CROW/NORTHERN CHEYENNE HOSPITAL—AN IHS-OPERATED HEALTH FACILITY—DID NOT TIMELY CONDUCT REQUIRED BACKGROUND CHECKS OF STAFF AND SUPervise CERTAIN STAFF

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.
Crow/Northern Cheyenne Hospital—an IHS-Operated Health Facility—Did Not Timely Conduct Required Background Checks of Staff and Supervise Certain Staff

What OIG Found
The Hospital did not fully comply with Federal requirements for conducting background investigations of staff members in contact with Indian children. Specifically, for 44 of the 50 staff members we reviewed, the Hospital did not comply with Federal requirements for conducting background investigations, including failing to initiate or timely initiate and adjudicate certain investigations. Further, the Hospital could not document that it supervised certain staff members with pending background investigations (provisional staff) in accordance with Federal requirements. Specifically, for 47 of the 50 staff members we reviewed, the Hospital did not provide evidence documenting compliance with Federal supervision requirements while their background investigations were pending. These deficiencies generally occurred because the Hospital did not monitor compliance with background check requirements for permanent staff or ensure background checks for temporary staff were performed in accordance with the applicable requirements. Finally, the Hospital could not document supervision in accordance with Federal requirements. As a result, Indian children faced an increased risk of harm and abuse.

What OIG Recommends and Indian Health Service Comments
We made a series of recommendations to the Hospital, the Billings Area Office, and IHS Headquarters, including that they work together to (1) complete and adjudicate necessary background investigations for staff members identified in our report, (2) ensure provisional staff supervision is adequately documented, and (3) update standard operating procedures and establish monitoring systems for background investigations and provisional staff supervision.

In written comments on our draft report, IHS, commenting on behalf of the Hospital, concurred with our recommendations and described steps it has taken and plans to take to address them. For example, IHS is updating its standard operating procedures for background investigations and issuing related memoranda, and reinforcing the use of a recently implemented electronic tracking system to monitor and track compliance with background check requirements. We commend IHS for the actions it has already taken and encourage IHS to follow through on its planned actions.
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INTRODUCTION

WHY WE DID THIS AUDIT

The Indian Health Service’s (IHS’s) mission is to partner with American Indians and Alaska Natives to elevate their physical, mental, social, and spiritual health to the highest level possible. A primary goal of IHS is to ensure that comprehensive, culturally acceptable personal and public health services are available and accessible to its beneficiaries. Congress has expressed concerns about safeguards for Indian children and passed the Indian Child Protection and Family Violence Prevention Act (the Act), which established requirements for the minimum standards of character for individuals in contact with Indian children.1 These standards include a Federal background investigation that includes a Federal Bureau of Investigation (FBI) fingerprint check as well as supervision of such individuals pending completion of the background investigation.

Prior Office of Inspector General work in this area focused on several Tribes and their health programs.2 We found that the Tribes and their health programs did not comply with Federal requirements to perform FBI fingerprint background investigations for individuals in contact with Indian children. This placed the children served by these programs at an increased risk for harm. In this audit, we evaluate the background investigation and supervision processes for individuals in contact with Indian children at Crow/Northern Cheyenne Hospital (the Hospital), an IHS-operated health facility.3

OBJECTIVE

Our objective was to determine whether the Hospital met Federal requirements for conducting background investigations and supervision of staff in contact with Indian children.

BACKGROUND

Indian Health Service

The Department of Health and Human Services (HHS) Secretary, acting through IHS, must provide health promotion and disease prevention services to Indians to achieve the health status objectives set forth in law (25 U.S.C. § 1621b(a)), and IHS will “provide health promotion and disease prevention services to Indians” to “ensure the highest possible health status for

1 In this report, we use the term “in contact with Indian children” to describe individuals whose positions involve regular contact with or control over Indian children. Regular contact with or control over an Indian child means responsibility for an Indian child(ren) within the scope of the individual’s duties and responsibilities or contact with an Indian child(ren) on a recurring and foreseeable basis (42 CFR § 136.403).

2 See Appendix B for related Office of Inspector General reports.

3 We selected this facility based on several factors, including prior audits and service population.
Indians and . . . to provide all resources necessary to effect that policy” (25 U.S.C. §§ 1621b(a) and 1602(1)).

IHS is the principal Federal Agency responsible for providing Federal health services to American Indians and Alaska Natives. In partnership with the 574 federally recognized Tribes, IHS provides primary and preventive health care services to approximately 2.6 million American Indians and Alaska Natives living in the United States through a network of over 605 hospitals, clinics, and health stations on or near Indian reservations. Facilities are predominantly located in rural primary care settings and are operated by IHS, tribal, or urban Indian health programs. IHS-operated facilities include 24 hospitals, 51 health centers, 24 health stations, and 12 school health centers.

The strategic goals of IHS include: (1) ensuring that comprehensive and culturally appropriate personal and public health services are available and accessible to American Indian and Alaska Natives, (2) promoting excellence and quality through innovation of the Indian health system into an optimally performing organization, and (3) strengthening IHS program management and operations. To accomplish these goals, IHS Headquarters provides general direction, policy development, and support to each of 12 Area Offices and their IHS-operated health care facilities, which may include hospitals, urgent-care clinics, and/or other types of facilities. Area Offices oversee the delivery of health services and provide administrative and technical support to the facilities located within a specified geographic region.

