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Office of Inspector General

SEMIANNUAL REPORT TO CONGRESS

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
OFFICE OF INSPECTOR GENERAL
SEMIANNUAL REPORT TO CONGRESS

OCTOBER 1, 2022 THROUGH MARCH 31, 2023



OIG MISSION

The mission of the Office of Inspector General (OIG) is to promote the integrity, efficiency, and effectiveness of the critical programs and operations of the U.S. Securities and Exchange Commission (Agency or SEC). We accomplish this mission by:

- conducting independent and objective audits, evaluations, and other reviews of SEC programs and operations;
- conducting independent and objective investigations of potential criminal, civil, and administrative violations that undermine the ability of the SEC to accomplish its statutory mission;
- preventing and detecting fraud, waste, and abuse in SEC programs and operations;
- identifying vulnerabilities in SEC systems and operations and making recommendations to improve them;
- communicating timely and useful information that facilitates management decision making and the achievement of measurable gains; and
- keeping Congress, the Chair, and the Commissioners fully and currently informed of significant issues and developments.

“We continued our efforts to meet our strategic goals of (1) delivering results that promote integrity, efficiency, and effectiveness in the SEC’s programs and operations; (2) advancing an inclusive and dynamic OIG culture that inspires high performance; and (3) improving the effectiveness and efficiency of OIG processes through continuous innovation, collaboration, and communication.”

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ABBREVIATIONS

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|---------------|---|
| Agency or SEC | U.S. Securities and Exchange Commission |
| ARC | Appalachian Regional Commission |
| CIGFO | Council of Inspectors General on Financial Oversight |
| CIGIE | Council of Inspectors General on Integrity and Efficiency |
| COVID-19 | Coronavirus |
| Dodd-Frank | Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 |
| DOJ | Department of Justice |
| EEO | equal employment opportunity |
| ENF | Division of Enforcement |
| FDIC | Federal Deposit Insurance Corporation |
| FEHB | Federal Employee Health Benefits |
| FISMA | Federal Information Security Modernization Act of 2014 |
| FY | fiscal year |
| IG | Inspector General |
| NSF | National Science Foundation |
| OA | Office of Audits |
| OEC | Office of the Ethics Counsel |
| OEEO | Office of Equal Employment Opportunity |
| OHR | Office of Human Resources |
| OI | Office of Investigations |
| OIG | Office of Inspector General |
| OIT | Office of Information Technology |
| OMB | Office of Management and Budget |
| PIIA | Payment Integrity Information Act of 2019 |
| PTCS | Personal Trading Compliance System |
| SECR | SEC Administrative Regulation |
| SGE | senior government employee |
| SLC | service level commitment |
| USAO | U.S. Attorney's Office |
| WTTS | Workforce Transformation and Tracking System |



MESSAGE FROM THE ACTING INSPECTOR GENERAL

I am pleased to present this Semiannual Report to Congress as Acting Inspector General (IG) of the SEC. This report describes our work from October 1, 2022, to March 31, 2023, and reflects our responsibility to report independently to Congress and to the Commission. The audits, evaluations, investigations, and other reviews that are contained in the report describe our organization's efforts to promote the efficiency and effectiveness of the SEC and demonstrate the impact that our work has had on the Agency's programs and operations.

Since the retirement of the most recent permanent IG in May 2022, the Commission has been rotating our senior staff into the Acting IG position, the order of which has been based on our succession plan. During this reporting period, two of our senior staff acted in the IG position: Nicholas Padilla, Jr., who retired from federal service at the end of November 2022; and Helen Albert, who served as Acting IG from December 1, 2022, through March 31, 2023. I assumed the Acting IG role on April 1, 2023.

Despite the ongoing rotations in leadership, our entire staff has gone above and beyond the call of duty to ensure that we complete our mission

and meet our strategic goals. I am proud of our staff's productivity during this period of change, especially as we emerge from the pandemic and acclimate to a new hybrid work environment. Indeed, during this reporting period, our Office of Audits (OA) issued 5 audits, evaluations, and other reviews, and worked with SEC management to close 18 recommendations made in 9 reports issued during previous semiannual reporting periods. Furthermore, our Office of Investigations (OI) completed or closed 20 investigations during this reporting period. Our investigations resulted in 15 referrals to the Department of Justice (DOJ) and 6 referrals to management for administrative action.

Our work continues to be relevant and of interest to our stakeholders, as demonstrated by the U.S. House of Representatives Committee on Financial Services, Subcommittee on Oversight and Investigations' invitation for Rebecca Sharek, Deputy IG for Audits, Evaluations, and Special Projects, to [testify](#) regarding our 2022 Statement on the SEC's Management and Performance Challenges and recent audit work.

We remain firmly committed to executing our critical mission of promoting the integrity, efficiency, and effectiveness of the SEC's programs and operations and to reporting our findings and recommendations to Congress and the Commission. We appreciate the significant support that we have received from Congress and the Agency and look forward to continuing to work closely with both as we accomplish our mutual goals on behalf of our stakeholders.


Katherine H. Reilly
Acting Inspector General



MANAGEMENT AND ADMINISTRATION

AGENCY OVERVIEW

The SEC's mission is to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. The SEC strives to promote capital markets that inspire public confidence and provide a diverse array of financial opportunities to retail and institutional investors, entrepreneurs, public companies, and other market participants. Its core values consist of integrity, excellence, accountability, teamwork, fairness, and effectiveness. On November 29, 2022, the SEC issued its [Strategic Plan: Fiscal Years 2022-2026](#), identifying its goals to (1) Protect the investing public against fraud, manipulation, and misconduct; (2) Develop and implement a robust regulatory framework that keeps pace with evolving markets, business models, and technologies; and (3) Support a skilled workforce that is diverse, equitable, inclusive, and fully equipped to advance Agency objectives.

The SEC is responsible for overseeing the nation's securities markets and certain primary participants, including broker-dealers, investment companies, investment advisers, clearing agencies, transfer agents, credit rating agencies, and securities exchanges, as well as organizations such as the Financial Industry Regulatory Authority, Municipal Securities Rulemaking Board, and the Public Company Accounting Oversight Board. Under the Dodd-Frank Wall Street Reform and Consumer

Protection Act of 2010 (Dodd-Frank), the Agency's jurisdiction was expanded to include certain participants in the derivatives markets, private fund advisers, and municipal advisors.

