



AGENCY MANAGEMENT AND PERFORMANCE CHALLENGES

*Fiscal Year 2026**

Since its creation in 1961, the Peace Corps has adhered to the same valuable mission: to promote world peace and friendship through community-based development and intercultural understanding. The agency has fulfilled this mission by recruiting and placing Volunteers in partner countries worldwide. Currently, the Peace Corps' global operations support nearly 3,322 Volunteers across 57 posts and 61 countries, which is sustained by a \$430.5 million annual budget. The Office of Inspector General (OIG) supports the agency's mission through audits, evaluations, investigations, and reviews that identify ways to improve Peace Corps operations.

In accordance with the Reports Consolidation Act of 2000, OIG is submitting a statement on what it considers to be the most significant management and performance challenges facing the Peace Corps. At Peace Corps OIG, we base this statement on the following: our audit, evaluation, and investigative work; our knowledge of the Peace Corps' activities and operations; and the insights of agency senior leaders who provide their perspectives and expertise. For fiscal year (FY) 2026, we identified the following challenge areas:

- Volunteer Delivery System
- Volunteer Health and Safety
- Human Capital Management
- Information Technology Security Management

Addressing the issues related to these challenge and performance areas will enhance the agency's operational efficiencies, minimize potential fraud, waste, and abuse, and improve mission effectiveness.

* The Inspector General's statement on the agency's Management and Performance Challenges is intended to be forward looking; therefore, OIG has drafted this document to reflect FY 2026 rather than the previous fiscal year.

In-Focus for FY 2026

The Peace Corps faces the task of addressing its management and performance challenges listed in this report while navigating in a dynamic environment.

In August 2025, the Peace Corps Chief Executive Officer (CEO) announced that the agency had set a goal of placing 8,000 Volunteers in service by 2030. Setting this goal is an important step in addressing recent years' Volunteer shortages. However, the success of this goal will depend on the agency's ability to efficiently apply its finite resources to where they are needed most. Meeting a targeted number will require the agency to effectively address the persistent challenge areas highlighted in this report.

Additionally, Peace Corps senior leadership announced that in the upcoming fiscal year, the agency will undergo significant restructuring and reorganization to help achieve its goals. The agency decided to initiate these efforts after a series of Executive Orders related to operational efficiency, consultation with the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB), and an April 2025 review by the Department of Government Efficiency. The CEO said that the agency will create a more efficient Peace Corps by streamlining operations, lowering staff-to-Volunteer ratios, and focusing resources on Volunteer recruitment and service.

RESOURCE AVAILABILITY AND ALLOCATION

In the coming year, all the Peace Corps' top management and performance challenges should be viewed through the broader lens of resource availability and allocation. In mid-September 2025, the CEO announced that the agency intends to have Peace Corps staff at headquarters—in Washington, DC—working in a reorganized state by January 2026.¹

The restructuring and reorganization will have the agency operate with at least 375 fewer U.S. Direct Hire and expert staff (approximately a 40 percent reduction) and at least 275 less Host Country National Personal Services Contractors (approximately a 16 percent reduction) by the end of the 2025 calendar year. To achieve staffing reductions, US direct hire staff (USDH) were offered the option to participate in the Office of Personnel Management's (OPM) Deferred Resignation Program (DRP)² twice and were encouraged to seriously consider that option. The CEO has reiterated to all staff the need to protect the health and safety of Volunteers, indicating that restructuring, reorganization, and streamlining efforts must continue to support this core agency function.

¹ The agency reported that a continuing resolution passed on November 12, 2025 (Public Law No. 119-37) impacted the anticipated timing of the agency's restructuring due to language that broadly prohibited agencies from using funds to "initiate, carry out, implement, or otherwise notice a reduction in force" through January 30, 2026.

² The DRP permits staff to transfer their workload, leave their job, and go on administrative leave through a certain end date before resigning. The DRP was offered to staff in January 2025 and April 2025.

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Historically, the Peace Corps has never experienced such a significant level of staff reductions and agency restructuring in such a short period of time. Maintaining core functions while increasing the number of Volunteers in service—and protecting their health and safety—will be a significant undertaking for the agency. Moreover, the Peace Corps continues to adhere to the five-year rule (FYR),³ which is unique to the Peace Corps, and the Federal hiring freeze that was enacted in January 2025.⁴

While the agency has increased its number of exempted positions,⁵ the FYR will impose workforce turnover, which, without the ability to backfill most positions, has caused some senior leaders to express concern about its potential impact on agency operations. Several senior leaders also cited the potential loss of institutional knowledge as a major weakness in a time when the agency needs to be creative and agile.

The President's proposed FY 2026 budget reduces the overall foreign operations budget by nearly 80 percent while maintaining the Peace Corps' FY 2026 annual appropriation level at \$430.5 million. Agency leadership has communicated to staff that the Administration recognizes the Peace Corps' critical work in people-to-people diplomacy. However, inflation and higher operating costs abroad have reduced the agency's purchasing power. The agency's annual appropriation has largely been flatlined for almost a decade.⁶ Nonetheless, the agency has indicated that it does not plan to reduce the Peace Corps' geographic reach through post closures.⁷

PRIORITIZE CORE AND CRITICAL FUNCTIONS

To meet its aim of reducing staffing numbers, the agency will need to delineate and communicate with its stakeholders which critical functions should be prioritized, and which will no longer be supported. In the short term, rapid staffing changes may adversely affect existing management and performance challenges. To mitigate this risk, the agency will need to fast track its efforts to develop the necessary efficiencies and processes that will support the reduced number of staff. In addition, staff will likely be asked to perform functions outside of their regular occupational responsibilities. As one senior leader said, "We can't do everything that we've been doing with less people." The agency will need to invest in its staff

³ Under the Peace Corps Act, appointments of United States citizens to the Foreign Service by the Peace Corps are generally for a term of 5 years.

⁴ The Federal hiring freeze was extended twice and lifted in October 2025; however, the potential impact of this measure is unclear given continued hiring limitations; see Executive Order 14356, Ensuring Continued Accountability in Federal Hiring, (October 20, 2025).

⁵ Under the Peace Corps Act, the Director of the Peace Corps may designate Peace Corps positions as critical management or management support positions that require specialized technical or professional skills and knowledge of Peace Corps operations, as exempt from the FYR.

⁶ From 2016-2022 Congress annually appropriated \$410 million for the Peace Corps. Beginning in FY 2023 Congress increased funding for the agency by \$20 million, or less than 5 percent.

⁷ In October 2025, agency leadership announced that the closure of South Africa would be completed by 2027 but also stated it had no intention to close additional posts.

and technology solutions to make staff reorganization sustainable and effective; this includes providing staff with the tools, training, and time required to help them be successful in both their assigned roles along with any additional responsibilities.

For the Peace Corps to effectively address its future resource availability and allocation decisions, the agency will need to define its new baseline for core operations, to include both its staffing and budget. For example, the agency should adopt and apply a consistent framework that identifies the minimum staffing needs. The framework should account for the resources necessary to execute the core functions of a Federal agency, including statutory obligations, as well as a basic level of service.

Additionally, if the Peace Corps intends to use a Volunteer-to-staff ratio as an annual workforce planning tool, it should delineate its fixed costs which are generally not impacted by fluctuations in Volunteer numbers. As the agency considers how to best support the health, safety, and security of Volunteers, it should remain committed to a continuous implementation of lessons learned.