**Crow/Northern Cheyenne Hospital**

The Hospital, located in Crow Agency, Montana, is directly operated by IHS through its Billings Area Office. It is one of three hospitals within the Billings Area Office and is accredited by the Centers for Medicare & Medicaid Services. The Hospital provides health care for the Crow and the Northern Cheyenne American Indian population and employs more than 200 doctors, nurses, lab technicians, and service personnel necessary to adequately staff a 24-bed health facility. The Hospital provides a wide range of services, including family medicine, emergency care, gynecology, obstetrics, pediatrics, and dental care.

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4 This concept is incorporated in IHS’s *Indian Health Manual*, which states that IHS aims to elevate the health status of Indians and Alaska Natives to the highest possible level (*Indian Health Manual*, part 1, chapter 3, §§ 1–3.4 (A)).

5 An Area Office is a bureau-level organization under the direction of an Area Director, who reports to the IHS Director. Each Area Office carries out the mission of IHS by providing a system of health care unique to the Area population. Area Office Directors supervise clinical directors, who administer programs of direct care to the Area population.

6 The Billings Area Office oversees the provision of comprehensive health care services to American Indians and Alaska Natives on seven reservations in Montana and one in Wyoming.
Indian Health Service’s Partnership With American Indians and Alaska Natives To Promote the Protection of Indian Children

In 1990, after a careful review of the problem of child abuse on Indian reservations, Congress passed the Act,7 which required IHS to promulgate minimum standards of character for individuals working in IHS and Tribal health programs who are in contact with Indian children. The Act and IHS’s implementing regulations require IHS to conduct an investigation of the character of each individual in contact with Indian children (42 CFR § 136.404(a)). Individuals include contractors, volunteers, employees, and those being considered for these roles (42 CFR § 136.403).

An investigation of character must include a criminal history background investigation, which includes a fingerprint check through the Criminal Justice Information Services Division of the FBI (FBI fingerprint check) (42 CFR § 136.406(b)). An FBI fingerprint check accesses criminal history records voluntarily provided by Federal, State, and local jurisdictions. It provides positive identification and eliminates the false positives and false negatives associated with name-based investigations, and it provides additional criminal record history that may not be maintained by the State where a Tribe is located.8

Additionally, IHS must make inquiries of an applicant’s criminal history to State and Tribal law enforcement for the previous 5 years of residency listed on an individual’s employment application (42 CFR § 136.406(b)). IHS must compare the results of these criminal history verifications to IHS’s minimum character standards (42 CFR § 136.414(e)(1-5)). IHS may not place individuals who do not meet IHS’s minimum standards in a position that is in contact with Indian children (42 CFR § 136.404(a)). The Department of Defense through its Defense Counterintelligence and Security Agency (an Investigations Service Provider) conducts these investigations on behalf of IHS.

Finally, IHS may provisionally hire an individual prior to the completion of a background investigation if, at all times during which children are in the care of the individual prior to receipt of the background investigation, the individual is within the sight and under the supervision of a staff person with a satisfactorily completed background investigation (42 CFR § 136.417).

Appendix C contains a detailed list of Federal requirements applicable to background investigations and supervision. Appendix D contains a description of IHS’s background investigation process.


8 We note that false positives can occur when a name check identifies a criminal history record for an individual that has a similar name and biographic identifiers. False negatives can occur when a name check fails to identify the criminal history record of an individual who provides inaccurate biographic information either at the time of arrest or when applying for a job, such as a false name and/or date of birth, or a false negative can occur due to misspellings or other such errors.
The Role of the Department of Defense in Background Investigations

The Federal Government, including IHS, conducts background investigations to determine if suitability or fitness requirements for employment as a Federal employee, contractor, or volunteer have been met. The scope of the investigation varies, depending on the nature of the position and degree of harm that could be caused by the individual in that position.9

In April 2019, then-President Trump issued Executive Order 13869, which generally provided for the transfer of background investigation operations from the Office of Personnel Management (OPM) to the Department of Defense (DoD) and made related amendments to Executive Order 13467.10 OPM and DoD signed an interagency agreement in June 2019 that set forth expectations for activities necessary for the transfer of functions of the National Background Investigations Bureau (NBIB) and associated employees and resources from OPM to DoD. NBIB was transferred to DoD on October 1, 2019, and is now known as the Defense Counterintelligence and Security Agency (DCSA).

Appendix E contains a general overview of DCSA’s role in the background investigation, adjudication, and clearance processes.

HOW WE CONDUCTED THIS AUDIT

We reviewed background investigation documentation for staff members in contact with Indian children and the documentation of provisional staff supervision at the Hospital to evaluate the Hospital’s compliance with applicable Federal requirements for calendar year 2020 (our audit period). Specifically, we selected a non-statistical sample of 50 staff members11 in contact with Indian children and reviewed documentation to determine whether: (1) Federal background investigations, inquiries of State and Tribal law enforcement agencies, and State criminal history repositories were timely initiated; (2) completed background investigations were timely adjudicated; and (3) staff with pending background investigations were supervised.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain

9 The scope of investigations of the Hospital’s staff members requested by IHS include a Child Care National Agency Check and a check of State and Tribal law enforcement agencies for the previous 5 years of residence listed on the individual’s application.


