports and supports GPRA performance information. OIG issued a draft report to EEOC for comment in March 2002. OIG has received management's comments, and will issue the final report in the first quarter of FY 2003.

### **Assessment of the Implementation of the Federal Personnel/Payroll System (FPPS)**

OIG conducted an assessment of the Agency's Federal Personnel/Payroll System (FPPS) implementation. This assessment was conducted as part of OIG's ongoing effort to evaluate the Agency's information systems as required by the *Government Information Security Reform Act (GISRA)*, *Public Law 106-398, Title X, subtitle G*.

It was our opinion that FPPS has had a successful first year. The success of this implementation was largely due to the level of teamwork exhibited between all parties involved. OIG found no significant problems regarding FPPS's overall planning, its implementation, or its execution. Furthermore, during the year the Agency made significant progress in completing its FPPS data verification effort.

### **Audit Manual Update**

OIG is currently in the process of updating the *Audit and Inspection Policy and Procedure Manual*. This operations manual will provide general guidance on policies and procedures to be followed by the OIG's auditors, evaluators and other OIG personnel in the performance of their professional responsibilities. An Audit Manual draft will be issued during the next reporting period.

## **OTHER AUDIT AND EVALUATION ACTIVITIES**

### **Audit Follow-up**

As required by *Section 5(a)(3) of the Inspector General Act, as amended*, semiannual reports shall include identification of each significant recommendation previously reported on which corrective action has not been completed.

OIG engaged in the following followup activities:

### **Management Advisory - OMB Scorecard and EEOC**

In February 2002 OIG issued a Management Advisory to the Chair which used the Executive Management Scorecard approach to evaluate Agency activities and to establish a baseline for the five initiatives contained in the President's Management Agenda. As a result of OIG's review,

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management has made “Getting to Green” one of its top priorities. Final action plans have been submitted for all initiatives. OIG continues to provide technical assistance and will periodically assess the Agency’s progress in achieving management improvements within established time frames.

**OIG Performance Audit of the Education, Technical Assistance and Training Revolving Fund, (OIG Report Number 01-07-APO)**

In our March 2002 Semiannual Report, we recommended that management obtain a legal review of the Revolving Fund’s operations to determine whether the ongoing and unreported transfers from the Commission’s Salaries and Expenses (S&E) appropriation, over the long term, amount to an improper augmentation of the Revolving Fund.

Management accepted this recommendation and a legal review was performed by the Office of Legal Counsel. The Office of Legal Counsel (OLC) notes that the Revolving Fund is reimbursing the S&E appropriation at increasing levels, and that it plans to achieve total self-sufficiency within the next few years. Further, they state that as a technical matter, illegal augmentation is not occurring, but that the Revolving Fund must obtain complete self-sufficiency in order to comply with the *Economy Act*. OIG is reviewing OLC’s opinion to determine an appropriate course of action relative to the matter.



## THE INVESTIGATIVE PROGRAM

*The Investigative work performed supports 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.*

During the period, Investigations staff closed 155 matters, of which 134 were hotline contacts. Charge processing issues were referred to OIG by members Congress, other Inspectors Generals or, at the request of charging parties or respondents. These charges were either resolved by OIG and/or directed to field offices, the Office of Field Programs (OFP) and the Office of Federal Operations (OFO), for appropriate action.

### INVESTIGATIVE INQUIRIES RECEIVED DURING THE REPORTING PERIOD

ALLEGATIONS	TOTAL
Charge Processing	82
Other	42
Title VII	33
Mismanagement	9
Ethics	7
Theft	1
Threats and Assaults	3
Fraud	11
<b>Total</b>	<b>188</b>





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**COMPLETED INVESTIGATIONS****Allegation of Inappropriate Conduct**

OIG concluded an investigation of alleged inappropriate conduct toward a charging party by an EEOC field office investigator. During the pendency of the investigation OIG adduced evidence that supported a conclusion that the EEOC investigator made inappropriate comments to a charging party and engaged in inappropriate touching of the individual. In so doing, the EEOC investigator violated several provisions of the *Government-wide Standards of Ethical Conduct for Employees of the Executive Branch* set forth in 5 C.F. R. Part 2635.

**False Statements Under Oath**

OIG concluded an investigation in which it was alleged that an EEOC field office employee made false statements under oath during the course of a deposition taken in connection with a charge of discrimination that the employee had investigated. OIG found that although there was insufficient evidence adduced to establish that the employee made false statements under oath, there was sufficient evidence to conclude that the employee failed to comply with EEOC procedures established for conducting discrimination investigations outlined in the *EEOC Compliance Manual*.

**ONGOING INVESTIGATIVE ACTIVITIES**

OIG currently has investigations ongoing in headquarters and five field offices regarding allegations of employee misconduct, mismanagement by managers, falsification of time and attendance records, falsification of charge files, post-employment conflicts of interest and falsification of travel vouchers. Other allegations include misuse of government equipment, misuse of the government credit card and impersonation of an EEOC official.

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## OTHER OIG ACTIVITIES

### Legislative and Regulatory Matters

#### Accountability of Tax Dollars Act

The Office of Inspector General provided comments to OMB in support of *H.R. 4685, the Accountability of Tax Dollars Act of 2002*, which would require agencies with budget authority in excess of \$25 million to prepare audited financial statements and the Inspector General to secure an independent audit of the financial statements. OIG had already established, in cooperation with the Chief Financial Officer, the goal of auditing the FY 2002 Agency financial statements. A contract has been awarded and work will begin in October 2002.

The following EEOC Orders and Directives were reviewed during the semi-annual reporting period:

- Interim Procedures for Processing Complaints of Employment Discrimination Filed Against Recipients of Federal Financial Assistance, Equal Employment Opportunity (EEO) Management Directive (MD) 1002
- Delegation of Authority - Federal Tort Claims, EEOC Order No. 130.011
- Strategic Planning, EEOC Order No. 290.001
- Organization, Mission and Functions, EEOC Order No. 110.002
- EEOC Telephone Service, EEOC Order No. 350.002
- Organization, Mission and Functions, Chapter V - Office of Legal Counsel, Chapter VII - Office of Communication and Legislative Affairs, Chapter IX - Office of Equal Opportunity - Chapter XII - Office of Human Resources, EEOC Order No. 110.002
- EEOC Correspondence Manual, EEOC Order No. 220.001
- EEOC Travel Handbook, EEOC Order No. 345.001

## **Technology Updates**

To expand OIG data gathering capabilities and reduce costs for data gathering and analysis tasks, OIG purchased survey software. The software allows questionnaires to be created, forwarded, received, and analyzed electronically in an integrated manner. The software was used successfully for entering and analyzing data gathered for the *Assessment of Reducing Infrastructure Costs Through Increased use of Telework*.

## **Professional Development and Associations**

OIG staff members' professional associations and committees included the President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency (PCIE/ECIE) Inspections and Evaluation Roundtable, the Government Evaluators Group, the Association of Government Accountants, the EEOC's Chapter of Toastmasters International, and the Council of Counsels to Inspectors General. Staff participated in training that included the PCIE/ECIE Inspector General Annual Training Conference and Professional Development Seminar on Ethics in Law Enforcement, EEOC Executive Leadership Conference, and the Inspector General Auditor Training Institute. The IG conducted a session on Inspector General and Agency Head Relations during a PCIE/ECIE orientation for new Inspectors General.

Subject matter training was obtained in information security, computer security for federal information systems, cybercrime and privacy update, and advanced qualitative data gathering and analysis. Staff also attended courses in time management, decision making and correspondence tracking systems.

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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
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**HOW TO REPORT WRONGDOING**

**EQUAL EMPLOYMENT OPPORTUNITY COMMISSION**

**OFFICE OF INSPECTOR GENERAL**

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**REPORT FRAUD, WASTE, AND ABUSE**

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**WASHINGTON, DC 20036-8858**

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**U.S.  
Equal  
Employment  
Opportunity  
Commission**

# Office of the Inspector General



## Semiannual Report to the Congress

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October 1, 2002 - March 31, 2003

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# MESSAGE TO THE CHAIR

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April 30, 2003

The Honorable Cari M. Dominguez  
Chair  
Equal Employment Opportunity Commission  
Washington, D.C. 20507

Dear Madam Chair:

I am submitting to you the Office of Inspector General's Semiannual Report to Congress, as required by the Inspector General Act of 1978, as amended. The report summarizes accomplishments for the period of October 1, 2002 through March 31, 2003. The Act requires that you transmit this report, along with the management report prepared by the Office of Chief Financial Officer and Administrative Services, to the appropriate congressional committees by May 31, 2003.

During this reporting period, we conducted the Agency's first ever audit of its financial statements. Although not required to do so, the Agency's preparation of financial statements and OIG's audit of those statements represent significant progress for EEOC in improving its management of financial resources. Auditors concluded that the Agency's conversion to the Integrated Financial Management System was successful, and that controls over payroll, disbursements and equipment were in place and operating effectively. Auditors found also that improvements are needed in the process and preparation of financial statements and internal controls over financial reporting. These audit findings and recommendations provide the foundation for the Agency's new financial reporting requirements under the *Accountability of Tax Dollars Act of 2002*.