CONTINUOUSLY MONITOR, ASSESS RISK, WEIGH OPPORTUNITIES

While the agency begins implementing a reorganized business model at headquarters, it should place equal emphasis and focus on the needs of its global operations. The Peace Corps' international presence is expansive; however, the agency must assess if its goal—to reduce staffing levels based on its current global footprint of 57 posts across 61 different countries—may impact the health, safety and security of Volunteers. The Peace Corps should closely monitor and assess how it implements the new staffing model and be ready to take data-driven decisions to address staffing gaps, if they exist. Moreover, the agency should consider whether its reorganization allows for potential growth in the Pacific, a strategic region of interest to Congress and the Administration, and in other countries prioritized for Volunteer service.

Since 1961, the Peace Corps' mission and the impact of Volunteer service has held significant value for the United States and its partner countries. As one senior leader articulated, "Our mission still resonates... what we do is unique and powerful, advantageous to Americans as well as host country nationals." For the Peace Corps' dedicated staff and Volunteers to continue their mission, the agency must continue to make progress in addressing its top management challenges, and, in FY 2026, do so amid a challenging resource environment.

Volunteer Delivery System

SUMMARY

The Peace Corps’ mission success depends significantly on the agency’s ability to effectively recruit and place individuals abroad to meet host countries’ Volunteer requests. The CEO recently announced an agency goal to have 8,000 Volunteers serving by 2030. However, the Peace Corps will need to overcome multiple hurdles to reach this goal as the agency has struggled to meet its own Volunteer number goals since Volunteers returned to service following the 2020 pandemic-related global evacuation.

From FYs 2022-2025, the number of active Volunteers consistently fell short of the projections the agency submitted in its Congressional Budget Justifications (CBJ). A review of the agency’s CBJ reports from FYs 2022-2026 revealed that original projected Trainee and Volunteer on-board strength compared to actual on-board strength were overstated by more than 30 percent.

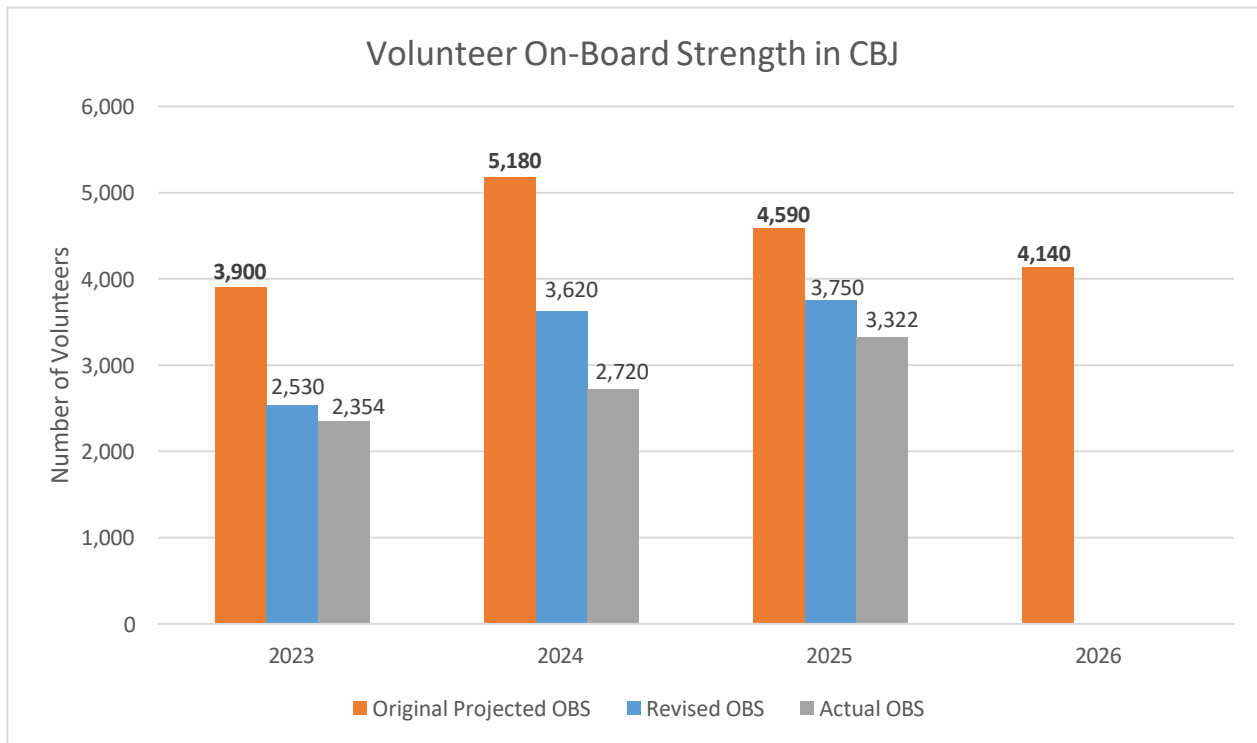


Figure 1. Projected versus actual on-board strength

The Peace Corps uses the Volunteer Delivery System (VDS) to fill overseas requests for qualified Volunteers. The VDS is comprised of a cycle of activities—to include the medical review process and background investigations—related to Volunteer recruitment, placement, and delivery. When a post requests Volunteers, the cycle of activities can take between 6 to 12 months, until they are placed in-country.

The agency needs to improve the VDS in the following areas:

- Volunteer recruitment and placement strategies
- Systems, processes, and personnel
- Recruitment approaches

WHY IS THIS A CHALLENGE?

Prior to the global pandemic, more than 7,000 Volunteers were serving abroad. Since then, the Peace Corps has experienced substantial challenges in recruiting Volunteers to serve. A variety of cultural and socioeconomic factors have contributed to these challenges, such as increases in student loan debt and a more insular American public that may view a two-year overseas commitment as less attractive.

In addition to these external factors, which are beyond the agency's control, a variety of agency planning and resource issues have compounded Volunteer recruitment and placement challenges. In September 2025, OIG issued an evaluation focused on VDS challenges and recommended improvements.

Collectively, these challenges have hampered the Peace Corps' ability to meet participating host country requests for Volunteers. In two recently published OIG country program evaluations—Peace Corps/Guyana and Peace Corps/Madagascar—both posts reported experiencing significant underfill rates. In a 2024 OIG survey of the agency's USDH abroad, 79 percent of the respondents said that underfilled Volunteer positions have caused damage to their relationships with community partners.

Volunteer Recruitment and Placement Strategy

THE AGENCY LACKS A COMPREHENSIVE RECRUITMENT STRATEGY AND PLAN TO ADDRESS VOLUNTEER SHORTAGES.

Through a VDS evaluation launched in early 2024, OIG found that while the Office of Volunteer Recruitment and Selection (VRS) had established goals for the total number of Volunteer applications, the Peace Corps lacked an agencywide strategy to address Volunteer shortages. For example, in the Peace Corps FY 2022-2026 Strategic Plan, only 1 of the 22 listed performance goals focused on Volunteer recruitment. The strategic plan also did not provide specific target numbers for Volunteer recruitment and placement, making it difficult for the various offices involved to have defined goals and a measure of success.

VRS notified agency leadership in August 2022 that Volunteer application numbers were insufficient to fill posts' Volunteer requests. A memorandum from VRS Leadership warned that, "[VRS's] ability to fill posts' requests for years to come could be adversely impacted."

Inadequate Systems, Processes, and Personnel

AGENCY SYSTEMS, PERSONNEL, AND PROCESSES SUPPORTING THE VDS ARE NOT INTEGRATED, UNDERSTAFFED, AND LACK EFFECTIVE OVERSIGHT TO ADDRESS POST-PANDEMIC CHALLENGES.

OIG found that the agency’s multiple information management systems, which are used across numerous offices to support the VDS, were ineffective. For example, the information systems that the agency used for recruitment and marketing did not interconnect with its system for managing Volunteer applications. As a result, staff were unable to determine which applicants were recruited by which recruiters; and therefore, could not evaluate the recruiters’ performance. Moreover, the agency lacked effective information systems for critical functions such as tracking time-to-hire which impacted recruiter onboarding. The Peace Corps also experienced long-term vacancies for positions that support and maintain these systems.