11 The 50 randomly selected staff members consisted of staff who had been working at the Hospital for: 5 years or less (30 staff); 6 to 10 years (6 staff); 11 to 15 years (2 staff); 16 to 20 years (3 staff); and more than 20 years (9 staff). The 50 staff members consisted of 39 Federal employees, 10 contractors, and 1 medical student in contact with Indian children.
sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains our audit scope and methodology.

**FINDINGS**

The Hospital did not fully comply with Federal requirements for conducting background investigations of staff members in contact with Indian children. Specifically, for 44 of the 50 staff members we reviewed, the Hospital did not comply with Federal requirements for conducting background investigations, including failing to initiate or timely initiate and adjudicate certain investigations. Further, the Hospital could not document that it supervised certain staff members with pending background investigations (provisional staff) in accordance with Federal requirements. For 47 of the 50 staff members we reviewed, the Hospital did not provide evidence documenting compliance with Federal supervision requirements while their background investigations were pending. These deficiencies generally occurred because the Hospital did not monitor compliance with background check requirements for permanent staff or ensure background checks for temporary staff were performed in accordance with the applicable requirements. Finally, the Hospital could not document supervision in accordance with Federal requirements.

Because the Hospital did not comply with all of the requirements for a satisfactory background investigation of all individuals in contact with Indian children and could not document provisional staff supervision, Indian children faced an increased risk of harm and abuse.

**CROW/NORTHERN CHEYENNE HOSPITAL DID NOT MEET FEDERAL REQUIREMENTS FOR CONDUCTING BACKGROUND INVESTIGATIONS OF STAFF IN CONTACT WITH INDIAN CHILDREN**

All positions that allow an individual regular contact with Indian children are subject to a background investigation and determination of eligibility for employment. Federal law and regulations require, among other things, that IHS conduct a character investigation for each individual employed or being considered for all positions that have duties or responsibilities involving regular contact with Indian children and prescribe minimum standards of character

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12 The remaining three staff had background investigations in place prior to working at the Hospital. Two of these staff had background investigations completed by IHS prior to their start dates and the third was completed by the Department of the Interior.

13 IHS regulations state that “regular contact with or control over” an Indian child means responsibility for an Indian child(ren) within the scope of the individual’s duties and responsibilities or contact with an Indian child(ren) on a recurring and foreseeable basis (42 CFR § 136.403).

14 42 CFR § 136.409(a).
that each individual must meet to be appointed or employed in such positions.\textsuperscript{15} These standards are met only after completion of a satisfactory Federal background investigation comprised of a criminal history background check, including a fingerprint check through the FBI’s Criminal Justice Information Services Division and inquiries to State and Tribal law enforcement agencies for the previous 5 years of residence listed on the individual’s application.\textsuperscript{16} Additionally, background investigations should be initiated no more than 14 days after placement in a position.\textsuperscript{17} Finally, background investigations should be adjudicated within 90 days of receipt of a completed investigation.\textsuperscript{18}

The Hospital’s procedures for conducting background investigations are based on IHS’s Pre-Employment Suitability Process Standard Operating Procedure document (SOP).\textsuperscript{19} The SOP outlines procedures for the completion of a background investigation initiated through the Federal Government’s electronic Questionnaires for Investigations Processing (e-QIP) system and conducted by the DCSA for permanent hires (121 days or more).\textsuperscript{20} However, the SOP does not include procedures for utilizing e-QIP and DCSA to complete background investigations for temporary hires (120 days or less).

For 44 of the 50 staff members we reviewed, the Hospital did not comply with Federal requirements for conducting background investigations of staff in contact with Indian children to ensure these individuals met the required minimum character standards.\textsuperscript{21} Specifically:

- For 26 staff members, the Hospital did not timely initiate Federal background investigations within 14 days of the individual’s start date. Further, 18 of these 26 investigations were initiated more than 90 days late.\textsuperscript{22} Of the 26 staff members, 3 were temporary and 23 were permanent hires.

\textsuperscript{15} 42 CFR § 136.404(a).
\textsuperscript{16} 42 CFR § 136.406.
\textsuperscript{17} 5 CFR § 731.106(c)(1).
\textsuperscript{18} OPM, Federal Investigative Services Division - Federal Investigations Notice No. 0705 (Aug. 1, 2007).
\textsuperscript{19} The SOP went into effect June 4, 2018.
\textsuperscript{20} e-QIP is a web-based automated system that facilitates the processing of standard investigative forms used when conducting background investigations for Federal security, suitability, fitness, and credentialing purposes. The system allows the user to electronically enter, update, and transmit their personal investigative data over a secure internet connection to IHS.
\textsuperscript{21} The total number of staff members described in the bullets below exceeds 44 because we identified multiple deficiencies associated with 21 staff members.
\textsuperscript{22} The median time to initiation of these investigations was 461 days late.
• For 20 staff members, the Hospital did not timely adjudicate background investigations within 90 days of the completion of the background investigation.\textsuperscript{23} We noted that completed investigation reports for 16 of the 20 staff members documented some issue with the staff member while the remaining 4 noted no issues.\textsuperscript{24} Of the 20 completed investigations, 12 were still pending adjudication as of December 31, 2020 (the end of our audit period).\textsuperscript{25} The remaining 8 investigations took a median time of 271 days to adjudicate. Of the 20 staff members, 2 were temporary and 18 were permanent hires.

• For 13 staff members, the Hospital did not ensure that DCSA completed inquiries of Tribal law enforcement agencies. Of the 13 staff members, 1 was temporary and 12 were permanent hires.