The staff of OIG is committed to making EEOC a model workplace. We appreciate your cooperation and support and that of all EEOC employees.

Sincerely,



Aletha L. Brown  
Inspector General

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## EXECUTIVE SUMMARY

This is the 28<sup>th</sup> semiannual report issued by the Equal Employment Opportunity Commission's (EEOC) Office of Inspector General (OIG) since becoming a statutory Inspector General in 1989, pursuant to the 1988 amendments to the *Inspector General Act of 1978, as amended*.

This report summarizes OIG's activities and accomplishments for the period October 1, 2002 through March 31, 2003. This section of the report highlights selected audits, investigations, staff activities and other projects completed during the reporting period.

During the period, investigative staff closed 116 matters, of which 102 were hotline contacts. A report was issued by OIG that concluded a field office investigator engaged in criminal, infamous, dishonest, immoral or notoriously disgraceful conduct, or other conduct prejudicial to the Government.

Included among OIG's investigative activities during the reporting period were investigations involving allegations of misuse of the Government Travel Card, misuse of government credentials, and transit subsidy fraud. The allegations surrounding the misuse of the Government Travel Card included personal charges for hotels, gas stations, restaurants, etc., in and around the subject employee's duty station. The card was also used for several personal trips to Puerto Rico. The subject retired from federal service during the course of OIG's investigation and paid the travel card vendor for the unauthorized charges. OIG subsequently closed the case since administrative action was no longer possible. While evidence uncovered in OIG's investigation confirmed allegations that several Headquarters' staffs were receiving both government transit subsidies and government subsidized parking, it was determined that there was no violation of Government regulations.

Currently OIG has investigations ongoing in headquarters and five field offices regarding allegations of employee misconduct, mismanagement by senior Agency officials, falsification of time and attendance records, falsification of travel vouchers, misuse of government equipment, false statements under oath, conflicts of interest, and impersonation of an EEOC official.

During the reporting period, OIG hired a second investigator who is currently attending the Basic Criminal Investigator Training at the Federal Law Enforcement Training Center in Glynco, Georgia.

OIG's investigators have become part of the Agency Emergency Response Team and have provided invaluable information and assistance to the Agency in its efforts to develop and implement a comprehensive emergency response plan including a Shelter-in-Place plan in case of a biological, chemical or nuclear attack.

OIG conducted its first ever audit of the Agency's Annual Financial Statements. OIG contracted with Cotton & Co. LLP to conduct a "pre-audit" of the Commission's FY 2002 financial statements. Although the Agency is not required to prepare auditable annual financial statements until FY 2004, the Inspector General and Chief Financial Officer, in the interest of promoting sound financial management, decided that a pre-audit of the Commission's newly produced FY'02 financial statements would be beneficial. The pre-audit was conducted following the same criteria and guidance as if an audit opinion was being issued. The primary purpose of the pre-audit was to identify strengths and weaknesses in the financial statements and the Commission's financial reporting process, to provide a framework for the Agency in preparing its FY 2003 financial statements in accordance with the *Accountability of Tax Dollars Act of 2002*. The preliminary draft report was issued to the Inspector General on March 27, 2003 for review and comment. The final draft will be circulated to management for comments to be included in the final report which is expected to be issued by April 30, 2003.

OIG completed an evaluation of EEOC's infrastructure use and space utilization, examining whether increasing use of telework may create options for improving effectiveness and efficiency of selected infrastructure, particularly office space and technology. Techniques of the evaluation included analyzing survey and focus group data gathered during visits to four EEOC field offices, and designing and building a cost model. OIG found that implementation of frequent telework could result in substantial net savings for each of the four field offices we studied. For those offices, the cost model shows net savings of about \$1.3 million in the first five years. Savings come from office sharing among those who telework frequently, resulting in reduced space needs. This lowers costs for real estate and produces savings that are substantially higher than the costs to set up and maintain a frequent telework program. Annual cost savings begin in the second year of frequent telework. Major cumulative savings begin in the third year.

The National Academy of Public Administration report, *EEOC: Organizing for the Future*, cited OIG's study as thorough and well presented, and recommends that the agency develop and implement a telecommuting pilot. Further, the report served as the primary impetus for the Chief Financial Officer's development of an agency goal of reducing real estate costs by 35 percent in five years. In addition, OMB and GSA have cited the report as useful in EEOC's efforts to become more efficient.

OIG's audit, evaluation and program review activities also included a review of the implementation of the Agency's personnel and payroll system—Federal Personnel/Payroll System (FPPS). We found that FPPS's overall planning, its implementation, as well as its execution was satisfactory. Furthermore, in our opinion, the Agency has established acceptable internal controls to ensure that Agency data is properly secured and access limited only to authorized personnel.

OIG conducted a limited review of the Agency's new "Open System (Book)" approach to financial management as evidenced in the Integrated Financial Management System. We concluded that this approach did not adversely effect or impede Agency information security controls.

In accordance with the *Federal Managers' Financial Integrity Act* and other applicable guidelines, OIG reviewed the Agency's management control reporting process. We concluded that the Agency's management control evaluation process was conducted appropriately. However, we found outdated management control information, as well as shortcomings in the data gathering instrument, and the untimely submission of report information to OIG for review.

OIG initiated a review of the Agency's internal control evaluation process to determine compliance with the Office of Management and Budget (OMB) Circular A-123, Management Accountability and Controls which establishes specific requirements with regard to management controls. OIG plans to issue the final report during the 3<sup>rd</sup> quarter of FY 2003.

The *Government Performance and Results Act of 1993 (GPRA)*, requires Federal agencies to prepare strategic plans, annual performance plans, and performance reports. OIG is conducting an assessment of the Agency's 2004 *Annual Performance Plan* and 2002 *Annual Performance Report* to determine how well EEOC reports and supports GPRA performance information. The assessment will determine if these documents contain information that is useful in determining intended performance, credibility of performance data and progress towards meeting Agency goals. We plan to issue a report to the Chair by September 30, 2003.

OIG issued a Fraud, Waste and Abuse Alert to all Agency employees regarding identity theft. Identity theft is the number one consumer fraud in the nation. Accordingly, we felt it important to provide Agency employees with information on protection and recovery from identity theft. The Alert was issued in compact disk format to all Agency Office Directors to share with their staff, and as well an electronic version was issued in PDF format and placed on the Agency's intranet website, inSite.

OIG began development of a frequent telework pilot program, for OIG staff. The pilot will begin during the 3<sup>rd</sup> quarter of FY 2003 using the guidelines and requirements described in our report's telework model. Upon completion of our pilot, we plan to provide Agency management with lessons learned from our experience with frequent telework.

Other OIG activities included participation in forums hosted by the International Telework Association Council and the MidAtlantic Telework Association Council, during which OIG presented the methodology and findings from OIG's report, "Reducing Infrastructure Costs Through Increased Use of Telework" (OIG Report Number 01-13-AMR), including how the OIG determined staff attitudes about telework and which categories of employees were well-suited for frequent telework.

In an effort to gain greater understanding of Agency programs several OIG staff attended a three-day EEOC-sponsored course exploring the purposes and techniques of Alternative Dispute Resolution.

## THE OFFICE OF INSPECTOR GENERAL

The *Inspector General Act of 1978* was passed to ensure a level of integrity and efficiency that fulfills the American taxpayer's expectation for excellence and accountability in the Federal Government and its programs. Inspectors General are under the general supervision of the agency head and have substantial independence, authority and responsibility to conduct audits and investigations of agency programs. They have direct access to all agency records and materials (physical and electronic); issue subpoenas for necessary information, data, reports, and other evidence; administer oaths before taking testimony; hire staff; and request assistance from other Federal, state and local government agencies. They also act as independent fact finders, undertaking initiatives at the request of the agency head, and provide assessments in such areas as financial management systems and internal controls. Generally, the Inspector General (IG) and agency management pursue the same goal of efficient and effective program operation and service delivery.

Congress established an Office of Inspector General at the Equal Employment Opportunity Commission (EEOC) through the 1988 amendment of the *Inspector General Act*, which expanded authority to independent agencies and federal entities. OIG's primary responsibility is to assist the EEOC by ensuring integrity, efficiency, and accountability in the agency's programs to enforce laws against discrimination in the workplace. Specifically, OIG supports the Agency by carrying out its mandate to independently and objectively conduct and supervise audits and investigations; prevent and detect fraud, waste, and abuse; and promote economy and efficiency in programs and operations. The OIG keeps EEOC's Chair and members of the Congress fully and currently informed about problems, recommends corrective action(s), and monitors the EEOC's progress in implementing such actions.