The SEC accomplishes its mission through 6 main divisions—Corporation Finance, Enforcement, Examinations, Investment Management, Trading and Markets, and Economic and Risk Analysis—and 25 functional offices. The SEC's headquarters are in Washington, DC, and the Agency has 11 regional offices located throughout the country. As of March 2023, the SEC employed 4,630 full-time equivalent employees.

OIG STAFFING, RESOURCES, AND ADMINISTRATION

We continued our efforts to meet our strategic goals of (1) delivering results that promote integrity, efficiency, and effectiveness in the SEC's programs and operations; (2) advancing an inclusive and dynamic OIG culture that inspires high performance; and (3) improving the effectiveness and efficiency of our processes through continuous innovation, collaboration, and communication.

With respect to staffing, as previously noted, OIG senior leadership has rotated through the Acting IG position as the Agency continues its process to appoint a permanent IG. Additionally, we recruited

to backfill several positions in different professions. We on-boarded one new auditor, and several more candidates are in the hiring pipeline.

OIG OUTREACH

Members of our senior management regularly met with the Commissioners and senior officers from various SEC divisions and offices to foster open communication at all levels between the Agency and us. Through these efforts, we kept up to date on significant, current matters that were relevant to our work, and we obtained Agency management's input on what it believes are the areas presenting the greatest risks or challenges, allowing us to plan for future work. We continually strive to keep apprised of changes to Agency programs and operations and keep SEC management informed of our work and relevant findings.

We take seriously our responsibility to educate SEC employees on our mission as well as employees' responsibility to refer allegations of fraud, waste, abuse, and misconduct to us. To ensure we reach all SEC employees, we participate in the SEC's new employee orientation sessions to give an overview of our office, its mission, and the role each SEC employee plays in helping us carry out our mission. We also work with the SEC to ensure that SEC employees receive regular reminders of the duty to cooperate with us. For

example, on June 14, 2022, the Agency sent a message to all SEC employees reminding them of their legal duty to cooperate with us, including providing access to SEC employees, facilities, systems, and equipment as well as providing information even when that information may be classified, privileged, confidential, or otherwise exempt from disclosure under the law; moreover, we reiterate this and similar important information in our biweekly new employee orientation briefings. The message also reiterated that SEC employees always have a right to communicate directly with us without seeking permission from anyone within the Agency. We plan to work with the Agency to ensure that this message is reiterated annually to all SEC personnel.

Additionally, we continued to promote to SEC staff the Employee Suggestion Program as established under Dodd-Frank, to encourage suggestions for improvements in the SEC's work efficiency, effectiveness, and productivity, and the use of its resources and to receive from SEC employees allegations of waste, abuse, misconduct, or mismanagement. Moreover, OI delivers its fraud awareness briefing program throughout the SEC on an as-needed basis. These briefings serve to educate SEC employees on our mission and programs, as well as to help the SEC identify specific vulnerabilities in the programs they oversee.



COORDINATION WITH OTHER AGENCIES

During this semiannual reporting period, we coordinated our activities with those of other agencies, pursuant to Section 404(a)(4) of the IG Act of 1978, as amended.¹

Specifically, we participated in the meetings and activities of the Council of Inspectors General on Financial Oversight (CIGFO), which was established by Dodd-Frank. The chairman of CIGFO is the IG of the U.S. Department of the Treasury. Other members of the Council, in addition to the IGs of the SEC and the U.S. Department of the Treasury, are the IGs of the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the Department of Housing and Urban Development, the Federal Deposit Insurance Corporation (FDIC), the Federal Housing Finance Agency, the National Credit Union Administration, and also the Special IG for the Troubled Asset Relief Program. As required by Dodd-Frank, CIGFO meets at least once every 3 months. At CIGFO meetings, members share information about their ongoing work, with a focus on concerns that may apply to the broader financial sector and ways

to improve financial oversight. One such CIGFO project, completed during the reporting period, compiled forward-looking guidance for the Financial Stability Oversight Council and its members to consider in preparing for a crisis. Another CIGFO working group effort—initiated in October 2021 and ongoing as of the date of this report—seeks to review the Financial Stability Oversight Council’s response to Executive Order 14030, *Climate-Related Financial Risk*, dated May 20, 2021.

We also actively participated in a number of activities within the Council of Inspectors General on Integrity and Efficiency (CIGIE) such as: monthly meetings of the IGs; the Deputy IG Working Group; the Assistant IGs for Investigations Working Group; and the Freedom of Information Act Working Group. Our attorney staff participated in the Council of Counsels to IGs. OA staff also participated on a number of CIGIE working groups, including those related to external peer reviews, information technology, and monetary impacts. Office of Operations and Management staff participated in committee meetings related to

¹ 5 U.S.C. §§ 401-424

diversity, equity, and inclusion efforts within the OIG community, and OA staff assisted staff from the Federal Reserve Board OIG with a benchmarking request.

Finally, OI coordinated with law enforcement partners across the government to meet its mission of preventing and detecting fraud, waste, abuse, and criminal conduct within SEC's programs and operations. During this reporting period, OI staff collaborated with other law enforcement organizations in carrying out the implementation

of Executive Order 14074, *Advancing Effective, Accountable Policing and Criminal Justice Practices To Enhance Public Trust and Public Safety*, which President Biden issued on May 25, 2022. OI also worked closely with Interpol to enhance our ability to identify fraudsters acting from outside the United States. OI also provided assistance to and coordination with the Pandemic Response Accountability Committee to assist in investigating allegations of fraud related to pandemic funding. Overview



AUDITS, EVALUATIONS, AND OTHER REVIEWS

OA conducts, coordinates, and supervises independent audits and evaluations of the SEC's programs and operations to assess Agency performance; to help detect and deter waste, fraud, abuse, and mismanagement; and to promote economy, efficiency, and effectiveness at the SEC's headquarters and 11 regional offices. Audits are performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Evaluations follow CIGIE's *Quality Standards for Inspections and Evaluations*.

Audits and evaluations provide essential accountability and transparency over government programs. We issue independent audit and evaluation reports, which identify deficiencies found and make recommendations to correct those deficiencies or increase efficiencies in SEC operations. Typically, OA assesses whether:

- resources are safeguarded and appropriately managed;
- governing laws, regulations, and policies are complied with;
- funds are expended properly;
- government programs are achieving their objectives and desired outcomes;
- government services are provided effectively, efficiently, economically, ethically, and equitably; and

- information provided by the Commission to the public and others is reliable.

OA also monitors the Agency's progress in taking corrective actions on recommendations in our audit and evaluation reports, and works with other OIG components to independently assess Agency operations.