• For eight staff members, the Hospital did not initiate Federal background investigations. Of these eight staff members, six were temporary and two were permanent hires.

Appendix F contains a summary of findings, if any, identified for each sample item.

For the noncompliance issues we identified for background checks of permanent staff, Billings Area Office officials told us that they were unable to explain the cause of many of the deficiencies because they were not employed at the Hospital when the deficiencies occurred. No additional insights were provided when we discussed this with IHS Headquarters officials. However, IHS Headquarters officials stated that, as of January 2021, they were working through a backlog of background investigations that needed to be adjudicated. In addition, based on our audit, we noted that the deficiencies we identified occurred because the Hospital did not monitor compliance with its established standard operating procedures. As a result, management could not determine if its procedures, as detailed in the SOP, were effectively implemented.

For the noncompliance issues we identified for background checks of temporary staff, the deficiencies occurred because the Hospital’s procedures for preclearance checks prior to employees’ first day on the job only includes a State criminal history background check with

\textsuperscript{23} Adjudication is the process IHS uses to determine eligibility for placement or retention of individuals in positions involving regular contact with Indian children (42 CFR § 136.414). IHS must designate qualified security personnel to adjudicate the results of background investigations (42 CFR § 136.410(a)). According to the HHS Personnel Security/Suitability Handbook all reports of investigation should be adjudicated within 90 days after receipt by the Personnel Security Representative.

\textsuperscript{24} The investigation reports classified issues using the following codes: A-Minor (4 staff members), B-Moderate (3 staff members), C-Substantial (6 staff members), D-Major (3 staff members), and No Issues (4 staff members). We were unable to obtain any further information regarding the meaning or use of these codes.

\textsuperscript{25} Of the 12 completed investigations, 9 were adjudicated during calendar years 2021 and 2022 and the median time to complete these adjudications was 931 days. The remaining three completed investigations were still pending adjudication as of December 31, 2022.
fingerprint check through the FBI’s Criminal Justice Information Services Division and (2) inquiries to State and Tribal law enforcement agencies for the previous 5 years of residence listed on the employee’s application. The Hospital verified that it did not initiate the more comprehensive background investigations on temporary staff until these staff were employed for more than 120 days.

Because the Hospital did not monitor compliance with background check requirements for permanent staff or ensure background checks for temporary staff were performed in accordance with the applicable requirements, it could not assess whether the sampled staff members met the minimum standards of character for individuals in contact with Indian children. As a result, Indian children faced an increased risk of harm.

SUPERVISION OF PROVISIONAL STAFF IN ACCORDANCE WITH FEDERAL REQUIREMENTS COULD NOT BE DOCUMENTED

IHS may provisionally hire an individual prior to the completion of a background investigation if, at all times during which children are in the care of the individual prior to receipt of a background investigation, the individual is within the sight and under the supervision of a staff person with a satisfactorily completed background investigation. Each IHS facility’s Medical/Clinical Director/Chief Medical Officer is responsible for ensuring compliance with this requirement.

The Hospital’s procedures for documenting that provisional staff were within sight and under the supervision of a staff member who had a satisfactorily completed background investigation are based on IHS’s SOP. A required step in the SOP is the completion of a Provisional Authorization Form (the Form) to be signed by the provisional staff member and two facility officials. The Form (revised 11/2018) advises the provisional staff member of the sight and supervision requirements and states that their supervisor must ensure (emphasis added) that the supervision requirements are met. The Form also requires a supervisor’s signature indicating their acceptance, responsibility, and compliance with the supervision requirements and that they will ensure (emphasis added) that the provisional staff member is assigned to appropriate personnel.

Hospital officials provided us with documentation that a similar provisional authorization form affirming that the sight and supervision requirements would be met was used as far back as 1998. The documentation also included a memo issued that same year from the Hospital’s then-clinical director to the director of the IHS Billings Area Office expressing concern that it was not possible to ensure supervision at all times in accordance with the form. However,

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27 IHM 3-36.2(E)(6).

28 The criteria do not discuss how to document compliance with these requirements.
according to Hospital officials, provisional staff who conducted invasive procedures or intimate examinations during patient visits were directly supervised while provisional staff who conducted non-invasive procedures during patient visits were either directly supervised or left the door to their exam room partially open.

The Hospital could not document supervision for 47 of the 50 staff members in accordance with Federal requirements because the Form does not document that supervision of staff members actually occurred while their background investigations were pending and they were in contact with an Indian child.\footnote{The remaining three staff members had background investigations in place upon starting their employment at the Hospital; therefore, no supervision was required.} Also, the Hospital could not provide any supporting evidence that direct supervision of provisional staff was provided during non-invasive or invasive patient visits.

Based on our audit, the Hospital maintained Forms for 37 of the 47 sampled staff members that required supervision. It was unable to provide a Form for the remaining 10 sampled staff members. In some instances, Hospital officials stated that they did not retain these Forms and in other instances they had no explanation for the missing Forms. Further, for 13 of the 37 sampled staff members for which the Hospital provided a Form, the Form was not signed and/or dated by 1 or more of the 3 required individuals.

Appendix F contains a summary of findings, if any, identified for each sample item.

The Hospital’s procedures for documenting its compliance with supervision requirements for provisional staff (the Form) included only before-the-fact assertions that compliance \textit{would} be met—not support that compliance with these requirements \textit{was} met (emphasis added). Further, the Hospital’s procedures do not include any monitoring of the sight and supervision assurances made in the Form to determine if they actually occurred when provisional staff members were in contact with an Indian child.