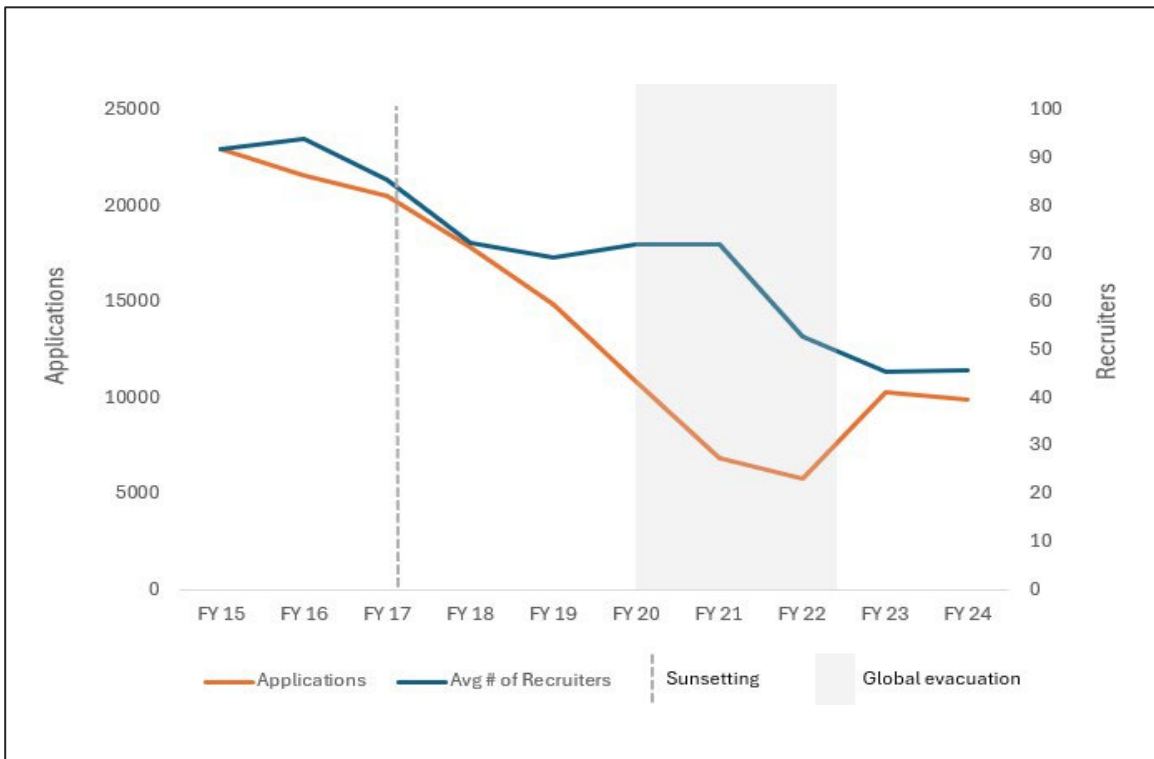


Figure 2. Correlation between Volunteer applications and number of recruiters

OIG found that the agency has struggled to fill its recruiter vacancies in the VDS for various reasons, including inadequate staffing in the Office of Human Resource Management (OHR), along with high turnover. The agency has faced a steady decline in its number of recruiters, who are tasked with promoting the Peace Corps’ mission at universities, job fairs, speaking engagements, and other outlets. OIG determined that the Peace Corps did not have enough recruiters to achieve its onboard strength projections. OIG found that in recent years’ data, the number of recruiters positively correlated with the number of Volunteer applicants. The agency has historically relied on Returned Peace Corps Volunteers (RPCV) with non-competitive eligibility to fill these positions. However, due in part to the global evacuation,

the Peace Corps experienced a limited pipeline of RPCVs, a significant contributing factor in the underfill of open recruiter positions.

OIG found that the Peace Corps lacked processes to address its post-pandemic recruitment challenges. OIG reviewed records from and interviewed members of the VDS Steering Committee, a multi-office entity that monitors VDS activities and oversees its quality improvement. However, the Steering Committee did not provide effective oversight of the VDS and struggled to address numerous internal and external challenges.

Recruitment Approaches

VARIED AGENCY RECRUITMENT APPROACHES HAVE PRODUCED MIXED RESULTS

To address Volunteer shortages, the Peace Corps implemented multiple recruitment and selection approaches with varied success. For example, in March 2023, the agency invested \$14 million dollars in its Bold Invitation Marketing and Communications Campaign to increase brand awareness, generate leads, and drive Volunteer applications.

While the agency reported that the campaign effectively increased brand awareness, its impact on recruitment remains unclear. The agency did not track the number of applications that were attributed to the campaign. Moreover, OIG found that the number of applications decreased, from 10,523 in FY 2023 to 9,902 in FY 2024.

The Peace Corps used another recruitment approach called STRATs (Strategic Campus Recruiters), in which the agency contracted with colleges and universities to hire campus-based recruiters. Staff reported that the STRATs were exceedingly helpful for recruiting applicants, stating that campuses with STRATs produced a high proportion of Volunteer applications. Since 2017, the Peace Corps significantly reduced the number of STRATs from 52 to 32 because of budget constraints. As a result, the agency had significantly less recruitment presence at colleges and universities.

RECENT PROGRESS REPORTED BY THE AGENCY

In September 2025, the CEO announced that the agency's goal was to have 8,000 Volunteers by 2030, and that its FY 2026-2030 Strategic Plan would provide a series of performance goals to help meet this overarching goal. The agency's FY 2026 Agency Performance Plan also included a strategic objective to "bolster Volunteer opportunities." Additionally, the Peace Corps submitted a draft list of strategic objectives to OMB, to include its goal of reaching 8,000 Peace Corps Volunteers in service by September 30, 2030.

The Peace Corps launched three new pilot programs in 2024 that incorporated changes to the agency's existing service model. The pilots were developed to address service barriers while continuing to support the agency's ability to meet host country requests for Volunteers.

The pilots included a one-year length of service, a mid-service home leave, and an increased readjustment allowance. Most staff reported that the pilots were likely to have a positive impact on Volunteer recruitment, but the pilots' effectiveness had not yet been evaluated by the agency.

WHAT DOES THE AGENCY NEED TO DO?

- The recruitment, selection, and overseas deployment of Volunteers is critical to the Peace Corps' mission fulfillment. Without a comprehensive recruiting strategy or the necessary integrated systems and personnel to manage the VDS, the agency's mission is at risk. The agency should continue to set an agencywide goal for total number of Volunteers in service. As a part of this important step, the agency should ensure its upcoming FY 2026-2030 Strategic Plan prioritizes the recruitment of a predetermined number of applicants, to include performance goals that would help meet this predetermined number.
- Along with developing recruitment goals and metrics to measure the agency's progress, it must clearly outline its implementation plan for how to address recruitment challenges and attract more Volunteers to Peace Corps service.
- The implementation plan must efficiently allocate resources, staffing levels, and tools to meet the agency's goal to deploy 8,000 Volunteer. Onboarding traditional recruiters will also remain in the agency's recruitment plan, however, as of September 2025, only 16 recruiters have been onboarded—down from an average of more than 40 in 2023. The agency shared that it plans to prioritize other forms of recruiting in the future, including online outreach and marketing.
- In developing and implementing its plan for meeting its Volunteer strength goal, the Peace Corps must assess and act on the successes and weaknesses of previously employed recruitment methods, some of which were highlighted in OIG's VDS evaluation, such as a marketing campaigns and STRATs. It should also assess the impact of the three service model pilots that were launched beginning in 2024 and identify potential successes and which areas are not worth pursuing in its recruitment strategy.
- The agency needs to use the most recent data from its 2025 All Volunteer survey (AVS) to understand what motivated them to apply for and engage in Peace Corps service. The AVS is one of several ways the agency can gain insights on effective recruitment approaches.
- The Peace Corps needs to work on the VDS's foundational issues by addressing the OIG VDS evaluation report's recommendations. Recommendations include: upgrading and integrating information management and data systems used to support the Volunteer Delivery System; equipping OHR with the resources it requires to hire all necessary agency personnel, including recruiters; and establishing an effective

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oversight over the VDS with clear decision-making authority and the ability to ensure coordination and communication across the many different Peace Corps offices that contribute to Volunteer recruitment and placement.