### Organizations and Functions

The OIG is under the supervision of the IG, who provides overall direction, coordination, and leadership to staff. The OIG includes a deputy inspector general, an audit and evaluation staff, an investigative staff, an independent counsel, and an administrative staff. The Deputy Inspector General serves as alter ego of the Inspector General and has the responsibility for providing overall program guidance, direction and supervision to audit, evaluation and investigative staffs. The audit program provides assurance to the Chair and Congress that EEOC programs are working efficiently and effectively. The audit staff conducts performance and financial audits, as well as special reviews and evaluations. These audits focus on management controls, administrative and program operations, transaction processing and financial and other information systems. In special evaluations, the OIG considers the implications of EEOC programs, operations and policies.

The mission of the investigative program is to perform investigative activities related to the integrity of the EEOC's programs. Most of OIG's investigations focus on violations of law or misconduct by

Agency employees, as well as, allegations of irregularities or abuses in operations and programs. When needed, OIG's investigators work in concert with other law enforcement entities. More than half of investigative inquiries result from employees and the general public calling OIG's 24-hour telephone (hotline) to report wrongdoing. A significant amount of these calls concern EEOC's discrimination complaint process and are referred to the appropriate program office.

OIG's Counsel to the IG (CIG) supervises the day-to-day operations of the Investigative Program, and provides independent legal advice on issues concerning criminal law and procedures, evidence, and administrative and constitutional law as they relate to OIG's investigative program. Counsel develops legal interpretations of appropriation law, financial management statutes and regulations and procurement and funding rules in support of the OIG's audit program. The CIG reviews each report product issued by OIG for legal sufficiency. Additionally, the CIG conducts reviews and provides comments on existing and proposed legislation, regulations, directives and policy issues that affect EEOC and OIG programs and operations.

The administrative and program support staff maintain control of OIG funds, manage personnel and procurement operations, operate OIG's hotline, respond to inquiries from the public and perform a variety of other support functions.

During the reporting period OIG hired a new criminal investigator who is currently attending the Basic Criminal Investigator training at the Federal Law Enforcement Training Center in Glynco, Georgia.

## **The Equal Employment Opportunity Commission**

The EEOC is the federal agency responsible for enforcement of: *Title VII of the Civil Rights Act of 1964*; the *Equal Pay Act of 1963*; the *Age Discrimination in Employment Act of 1967 (ADEA)*; in the Federal sector only, *section 501 of the Rehabilitation Act of 1973*; *Title I of the Americans with Disabilities Act of 1990 (ADA)*; and the *Civil Rights Act of 1991*. These statutes prohibit employment discrimination based on race, sex, religion, national origin, age, or disability. 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 overall mission of the EEOC is to prevent discrimination from occurring in the workplace, eliminate discrimination that has occurred in the workplace and investigate and adjudicate allegations of such discrimination.

In October 2002, the EEOC unveiled a new web page describing the agency's role in coordinating the federal government's efforts to eradicate discrimination in the American workplace. The web page, entitled "EEOC Coordination of Federal Government Equal Employment Opportunity in the Workplace," which may be accessed through [www.eeoc.gov](http://www.eeoc.gov), highlights the EEOC's leadership in

ensuring that federal agencies work together in opposition to workplace discrimination. The new web page also contains links to legal materials that can help federal agencies coordinate their efforts, web sites of other federal agencies that play a role in the federal government's efforts to combat workplace discrimination, and links to Memoranda of Understanding (MOU) between the EEOC and other federal agencies which may share overlapping jurisdiction.

The agency reopened and dedicated its New York District Office on Friday, November 15, 2002, at its new headquarters located at 33 Whitehall Street in lower Manhattan. The New York District Office was previously located in 7 World Trade Center which collapsed as a result of the September 11, 2001, terrorist attack.

In December 2002, the EEOC issued a new Compliance Manual section on the prohibition against national origin discrimination under *Title VII of the Civil Rights Act of 1964*. The new guidance explains the prohibition against national origin bias and emphasizes "best practices" aimed at fostering work environments that are free of such discrimination. It addresses a wide range of issues that arise in claims of national origin discrimination, including hiring decisions, harassment, and language issues.

On February 6, 2003, the agency released data about charges of discrimination which were filed in FY 2002. The statistics indicated that 84,442 charges were filed in FY 2002, a 4.5% increase from the previous year. Of the 84,442 charge filings, the biggest increases were in allegations of religious discrimination (up 21% from FY 2001), age bias (up 14.5%), and national origin discrimination (up 13%) The total breakdown of charge filings for FY 2002 is as follows:

- 29,910 alleged **race discrimination** (up 3.5% from FY 2001)
- 25,536 alleged **sex/gender discrimination** (up 1.6% from FY 2001)
- 22,768 alleged **retaliation** (up 2% from FY 2001)
- 19,921 alleged **age discrimination** (up 14.5% from FY 2001)
- 15,964 alleged **disability discrimination** (down 3% from FY 2001)
- 9,046 alleged **national origin discrimination** (up 13% from FY 2001)
- 2,572 alleged **religious discrimination** (up 21% from FY 2001)
- 1,256 alleged **Equal Pay Act violations** (unchanged from FY 2001)

During that same time period EEOC resolved 95,222 private sector charges in FY 2002, a 6% increase from the previous year.

In FY 2002, EEOC asked the National Academy of Public Administration (NAPA) to assist it in preparing the restructuring plan and the strategic human capital plan required by the President's Management Agenda and related Office of Management and Budget (OMB) and Office of Personnel Management (OPM) directives. In February 2003, NAPA issued its report, *EEOC: Organizing for the Future*, which contained a wide-ranging set of recommendations to address a number of interrelated issues of organizational structure, budget realignment, technology use, human capital

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management and performance management. The Agency is currently reviewing the NAPA recommendations.

In March 2003, EEOC announced the implementation of a new voluntary mediation pilot program in which private sector discrimination charges filed with the EEOC will be referred back to a participating employer's internal dispute resolution program, if appropriate. Under the new pilot, an individual who has filed a discrimination charge against a participating employer may elect to have his or her charge held in suspense for a period not to exceed 60 days in order to provide the charging party and the employer an opportunity to resolve the dispute using the employer's existing dispute resolution program.

The expansion of voluntary mediation to resolve discrimination charges is the centerpiece of EEOC Chair Cari Dominguez's 5-Point Plan to improve the EEOC's overall operational efficiency and effectiveness and will serve as a supplement to the agency's highly successful National Mediation Program.

## Management Challenges Facing EEOC

The EEOC continues to progress on the President's Management Agenda initiatives. These government-wide initiatives provide a road map for transforming departments and agencies into model organizations that are performance based, results driven and customer centered. In addition to progress on the President's Management Agenda initiatives, the Agency plans to overhaul the federal sector discrimination complaint process, an important challenge identified by OIG in the last semiannual report to Congress.

EEOC's most significant challenge in this reporting period has been to improve financial performance. OIG completed the first ever audit, of Agency financial statements for Fiscal Year 2002, a practice audit which no opinion was rendered. This was an important accomplishment since financial statements were produced in advance of the FY 2004 requirement, and demonstrated that the transition to the new Integrated Financial Management System was a success. Management identified a shortfall in the FY 2003 budget that required a supplemental appropriation from Congress thereby averting furloughs for all employees. Presently, increased congressional oversight will ensure better Agency financial forecasting and planning. In order to obtain "green" on the Management Scorecard, EEOC needs to receive an unqualified audit opinion on its annual financial statements, meet all financial statement reporting deadlines, and produce accurate financial information on demand.

During the period, the National Academy of Public Administration issued its report, *EEOC: Organizing for the Future* which offered recommendations to improve the strategic management of human capital. Although additional study is needed before implementing critical organizational restructuring initiatives, the Agency is making progress in this area. The Office of Human Resources is proceeding with reviews of employee position descriptions, revising SES and manager performance plans that link to agency mission, goals and outcomes, and developing succession strategies that should result in a leadership talent pool. To obtain "green" on the Management Scorecard, a comprehensive Human Capital Plan must be implemented, organizational structures must be analyzed and optimized from service and cost perspectives, and outcome measures must be used to make Human Capital decisions, demonstrate results, make key program and budget decisions, and drive continuous improvement in the Agency.

The Agency continues to show strong progress in the Electronic Government (E-Gov) initiative. This fiscal year a new EEO-1 on-line reporting system will be available for testing; and E-Assessment and E-Questionnaire prototypes for private sector charges will be implemented nationwide and preliminary results will be measured. Demonstrating progress under the competitive sourcing initiative, competitive sourcing and the process requirements of OMB Circular A-76 will be used to conduct a market-based competition for desktop management business requirements for a "best value" solution. Finally, an EEOC Strategic Planning Working Group has offered a revised strategic plan with outcome oriented goals and objectives showing progress in the budget and performance integration initiative.