The Hospital’s inability to document that the sight and supervision assurances actually occurred, its inability to provide all requested Forms, and the incompleteness of some of the Forms we reviewed raises serious concerns about the established policies and procedures the Hospital had in place to supervise provisional staff. Additionally, the lack of monitoring of compliance with these established procedures does not allow Hospital management to determine if its procedures are effective and make changes, as needed. These collective deficiencies pose substantial potential risk to Indian children receiving care at the Hospital. As a result, Indian children experience an increased potential risk of harm and abuse by an unqualified or potentially harmful staff member.
RECOMMENDATIONS

We recommend that Crow/Northern Cheyenne Hospital, Billings Area Office, and Indian Health Service Headquarters work together to:

- take action to complete background investigations for staff members identified in this report as not having a satisfactory background investigation and adjudicate the investigations that were still pending adjudication,
- update standard operating procedures for background investigations to address the deficiencies we identified in this report,
- establish a monitoring system to ensure all elements of required background investigations in accordance with Federal requirements are completed within required timeframes,
- determine which staff members in contact with Indian children currently have a pending background investigation and take immediate action to ensure that there is adequate documented evidence that these staff members meet IHS sight and supervision requirements when children are in their care,
- update standard operating procedures for provisional staff supervision to address the deficiencies we identified in this report, and
- establish a monitoring system to ensure that the Hospital meets sight and supervision requirements for staff with pending background investigations and documents that they are met.

IHS COMMENTS

In written comments on our draft report, IHS, commenting on behalf of the Hospital, concurred with our recommendations and described steps it has taken and plans to take to address them. These steps include: (1) favorably adjudicating most of the unadjudicated background investigations identified in our report by June 30, 2023, 30 (2) updating its standard operating procedures for background investigations and issuing related memoranda, (3) reinforcing the use of a recently implemented electronic tracking system to monitor and track compliance with background check requirements, (4) issuing updated memoranda outlining IHS policy and requirements to ensure compliance with Federal requirements, (5) updating its standard operating procedures for supervision and issuing related memoranda, and (6) establishing a target date of December 31, 2024, for implementing an IHS-wide monitoring process to ensure

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30 IHS stated that eight staff members separated prior to the receipt of a favorable background investigation and four staff members are pending additional documentation in order to render a final adjudication decision.
that the sight and supervision requirements for provisional staff are met. We commend IHS for
the actions it has already taken and encourage IHS to follow through on its planned actions.

IHS also provided technical comments, which we addressed as appropriate. IHS’s comments,
excluding attachments and technical comments, are included as Appendix G.
APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

We reviewed the background investigation documentation of staff members in contact with Indian children and the documentation of provisional staff supervision at Crow/Northern Cheyenne Hospital to evaluate the Hospital’s compliance with applicable Federal requirements for calendar year 2020 (our audit period). Specifically, we selected a non-statistical sample of 50 staff members in contact with Indian children and reviewed documentation to determine whether: (1) Federal background investigations, inquiries of State and Tribal law enforcement agencies, and State criminal history repositories were timely initiated; (2) completed background investigations were timely adjudicated; and (3) staff with pending background investigations were supervised.

We did not assess the overall internal control structure of the Hospital. Rather, we limited our review of internal controls to those applicable to our audit objective. Specifically, we assessed the design, implementation, and operating effectiveness of the Hospital’s standard operating procedures for background investigations and provisional staff supervision. Our assessment would not necessarily disclose all material weaknesses in the Hospital’s processes.

We conducted our audit work from June 2020 through February 2023.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal requirements and IHS’s policies and procedures for conducting background investigations of staff in contact with Indian children and for supervising provisional staff;

- held discussions with IHS Headquarters, Billings Area Office, and Hospital staff to gain an understanding of their internal controls and oversight processes for background investigations and supervision of Hospital staff;

- held discussions with DCSA personnel to gain an understanding of their role in the background investigation process and obtain related documentation, including completed background investigations;
• reviewed background investigation and supervision documentation for a non-statistical sample of 50 staff members in contact with Indian children at the Hospital during our audit period to evaluate compliance with Federal requirements31;

• summarized the results of our review; and

• discussed the results of our audit with IHS Headquarters and Billings Area Office staff.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

31 The 50 randomly selected staff members consisted of staff who had been working at the Hospital for: 5 years or less (30 staff); 6 to 10 years (6 staff); 11 to 15 years (2 staff); 16 to 20 years (3 staff); and more than 20 years (9 staff). The 50 staff members consisted of 39 Federal employees, 10 contractors, and 1 medical student in contact with Indian children.
## APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

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<td>7/30/2018</td>
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<td>Federal and Tribal Health and Safety Requirements</td>
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APPENDIX C: FEDERAL REQUIREMENTS

Federal Requirements for Background Investigations and Supervision

The Act, P.L. No. 101-630 § 408 imposes requirements for character investigations on both IHS and on Tribes. The Act requires IHS to: (1) compile a list of all positions in IHS that have duties or responsibilities that involve regular contact with or control over Indian children; (2) conduct a character investigation for each individual employed or being considered for these positions; and (3) prescribe minimum standards of character that each person employed or being considered in these positions must meet.