KEY OIG RESOURCES

[Evaluation of the Peace Corps' Volunteer Delivery System \(2025\)](#)

7 recommendations (5 open)

[Follow Up Evaluation of Volunteer Delivery System \(2010\)](#)

23 recommendations (0 open)

[Evaluation of the Peace Corps/Medical Clearance System \(2008\)](#)

55 recommendations (0 open)

[Evaluation of the Volunteer Delivery System \(2003\)](#)

24 recommendations (0 open)

Volunteer Health and Safety

SUMMARY

The health, safety, and overall well-being of Volunteers are top priorities for the agency and OIG. Through audits, evaluations, and investigative work, OIG has identified various issues related to the health and safety of Volunteers. The Peace Corps needs to continue to address this challenge in four areas:

- Volunteer healthcare
- Peace Corps Medical Officer (PCMO) staffing
- Medical inventory at post
- Volunteer safety and security

WHY IS THIS A CHALLENGE?

The Peace Corps strategically works in lesser-resourced countries around the world to fulfill its mission in accordance with the Peace Corps Act. The Peace Corps is responsible for providing the necessary healthcare to Volunteers during service and training. The agency also provides Volunteers with guidance, support, and information to minimize security risks and take proper safety measures.

The variability between Peace Corps countries' medical infrastructure, housing conditions, and availability of local medical professionals presents significant challenges for the agency. Subsequently, health and safety conditions that could be easily managed in the U.S. may present serious risks in the countries Peace Corps Volunteers serve. Poor health and safety outcomes for Volunteers does not only impact the Volunteers and their families but possess substantial programmatic risks.

Volunteer Healthcare

PCMO Assessments of Volunteer Sites, Medical Facilities, Referral Facilities, Referral Consultants and OHS Reviews of the Medical Technical Guidelines are Not Being Performed Timely

The OHS issues Technical Guidelines (TG) on how to operate the Volunteer health system. OIG found that a significant number of TGs were out of date, PCMOs rarely report to OHS staff if they are experiencing challenges with using the TGs, and at the time of OIG's review PCMOs did not have a clear process for reporting TGs that need to be reviewed. Further, OHS staff reported facing challenges in updating TGs every 3 years, as required by agency policy.

In a country program evaluation of Peace Corps/Madagascar, OIG found that the PCMOs did not regularly conduct medical site assessments or Volunteer site visits, as required. OIG reviewed the documentation from October 2021 to May 2024 for 20 Volunteer sites and

found that only one Volunteer received a PCMO visit since Volunteers returned to the post in August 2022.

OIG also found that the PCMOs in Peace Corps/Madagascar had only completed medical assessments for 5 of 12 referral facilities and 2 of 32 referral consultants. The Peace Corps requires that these assessments are conducted every 3 years to ensure Volunteer medical facilities and consultants have been fully vetted to ensure that the quality and safety of Volunteer care meet Peace Corps standards.

Peace Corps Medical Officer Staffing

Insufficient PCMO Staffing Coverage, Workload and Morale are Recurring Issues Across Posts

The agency has difficulty maintaining adequate PCMO coverage at all posts. Peace Corps Manual Section (MS) 261 requires each post to have two PCMO positions. At one post in the Africa region, during a two-year period, the Medical Unit had 1 full-time PCMO, and a vacancy filled by 14 PCMO temporary duty assignments.

During an evaluation of Peace Corps/North Macedonia, OIG found that PCMOs maintained a regional medical unit (RMU) to support Volunteers in both Peace Corps/North Macedonia and Peace Corps/Kosovo for more than 10 years. The agency did not follow the policies outlined in the plan for the RMU, which resulted in recurring difficulties for the PCMOs, such as managing border crossings, differing languages and currencies, and overlapping trainings. These conditions contributed to PCMO burnout, low morale, and significantly increased the risk of a Volunteer adverse health event. Despite these factors, Volunteers report high levels of satisfaction with the medical unit staff.

Medical Inventory at Post

OIG Found Issues with the Storage, Inventory Control, and Management Oversight of Controlled Substances

During a medical inventory review of two posts, OIG found that one post did not maintain effective medical inventory controls. Specifically, the post needs to improve its management of controlled substances. OIG found that a shipment of controlled substances was left outside the safe and had not been recorded in the U.S. Drug Enforcement Administration logbook or the inventory workbook—both of which were violations of Peace Corps policy. During the review, OIG determined that post management did not provide adequate oversight of the medical inventory process, the staff were not adequately trained in their roles and responsibilities, and post and regional management did not ensure that the issues noted in prior agency reviews were clearly identified and addressed.



Figure 3: Images from an office at a post of controlled substances stored in an open box on top of the safe.

Serious consequences can result from the improper management of controlled substances, including potential theft and misuse. Noncompliance with Peace Corps policies, guidelines, and critical controls for safeguarding the inventory of controlled substances could result in waste and abuse of medical supplies, potentially placing Volunteers' health and safety at risk.

Volunteer Safety and Security

Propane Tank Safety and Volunteer Mistrust or Failure to Follow Post Safety and Security Response Processes Puts Volunteer Safety at Risk

In Peace Corps/Guyana, OIG found that several Volunteers had propane tanks placed in closed cabinets in their homes. Propane tanks cannot be placed in cabinets near the stove because there is insufficient ventilation to avoid gas buildup.

In Peace Corps/Madagascar, OIG observed that 50 percent of the Volunteer houses that the evaluators visited had propane tanks that were placed too close to their stoves; the Peace Corps safety requirement for placement must be a minimum of 1.5 meters from the stove. In addition, OIG found noncompliance with post standards concerning rodents and roof leaks. Multiple Volunteers reported "infestations" of rats in their homes and that leaks or cracks in their roof were causing mold in their homes.

Both Volunteers and PCMOs reported concerns related to health risks from mold and rats in Volunteer homes.



Figure 4: Image of propane tank in Volunteer's kitchen cabinet

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In Peace Corps/Madagascar, inadequate Volunteer training exposed Volunteers to unnecessary safety, security, and sexual assault risks. For example, 40 percent of the Volunteers OIG surveyed said they never or only sometimes report safety and security incidents due to negative interactions and distrust of (now former) staff and the post's response process. In addition, Volunteers reported that the post did not provide sexual assault and harassment training that was sufficiently tailored to Madagascar-specific risks and threats.



Figure 5: Image of Volunteer home in Madagascar.

RELATED INVESTIGATIVE WORK

A PCMO in the Africa region was inaccessible to perform scheduled medical duties. OIG found that the PCMO was working at a private practice during assigned Peace Corps duty hours instead of attending to the healthcare needs of Volunteers. As result, the Peace Corps terminated the PCMO's contract. PCMOs are a critical aspect for the agency to ensure adequate health of volunteers and if they are not focused on performing their duties, it presents an increased risk to the agency and volunteers.

RECENT PROGRESS REPORTED BY THE AGENCY

Throughout FY 2025, the Peace Corps closed multiple recommendations related to Volunteer health and safety. For example, as a follow-up to an OIG evaluation, Peace Corps/Guyana post staff have visited and ensured that each Volunteer's home met the minimum housing standards, including the post's gas stove standards, which have been updated with the post's newest housing criteria.