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During the period, stakeholders met with Agency Commissioners and complained that the federal sector discrimination complaint process was too lengthy, the system lacked the ability to weed out frivolous cases, and EEOC often failed to penalize agencies for missing deadlines. To improve the process during FY 2003, the Office of Federal Operations plans to assist in the design and implementation of strategic programs that identify and eliminate barriers to equal opportunity, which should demonstrate improved performance in 10 federal agencies. Further, a revised *Management Directive 715*, which provides policy guidance on the essential elements of a model EEO program, will be issued in the next reporting period.

## THE AUDIT AND EVALUATION PROGRAM



*All work conducted under the Audit Program supports the OIG Strategic Goal to improve the economy, efficiency, and effectiveness of EEOC programs, operations, and activities.*

### COMPLETED ASSIGNMENTS

#### **Reducing Infrastructure Costs Through Increased Use of Telework**

OIG conducted an evaluation of EEOC's infrastructure use and space utilization, examining whether increasing EEOC's use of telework may create options for improving effectiveness and efficiency of selected EEOC infrastructure, particularly office space and technology. Techniques of the evaluation included analyzing survey and focus group data gathered during visits to four EEOC field offices, and designing and building a cost model.

OIG found that implementation of frequent telework could result in substantial net savings for each of the four field offices we studied. For those offices, the cost model shows net savings of about \$1.3 million in the first five years. Savings come from office sharing among those who telework frequently, resulting in reduced space needs. This lowers costs for real estate and produces savings that are substantially higher than the costs to set up and maintain a frequent telework program. Annual cost savings begin in the second year of frequent telework. Major cumulative savings begin in the third year. OIG recommended that management consider implementing a pilot frequent telework initiative to achieve cost savings for one or more of the offices that we studied. Management is considering a voluntary frequent telework program.

The National Academy of Public Administration report, *EEOC: Organizing for the Future*, cited the study as thorough and well presented, and recommends that the agency develop and implement a telecommuting pilot. Further, the report served as the primary impetus for the Chief Financial Officer's development of an agency goal of reducing real estate costs by 35 percent in five years. In

addition, OMB and GSA have cited the report as useful in EEOC's efforts to become more efficient.

### **FY 2002 Financial Statement Audit of the Equal Employment Opportunity Commission**

During the reporting period, OIG contracted with Cotton & Co. LLP to conduct a "pre-audit" of the Commission's FY 2002 financial statements. The agency was not required under the *Chief Financial Officers' Act (CFO Act)* to prepare annual financial statements for audit. The Inspector General working with the Chief Financial Officer in the interest of promoting sound financial management decided that it would be beneficial to have a pre-audit of the Commission's newly produced FY '02 financial statements. The pre-audit was conducted following the same criteria and guidance as if an audit opinion was being issued. The primary purpose of the pre-audit was to identify strengths and weaknesses in the financial statements and the Commission's financial reporting process, to provide a framework for the Agency in preparing its FY 2003 financial statements at which time it will be required to produce annual audited financial statements, in accordance with the *Accountability of Tax Dollars Act of 2002*.

The preliminary draft report was issued to the Inspector General on March 27, 2003 for review and comment. Auditors concluded that the conversion to the Integrated Financial Management System was successful. Other accomplishments included producing financial statements for fiscal year 2002, even though they were not required; and controls over payroll, disbursements and equipment that were in place and operating effectively. However, the draft report indicated that EEOC needed to improve its processes and procedures for preparing its financial statements, strengthen controls over the financial reporting process, and that policies and procedures be developed in regards to its information systems' security, access controls, and continuity of operations plan. The final draft will be circulated to EEOC management for comments which will be included in the final report which is expected to be issued by April 30, 2003.

### **Assessment of the Implementation of the Federal Personnel/Payroll System (FPPS)**

OIG issued a final report concerning the Assessment of the Implementation of the Federal Personnel/Payroll System (FPPS). In our final report we stated that it was our opinion that FPPS had a successful first year and that the success of this implementation was largely attributed to solid teamwork between all parties involved. We found no significant problems regarding FPPS's overall planning, its implementation, as well as its execution. Furthermore, in our opinion, the Agency has established acceptable internal controls to ensure that Agency data is properly secured and access limited only to authorized personnel.

### **Management Advisory - "Open System (Book) Approach to Financial Management"**

During the reporting period OIG issued a Management Advisory to the Agency's Chief Information Officer (CIO) and the Chief Financial Officer (CFO) regarding the CFO's use of an "Open System (Book)" approach to financial management contained in the Integrated Financial Management System. In response to questions raised by the CIO concerning the security of Agency's financial information under this approach, the OIG conducted a limited review and concluded that the CFO's "Open System (Book) Approach" did not adversely effect or impede Agency information security controls.

### **Limited Review of EEOC's Management Control System**

During the reporting period OIG conducted a limited review of EEOC's management control system, as prescribed by the *Federal Managers' Financial Integrity Act (FMFIA)*; the *Office of Management and Budget's (OMB) Circular A-123, Management Accountability and Control*; and *EEOC Order 195.001, Internal Control Systems*. The Agency's management control evaluation process is managed through the Agency's Office of Research, Information and Planning.

Based upon information obtained we found that the Agency's management control evaluation process was conducted in accordance with applicable guidelines. However we found outdated management control information, as well as shortcomings in the data gathering instrument. In addition we cited ORIP's untimely submission of information to OIG for review.

## **ONGOING AUDIT AND EVALUATION ACTIVITIES**

### **Review of EEOC's Federal Managers' Financial Integrity Act (FMFIA) Procedures**

OIG is reviewing the Agency's internal control evaluation process to determine compliance with the *Office of Management and Budget (OMB) Circular A-123, Management Accountability and Controls* which establishes specific requirements with regard to management controls. Our review is an assessment of the data contained in the FY 2002 annual assurance statements, as well as other reports and data gleaned from interviews and discussions with management officials. This review will address the issues of outdated management control information, shortcomings in the FMFIA data gathering instrument, untimely submission of information to OIG for review, as well as, other areas from selected headquarters and field offices.

### **Assessment of the Agency's 2004 Annual Performance Plan and 2002 Annual Performance Report**

OIG is conducting an assessment of the Agency's *2004 Annual Performance Plan* and *2002 Annual Performance Report* to determine how well EEOC reports and supports *GPRA* performance information. The *Government Performance and Results Act of 1993 (GPRA)* requires Federal

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agencies to prepare strategic plans, annual performance plans, and performance reports. The assessment will determine if these documents contain information that is useful in determining intended performance, credibility of performance data and progress towards meeting Agency goals. We plan to issue a report to the Chair by September 30, 2003.

## OTHER AUDIT & EVALUATION ACTIVITIES

### Single Audit Act

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 review resulting audit reports to determine whether prompt and appropriate corrective action has been taken in response to audit findings. During the reporting period OIG conducted no such reviews.

### Audit Followup

As required by *Section 5(a)(3) of the Inspector General Act of 1978, as amended*, semiannual reports shall include identification of each significant recommendation previously reported on which corrective action has not been completed. OIG has no reports with recommendations previously reported to which corrective action has not been completed.

As required by *Section 5(a)(1) of the Inspector General Act of 1978, as amended*, semiannual reports shall include a summary of each audit report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period. OIG has no audit/evaluation reports that were issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period.



## THE INVESTIGATIVE PROGRAM

*The Investigative work performed supports 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.*

During the period, Investigations staff closed 116 matters, of which 102 were hotline contacts. Charge processing issues were referred by Congress, other Inspector Generals, or at the written request of charging parties or respondents. These charges were either resolved by OIG and/or directed to field offices, the Office of Field Programs (OFP) and the Office of Federal Operations (OFO), for appropriate action.

### Investigative Inquiries Received During Reporting Period

ALLEGATIONS	TOTAL
Charge Processing	70
Other	34
Title VII	11
Mismanagement	2
Ethics	3
Theft	0
Other Criminal Violations	2
Fraud	18
<b>TOTALS</b>	<b>140</b>

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## COMPLETED INVESTIGATIONS

### Inappropriate Conduct

OIG issued a report to management addressing the inappropriate conduct, by an EEOC field office investigator, toward a charging party. OIG found that the employee did engage in inappropriate behavior toward a charging party during the pendency of her charge of discrimination. OIG further found that in doing so the employee engaged in criminal, infamous, dishonest, immoral or notoriously disgraceful conduct, or other conduct prejudicial to the Government. Agency management is determining appropriate corrective action and OIG continues to provide investigative support as requested.

### Abuse of Government Franking

OIG conducted a preliminary investigation into alleged abuse of the Government franking privilege by an Agency employee. The employee was alleged to have sent personal correspondence to a friend using Agency franking. OIG determined that although a violation did occur, it was *de minimis* and did not warrant criminal prosecution. The matter was referred to Agency management officials for appropriate corrective action.

### Government Travel Card Fraud

Allegations involving an employee's misuse of the Government Travel Card were received and an investigation ensued. The allegation alleged that the subject had used the Government Travel Card for personal charges at hotels, gas stations, restaurants and so forth, in and around his duty station. The subject also used the travel card for several personal trips to Puerto Rico. During the course of the investigation the subject retired from government service and paid the travel card company for the unauthorized charges. OIG subsequently closed the investigation since administrative action was no longer possible.