Federal regulation at 42 CFR Part 136, Subpart K establishes minimum standards of character for Federal employees working in IHS including standards of character to ensure that individuals having regular contact with or control over Indian children have not been convicted of certain types of crimes as mandated by section 408 of the Act. Minimum standards of character include efficiency as mandated by section 408 of the Act, fitness as mandated by section 231 of the Crime Control Act of 1990 (Crime Control Act), and suitability standards as mandated by 5 CFR Part 731.

The minimum standards of character are considered met only (emphasis added) after an individual has been the subject of a satisfactory background investigation. The background investigation must include a: (1) review of the individual’s trustworthiness through inquiries with references, places of employment, and education; (2) criminal history background check that includes a fingerprint check through the Criminal Justice Information Services Division of the FBI and inquiries through State and Tribal law enforcement agencies for the previous 5 years of residence listed on the individual’s application; and (3) determination as to whether the individual has been found guilty of or has entered into a plea of nolo contendere or guilty to any felony offense or any of two or more misdemeanor offenses under Federal, State, or Tribal law involving crimes of violence; sexual assault, molestation, exploitation, contact, or prostitution; crimes against persons; or offenses committed against children (42 CFR § 136.406).

Federal regulation at 5 CFR § 731.101 establishes criteria and procedures for making determinations of suitability and for taking suitability actions regarding employment in covered positions. Suitability determinations are those determinations based on a person’s character or conduct that may have an impact on the integrity or efficiency of the service.32 In addition to the minimum standards of character, this regulation requires that all individuals seeking placement in a position that involves regular contact or control over Indian children are subject to suitability as a condition of Federal employment.

32 Suitability actions are outcomes taken by DCSA (formerly OPM) or an agency with delegated authority. Suitability determinations are decisions made by DCSA or an agency with delegated authority that a person is or is not suitable for employment within the Federal government or specific Federal agencies.
The Crime Control Act, P.L. 101-647 § 231 requires each agency of the Federal Government and every facility operated by the Federal Government or operated under contract with the Federal Government that hires or contracts for hire individuals involved with the provision to children under the age of 18 of childcare services to ensure that all existing and newly hired employees undergo a criminal history background check. The term “childcare services” means child protective services (including the investigation of child abuse and neglect reports), social services, health and mental health care, child (day) care, education (whether or not directly involved in teaching), foster care, residential care, recreational or rehabilitative programs, and detention, correctional, or treatment services.

Section 231 of the Crime Control Act requires that a criminal history background check must be: (1) based on a set of employee’s fingerprints obtained by a law enforcement officer and on other identifying information; (2) conducted through the Criminal Justice Information Services Division of the FBI and through the State criminal history repositories of all States that an employee or prospective employee lists as current or former residences in an employment application; and (3) initiated through the personnel programs of the applicable Federal agencies.

IHS must use the DCSA (formerly OPM) to conduct background investigations for Federal employees and designate qualified security personnel to adjudicate the results of background investigations (42 CFR § 136.410).

IHS may provisionally hire individuals, prior to the completion of a background investigation if, at all times prior to receipt of the background investigation during which children are in the care of the individual, the individual is within the sight and under the supervision of a staff person and a satisfactory background investigation has been completed on that staff person (42 CFR § 136.417 and Indian Health Manual (IHM 3-36.2(E)(6)).

IHS must comply with all policies, procedures, criteria, and guidance contained in other appropriate guidelines, such as the OPM policies, procedures, criteria, and guidance (42 CFR § 136.413).

Pursuant to the IHM, all staff that have regular contact with or control over children must be screened through the Child Care National Agency Check with written inquiries for prior allegations of suspected child maltreatment as part of the recruitment-and-hiring process. This includes background checks consisting of past employment history, criminal, and child abuse registry (IHM 3-36.3).

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33 The Criminal Justice Information Services Division was formerly known as the Identification Division.

34 Adjudication is the process IHS uses to determine eligibility for placement or retention of individuals in positions involving regular contact with Indian children (42 CFR § 136.414).
APPENDIX D: INDIAN HEALTH SERVICE’S BACKGROUND INVESTIGATION PROCESS

PRE-EMPLOYMENT SUITABILITY PROCESS

The IHS Pre-Employment Suitability Process SOP, in effect since June 2018, requires all applicants and employees of IHS, including contractors and volunteers, to undergo a background investigation to determine if they meet the suitability or fitness requirements for employment, or are eligible for access to Federal facilities, automated systems, or classified information. Suitability determinations require careful, objective, and complete examination of all relevant information, both favorable and unfavorable, to determine if the person’s past or current conduct adversely impacts, or indicates a likelihood for adverse impact, on the integrity or efficiency of the agency. The pre-employment determination is not a substitute for the required background investigation. In all cases, all individuals must have the pre-employment process completed prior to entering on duty.

After a tentative job offer has been accepted by the applicant, the pre-employment suitability process begins. The process for both permanent hires (121 days or more) and temporary hires (120 days or less) is similar; however, temporary hires do not undergo a background investigation as extensive as those for permanent hires and therefore, do not complete the application process using e-QIP.35

IHS’s Personnel Security Representative (PSR) and/or Human Resources (HR) Staff are responsible for (1) verifying that pre-employment suitability and background investigations are completed correctly, (2) providing guidance to all parties involved with the completion of the pre-employment suitability process, (3) initiating and finalizing the pre-employment suitability process, (4) initiating applicants into the Security Manager system for investigation processing and tracking,36 and (5) responding to DCSA and/or NBIB investigation requests in a timely manner.