The agency management has stated that they will conduct a review of their strategy around Volunteer medical care, PCMOs, relevant policies and procedures, and the application of those policies and procedures.

The agency updated TG 385 to include details of the annual Medical Action Plan review; updated TG 204 to include a uniform tracking system that documents facility and consultant assessments; created a standard operating procedure (SOP) and review tool to assess referral facilities and consultants; and conducted an agency-wide webinar for all PCMOs on the new guidelines.

Peace Corps published the Tri-Regional Site Management Standards and Guidelines in 2024 and provided an updated version in 2025. This guidance applies to all Volunteer sites and its implementation is one of the most critical features of a safe and successful Volunteer service.

The agency has taken action to close six of the eight recommendations in the OIG Management Advisory Report on medical inventory. These actions should help the Peace

Corps improve controls over the management of controlled substances at the posts where OIG identified medical inventory issues, as well as use documented best practices to improve management of medical inventory at other locations.

The agency closed both recommendations related to tracking and reporting Medical Technical Guidelines that are outdated or required review issued in our Evaluation of the Office of Health Services' Technical Guidelines' Revision and Implementation Process.

The agency also recently (in August and September 2025) hired two PCMOs for a post in the Africa region (mentioned above) who had previously experienced PCMO staffing challenges during a two-year period.

WHAT DOES THE AGENCY NEED TO DO?

OIG will continue to work with the Peace Corps to monitor its progress and maintain an oversight focus on critical Volunteer health and safety matters at all posts during future work. In 2026, the agency will need to continue to prioritize Volunteer health and safety, to include the following areas:

- Ensure PCMO staff are not assigned to support Volunteers in multiple posts without substantial and continuing oversight and periodic workload assessments.
- As staffing positions across Peace Corps continue to be re-evaluated, the agency should comply with its own policies to ensure each post has adequate PCMO coverage that provides continuity of healthcare and medical services.
- Continue to deliver and revise post-specific safety, security, and sexual assault risk reduction trainings for Volunteers.
- Ensure that safety guidance and mitigation strategies, particularly related to propane tank storage in Volunteer homes, is communicated and monitored via site visits or other monitoring methods.
- The agency needs to ensure all posts have implemented the Tri-Regional Site Management Standards and Guidelines to include adhering with the minimum requirements and documenting a post-specific site management manual. By adopting these guidelines, posts will be able to assist in mitigating Volunteers' risk of safety, security, and medical concerns.
- To continue to improve medical inventory management, the agency needs to address the two outstanding recommendations in OIG's medical inventory report to ensure that the specific controls are in place at the post, are understood by personnel who manage the medical inventory at the post, and that the staff are following and implementing those controls.
- The agency should continue its efforts to address any outstanding OIG recommendations related to Volunteer health and safety.

KEY OIG RESOURCES

[Evaluation of the Office of Health Services' Technical Guidelines' Revision and Implementation Process](#) (2024)

2 recommendations (0 open)

[Evaluation of Peace Corps/Guyana](#) (2025)

9 recommendations (1 open)

[Evaluation of Peace Corps/Madagascar](#) (2025)

13 recommendations (3 open)

[Post Medical Inventory: Promising Practices in Peace Corps/The Gambia Can Inform Needed Improvements in Peace Corps/Namibia](#) (2025)

8 recommendations (2 open)

Human Capital Management

SUMMARY

Personnel turnover and human capital management (HCM) at the Peace Corps have been identified as a significant challenge by OIG for the last 13 years. Moreover, strategic human capital management has been listed as one of the U.S. Government Accountability Office's highest-risk areas facing the Federal Government since 2001. HCM is a foundational activity in all Government operations, and its efficiency and effectiveness directly impacts an agency's ability to deliver on its mission. Without addressing its HCM challenges, the agency's ability to meet its recruitment goals and sustain effective, safe operations will be hampered. To make progress in this area, the Peace Corps should focus its attention on the following areas:

- Staffing
- Morale
- HR Systems Integration and Modernization

WHY IS THIS A CHALLENGE?

The Peace Corps is a relatively small agency that manages diverse staffing systems both domestically and abroad. The agency meets its staffing needs by hiring USDH employees, including experts; foreign service national (FSNs); and locally hired personal service contractors (PSCs). There are different requirements and hiring processes for each staff category and different Peace Corps offices are responsible for the staff selected through each method. These differing hiring methods lack centralized staffing support, oversight, and the absence of a coordinated approach between the offices makes the agency's human capital resources difficult to manage, adjust, and assess their effectiveness.

During FY 2025, there were significant changes to the Federal Government HCM landscape. Numerous executive orders and implementing guidance memos initiated a Government-wide HCM transformation focused on achieving greater HCM efficiencies, merit hiring, reducing the size of the federal workforce, and improving workforce performance culture. Notable HCM changes that impacted the Peace Corps include substantial staff reductions, requirement for in-person full-time work, a hiring freeze and restrictions, and a planned organizational restructuring.

The impact of these changes on HCM activities remains unclear, however, a proactive approach using strategic foresight⁹ to address any gaps or problems is vital. As agencies implement reorganization-related initiatives, they must anticipate trends and disruptions while developing resilient workforce strategies that are not only reactive but also strategic and designed to accomplish the same functions with fewer people. Without a continued focus on reforms and improvements to HCM, the agency risks undermining its mission.

Staffing

Vacancies Across the Agency Have Impacted Mission Effectiveness.

From September 2022 to September 2024, the Peace Corps' headquarters overall vacancy rate fluctuated between 19 and 25 percent. During that period, the OHR USDH vacancy rate was between 20 and 30 percent.

Historically, the Peace Corps has relied on hiring RPCVs to fill many staff positions. Additionally, RPCVs' non-competitive eligibility streamlined the agency's hiring process and eased the workload requirements on OHR. When the COVID-19 global pandemic halted Volunteer recruitment, the RPCV hiring pool was quickly depleted, which strained recruitment and forced OHR staff to follow more extensive recruitment and hiring processes to fill staff vacancies.

Timely hiring and strategic workforce planning are essential for sustaining productivity and ensuring business continuity. OPM has long promoted the 80-day hiring, as the standard for Government agencies to effectively manage their human resource needs. In January 2025, the President issued Executive Order 14170, *Reforming the Federal Hiring Process and Restoring Merit to Government Service*, which directs that government-wide time-to-hire be reduced to under 80 days. Based on OPM guidance, the standard is measured from a request to fill (RTF) to a tentative job offer. Further, to reduce time to hire, the OPM guidance also seeks to reduce delays associated with personnel vetting requirements. It remains to be seen if moving forward, the Peace Corps' OHR has the capacity to manage competitive hiring processes, as it has not been able to meet the 80-day benchmark in the past. The agency has also lacked systems to effectively track its performance against this timetable.

⁹ The most recent OPM Federal Workplace Priorities Report identified strategic foresight as a Government-wide priority with the following definition: "Strategic foresight is a process for systematically considering a longer time horizon and broader scope of issues. Integrating strategic foresight in the planning process also facilitates a human-centered systems approach to problem solving and helps agencies better prepare for future threats and take early advantage of emerging opportunities." OPM, [2022 Federal Workforce Priorities Report](#), page 27, (last accessed Nov. 24, 2025).