### Misuse of Government Credentials

OIG received a complaint alleging that an employee represented himself as a law enforcement official in order to gain access to confidential criminal record information about the boyfriend of his ex-wife. OIG conducted preliminary inquiries into the allegations and determined that the employee's actions did not rise to a level of criminality. OIG then referred the matter to Agency management officials for appropriate administrative action.

### Transit Subsidy Fraud

Allegations concerning the alleged abuse of the Government Transit Subsidy Program were received by OIG. It was alleged that several employees were receiving the government transit subsidy and were also receiving government subsidized parking at the same time and that receipt of both subsidies was a violation of Government regulations. An investigation of this matter was conducted and it was determined that several employees were receiving both subsidies, however, OIG determined that there was no violation of Government regulations. Accordingly, the case was closed.

### **Conflict of Interest in Post Employment Activity**

OIG investigated an allegation that a former employee was the attorney of record in litigation of a charge of discrimination, in which he personally and substantially participated prior to his departure from the Agency. OIG conducted a preliminary investigation into the matter and determined that the subject did personally and substantially participate in the case prior to departure, however upon notice of possible violation of *Title 18 U.S.C. § 207*, the subject withdrew as counsel of record. Accordingly, OIG closed the case.

### **Contract Fraud Investigation**

OIG received a complaint alleging the Cleveland District Office entered into a contract with Cleveland Life Newspaper, to participate in the 8<sup>th</sup> Annual Black Family Expo, and was charged \$895.50. The Expo failed to materialize and the Agency was never refunded the monies. OIG initiated a preliminary investigation into the matter and determined that Cleveland Life Newspaper was currently under investigation by the Cleveland Police Department (CPD) for Theft By Deception for its role in the 8<sup>th</sup> Annual Black Family Expo. OIG advised the Cleveland District Office to contact CPD to be added to the list of complainants. OIG has since determined the owner of Cleveland Life Newspaper has entered into an agreement to repay the monies.

## **ONGOING INVESTIGATIVE ACTIVITIES**

Currently OIG has investigations ongoing in headquarters and five field offices regarding allegations of employee misconduct, mismanagement by senior Agency officials, falsification of time and attendance records, falsification of travel vouchers, misuse of government equipment, false statements under oath, conflicts of interest, and impersonation of an EEOC official. A matter involving prohibited personnel practices by a management official is under review by the Office of Special Counsel (OSC). OIG provided its preliminary investigative data to OSC which plans to share its investigative findings with OIG.



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## **OTHER INVESTIGATIVE ACTIVITIES**

OIG investigators have become part of the Agency Emergency Response Team and have provided invaluable information and assistance to the Agency in its efforts to develop and implement a comprehensive emergency response plan including a Shelter-in-Place plan in case of a biological, chemical or nuclear attack.

During the reporting period, OIG hired a second investigator who is currently attending the Basic Criminal Investigator Training at the Federal Law Enforcement Training Center in Glynco, Georgia.

## OTHER OIG ACTIVITIES

### **Legislative and Regulatory Matters**

During the reporting period, OIG reviewed EEOC Automated Information Security Program, EEOC Order No. 240.005, and Equal Employment Opportunity Management Directive - 715. OIG also reviewed H.R. 4878, *Improper Payments Information Act of 2002*, as requested by the Office of Management and Budget. In addition, OIG staff attended meetings and reviewed draft reports generated by the General Accounting Office in connection with their evaluations of Business Tax Incentives and Diversity in the Senior Executive Service.

### **Fraud, Waste and Abuse Alert - When Bad Things Happen To Your Good Name**

Based upon information provided by the Federal Trade Commission, OIG issued a Fraud, Waste and Abuse Alert to all Agency employees regarding the dangers and pitfalls of identity theft. Identity theft is the Number One consumer fraud in the nation. Accordingly, we felt it important to provide Agency employees information on how to prevent this crime. The compact disk contains information regarding identity theft, how to protect yourself, and what to do if your identity has been stolen. We issued this Alert in compact disk (CD) format to all Agency Directors, to share with their staff, as well as placing an electronic document, in PDF format, on the Agency's intranet website, inSite. The compact disk also contained a video testimony of an individual who had suffered identity theft.

### **OIG Pilot Program - Implementation of Frequent Telework in the Office of Inspector General**

During this reporting period OIG issued a final report regarding its Assessment of Reducing Infrastructure Cost Through Telework. As part of this assessment we developed a telework model that is intended to save on real estate costs, without compromising the level of service or office productivity. The Agency is considering implementing a variation of this model in selected Agency offices.

OIG began development of a frequent telework pilot program, for OIG staff. The pilot will begin during the 3<sup>rd</sup> quarter of FY 2003 using the guidelines and requirements described in our report's telework model. The key elements of OIG's pilot program include: (1) majority of OIG staff teleworking 2-4 days per work; (2) office sharing (two desks per office or similar arrangement) for investigative, audit, and evaluation staff; and (3) the use of technology to enhance productivity. Upon

completion of our pilot, we plan to provide the Agency with a best practices, as well as lessons learned from our frequent telework pilot program.

### **Strategic Planning Working Group**

OIG's senior auditor participated in the Agency's Strategic Planning Workgroup which met periodically from October 2002 through March 2003. Their goal was to revise EEOC's current Strategic Plan by revising strategic goals and identifying appropriate performance measures. The work is ongoing and the group has conducted briefings for the Chair and Agency senior staff.

### **Professional Development and Associations**

#### **Investigative Training**

OIG Investigative staff attended four training sessions sponsored by the Office of Government Ethics (OGE) on the topics of Gifts Between Employees, Gifts From Outside Sources, Seeking Outside Employment and Conflicting Financial Interests. OIG's newly hired criminal investigator attended the Federal Law Enforcement Training Center's (FLETC) basic training for criminal investigators.

#### **Alternative Dispute Resolution**

The Senior Evaluator, an Auditor and a member of the Investigative staff attended a three day EEOC-sponsored course exploring the purposes and techniques of Alternative Dispute Resolution.

#### **International Telework Association Council**

Before an audience of federal telework managers, the Senior Evaluator presented methodology and findings from OIG's report, "Reducing Infrastructure Costs Through Increased Use of Telework" (OIG Report Number 01-13-AMR), including how the OIG determined staff attitudes about telework and which categories of employees were well-suited for frequent telework.

#### **MidAtlantic Telework Association Council**

The Senior Evaluator participated on a panel that included telework experts from Cisco and Citrix. The panel spoke on the needs of teleworking employees. The Senior evaluator explained how the OIG determined the needs of teleworkers, as described in "Reducing Infrastructure Costs Through Increased Use of Telework" (OIG Report Number 01-13-AMR).

### **Inspections and Evaluation Roundtable and the Information Technology Roundtable**

OIG participates in these working groups which are part of the joint President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency (PCIE/ECIE). These groups focus on presenting results of inspections and evaluations by OIGs and on discussing issues of concern regarding OIG inspections, evaluations, and information technology programs. During the period, OIG responded to surveys conducted by the PCIE that addressed computer security issues and resources, and inspection and evaluation products and resources.

### **PCIE/ECIE Activities**

OIG staff participate regularly in inspector general community activities. This participation provides staff members with opportunities for development and leadership, as well as current and complete information on legislation, and audit, investigative, evaluative and legal issues that impact OIG operations. OIG staff submitted data for the 2002 Annual Report to the President, that identified challenges confronting EEOC management and reported on OIG activities conducted in support of the President's Management Agenda. OIG management participated in the Council of Counsels meetings, monthly ECIE meetings and PCIE Legislative Committee meetings. The Inspector General attended the Annual PCIE/ECIE Conference in March 2003.

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April 1, 2003 through September 30, 2003



# Message To The Chair

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October 30, 2003

The Honorable Cari M. Dominguez,  
Chair  
Equal Employment Opportunity Commission  
Washington, D.C. 20507

Dear Madam Chair:

Pursuant to the *Inspector General Act of 1978*, (IG Act) *Public Law 95-452, as amended*, Section 5(b), I am providing the Office of Inspector General's (OIG) Semiannual Report to Congress summarizing our activities for the 6-month period that ended September 30, 2003. The *IG Act* requires you to submit this report, and the management report prepared by the Office of the Chief Financial Officer and Administrative Services, to the appropriate committees or subcommittees of the Congress within 30 days of receipt.