SUITABILITY ADJUDICATION PROCESS

Subsequent to receipt of the investigative report from DCSA, IHS determines whether the individual is suitable for Federal employment based on the information obtained, including the investigative report, and in accordance with suitability criteria at Title 5, CFR, Part 731.

35 e-QIP is a web-based automated system designed to facilitate the processing of standard investigative forms used when conducting background investigations for Federal security, suitability, fitness, and credentialing purposes. The system allows the user to electronically enter, update and transmit their personal investigative data over a secure internet connection to IHS.

36 Security Manager is an electronic case management system implemented by HHS during January 2020 and is used to manage and track the background investigation process for all personnel including Federal employees, contractors, and volunteers. The system tracks from pre-appointment to final adjudication. All fingerprint records are contained in the system for adjudication.
All reports of investigation should be adjudicated within 90 days after receipt by the PSR and DCSA should be notified of IHS’s suitability determination within that 90-day timeframe.
APPENDIX E: OVERVIEW OF DCSA’S ROLE IN THE BACKGROUND INVESTIGATION, ADJUDICATION, AND CLEARANCE PROCESSES

The sponsoring (employing or hiring) agency initiating the investigation is responsible for determining the appropriate level of investigation to be conducted based on the position’s duties and responsibilities. After the sponsoring agency determines what type of background investigation is required, they may conduct the investigation themselves or they may request DCSA to conduct the investigation.

During the investigation, DCSA may conduct searches at law enforcement entities, courts, employers, educational institutions, creditors, and other record repositories. Friends, co-workers, landlords, family, and neighbors may be contacted to verify places of residence, employment, and education. Additionally, an investigator may interview the applicant to verify, expand upon and/or clarify the information provided on the investigative questionnaire. The investigators submit results of record searches and interviews through a report of investigation. Once the investigation is complete, the report is sent back to the sponsoring agency.

When the sponsoring agency receives the completed background investigation, they will review all contents of the investigation and make a suitability, fitness, and/or security decision based on the position the applicant is applying for, or currently holding. This decision determines whether the applicant is eligible for employment with, or on behalf of the Federal government, and/or eligible for access to classified information if the position requires a security clearance.

The table on the following page contains a general overview of the background investigation, adjudication, and clearance processes.
### Table: Investigation, Adjudication, and Clearance Processes

<table>
<thead>
<tr>
<th>Step 1: Questionnaire</th>
<th>An email notification from the sponsoring agency[^37] is sent to the applicant requesting the applicant to complete an investigative questionnaire in e-QIP. The applicant may be required to provide fingerprints.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2: Submission</td>
<td>The completed questionnaire is released by the applicant to the sponsoring agency.</td>
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<tr>
<td>Step 3: Investigation</td>
<td>DCSA receives the questionnaire and begins the background investigation.</td>
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<td>Step 4: Completion and Adjudication</td>
<td>The completed investigation is sent by DCSA to the sponsoring agency for a decision and the applicant is notified.</td>
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<tr>
<td>Step 5: Clearance Decision</td>
<td>If the applicant’s position requires clearance, a clearance decision is made by the sponsoring agency.</td>
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<tr>
<td>Step 6: Continuous Evaluation/Vetting</td>
<td>The applicant will be enrolled in a continuous vetting program if needed for the position.</td>
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[^37]: The sponsoring agency is the employing/hiring agency, in this case IHS.
# APPENDIX F: SUMMARY OF FINDINGS FOR EACH SAMPLED STAFF MEMBER

<table>
<thead>
<tr>
<th>Staff Sample Number</th>
<th>Federal background investigation not initiated w/in 14 days of individual’s start date</th>
<th>Background investigation not adjudicated w/in 90 days of the completion of investigation</th>
<th>Hospital did not ensure DCSA completed inquiries of Tribal law enforcement agencies</th>
<th>Federal background investigations not initiated</th>
<th>Hospital could not document supervision in accordance with Federal requirements</th>
<th>Total Number of Findings For Each Staff</th>
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## Findings

**Hospital Did Not Meet Federal Requirements for Conducting Background Investigations of Staff in Contact with Indian Children**

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<th>Federal background investigation not initiated w/in 14 days of individual's start date</th>
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APPENDIX G: IHS COMMENTS

DATE: April 5, 2023
TO: Inspector General
FROM: Director
SUBJECT: IHS Response to Draft OIG Report: Crow/Northern Cheyenne Hospital—an IHS-Operated Health Facility—Did Not Timely Conduct Required Background Checks of Staff and Supervise Certain Staff (A-02-21-02004), dated February 23, 2023

We appreciate the opportunity to provide our official comments on the draft Office of Inspector General (OIG) report entitled, Crow/Northern Cheyenne Hospital—an IHS-Operated Health Facility—Did Not Timely Conduct Required Background Checks of Staff and Supervise Certain Staff. The Indian Health Service (IHS) concurs with the six OIG recommendations below.

OIG Recommendation No. 1:

We recommend that Crow/Northern Cheyenne Hospital, Billings Area Office, and Indian Health Service Headquarters work together to take action to complete background investigations for staff members identified in this report as not having a satisfactory background investigation and adjudicate the investigations that were still pending adjudication.

The IHS concurs with this recommendation.