COMPLETED AUDITS, EVALUATIONS, AND OTHER REVIEWS²

[Fiscal Year 2022 Independent Evaluation of the SEC's Implementation of the Federal Information Security Modernization Act of 2014; Report No 574; November 15, 2022](#)

[SEC's Whistleblower Program: Additional Actions Are Needed To Better Prepare for Future Program Growth, Increase Efficiencies, and Enhance Program Management; Report No. 575; December 19, 2022](#)

[Inspector General's Fiscal Year 2022 Letter to OMB on SEC's Implementation of Purchase Card Program Audit Recommendations; January 23, 2023](#)

[Enforcement Investigations: Measures of Timeliness Showed Some Improvement But Enforcement Can](#)

2 Please note that, as provided for in recent legislation, when a summary of an OIG report is posted on our website, we will provide a link to the posting instead of providing full summaries of the reports here.

Better Communicate Capabilities for Expediting Investigations and Improve Internal Processes; Report No. 576; February 15, 2023

The SEC Supported Federal Small Business Contracting Objectives, Yet Could Make Better Use of Data and Take Other Actions To Further Promote Small Business Contracting; Report No. 577; February 28, 2023

ONGOING AUDITS AND EVALUATIONS

Evaluation of the SEC's Workplace Safety Protocols in Response to the COVID-19 Pandemic

In January 2021, President Biden issued Executive Order 13991, *Protecting the Federal Workforce and Requiring Mask Wearing*, which, among other things, established the Safer Federal Workforce Task Force and directed executive departments and agencies to require that on-duty or on-site federal employees, on-site contractors, and all persons in federal buildings or on federal land comply with Centers for Disease Control and Prevention guidelines with respect to public health measures. Independent agencies, such as the SEC, were strongly encouraged to comply with the requirements of Executive Order 13991. To support the implementation of Executive Order 13991, the Office of Management and Budget (OMB) issued a memorandum requiring agencies to form Coronavirus (COVID-19) Coordination Teams to develop and maintain tailored Agency COVID-19 workplace safety plans consistent with Centers for Disease Control and Prevention guidelines and the model safety principles appended to the memorandum.³ Although formally submitted COVID-19 workplace safety plans were required only of the 24 Chief Financial Officer Act agencies, OMB made clear that the model safety principles “should be applied to all

federal agencies and workplaces, including small and independent agencies.” Since January 2021, additional federal guidance has been issued on these topics.

We have initiated an evaluation to assess the SEC's management of workplace safety protocols and related measures—including how the Agency developed, implemented, and updated its *COVID-19 Workplace Safety Plan*—in response to the COVID-19 pandemic and pursuant to Executive Order 13991 and other applicable federal guidance. The evaluation scope will include a review of applicable federal guidance issued from January 2021 through September 2022, and testing of selected requirements established in the SEC's *COVID-19 Workplace Safety Plans* in response to federal guidance. We may expand the scope if additional applicable federal guidance is issued, or if the SEC's *COVID-19 Workplace Safety Plan* is updated.

We expect to issue a report summarizing our findings during the next reporting period.

Audit of the Office of Equal Employment Opportunity

The SEC recognizes that the Agency's success depends on a having skilled, diverse, coordinated workforce committed to the highest standards of trust, hard work, cooperation, and communication. As a neutral office, the Office of Equal Employment Opportunity (OEEO) supports the Agency's goals by safeguarding employment-related civil rights at the SEC and leading the effort in developing policies and programs to advance equal employment opportunity (EEO), supporting internal equity and diversity efforts in line with legal parameters, and fostering a culture that values de-escalating workplace conflict.

We have initiated an audit of OEEO. The

3 OMB Memorandum M-21-15, *COVID-19 Safe Federal Workplace: Agency Model Safety Principles* (January 24, 2021).

overall objective is to assess OEEO's operations and controls in support of the Agency's EEO program—including coordination and collaboration with other SEC offices and management—to determine whether OEEO complies with applicable laws, regulations, guidelines, and reporting requirements and effectively supports the Agency's strategic goals. Specifically, we will (a) review OEEO's compliance and resolution program, including how pre-complaints and complaints are received and addressed, and whether they are processed within the required timeframes; (b) assess OEEO's Program for Preventing Harassment, including the intake and reporting processes and OEEO's involvement in harassment prevention education; and (c) review OEEO's Barrier Analysis Program's compliance with applicable laws, regulations, and guidelines to include barrier analysis and reporting efforts.

We expect to issue a report summarizing our findings during the next reporting period.

Evaluation of the U.S. Securities and Exchange Commission's Fiscal Year 2022 Compliance With the Payment Integrity Information Act of 2019

The Payment Integrity Information Act of 2019 (PIIA) requires executive branch agencies to review all programs and activities, identify those susceptible to significant improper payments, and submit to Congress an estimate of the annual amount of improper payments from the susceptible programs. PIIA also established additional Agency requirements on which each Agency IG will annually report. Pursuant to OMB guidance (M-21-19), we have initiated an evaluation to determine whether, in fiscal year (FY) 2022, the SEC complied with the PIIA.

We expect to issue a report summarizing our findings during the next reporting period.

Fiscal Year 2023 Independent Evaluation of the SEC's Implementation of the Federal Information Security Modernization Act of 2014

Amending the Federal Information Security Management Act of 2002, the Federal Information Security Modernization Act of 2014 (FISMA) provides (1) a comprehensive framework to ensure the effectiveness of security controls over information resources that support federal operations and assets; and (2) a mechanism for oversight of federal information security programs. FISMA also requires agencies to develop, document, and implement an Agency-wide information security program to provide information security for the data and information systems that support the operations and assets of the Agency.

In addition, FISMA requires IGs to annually assess the effectiveness of Agency information security programs and practices and to report the results to OMB and the Department of Homeland Security. This assessment includes testing and assessing the effectiveness of Agency information security policies, procedures, practices, and a subset of Agency information systems. To comply with FISMA, we have initiated an evaluation of the SEC's information security programs and practices. We contracted with Cotton & Company Assurance and Advisory, LLC to conduct this independent evaluation.

We expect a report will be issued during the next reporting period.

Review of SEC Controls Over Public Comments Submitted Online and Actions Taken in Response to a Known Error

Rulemaking is the process by which federal agencies promulgate rules. In some instances, rulemaking implements legislation passed by Congress and signed into law by the President. Other rulemaking updates rules under existing laws

or creates new rules within an agency's authority. Federal agencies, including the SEC, are generally required to give interested persons an opportunity to participate in the rulemaking process through submission of written data, views, or arguments (referred to as comments or public comments). The SEC invites interested persons to comment on SEC proposed rules and self-regulatory organization filings, among other matters, using several methods, including online through an internet comment form (also known as a webform). In 2022, the SEC disclosed a technological error that resulted in a number of public comments submitted

through the Commission's internet comment form not being received by the Commission. Subsequently, we initiated a review of the SEC's (1) controls over public comment letters submitted online, and (2) actions and response efforts since notifying us of the webform error in August 2022.