As I reflect on this 25<sup>th</sup> Anniversary of the *Inspector General Act*, I applaud OIG's evolution with the changing environment of today's workplace. New responsibilities and challenges have emerged and we have progressed beyond the traditional role of promoting economy and efficiency, and fighting fraud, waste, and abuse and have become agents of positive change. The *Accountability for Tax Dollars Act of 2002* gave OIG a critical role in ensuring the audit of agency financial statements; the *Federal Information Security Management Act* requires our assessment of information security efforts; and, we've identified significant management challenges to ensure the effective implementation of the President's Management Agenda. Finally, the realities of continued budget shortfalls and today's mobile workforce led to our study of frequent telework to reduce real estate costs in four field offices. OIG's efforts lend support to accomplishing the agency goals performance.

As we continue to improve our programs and operations, we offer our appreciation for your support and cooperation and that of your management team and Commission employees. As you lead the agency in this time of repositioning for new realities, we offer our support in securing EEOC's continued effectiveness.

Sincerely,

Aletha L. Brown  
Inspector General

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## Executive Summary

This Semiannual Report to the Congress, issued by the Equal Employment Opportunity Commission's Office of Inspector General, summarizes activities and accomplishments for the period April 1, 2003 through September 30, 2003. Highlights of OIG's activities and accomplishments include:

- an independent assessment of the Agency's FY'03 Federal Information Security Management Act compliance, as required by the *Federal Information Security Management Act (FISMA)*.
- review of EEOC's progress in implementing the President's Management Agenda (PMA). OIG plans to report its findings to the Chair during the first quarter of FY 2004.
- a general assessment of the Agency's 2004 *Annual Performance Plan* and 2002 *Annual Performance Report*, pursuant to the provisions of the *Government Performance and Results Act (GPRA)* of 1993, to determine how well EEOC reports and supports GPRA performance information. OIG issued a draft report in September 2003 and plans to issue the final report in November 2003.
- a continued evaluation of the use of frequent telework as a potential means of reducing Agency infrastructure costs by initiating an evaluation of EEOC's Headquarters infrastructure and space utilization. OIG plans to submit a draft report to management for comment in December, 2003. The IG discussed results of the telework study in a presentation to the Commission at its September 8, 2003 meeting, "Repositioning for New Realities".
- an update of the *Audit and Evaluation Policy and Procedures Manual*, which provides general guidance for auditors, evaluators and other OIG personnel in the performance of their professional responsibilities. The manual is expected to be distributed during the first quarter of FY 2004.
- the successful completion of several investigations involving allegations covering matters such as: the acceptance of prohibited gifts; falsification of travel vouchers; unauthorized use the Agency's logo; and the unauthorized establishment and operation of a website. Summaries containing details of these investigations appear in *The Investigation Program* section of this report.
- staff participation in professional development activities such as completion of the President's Council on Integrity and Efficiency (PCIE) pilot Leadership Development Workshop held at the Federal Executive Institute Center for Executive Leadership and Basic Criminal Investigator Training at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia.

## The Equal Employment Opportunity Commission

The Equal Employment Opportunity Commission (EEOC) was established by *Title VII of the Civil Rights Act of 1964* and began operating on July 2, 1965. The EEOC enforces *Title VII of the Civil Rights Act of 1964*; the *Age Discrimination in Employment Act of 1967*; the *Equal Pay Act of 1963*; *Title I and Title V of the Americans with Disabilities Act of 1990*; *Sections 501 and 505 of the Rehabilitation Act of 1973*; and the *Civil Rights Act of 1991*.

The EEOC has enforcement authority for equal employment opportunity in the private sector and the federal sector. In the private sector, outreach events provide education and technical assistance. Statutes, regulations and guidelines are enforced by investigating allegations of discrimination; making findings on those allegations; resolving charges through mediation, settlement, or conciliation during the administrative enforcement process; and, litigating cases of employment discrimination. In the federal sector, outreach, education and technical assistance is provided; hearings are held on complaints of discrimination filed in federal agencies; and appeals of complaints of discrimination are considered. EEOC contracts with Fair Employment Practices Agencies, which address employment discrimination within the respective state and local jurisdictions, and works with Native American Tribal Employment Rights Organizations to promote employment opportunities for Native Americans on or near a reservation.

Through its headquarters in Washington, D.C., the operations of 51 field offices nationwide, 2765 employees, and a Fiscal Year 2003 budget of \$323 million, EEOC provided leadership in the coordination of federal agencies' enforcement of all federal equal employment opportunity statutes, Executive Orders, regulations, and policies.

Current highlights of accomplishments may be accessed through [www.eeoc.gov](http://www.eeoc.gov).

## Management Challenges Facing EEOC

The organizational structure of EEOC is hierarchical and 80 percent of its budget is devoted to fixed costs (including compensation, benefits and rent). The remaining amount is primarily devoted to mediation, litigation support, state and local programs, outreach and technology. Further, demographic shifts and the changing business environment require better resource allocation and distribution nationwide. There are few resources remaining for the human capital investments and workload redistribution requirements needed to respond to workplace changes. This scenario represents EEOC's most critical management challenge.

On September 8, 2003, the Commission held a meeting on "Repositioning for New Realities: Securing EEOC's Continued Effectiveness". This meeting allowed employees, experts and stakeholders an opportunity to discuss their perspectives on structure and workforce issues confronting the agency. At the heart of these issues were recommendations contained in reports

from a National Academy of Public Administration (NAPA) workforce restructuring study, and an OIG assessment of expanded telework options to reduce real estate costs, issued in January/February 2003. Recommendations from these reports will guide the development of a workforce restructuring plan, which will profoundly influence the strategic management of human capital initiative. Funds have been requested in the FY 2004 budget to implement the management decisions resulting from the NAPA and OIG studies.

As reported in the last period, the Agency continues to make progress on the President's Management Agenda (PMA) initiatives. On October 1, 2003, a revised Strategic Plan for FY 2004 - 2009 period was implemented. The FY 2004 budget request and annual performance plan, initiated this approach and focused on better measures to assess the results of Agency programs and accomplishments. For the first time, funding was tied to specific goals in the Strategic Plan. In future years, funding will be allocated at more detailed levels to enhance the budget and performance integration effort.

The most important criterion for improved financial performance under the PMA is an unqualified opinion on the Agency's financial statement audit. OIG completed a practice audit of the FY 2002 financial statements earlier this year. This exercise served to prepare management for the audit which is required by the *Accountability of Tax Dollars Act of 2002*. During the reporting period, OIG initiated the FY 2003 financial statements audit work. A draft report is expected in December 2003.

Agency efforts in competitive sourcing continue. Additional positions were identified as suitable for competition with the private sector in this year's *Federal Activities Inventory Reform Act* submission. In FY 2004, the full cost of all work, as defined by *Circular A-76*, will need to be incorporated into the Agency's daily budget and acquisition process.

Improvements in EEOC's technological infrastructure will enable it to proceed with major initiatives to provide more extensive electronic government. The routing and managing of all procurement documents and the conduct of e-Commerce is now handled through the Agency's Integrated Financial Management System's procurement module. Frequent travelers are being supported by "Travel Manager" software and e-ticketing will be offered in the future. During FY 2003, an e-learning opportunity was piloted with full implementation expected in FY 2004. Additionally, various ways for the public to electronically interface with EEOC are being designed. For example, an approach for charging parties to provide on-line information about allegations of discrimination before filing a charge is being developed.

## The Office Of Inspector General

The *Inspector General Act of 1978* was passed to ensure a level of integrity and efficiency that fulfills the American taxpayer's expectation for excellence and accountability in the Federal Government and its programs. Inspectors General are under the general supervision of the agency head and have substantial independence, authority and responsibility to conduct audits and investigations of agency programs. They have direct access to all agency records and materials

(physical and electronic); issue subpoenas for necessary information, data, reports, and other evidence; administer oaths before taking testimony; hire staff; and request assistance from other Federal, state and local government agencies. They also act as independent fact finders, often undertaking initiatives at the request of the agency head, and provide assessments in such areas as financial management systems and internal controls. Generally, the Inspector General (IG) and agency management pursue the same goal of efficient and effective program operation and service delivery.

Congress established an Office of Inspector General at the EEOC through the 1988 amendment of the *Inspector General Act*, which expanded authority to independent agencies and federal entities. OIG's primary responsibility is to assist the EEOC by ensuring integrity, efficiency, and accountability in the agency's programs to enforce laws against discrimination in the workplace. Specifically, OIG supports the Agency by carrying out its mandate to independently and objectively conduct and supervise audits and investigations; prevent and detect fraud, waste, and abuse; and promote economy and efficiency in programs and operations. The OIG keeps EEOC's Chair and members of the Congress fully and currently informed about problems, recommends corrective action(s), and monitors the EEOC's progress in implementing such action.

The OIG is under the supervision of the IG, who provides overall direction, coordination, and leadership to staff. The OIG includes a Deputy Inspector General, an audit and evaluation staff, an investigation staff, an independent counsel, and an administrative staff. The Deputy Inspector General serves as alter ego of the Inspector General and has the responsibility for providing overall program guidance, direction and supervision to the Audit, Evaluation and Investigation Programs.