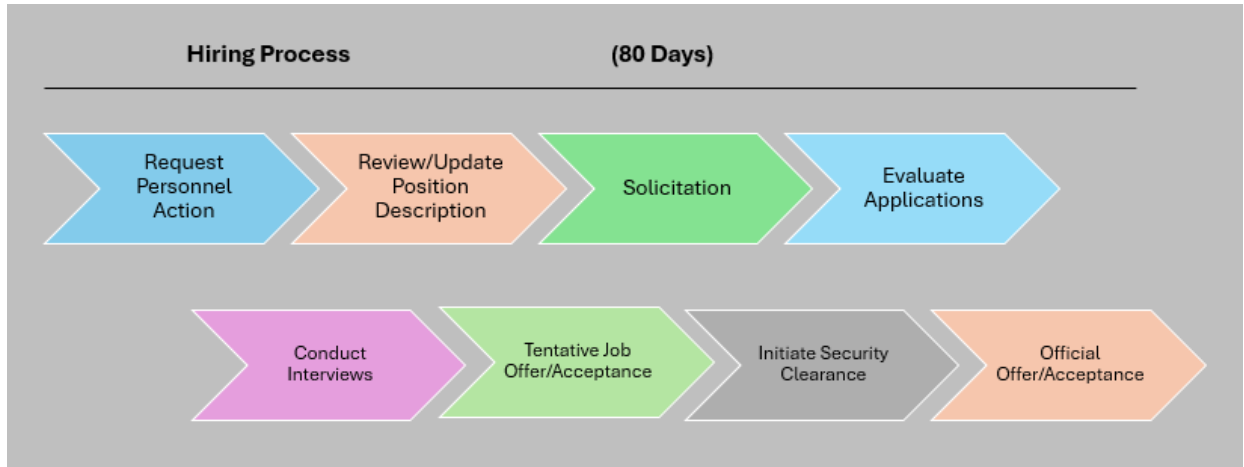


Figure 6. Steps in the OPM hiring cycle

The Peace Corps faces unique HCM challenges due to the FYR, which enforces frequent staff turnover. OIG has extensive reporting on this issue documenting the impact of excessive personnel turnover on effective staffing and knowledge management. Exemptions to the FYR have been authorized in recent years to mitigate staff turnover. The offices with the highest number of exempted positions when the FYR project ended included: Office of Safety and Security (OSS), Office of Health Services (OHS), Office of Chief Financial Officer (OCFO), Office of Chief Information Officer (OCIO), Office of Human Resources (OHR), and Office of the Director. Substantial staff reductions and the hiring freeze are likely to further exacerbate this challenge.

Overseas posts rely heavily on PSCs, and, to a lesser extent, FSNs. However, staffing support and coordination between posts and headquarters is lacking. A 2023 OIG evaluation of human resources management for overseas contract staff found that the agency needed to improve its management coordination to hire, train, and retain quality overseas PSCs more effectively.

Morale

Staff Continue to Experience Significant Changes and Uncertainty.

Throughout 2025, Federal agencies have worked to address a series of sweeping workforce overhauls. Administration reforms have included requiring all Federal employees to return to office, a months-long hiring freeze, and staff reductions-in-force that included the option to apply to the DRP. Finally, agencies faced an extended furlough in early FY 2026 due to a lapse in appropriations.

Prior to these changes, the Peace Corps was already experiencing lower scores in employee satisfaction and employee experience. In the 2024 Federal Employee

viewpoint Survey (FEVS),¹⁰ both the global satisfaction index and the employee experience index decreased since 2023.

Returning to in-person work on a full-time basis after an extended period of remote work has promoted greater in-person collaboration and teamwork. However, the requirement has also resulted in employee disruptions and resignations. The Peace Corps must now navigate these changes while ensuring alignment with evolving guidance from OMB and OPM.

Regardless of the ultimate impact of the agency restructuring announced in September 2025, the significant reduction of USDHs coupled with overseas staffing cuts are, in the short run, likely to further impact staff morale and stress levels.

More broadly, a recent Gallup poll found that Federal employees are experiencing workplace disruptions at a rate far higher than the national average—resulting in increased stress and loneliness, as well as a decline in employee engagement.

HR Systems Integration and Modernization

Lack of Integrated HR Systems Makes Effective Human Capital Management and Oversight Challenging

The Peace Corp's human capital knowledge and systems are dispersed across several offices at headquarters and geographically diverse posts with varying infrastructures, legal systems, and workforce cultures, which further complicates the agency's human capital access and coordination. Each human capital management system operates with different reporting structures and separate tools and processes, preventing Peace Corps personnel at headquarters and abroad from establishing a system of unified knowledge sharing. There is no single Peace Corps office responsible for the human capital resource management of all agency staff (USDH, PSC, and FSN) and no single integrated system for staff to use and refer to. A recent OIG management implication report (MIR) cited 10 open human capital information technology related recommendations, from an agency assessment, to modernize the Peace Corps OHR systems.

OHR is also responsible for ensuring that all USDH employee payroll amounts, and benefit deductions are established properly, and accurately within the National Finance Center's integrated payroll and personnel system. A 2022 OIG audit highlighted systemic weaknesses in overseas payroll and benefits and recommended stronger monitoring structures to reduce risk and improve accountability in the agency's headquarters payroll processing. The audit found that OHR and OCFO did not establish

¹⁰ Annual Federal Employee Viewpoint Survey managed by OPM. OPM suspended then cancelled the 2025 FEVS in August 2025 for the first time in over twenty years.

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effective oversight procedures to reconcile payroll transactions and remediate deficiencies. Further, the agency has not implemented the necessary policies, procedures, or monitoring systems to prevent, detect, or correct salary and benefit inaccuracies. Without targeted improvements, payroll mismanagement could undermine employee trust, the agency's financial integrity, and operational efficiency.

RECENT PROGRESS REPORTED BY THE AGENCY

The Peace Corps exempted an additional 27 positions from the FYR in FY 2025 to improve retention in critical areas like the Office of Global Operations (OGO) and the regions, as well as the Office of Safety and Security (OSS).

During FY 2025, the agency closed four recommendations that OIG issued in the report on the Evaluation of Human Resources Management for Overseas Contract Staff. Those recommendations related to data collection tools, timelines for hiring, updating post staff handbooks, and establishing a clear awards program.

New OHR IT tools such as PEEPS launched in 2024 and an electronic SF 52 tracker launched in 2023 have streamlined headquarters payroll processing and personnel actions. The SF 52 tracker helped the agency to close a management letter recommendation from the FY 2024 financial statement audit. The agency also implemented an electronic time and attendance payroll system for overseas staff across Peace Corps posts.

OIG's 2025 MIR identified 174 human capital-related recommendations¹¹ requiring OHR action. Of those recommendations, the Peace Corps reported that 96 (55 percent) have been addressed and 49 (28 percent) were partially addressed.

During FY 2024, the Peace Corps established an OHR and CFO working group to coordinate responses to specific open recommendations related to OIG's audit of the agency's management of payroll and benefits. The working group developed SOPs related to retirement plan determinations, published an updated waiver policy, and worked with the Office of General Counsel to resolve prior unauthorized payroll waivers.

WHAT DOES THE AGENCY NEED TO DO?

While the Peace Corps' staff reductions and reorganization will likely diminish the pressure on the agency's staffing and hiring services in FY 2026, continued progress in addressing HCM challenges remains important. For example, forced turnover caused by the Peace Corps' FYR will necessitate staffing for core agency functions. Additionally, any expansion or reshuffling of country program portfolios will continue to require efficient HR services.

¹¹ Recommendations originated from OPM, agency assessments and OIG reports.