In the next semiannual reporting period, we will complete our review and report our results. We may also request additional information to help us to determine whether further action by us is warranted.



INVESTIGATIONS

OVERVIEW

Our OI investigates allegations of criminal, civil, and administrative violations relating to SEC programs and operations. The subject of an investigation can be an SEC employee, contractor, consultant, or any person or entity involved in alleged wrongdoing affecting the Agency. Substantiated allegations may result in criminal prosecutions, fines, civil penalties, administrative sanctions, and/or personnel actions.

OI conducts investigations in accordance with the CIGIE *Quality Standards for Investigations and applicable guidelines issued by the United States Attorney General*. OI is committed to ensuring that investigations are conducted in an independent, fair, thorough, and timely manner.

Investigations require extensive collaboration within the OIG, and with SEC divisions and offices, outside agencies, and law enforcement agencies, as well as coordination with the DOJ and other prosecutorial agencies. During the course of investigations, OI may discover vulnerabilities and internal control deficiencies and promptly reports these issues to SEC management for corrective actions via Management Implication Reports.

OI manages the OIG Hotline, which is available 24 hours a day, 7 days a week, to receive and process

tips and complaints about fraud, waste, or abuse related to SEC programs and operations. The Hotline allows individuals to report their allegations to us directly and confidentially.

OI's Digital Forensics and Investigations Unit performs digital forensic acquisitions, extractions, and examinations in support of our operations, and conducts network intrusion and exploitation investigations, as well as other investigations involving threats to the SEC's information technology infrastructure.

REPORT ON INSTANCES OF WHISTLEBLOWER RETALIATION

For this semiannual reporting period, we found no instances of whistleblower retaliation to report.

SIGNIFICANT CLOSED INVESTIGATIONS AND SUBSTANTIATED INVESTIGATIONS INVOLVING SENIOR OFFICIALS

Findings Related to the Former SEC Ombudsman

For a detailed description of the facts and circumstances of the investigation, please see the following summary: <https://www.sec.gov/files/findings-related-former-sec-ombudsman.pdf>.

This matter was not referred for prosecutorial consideration. The report of investigation was furnished to SEC management for their action. The former Ombudsman left the Agency and federal service during the course of the investigation. The SEC is taking steps to determine whether all potential tips, complaints, and referrals received by the Office of the Ombudsman during the relevant time period were, or should be, independently entered into the tips, complaints, and referrals system. Finally, the Agency determined that the record does not support changing the vignettes from the FY 2017-2020 Office of the Ombudsman annual reports to Congress, although our findings with respect to previously-submitted vignettes will help guide the Office of the Ombudsman's future practices.

Richard Rubin and Thomas Craft Sentenced on Charges of Securities Fraud

We investigated allegations received from the Division of Enforcement (ENF) that Richard J. Rubin was admitted to the New York Bar in 1968, and was disbarred by the Appellate Division, First Judicial Department, on February 23, 1995. Despite being disbarred, Rubin had appeared and practiced before the SEC as an attorney by representing several clients in an ENF matter and in reviews of certain periodic corporate filings submitted to the SEC's Division of Corporation Finance. During this time, Rubin had communicated with ENF staff on behalf of his clients, representing himself as a practicing attorney. In addition, Rubin allegedly submitted numerous false documents to the SEC, including 8-K filings⁴ uploaded into the Electronic Data Gathering, Analysis, and Retrieval system and Rule 144 letters⁵ claiming he was an attorney.

During the course of the investigation, we learned that Thomas J. Craft, an attorney located in Florida,

worked with Rubin while knowing that Rubin was a disbarred attorney. Furthermore, we confirmed that Craft received payments from Rubin to sign Rule 144 letters for Over-the-Counter companies in order to have their securities traded in the Over-the-Counter market. The investigation determined that Craft knowingly participated in the fraudulent scheme in which Craft allowed Rubin to falsely represent to the SEC that he had undertaken certain legal work in connection with attorney opinion letters. Craft admitted that he merely "rubber-stamped" the opinion letters that had been prepared by Rubin in exchange for financial compensation.

Rubin and Craft were both arrested on December 2, 2020, and each pled guilty to one count of securities fraud. On November 2, 2021, Rubin was sentenced to pay restitution of \$117,068.15, serve 1 year of probation, and perform 200 hours of community service. On October 26, 2022, Craft was ordered to forfeit \$55,000, serve 1 year of probation, 4 months home confinement, and perform 200 hours of community service. Furthermore, Craft relinquished his law license as part of the plea agreement.

SEC Employee Provided False Information To Meet Federal Employee Health Benefits Eligibility Requirements

We investigated an allegation that an SEC employee provided false information through the Federal Employee Express website in order to add an adult dependent onto their Federal Employee Health Benefits (FEHB) plan. We found that the dependent was eligible for coverage under the employee's FEHB plan, but the employee needed to take steps to request eligibility for an adult dependent through the Office of Human Resources (OHR). Instead, the employee waited until the last day of the 2019 open season to add the dependent to their FEHB plan through Federal Employee Express and

4 Form 8-K is the report that companies must file with the SEC to announce major events that shareholders should know about. Companies generally have 4 business days to file a Form 8-K for an event that triggers the filing requirement.

5 Securities counsel are frequently asked to deliver opinions stating that certain security holders may sell restricted securities without registration under the Securities Act in reliance on Rule 144 under the Securities Act. The opinions are often referred to as Rule 144 opinions.

intentionally falsified the dependent's date of birth in order to meet FEHB eligibility requirements. We found no evidence that the dependent had obtained medical services, nor sought claim for payment, under the employee's FEHB plan as result of the false information provided by the employee. Ultimately, the employee complied with OHR requirements to establish the dependent's eligibility as a dependent under the FEHB plan. As a result, the dependent continued to be covered on the employee's FEHB plan without interruption. On February 4, 2021, we presented the facts and evidence developed during this investigation to the appropriate U.S. Attorney's Office (USAO), and the matter was declined for prosecution on the same date. The report of investigation was furnished to SEC management for their action, and the employee received a letter of reprimand.