## The Audit and Evaluation Program



The Audit and Evaluation Program provides assurance to the Chair and Congress that EEOC programs are working efficiently and effectively. The audit staff conducts performance and financial audits, as well as special reviews and evaluations. These audits focus on management controls, administrative and program operations, transaction processing and financial and other information systems. In special evaluations, the OIG considers the implications of EEOC programs, operations and policies.

*All work conducted under the Audit and Evaluation Program supports the OIG Strategic Goal to improve the economy, efficiency, and effectiveness of EEOC programs, operations, and activities, and also supports EEOC's Five-Point Plan initiative, "EEOC as a model workplace."*

### Completed Assignments

#### ***Independent Assessment of Federal Information Security Management Act Compliance***

The *Federal Information Security Management Act* (FISMA) requires Inspectors General (IGs) to conduct annual independent assessments of agency automated information systems in an effort to help ensure the integrity and security of those information systems.

During FY 2003, the IGs were directed by the Office of Management and Budget (OMB) to determine agencies' compliance with *FISMA* against specific performance measures prescribed by OMB. Furthermore, IGs were requested to determine whether agencies have developed, implemented, and managed an agency-wide plan of action and milestone process. OIG found that EEOC has: (1) complied with requirements as stipulated in *FISMA*; and (2) that the Agency has procedures in place to manage an Agency-wide plan of action and milestones process.

#### ***Management Advisory - Results Regarding the Office of Inspector General Questionnaire***

The Office of Inspector General (OIG) issued a questionnaire to all field office directors regarding information security training. The objective of this questionnaire was threefold, OIG attempted to: (1) obtain data about the amount of information security training that is conducted in field offices, (2) obtain an understanding of the level of formal IT training field offices' information technology specialist/computer assistants have received; and (3) identify the number of offices that had received and distributed the OIT information security bulletin entitled, *Information Technology (IT Security)*. Based on the results of our survey, OIG found that: (1) most field office employees have received

some level of information security training/awareness; (2) many information technology specialist/computer assistants in the field have not received recent formal IT training other than training regarding the Agency's new Integrated Mission System; and (3) that several field offices had not received a copy of the IT bulletin.

OIG was informed by the Office of Information Technology (OIT) that they are currently in the process of providing additional information security training to all Agency employees, as well as providing information technology specialist/computer assistants with a mechanism that will enable them to have access to more formal IT training. OIG also suggested that those offices who had not received a copy of the IT Security Bulletin be forwarded copies so that they could be distributed to their staffs.

### **Ongoing Audit and Evaluation Activities**

#### ***FY 2003 Financial Statement Audit of the Equal Employment Opportunity Commission***

Under the *Accountability of Tax Dollars Act of 2002*, the Equal Employment Opportunity Commission (EEOC) is now required to produce annual audited financial statements. To meet this new requirement, the Office of Inspector General has contracted with Cotton & Co. LLP to conduct the audit of the EEOC's FY 2003 financial statements in accordance with U.S. Government Auditing Standards. The auditors have completed their planning and interim work phases of the audit. They will begin their year-end testing starting in November 2003. A financial statement audit report including an audit opinion, is due by December 26, 2003. The audited FY 2003 financial statements are due to OMB by January 31, 2004. A management letter, addressing any internal control weaknesses discovered during the financial statement audit, will be issued by February 15, 2004.

#### ***EEOC's Progress in Implementing the President's Management Agenda***

In February 2002, the OIG issued a management advisory memorandum to the Chair, "*OMB Scorecard and EEOC*", in which OIG used the OMB developed core criteria to rate the Commission in each of the five initiatives of the President's Management Agenda (PMA). At that time "Red" lights were awarded in four of the five initiatives. A "Yellow" light was awarded in the initiative dealing with e-Government. Since that time, the Office of Management and Budget has developed specific accomplishments that agencies must have achieved in order to be awarded a "Red" or "Yellow" light in the OMB scoring process. We are currently in the process of interviewing managers with PMA responsibilities to obtain the status of planned actions and progress made since our last update in each of the initiatives. We plan to issue a management advisory update memorandum to the Chair in the first quarter of 2004.



### ***Draft Report - EEOC's Federal Managers' Financial Integrity Act (FMFIA) Procedures***

OIG has completed its review of the Commission's internal control evaluation process and compliance with the Office of Management and Budget (OMB) *Circular A-123, Management Accountability and Controls*. The circular provides guidance to Federal managers on improving the accountability and effectiveness of Federal programs and operations. Our review is an assessment of the data contained in the FY 2002 annual assurance statements, as well as other reports and data obtained from interviews and discussions with management officials. The review addressed the issues of outdated management control information, shortcomings in the FMFIA data gathering instrument, untimely submission of information to OIG for review, as well as other areas from selected headquarters and district offices. The report is expected to be released in the first quarter of FY 2004.

### ***Draft Report - Evaluation of EEOC's Performance Planning and Reporting Under the Government Performance and Results Act***

The *Government Performance and Results Act* (GPRA) of 1993 requires Federal agencies to prepare strategic plans, annual performance plans, and performance reports. OIG conducted a general assessment of the Agency's 2004 *Annual Performance Plan* and 2002 *Annual Performance Report* to determine how well EEOC reports and supports GPRA performance information. OIG found that these documents contain information that is useful in determining intended performance, credibility of performance data and progress towards meeting Agency goals. Although performance in these areas improved, OIG found some gaps between what EEOC reported and the standards outlined in GPRA reporting guidelines. OIG submitted the draft report to EEOC management for comment in September 2003. OIG plans to issue the final report in November 2003.

### ***Reducing Infrastructure Costs Through Increased Use of Telework***

Infrastructure, of which rent is the largest component, is EEOC's largest non-personnel cost. A previous OIG study (*Reducing Infrastructure Costs Through Increased Use of Telework Report Number 01-13-AMR*) found that implementation of frequent telework could result in substantial net savings for each of the four field offices we studied. The report served as the primary driver for development of an agency goal of reducing real estate costs by 35 percent in five years. In addition, OMB and GSA have cited the report as useful in EEOC's efforts to become more efficient.

OIG is conducting an evaluation of EEOC's Headquarters infrastructure use and space utilization. OIG is examining whether increased use of frequent telework (two times or more per week) may create options for improving effectiveness and efficiency of selected EEOC infrastructure, particularly office space and technology. Techniques of the evaluation included designing and building a cost model, and analyzing interview and focus group data gathered from over 100 headquarters employees. OIG plans to submit a draft report to EEOC management for comment in December, 2003.

### ***Assessment of the Agency's Integrated Mission System***

As previously mentioned, under *FISMA*, OIG is required to conduct an independent assessment of the Agency's compliance with the Act. During the reporting period, OIG held an entrance conference with the Office of Information Technology to initiate OIG's assessment of the Agency's Integrated Mission System (IMS). IMS consolidates and replaces several separate EEOC database systems including the Charge Data System, the Automated Outreach System and the Office of General Counsel's Litigation Tracking System. IMS provides an integrated database application to support intake, mediation, investigation, state and local contract processing, outreach, and litigation. This assessment will be conducted using the National Institute of Science and Technology's Self Assessment Guide for Information Technology Systems. A final report is expected to be released during the first quarter of FY'04.

### **Other Audit and Evaluation Activities**

#### ***Draft OIG Audit Manual***

OIG has completed updating the *Audit and Inspection Policy and Procedures Manual*. This manual will provide general guidance on policies and procedures to be followed by the OIG's auditors, evaluators and other personnel in the performance of their professional responsibilities. Currently, the draft manual is going through the OIG's internal review and approval process and is expected to be distributed during the first quarter of FY 2004.

#### ***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 review annual audit reports to determine whether prompt and appropriate corrective action has been taken in response to audit findings. During the reporting period, OIG reviewed 63 audit reports issued by public accounting firms, concerning Fair Employment Practices Agencies (FEPA) that have worksharing agreements with EEOC.

#### ***Audit Follow-Up***

As required by *Section 5(a)(3) of the Inspector General Act of 1978, as amended*, semiannual reports shall include identification of each significant recommendation previously reported on which corrective action has not been completed. OIG has no reports with recommendations previously reported to which corrective action has not been completed. *Section 5(a)(1) of the Inspector General Act of 1978, as amended*, requires that semiannual reports shall include a summary of each audit report issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period. OIG has no audit/evaluation reports that were issued before the commencement of the reporting period for which no management decision has been made by the end of the reporting period.

## The Investigation Program



The mission of the Investigation Program is to perform investigative activities related to the integrity of the EEOC's programs. Most of OIG's investigations focus on violations of law or misconduct by Agency employees as well as alleged irregularities or abuses in operations and programs. When needed, OIG investigators work in concert with other law enforcement entities. More than half of investigative inquiries result from employees and the general public calling OIG's 24-hour telephone hotline to report wrongdoing. A significant amount of these calls concern the discrimination complaint process and are referred to the appropriate EEOC program office.