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- The Peace Corps should develop and implement a data-driven plan that identifies short-and medium-term steps to improve overall hiring processes, to include:¹²
 - ensuring that new career appointment hires are in the highest-need areas.
 - taking steps that reduce time-to-hire to 80 days and actions addressing OPM guidance on reducing timelines for personnel vetting and security clearances.
 - integrating modern technology solutions to improve effective staffing, including the using data analytics to identify trends, gaps, and opportunities in hiring.
 - leveraging digital platforms to improve candidate engagement.
- The Peace Corps should optimize its staffing, as outlined in the agency's FY 2026 Performance Plan's goals: 1.2. to adjust staffing levels in line with Volunteer numbers and programming needs and 2.2. to conduct workload analysis and efficiency benchmarks to guide staffing reorganization or areas marked for digital automation to minimize disruptions and ensure success.
- The agency should continue to look for opportunities to exempt positions from the FYR requirements for critical management and core support functions. In addition, the agency should continue to develop goals and plans on how to manage its workload with a reduced workforce. The agency also needs to develop a data-informed strategy to address the diminished pipeline of RPCVs eligible for streamlined appointments to Peace Corps positions and its impact on OHR operations.
- The Peace Corps should sufficiently integrate its HR systems to allow for better oversight and coordination. The agency should implement human capital-related OIG recommendations, including the training recommendations from the 2022 OIG payroll audit, open recommendations from the 2023 Evaluation of Human Resources Management for Overseas Contract Staff, and address the prioritized recommendations cited in the 2025 MIR.
- Concrete actions should be taken to improve overall employee morale, engagement and satisfaction—critical factors in retention and turnover reduction.

¹² See also E.O. 14170, *Reforming the Federal Hiring Process and Restoring Merit to Government Service*.

KEY OIG RESOURCES

Executive Order 14356, [Ensuring Continued Accountability in Federal Hiring – The White House](#)

[OPM Guidance on Executive Order 14356, Ensuring Continued Accountability in Federal Hiring](#)

[Executive Order 14170, Reforming the Federal Hiring Process and Restoring Merit to Government Service](#)

[Merit Hiring Plan](#)

Presidential Memorandum, [Hiring Freeze](#)

[Management Implication Report: Recommendations Issued to the Peace Corps Regarding Human Capital Management \(2025\)](#)

[Evaluation of Human Resources Management for Overseas Contract Staff \(2023\)](#)
9 recommendations (5 open)

[Final Audit Report: The Peace Corps Management of Payroll and Benefits for U.S. Direct Hires \(2022\)](#)
30 recommendations (19 open)

[Recurring Issues Report: Common Challenges Facing Peace Corps Posts \(2020\)](#)

[Management Implication Report: Challenges Associated with Staff Turnover \(2017\)](#)

[Final Report on the Program Evaluation of the Peace Corps' Training of Overseas Staff \(2014\)](#)
25 recommendations (0 open)

[Final Audit Report: Peace Corps Overseas Staffing \(2013\)](#)
13 recommendations (0 open)

[Evaluation of Impacts of the Five-Year Rule on Operations of the Peace Corps \(2012\)](#)
5 recommendations (0 open)

Information Technology Security Management

SUMMARY

As the role of information technology continues to evolve, managing diverse technologies while protecting agency data and the security of information systems is critical. OIG's review of Peace Corps' information security status indicates that additional efforts to address information technology security management are needed in the following areas:

- Federal Information Security Modernization Act of 2014 (FISMA) maturity model results
- Information technology (IT) vulnerabilities and misconfigurations
- Cybersecurity breach response

WHY IS THIS A CHALLENGE?

The Peace Corps' IT network and systems contain extensive data and information essential to agency operations, including staff and Volunteer personally identifiable information as well as Volunteer health and crime incident information. System outages, data loss, cyber threats, and the increasing sophistication of attacks can have a catastrophic impact on the agency, compromise Volunteer safety, staff productivity, and affect the Peace Corps' reputation. Accordingly, effective controls must exist to prevent unauthorized access to agency systems and sensitive information. Further, while cyber incidents are increasing in frequency and complexity, so are the requirements to prevent and mitigate threats.

FISMA Results

Peace Corps' Overall Compliance with FISMA Demonstrated Improvements While Maintaining Its Level 2 Status

FISMA is designed to ensure agencies develop, document, and implement agencywide programs that provide comprehensive security for the information and systems that support their operations and assets.¹¹ OIG's annual review of the agency's compliance with FISMA results in a score that is used as a consistent and comparable metric across Government agencies.¹²

¹¹ [Federal Information Security Modernization Act](#) description

¹² The five-level maturity model scale ranges from Level 1 – Ad hoc, to Level 5 – Optimized. [The FY 2025 IG FISMA Reporting Metrics v2.0](#), were issued by OMB and CIGIE on April 3, 2025.

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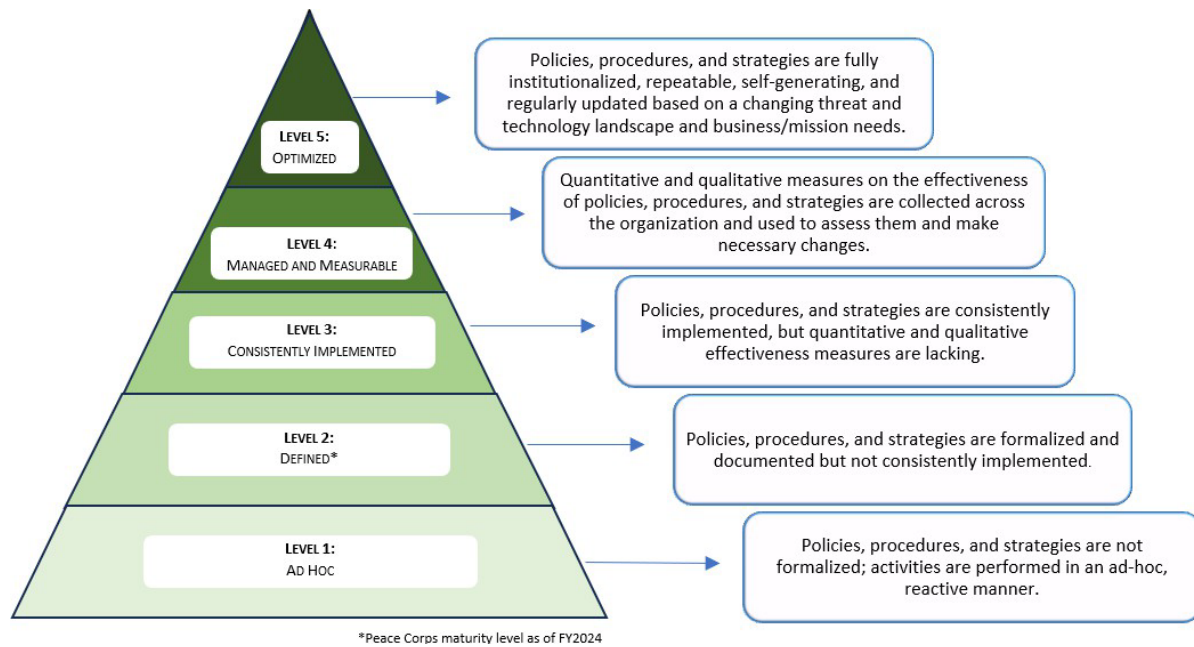


Figure 7: FISMA maturity model

In FY 2025, the agency maintained its FY 2024 status at Level 2 – Defined, as measured against the set of core FISMA and supplemental OIG metrics. Although the agency’s overall FISMA score falls short of Level 4 – Managed and Measurable, which OMB determined to be the necessary level for an effective information security program, it has made sustained progress in enhancing its security posture by addressing recommendations and improving several individual metric scores.