SEC Used Non-Competitive Schedule A Attorney Hiring Authority To Appoint Employees Who May Not Have Been in Good Standing With a State Bar

We received an anonymous complaint regarding two employees who may have falsely certified employment documents. Specifically, it was alleged that two SEC employees submitted affidavits during their appointment process certifying they held active bar memberships in good standing, when in fact they did not. As a result of the allegation, we initiated an investigation and determined that both employees were appointed to their attorney-adviser positions under the SEC's limited "Schedule A" authority under Title 5 Code of Federal Regulations § 213.3102(d), which permits the Agency to fill excepted-service attorney positions without competition. The SEC requires that newly-appointed attorneys certify on Form SEC 222a, Attorney Certification of Bar Membership, that they maintain active status in good standing with a bar in any United States state, territory, the District of Columbia, or the Commonwealth

of Puerto Rico, and that failure to maintain an active bar membership at any time during their employment as an attorney at the SEC may result in disciplinary action.

Our investigation determined that in April 2021, both employees were non-competitively appointed to 0905 attorney positions. Employee 1 signed Form SEC 222a certifying that the employee was an active member in good standing with the New York State Bar. Our investigation determined that at the time Employee 1 signed the affidavit and was appointed to the SEC, the employee was "delinquent" in payment of registration fees for the biennial period from 2020 to 2021.

Employee 2 also signed Form SEC 222a, certifying that the employee was an active member in good standing of the bar of the State of Maryland, while certifying to the contrary on the same form that the employee was an inactive member of the bars in Maryland and New Jersey. Our investigation determined that on the date Employee 2 signed Form SEC 222a, Employee 2's Maryland bar status was "administratively suspended" for non-payment of client protection dues, and had been since 2010. Therefore, Employee 2 was not in good standing with a bar in any United States state, territory, the District of Columbia, or the Commonwealth of Puerto Rico at the time Form SEC 222a was signed and thus was ineligible for appointment to an attorney position under the SEC's Schedule A criteria.

On February 1, 2022, the facts and evidence developed during this investigation were referred to the appropriate USAO, and the matter was declined for prosecution on February 25, 2022. The report of investigation was furnished to SEC management for their action, and each employee received a letter of counseling. The Agency also "regularized" the appointment of Employee 2 and placed the employee in a non-attorney position.

SEC Employee Failed To Pre-Clear Certain Transactions

We conducted an investigation into allegations of potential ethics violations by an SEC employee based on a management referral from SEC's Office of the Ethics Counsel (OEC). OEC provided information alleging that the employee's spouse and parent executed transactions in the employee's financial accounts (including transactions involving prohibited holdings) without the employee having pre-cleared the transactions in the Personal Trading Compliance System (PTCS), as required. We found that several transactions were executed in financial accounts belonging to the employee and the employee's spouse without receiving pre-clearance authorization in PTCS, and that the employee and the employee's spouse possessed prohibited holdings. Additionally, we found that the employee's parent executed transactions in the employee's financial account without the employee seeking pre-clearance authorization in PTCS. We also found that OEC became aware of the unauthorized transactions because the employee had self-reported each instance after becoming aware of potential violations. The evidence indicated that the employee promptly took corrective action by removing the parent's access to their accounts. Also, the employee communicated the pre-trading approval requirement to their spouse. The employee followed OEC guidance, divested prohibited holdings as directed, and apprised the OEC when their instructions were completed. The employee voluntarily provided emails that documented communication with the OEC. OEC counseled the employee following the self-reporting and corrective actions. This matter was not presented for prosecutorial consideration. The report of investigation was furnished to management for their action, and the employee received verbal counseling.

An SEC Employee and Supervisor Failed To Follow Time and Attendance Policies

We received an anonymous complaint alleging that an SEC employee committed time and attendance fraud, and that the employee's supervisor had allowed the fraud by approving the employee's timesheets. The anonymous complainant also alleged that the employee and the supervisor may have had an intimate relationship. We found that between July 3, 2018, and June 19, 2019, the employee failed to follow SEC Administrative Regulation (SECR) 6-2, Time and Attendance Processing. Specifically, on six occasions between July 3, 2018, and June 19, 2019, the employee recorded on their timesheet that they worked from the office, but records indicated that the employee did not enter the SEC building on those days. The employee told us that they worked from home on those days and provided email records for some of those days that demonstrated work performed during that time. During that same period, we found that the employee recorded in webTA that they had worked in the office on 9 additional days in which records indicate that the employee departed the SEC building before completing their tour of duty. We identified a discrepancy of 29 hours of time that the employee reported being in the office when they were not. The employee told us that on those days the employee departed the office early and resumed working from home to complete their work hours. We could not determine whether the employee actually worked the discrepant 29 hours. We also found that the employee's supervisor granted the employee flexibility in their work schedule, including allowing the employee to telework ad hoc and to occasionally leave the office early and complete the work day by teleworking from home. However, we found that the supervisor failed to comply with SECR 6-2 by not properly reviewing the

employee's reported hours and work location for reasonableness and accuracy in webTA. We found no evidence that the employee and the supervisor had an intimate relationship. On July 9, 2021, we presented the facts of this case to the appropriate USAO, and the matter was declined for prosecution on the same date.

Former SEC Employee Failed To Return SEC Equipment Upon Retirement

We received a complaint from the Agency that a former SEC employee failed to return their assigned government-issued laptop, two computer monitors, and a docking station upon retirement from federal service in November 2021. We found that at the time of the employee's retirement, interim employee exit procedures related to the return of technology assets were in place because of the COVID-19 pandemic. Pursuant

to the interim procedures, the SEC's Office of Information Technology (OIT) was required to mail shipping materials to the departing employee's telework location for the employee to use to return any government-issued equipment. The investigation found that in accordance with the interim procedures, OIT sent shipping materials to the former employee's residence following the employee's retirement; however, after repeated requests from OIT, the former employee did not remit the equipment. We visited the former employee's residence and retrieved the equipment. When interviewed, the former employee said they did not have any intent to permanently retain the property and did not provide an explanation to account for the delay in returning the items. We returned the recovered equipment to OIT for disposition. This matter was not referred for prosecutorial consideration.