OIG's Counsel to the IG (CIG) supervises the day-to-day operations of the Investigation Program, and provides independent legal advice on issues concerning criminal law and procedures, evidence, and administrative and constitutional law as they relate to OIG's investigative efforts. Counsel develops legal interpretations of appropriation law, financial management statutes and regulations, and procurement and funding rules in support of the OIG's audit program. The CIG reviews each report product for legal sufficiency. Additionally, the CIG conducts reviews and provides comments on existing and proposed legislation, regulations, directives and policy issues that affect EEOC and OIG programs and operations.

*The investigative work performed supports OIG's Strategic goal to focus its limited investigative resources on those issues that represent the greatest risk to the agency and offer the maximum opportunity to detect and prevent fraud, waste and abuse in EEOC programs and operations. This work also supports EEOC's Five-Point Plan initiative "EEOC as a Model Workplace".*

### Completed Investigations

#### *Unethical Acceptance of Gifts Valued Over \$500*

OIG completed an investigation into an allegation that an Agency employee accepted an offer for a position in the Senior Executive Service (SES) of another government agency and gifts valued over \$500, after speaking at a cultural diversity program hosted by the other Agency. It was alleged that the offer of employment and gifts were given in exchange for the EEOC employee adversely ruling against a complainant who filed a discrimination complaint against the other government agency. OIG determined that the Agency employee did not engage in any unethical or criminal misconduct and that the allegations were not meritorious.

### ***Falsification of Travel Vouchers***

OIG completed an investigation into an allegation that an Agency employee falsified travel vouchers with respect to claims for lodging expenses. After conducting a preliminary investigation into the allegations, OIG determined that the employee's actions did not evidence an intent to defraud the Government.

### ***Threat Against the Agency***

OIG was provided with information that alleged an individual had made threats against the Agency. After conducting appropriate background information on the subject and contacting other law enforcement agencies, OIG completed an assessment of the threat and determined that the threat level only warranted a heightened alert of security personnel. OIG forwarded a photograph of the subject and other pertinent information to the appropriate Agency officials.

### ***Misuse of Agency Logo***

OIG received a complaint alleging that a company had engaged in an unauthorized misappropriation of the EEOC logo in the publication of posters which were for sale. The posters were being sold under the premise that upon purchase a certificate of compliance would be issued by the company, thus meeting the posting requirements under Title VII. OIG reviewed the materials involved in the allegation and determined that no violation of any federal criminal statutes had occurred.

### ***Unauthorized EEOC Website***

OIG conducted a preliminary investigation to determine if a website allegedly created by an EEOC employee, which bore the EEOC's official seal, violated Agency policy prohibiting the establishment of domain names and web sites on behalf of, or related to, the EEOC without the proper authorization from the Agency's Chief Information Officer (CIO). Although, the website did not contain any confidential or sensitive information relative to the Agency's operations, it was not authorized by the CIO and therefore violated Agency policy. Based upon OIG's findings and recommendation, the website was removed.

## **Ongoing Investigative Activity**

### ***Falsification of Official Records***

OIG completed the field investigation into allegations that an Agency employee falsified documents related to several charges of discrimination. OIG is currently preparing to report its findings to appropriate authorities.

### ***Violations of Post Employment Restrictions***

OIG conducted the field investigative work into allegations that a former employee violated 18 U.S.C. § 207, on Post Employment Restrictions. After leaving the Agency the former employee became a consultant for a company involved in Agency activity, and during the course of this activity, the former employee is alleged to have attempted to influence Agency officials in a matter that the former employee played a direct and substantial role in prior to leaving the Agency. OIG expects to complete the field investigative work during the next reporting period.

### ***Prohibited Personnel Practices***

OIG began a field investigation into allegations of pre-selection of an employee for an investigator's position. It is alleged that the selecting official failed to allow other individuals to fairly compete for the vacant position and in doing so, engaged in prohibited personnel practices in violation of 5 U.S.C. §2302. OIG expects to complete the field investigative work during the next reporting period.

### ***Falsification of Time and Attendance***

OIG began a field investigation regarding allegations that an employee submitted altered medical certificates to receive advanced leave. It is alleged that the employee requested advanced leave on several occasions in relation to a medical condition, and submitted the altered medical statements to a supervisor. OIG anticipates completion of the field investigative activity during the next reporting period.

### ***Unethical Conduct***

OIG began a field investigation regarding allegations that an employee made inappropriate, sexual comments to female interviewees while conducting on-site interviews into a discrimination charge. It is further alleged that the employee's actions created the appearance of violating the law or the Government-wide standards of ethical conduct. OIG anticipates completion of the investigation during the next reporting period.

### ***False Impersonation of an EEOC Official***

OIG began an investigation regarding allegations that an individual, posing as an EEOC investigator, was investigating Carnival Cruise Lines, Inc. The individual posing as the investigator contacted employees at Carnival Cruises inquiring about discriminatory practices of the cruise line. OIG anticipates completion of this investigation during the next reporting period.

## Other OIG Activities

### EEOC Shelter In Place Program

OIG Investigative staff members serve as members of the Emergency Response Team and participated in the development and implementation of a Shelter in Place Program (SIPP) for the Agency. The SIPP program was developed in response to possible threats or other serious safety concerns employees may be subjected to as a result of terrorist acts or natural disasters.

### Legislative and Regulatory Matters

During the reporting period OIG reviewed proposed revisions of EEOC Orders or Management Bulletins on Processing Financial Disclosure Reports, EEOC Order No. 680.001, Collection Procedures for Funds Due the U.S. (Non-Revolving Funds), EEOC Order No. 470.003, Processing Complaints Under Section 508 of the Rehabilitation Act, EEOC Order No. 130.001, Financial Management Policy and Procedures, Coding Procedures for Financial Transactions and Financial Management Systems, EEOC Order No. 450.001, Clarification of relationship between the fact-finding/adjudication and agency defense functions in the EEO administrative complaint process, EEO-MB 100-2, and Management Accountability and Controls, EEOC Order No. 195.001.

### Professional Development Activities

The IG testified at a public Commission meeting on September 8, 2003 concerning the results of OIG's study, *Reducing Infrastructure Costs Through Increased Use of Telework: An Analysis of Four Field Offices*. This report generated much debate and provided valuable data on cost savings, technology requirements and telework options that can help achieve the goal of making EEOC a model workplace. The IG currently serves on the Legislative Committee of the President's Council on Integrity and Efficiency (PCIE), representing the Executive Council on Integrity and Efficiency (ECIE). In August, the IG delivered the graduation address for the Introductory Auditor Training Program at the Inspectors General Auditor Training Institute.

The CIG completed the PCIE's pilot Leadership Development Workshop, held at the Federal Executive Institute Center for Executive Leadership on August 3, through August 8, 2003. During the reporting period, the Counsel and Investigations staff members represented the OIG at the Council of Counsels to Inspectors General (CCIG), PCIE/ECIE Investigations Sub-Committee, the Interagency Ethics Council (IEC), and the Regional IG Council meetings.

The Senior Auditor attended the Federal Audit Executive Council's Conference held in Philadelphia, Pa. on May 7-9, 2003 and forums sponsored by the PCIE/ECIE relating to financial statement audits.

These included the “Treasury Accelerated Reporting Lessons Learned” presentation held on May 20, 2003 and the “Roundtable on Accelerated Financial Reporting Issues” on August 22, 2003. Additionally, the Senior Auditor represents EEOC at monthly Financial Statement Audit Network meetings and participated in the Agency’s Strategic Planning Work group, while the Staff auditor completed required speaking activities and was certified as a Competent Toastmaster.

The Senior Criminal Investigator attended the US Law Enforcement Conference, which included mini sessions on “Terrorist Groups: Identify and Protect from Future Attacks,” “Civil Disturbance: Protecting Yourself and your Community” and “Increasing the Safety and Effectiveness of Mobile Computers.” The staff Criminal Investigator, hired last reporting period, completed the Basic Criminal Investigator Training at the Federal Law Enforcement Training Center (FLETC) in Glynco, Georgia.

The Senior Evaluator participated in the PCIE Inspections and Evaluations Roundtable, while the Management Analyst participated in the PCIE/ECIE Information Technology Roundtable.

### **Investigative Peer Reviews**

Counsel to the Inspector General participated in an ECIE Investigative Peer Review Working Group composed of several Counsels to Inspectors General which is reviewing legal issues associated with the ECIE’s initiation of voluntary investigative peer reviews.

### **Technology Update**

OIG’s continued activities to further modernize and standardize its information technology capabilities. During the period, the Semiannual Report to Congress was issued in hard copy and an electronic format via compact disk. The compact disk was distributed in both Hypertext Markup Language (HTML), as well as Portable Document Format (PDF). In support of OIG’s frequent telework pilot program, participants were fully equipped with state of the art equipment and will be provided with high speed internet access during FY 2004, enabling the same information access capabilities as in the central office.

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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	N/A
Section 5 (a) (4)	Matters Referred to Prosecutive Authorities	N/A
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## APPENDIX

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