Despite the improvements, OIG identified several issues in the FY 2025 FISMA review that need to be resolved, including the following:

- Lack of a fully defined process for developing and maintaining its target cybersecurity profiles
- Undeveloped implementation of its cybersecurity Supply Chain Risk Management (SCRM) program
- Lack of policies and procedures to develop and maintain an inventory of its data and corresponding metadata
- Lack of an enterprise-wide strategy to guide the implementation of its Identity, Credential, and Access Management (ICAM) policy and program
- Lack of a Data Loss Prevention (DLP) solution
- Insufficient progress in reviewing and updating baseline configuration settings for Peace Corps General Support System and Peace Corps Medical Electronic Documentation & Inventory Control System
- Underdeveloped agency-level Business Impact Analysis (BIA)

IT Vulnerabilities and Misconfigurations

Penetration Testing of the Agency's IT Network Identified Multiple Risks Ranging from Informational to Critical-Severe.

In FY 2025, OIG issued a Special Report assessing the Peace Corps' IT environment and the effectiveness of its controls. OIG contracted with an independent entity to conduct both external and internal penetration testing of the agency's IT environment, a simulated phishing campaign, and a review of the agency's vulnerability management. The penetration testing involved using known hacker attack methods to identify network vulnerabilities.

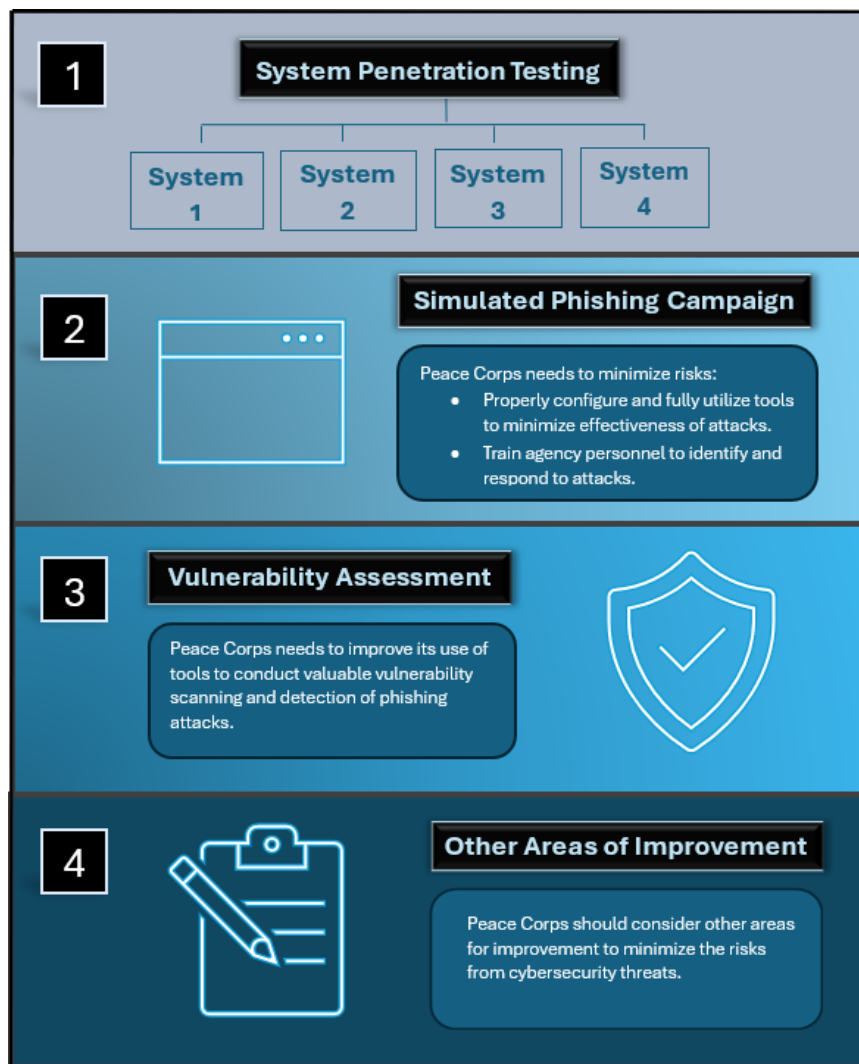


Figure 8. Penetration Testing Assessment Overview

The review found that the Peace Corps' monitoring capabilities identified the testing activities and demonstrated its incident response procedures. However, the cybersecurity tests also revealed multiple vulnerabilities and misconfigurations ranging from informational issues to critical-severity risks. Specifically, the review identified a critical-severity risk during the phishing campaign.

Cybersecurity Breach Response

Insufficient Cybersecurity Incident Response, Federal Compliance and Network Monitoring Need Improvement.

In FY 2024, OIG issued a MAR assessing Peace Corps' response to three security incidents that occurred from 2022 through 2023. While the report concluded that since the initial incident, the agency had improved its cybersecurity incident response capabilities, it found that the Peace Corps:

- Lacked a sufficient incident response plan to detect threat activity, respond to a threat incident, or contain it
- Was non-compliant with Federal requirements or Peace Corps policy for timely notification of cyber breaches
- Networking monitoring software was not effective in detecting malicious activity within the Peace Corps IT environment

RECENT PROGRESS REPORTED BY THE AGENCY

The five prior FISMA recommendations related to the establishment of an Enterprise Risk Management Council, information security continuous monitoring (ISCM), and incident response were closed in FY 2025. Specifically, since FY 2024, the Peace Corps implemented ISCM policies and strategies, maintained continuous monitoring of its information, and has made progress in strengthening its ability to detect and respond to potential threats.

The Peace Corps is already making progress on the issues identified in the OIG Penetration Testing and Vulnerability Assessment Special Report and has implemented and closed four of the seven recommendations made in the report. These corrective actions should allow the Peace Corps to realize the intended benefits of the review and to continue to make progress on enhancing its cybersecurity environment.

Since the cybersecurity breaches occurred, the agency has strengthened its incident response program by implementing and closing six of the seven OIG recommendations from the FY 2024 MAR.

WHAT DOES THE AGENCY NEED TO DO?

- The agency needs to address OIG's FY 2025 FISMA report recommendations to move towards a Level 3 – Consistently Implemented, maturity level for its information security program. The report recommends that the agency:
 - integrate its cybersecurity governance program
 - fully develop and implement its SCRM program
 - develop and maintain an inventory of data and metadata,
 - develop a strategy to implement its ICAM policy and program
 - procure a DLP solution
 - allocate necessary configuration management resources
 - develop its BIA

If implemented, these recommendations would allow the Peace Corps to proactively mitigate vulnerabilities and address weaknesses before they are exploited. Putting these enhancements in place would foster an agency culture that fully integrates information security into its business operations.

- The Peace Corps needs to review the detailed technical reports provided on the results of the penetration testing and vulnerability assessment. It must prioritize the critical and high vulnerabilities and ensure that its planned actions to address the vulnerabilities are actually implemented. The vulnerabilities identified during the phishing campaign should be resolved as quickly as possible to minimize those risks. The agency should work to implement and close the remaining three open OIG recommendations.
- The agency needs to address the one remaining recommendation from the Cybersecurity Breach Response MAR that the Peace Corps network is continuously monitored to mitigate the risk of cyberthreats. The lack of continuous monitoring directly affects the agency's ability to identify, detect, protect, and respond to a cybersecurity threat in the event of an attack. Closing this recommendation will further strengthen its ability to respond to cybersecurity incidents.

KEY OIG RESOURCES

[Review of the Peace Corps' Information Security Program for FY25 \(2025\)](#)

FY 2025 5 recommendations (5 open)

Prior Years 8 recommendations (3 open)

[Special Report on our Review of the Peace Corps' Information Technology Environment \(2025\)](#)

7 recommendations (3 open)

[Management Advisory Report: Cybersecurity Breaches Highlight a Need for Improvement in Peace Corps' Incident Response \(2024\)](#)

7 recommendations related to information technology (1 open)

[Audit of the Peace Corps' Fiscal Year 2024 Financial Statements, \(2024\)](#)

1 recommendation related to information technology (1 open)