REVIEW OF LEGISLATION AND REGULATIONS

The IG Act directs the OIG to review existing and proposed legislation and regulations relating to the programs and operations of the SEC, and to make recommendations concerning the impact of such legislation or regulations on the economy and efficiency of SEC programs and operations, as well as any impact on the prevention and detection of fraud and abuse in such programs and operations.⁶ Although the SEC's Office of Legislative and Intergovernmental Affairs and Office of the General Counsel review proposed or enacted legislation that could affect the SEC's activities, the OIG independently conducts reviews in accordance with the IG Act. During this reporting period, we reviewed provisions of the James M. Inhofe National Defense Authorization Act for FY 2023, the Trafficking Victims Prevention and Protection Reauthorization Act of 2022, and monitored proposed legislation such as the Stop Settlement Slush Funds Act of 2023, the IG Independence and Empowerment Act, and the Whistleblower Protection Improvement Act. Additionally, the OIG is reviewing a number of proposed and final rules published by the Commission during this reporting period, in particular proposed rules related directly to the internal programs and operations of the SEC, such as the proposed rules on the Supplemental Standards of Ethical Conduct

for Members and Employees of the Securities and Exchange Commission and The Commission's Privacy Act Regulations.

During this period, we issued our annual Statement on the SEC's Management and Performance Challenges, which identified challenges the SEC may face in managing resources while meeting its regulatory agenda. The Statement sets forth concerns raised by some SEC management officials regarding a potential increase in risk and difficulties managing resources and other mission-related work because of the increase in the SEC's rulemaking activities. For example, the following concerns were noted: increase in staff attrition, difficulties hiring individuals with rulemaking experience, reliance on detailees with little or no rulemaking experience, reduced feedback during the rulemaking process, potential limits on the time available for staff research and analysis, potential increases in litigation risk, and fewer resources available to complete other mission-related work. Moreover, certain SEC personnel identified coordination and communication as a persistent challenge in the rulemaking process, particularly given potential overlaps in jurisdiction and differences in opinions. We will continue to monitor and report on such concerns, as appropriate, in upcoming work.

6 5 U.S.C. § 404(a)(2)



MANAGEMENT DECISIONS

STATUS OF RECOMMENDATIONS WITH NO MANAGEMENT DECISIONS

Management decisions have been made on all audit and evaluation reports issued before the beginning of this reporting period.

REVISED MANAGEMENT DECISIONS

No management decisions were revised during the period.

AGREEMENT WITH SIGNIFICANT MANAGEMENT DECISIONS

We agree with all significant management decisions regarding audit and evaluation recommendations.

REPORTS FOR WHICH NO AGENCY COMMENT WAS RETURNED WITHIN 60 DAYS

There were no audit or evaluation reports issued before the beginning of this reporting period for which no Agency comment was returned within 60 days of providing the report to the Agency.

INSTANCES WHERE THE AGENCY UNREASONABLY REFUSED OR FAILED TO PROVIDE INFORMATION TO US OR ATTEMPTED TO INTERFERE WITH OUR INDEPENDENCE

During this reporting period, there were no instances where the Agency unreasonably refused or failed to provide information to us or attempted to interfere with our independence.

TABLES

Table 1: List of Reports: Audits and Evaluations

| Information Security | |
|------------------------|---|
| 11/15/2022 | Fiscal Year 2022 Independent Evaluation of the SEC's Implementation of the Federal Information Security Modernization Act of 2014 |
| Report No. 574 | |
| Regulatory Oversight | |
| 12/19/2022 | SEC's Whistleblower Program: Additional Actions Are Needed To Better Prepare for Future Program Growth, Increase Efficiencies, and Enhance Program Management |
| Report No. 575 | |
| 2/15/2023 | Enforcement Investigations: Measures of Timeliness Showed Some Improvement But Enforcement Can Better Communicate Capabilities for Expediting Investigations and Improve Internal Processes |
| Report No. 576 | |
| Financial Management | |
| 1/23/2023 | Inspector General's FY 2022 Letter to OMB on SEC's Implementation of Purchase Card Program Audit Recommendations |
| n/a | |
| Acquisition Management | |
| 2/28/2023 | The SEC Supported Federal Small Business Contracting Objectives, Yet Could Make Better Use of Data and Take Other Actions To Further Promote Small Business Contracting |
| Report No. 577 | |

Table 2: Reports With Recommendations on Which Corrective Action Has Not Been Completed

During this most recent semiannual reporting period, SEC management provided us with documentation to support the implementation of our recommendations. In response, we closed 18 recommendations related to 9 OIG reports. The following table lists recommendations issued before the commencement of this semiannual reporting period that remain open. (“Redacted text” indicates recommendations that include one or more redactions of nonpublic information.)

| Report Number and Title | Rec. No. | Issue Date | Recommendation Summary |
|--|----------|------------|---|
| 546 - Audit of the SEC’s Compliance With the Federal Information Security Modernization Act for Fiscal Year 2017 | 12 | 3/30/2018 | Redacted Text |
| 559 - The SEC’s Office of Broker-Dealer Finances Provides Effective Oversight, But Opportunities to Improve Efficiency Exist | 2 | 2/26/2020 | Finalize steps deemed feasible and prudent and, as necessary, (a) require broker-dealers to electronically file with the Commission annual reports and risk assessment reports, and (b) raise the capital threshold for reporting under the 17-H rules. |
| 562 - Opportunities Exist To Improve the SEC’s Management of Mobile Devices and Services | 2 | 9/30/2020 | Establish and implement comprehensive processes and procedures and/or update existing guidance to: (a) require periodic reviews and reconciliations of mobile device usage reports, rate plan analysis reports, and mobile device management system reports to identify and address key indicators of potential inefficient or unauthorized use including overuse, underuse, or zero use; and (b) require periodic reviews of wireless service providers’ invoices to ensure unusual or additional charges, such as international charges, are accurate, are for authorized purposes, and are adequately supported. |
| 562 - Opportunities Exist To Improve the SEC’s Management of Mobile Devices and Services | 3 | 9/30/2020 | Update existing guidance to include periodic assessments and recertifications of the continued need for mobile devices, specify criteria for assigning rate plans to mobile device users, and establish a process for communicating the plans’ limits to users. |
| 562 - Opportunities Exist To Improve the SEC’s Management of Mobile Devices and Services | 5 | 9/30/2020 | Redacted Text |

Table 2: Reports With Recommendations on Which Corrective Action Has Not Been Completed
(Continued)

| Report Number and Title | Rec. No. | Issue Date | Recommendation Summary |
|---|----------|------------|--|
| 562 - Opportunities Exist To Improve the SEC's Management of Mobile Devices and Services | 6 | 9/30/2020 | Redacted Text |
| 563 - Fiscal Year 2020 Independent Evaluation of SEC's Implementation of the Federal Information Security Modernization Act of 2014 | 1 | 12/21/2020 | Redacted Text |
| 563 - Fiscal Year 2020 Independent Evaluation of SEC's Implementation of the Federal Information Security Modernization Act of 2014 | 6 | 12/21/2020 | Define and implement a process to incorporate results from the assessments of knowledge, skills, and abilities into the security training strategy. |
| 570 - Fiscal Year 2021 Independent Evaluation of the SEC's Implementation of the Federal Information Security Modernization Act of 2014 | 3 | 12/21/2021 | Develop, document, and implement a formal process to consistently capture and share lessons learned on the effectiveness of its cybersecurity Risk Management program and make updates, as necessary. |
| 570 - Fiscal Year 2021 Independent Evaluation of the SEC's Implementation of the Federal Information Security Modernization Act of 2014 | 4 | 12/21/2021 | Develop, document, and implement a formal process to consistently capture and share lessons learned on the effectiveness of its configuration baseline program and make updates, as necessary. |
| 570 - Fiscal Year 2021 Independent Evaluation of the SEC's Implementation of the Federal Information Security Modernization Act of 2014 | 7 | 12/21/2021 | Develop, document, and implement a formal process to consistently capture and share lessons learned to improve the effectiveness of its Information Security Continuous Monitoring policies and strategy and make updates, as necessary. |
| 570 - Fiscal Year 2021 Independent Evaluation of the SEC's Implementation of the Federal Information Security Modernization Act of 2014 | 8 | 12/21/2021 | Redacted Text |

Table 2: Reports With Recommendations on Which Corrective Action Has Not Been Completed
(Continued)

| Report Number and Title | Rec. No. | Issue Date | Recommendation Summary |
|--|----------|------------|---|
| 572 - The SEC Can Improve in Several Areas Related to Hiring | 3 | 2/28/2022 | Update the service level commitment (SLC) available to SEC employees based on information gathered from the pilot to ensure that the SLC clearly presents the hiring process in phases and steps that are (a) measurable in the Workforce Transformation and Tracking System (WTTS), and (b) useful to measure and enhance the efficiency and effectiveness of the SEC's hiring process. |
| 572 - The SEC Can Improve in Several Areas Related to Hiring | 4 | 2/28/2022 | Reassess the SLC review process and accompanying guidance to (a) align with the updated SLC phases and steps, once codified; (b) ensure consistency in measuring hiring actions that may enter the process at different points or include steps that do not apply, (c) determine whether pay-setting data fields in WTTS can be used to gain efficiencies when measuring the compensation SLC phase, and (d) make better use of automated features in the WTTS reporting tools to reduce manual updates, which are prone to errors. |
| 572 - The SEC Can Improve in Several Areas Related to Hiring | 6 | 2/28/2022 | Revise the policy regarding pay-setting for SK positions to require that the Total Rewards Group ensures it always shares the most current pay matrices with SEC employees and hiring officials, and immediately share the current pay matrices with hiring officials. |

Table 3: Summary of Investigative Activity for the Reporting Period of October 1, 2022, to March 31, 2023

The data contained in this table was compiled from our investigations case management system.

| Investigative Caseload | Number |
|--|--------|
| Cases Open at Beginning of Period | 41 |
| Cases Completed But Not Closed* at Beginning of Period | 2 |
| Cases Opened During Period | 9 |
| Cases Closed During Period** | 18 |
| Cases Completed But Not Closed at End of Period | 2 |
| Open Cases at End of Period | 32 |
| Investigative Reports Issued During the Reporting Period | 9 |

* A case is “completed” but not “closed” when the investigative work has been performed but disposition (such as corrective administrative action) is pending.

** Of the 18 cases closed during this reporting period, 7 involved allegations that were unsubstantiated. Of the 18 cases closed in this reporting period, 7 involved senior government employees or senior officials (collectively, “SGEs”).⁷ Of the seven cases involving SGEs, one case involved allegations that were unsubstantiated.⁸

| Criminal and Civil Investigative Activities | Number |
|---|--------|
| Referrals for Criminal Prosecution to DOJ | 15 |
| Accepted | 0 |
| Indictments/Informations | 1 |
| Arrests | 0 |
| Convictions | 1 |
| Referrals for Criminal Prosecution to State and Local Prosecuting Authorities | 0 |
| Accepted | 0 |
| Arrests | 0 |
| Referrals for Civil Prosecution to DOJ | 0 |
| Referrals for Civil Prosecution to State and Local Prosecuting Authorities | 0 |

7 According to 5 U.S.C. § 405(a)(6)(A), an SGE is “an officer or employee in the executive branch... who occupies a position classified at or above GS-15 of the General Schedule or, in the case of positions not under the General Schedule, for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule...” As an independent agency, the SEC has independent pay setting authority, and its pay scale is generally higher than the General Schedule, which can result in more SEC employees being categorized as SGEs in accordance with the IG Act.

8 This case involved unsubstantiated non-criminal allegations related to mismanagement, retaliation, and records retention issues within an SEC component.

Table 3: Summary of Investigative Activity for the Reporting Period of October 1, 2022, to March 31, 2023 (Continued)

| Monetary Results | | Number |
|---|--|----------|
| Criminal Fines/Restitutions/Recoveries/Assessments/Forfeitures | | \$56,100 |
| Criminal Seizures | | \$0 |
| Civil Fines/Restitutions/Recoveries/Penalties/Damages/Forfeitures | | \$0 |
| Administrative Investigative Activities | | Number |
| Removals, Retirements, and Resignations | | 0 |
| Suspensions | | 0 |
| Reprimands/Warnings/Other Actions | | 6 |
| Complaints Received | | Number |
| Hotline Complaints | | 186 |
| Other Complaints | | 457 |
| Total Complaints During Period | | 643 |

Table 4: References to Reporting Requirements of the IG Act⁹

| Inspector General Act Reporting Requirement | Page(s) |
|---|------------|
| Review of legislation and regulations | 17 |
| Significant problems, abuses, and deficiencies and associated reports | 7-8, 11-15 |
| Identification of each recommendation made before the reporting period, for which corrective action has not been completed, including the potential costs savings associated with the recommendation | 21-23 |
| Summary of significant investigations closed during the reporting period | 11-15 |
| Total number of convictions resulting from investigations | 24 |
| Listing of each audit, evaluation or inspection issued during the reporting period | 20 |
| Total dollar value of questioned costs (including a separate category for the dollar value of unsupported costs) and the dollar value of recommendations that funds be put to better use, including whether a management decision had been made by the end of the reporting period | n/a |
| Information regarding any management decision made during the reporting period with respect to any audit, inspection, or evaluation issued during a previous reporting period | 19 |
| Results of peer review conducted of SEC OIG | 28-29 |
| Date of the last peer review conducted by another OIG | 28-29 |
| List of outstanding recommendations made from any previous peer review of SEC OIG that remain outstanding or have not been fully implemented | n/a |
| A list of any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period, including a list of any outstanding recommendations made from any previous peer review (including any peer review conducted before the reporting period) that remain outstanding or have not been fully implemented | 28 |
| Statistical table showing the total number of investigative reports issued during the reporting period | 24 |
| Statistical table showing the total number of persons referred to the DOJ for criminal prosecution during the reporting period | 24 |
| Statistical table showing the total number of persons referred to State and local prosecuting authorities for criminal prosecution during the reporting period | 24 |
| Statistical table showing the total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities | 24 |
| Description of the metrics used for developing the Data for the Statistical Tables Under Paragraph 17 | 24 |

⁹ 5 U.S.C. §§ 404–405, formerly cited as 5 U.S.C. App. 3 §§ 4-5. Please note, the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263 § 5273 amended the semiannual reports requirements and those requirements have not yet been codified.

Table 4: References to Reporting Requirements of the IG Act (Continued)

| Inspector General Act Reporting Requirement | Page(s) |
|---|---------|
| Report on each investigation conducted involving a senior government employee or senior official where allegations of misconduct were substantiated | 11-15 |
| Instances of whistleblower retaliation | 11 |
| Attempts by the establishment to interfere with the independence of the OIG | 19 |
| Each inspection, evaluation, and audit conducted by the OIG that is closed and was not disclosed to the public | n/a |
| Each investigation conducted by the OIG involving a senior government employee that is closed and was not disclosed to the public | 24 |

PEER REVIEWS OF OIG OPERATIONS

PEER REVIEW OF AUDIT OPERATIONS

In accordance with generally accepted government auditing standards, an OIG audit team assesses another OIG's audit function every 3 years. The FDIC OIG conducted the most recent assessment of our OA's system of quality control for the 3-year period ending March 31, 2021. The review focused on whether we established and complied with a system of quality control that was suitably designed to provide us with a reasonable assurance of conforming to applicable professional standards.

On September 24, 2021, the FDIC OIG issued its report, concluding that we complied with its system of quality control and that the system was suitably designed to provide us with reasonable assurance of performing and reporting in conformity with applicable government auditing standards in all material respects. On the basis of its review, the FDIC OIG gave us a peer review rating of "pass." (Federal audit organizations can receive a rating of "pass," "pass with deficiencies," or "fail.") The FDIC OIG identified two findings and made four recommendations that were not considered to be of sufficient significance to affect the peer review rating. As of November 2021, we had completed corrective actions to address the four recommendations. Furthermore, there are no outstanding recommendations from previous peer reviews of our audit organization.

The peer review report is available on our website at <https://www.sec.gov/files/Peer-Review-System-Review-Report-On-SEC-OIG-Audit-Organization.pdf>. The next peer review of our audit function is scheduled for FY 2024.

We participated in a peer review of the Tennessee Valley Authority OIG's audit organization during the reporting period. The final report was issued on February 28, 2023.

PEER REVIEW OF EVALUATION OPERATIONS

The Appalachian Regional Commission (ARC) OIG conducted the most recent assessment of our inspection and evaluation work for the 3-year period ending June 30, 2020. The review focused on assessing the extent to which we met the standards of the CIGIE Blue Book, dated January 2012. The assessment included a review of our internal policies and procedures implementing the seven required CIGIE Blue Book standards. It also included a review of selected inspection and evaluation reports issued from July 1, 2017, through June 30, 2020, to determine whether the reports complied with the seven covered Blue Book standards and our internal policies and procedures.

On October 20, 2020, the ARC OIG issued its report, concluding that our policies and procedures generally met the seven Blue Book standards addressed in the external peer review. In addition, the ARC OIG found that the two reports reviewed generally met the Blue Book standards and complied with our internal policies and procedures. The ARC OIG did not make any recommendations.

The external peer review report is available on our website at <https://www.sec.gov/files/External-Peer-Review-Report-for-the-SEC-OIG-Inspection-and-Evaluation-Function.pdf>. The next peer review of our inspection and evaluation function is scheduled for FY 2024.

PEER REVIEW OF INVESTIGATIVE OPERATIONS

The U.S. Nuclear Regulatory Commission OIG conducted a peer review of our investigative operations during this reporting period, but the results of this peer review were not finalized by the close of the reporting period. The National Science Foundation (NSF) OIG performed the most recent completed peer review of our investigative operations in November 2017. The NSF OIG conducted its review in conformity with the Quality Standards for Investigations and the *Quality Assessment Review Guidelines for Investigative Operations of Federal Offices of Inspector General*

established by CIGIE and the Attorney General Guidelines for Offices of Inspectors General With Statutory Law Enforcement Authority.

The NSF OIG concluded that we were in compliance with the quality standards established by CIGIE and other applicable guidelines and statutes listed above. Furthermore, the NSF concluded our system of internal policies and procedures provide reasonable assurance that we are conforming with professional standards in the planning, execution, and reporting of our investigations.

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REPORT FRAUD, WASTE, OR ABUSE

To report suspected fraud, waste, or abuse in SEC programs or operations, as well as SEC staff or contractor misconduct, use our online OIG hotline complaint form, <https://www.govcomhotline.com/SEC>, or call (833) 732-6441. This number is answered 24 hours, 7 days a week.

Information received through the hotline is held in confidence upon request. Although the OIG encourages complainants to provide information on how we may contact them for additional information, we also accept anonymous complaints.

EMPLOYEE SUGGESTION PROGRAM

The OIG SEC Employee Suggestion Program, established under Dodd-Frank, welcomes suggestions by all SEC employees for improvements in the SEC's work efficiency, effectiveness, productivity, and use of resources. The OIG evaluates all suggestions received and forwards them to agency management for implementation, as appropriate. SEC employees may submit suggestions by calling (202) 551-6062 or sending an e-mail to OIGESProgram@sec.gov.

COMMENTS AND IDEAS

The SEC OIG also seeks ideas for possible future audits, evaluations, or reviews. We will focus on high-risk programs, operations, and areas where substantial economies and efficiencies can be achieved. Please send your input to AUDPlanning@sec.gov.



U.S. SECURITIES AND EXCHANGE COMMISSION

This report is available on the Inspector General's website
www.sec.gov/oig