Planned and completed actions:
The IHS has taken actions to complete background investigations for staff identified in the report as not having a favorably adjudicated background investigation. As of March 31, 2023, most IHS staff identified in the report had obtained a favorably adjudicated background investigation, with the exception of eight staff members who separated in 2020 prior to the receipt of a favorable background investigation and four staff members who are pending additional documentation in order to render a final adjudication decision. If there are no delays in obtaining the additional documentation, the IHS anticipates reaching a final adjudication determination by June 30, 2023.

OIG Recommendation No. 2:

We recommend that Crow/Northern Cheyenne Hospital, Billings Area Office, and Indian Health Service Headquarters work together to update standard operating procedures for background investigations to address the deficiencies we identified in this report.

The IHS concurs with this recommendation.
Planned and completed actions:
The IHS has completed the following actions to address this recommendation.

In June 2018, the IHS issued a standard operating procedure (SOP), which specifies
pre-employment suitability requirements. The Agency subsequently updated the
pre-employment suitability requirements SOP in 2020 and 2022, to address improvements,
updates, and the January 2020 implementation of the Security Manager tracking system to
monitor and track compliance with background check requirements for permanent staff and
temporary staff in accordance with the applicable requirements.

All 12 IHS Areas and associated Service Units are required to adhere to the procedures outlined
in the pre-employment suitability requirements SOP. The SOP requires background
investigations, which includes a fingerprint check through the Criminal Justice Information
Services Division of the Federal Bureau of Investigation (FBI), and applicable State criminal
history repository checks, which are inquiries into State and Tribal law enforcement agencies, to
be initiated and submitted to the Defense Counterintelligence Security Agency (DCSA) before a
new hire can be pre-cleared to begin employment.

In September 2021, the IHS issued a Special General Memorandum (SGM) 21-02, Personnel
Security/Suitability Determinations, and two SOPs addressing the personnel security
adjudication process and unfavorable background investigation determination actions.
IHS SGM 21-02 was issued to remind all IHS staff that as a condition of employment, they are
required to adhere to the background investigation and re-investigation process. Failure to obtain
or maintain a favorable background investigation may result in termination from employment
with the IHS. The two SOPs accompanying IHS SGM 21-02 outline processes for adjudicating
background investigations within 90 days of receipt from the DCSA and the process for handling
unfavorable background investigations.

In 2022, the IHS implemented monthly community of practice conference calls with all Area
Personnel Security Specialists to provide important updates and reminders on adhering to the
established SOPs and systems.

Billings Area Personnel Security staff are now following the above-indicated SOPs to meet
investigation requirements. The Billings Area IHS will also continue to work with IHS
Headquarters to ensure adjudication of investigations are completed. The Security Manager
tracking system was implemented at the Billings Area IHS to enable staff to monitor background
investigation activity more effectively.

OIG Recommendation No. 3:
We recommend that Crow/Northern Cheyenne Hospital, Billings Area Office, and Indian Health
Service Headquarters work together to establish a monitoring system to ensure all elements of
required background investigations in accordance with Federal requirements are completed
within required timeframes.
The IHS concurs with this recommendation.

**Planned and completed actions:**
The Agency’s pre-employment suitability requirements SOP outlines processes and timelines for managing and tracking background investigations. The IHS utilizes data from the Security Manager tracking system to track the life-cycle of each employee’s vetting and adjudicative process.

The Billings Area IHS continues to reinforce IHS SOP requirements for pre-employment suitability processes and timelines, as well as the mandatory use of the Security Manager tracking system to monitor and track compliance of all staff.

IHS SGM 21-02 and accompanying SOPs outline processes for adjudicating background investigations within 90 days of receipt from the DCSA. Staff at IHS Headquarters are closely monitoring final adjudication of all background investigations.

**OIG Recommendation No. 4:**

We recommend that Crow/Northern Cheyenne Hospital, Billings Area Office, and Indian Health Service Headquarters work together to determine which staff members in contact with Indian children currently have a pending background investigation and take immediate action to ensure that there is adequate documented evidence that these staff members meet IHS sight and supervision requirements when children are in their care.

The IHS concurs with this recommendation.

**Planned and completed actions:**
The IHS has completed the following actions to address this recommendation.

In January 2023, the IHS Director issued an updated *Indian Child Care Covered Positions* memorandum, which outlines IHS policy and requirements to ensure compliance with Public Law (P.L.) 101-630, Indian Child Protection and Family Violence Prevention Act, and P.L. 101-647, Crime Control Act of 1990. Public Law 101-630 requires the IHS to compile a list of Child Care and Indian Child Care Worker positions, referred to as ‘covered positions,’ within the Agency in which the duties and responsibilities could involve regular contact with or control over Indian children.

The memorandum includes an updated list of covered positions at the IHS. As directed in the memorandum, all IHS Areas and Service Units are required to use the list to determine which positions and staff are considered covered positions. An individual IHS employee, or an individual being considered for employment at the IHS, with duties and responsibilities involving regular contact with or control over American Indian and Alaska Native children must undergo a background investigation. Prior to the receipt of a favorably adjudicated background investigation, the individual will have provisional status. At all times whenever American Indian and Alaska Native children are in the care, custody, and/or control of an individual in a provisional status, the individual is required to be under the supervision and in sight of a staff
person who has a favorably adjudicated background investigation that includes child care coverage.

The memorandum outlines the requirement for all individuals in a provisional status to have a provisional authorization form signed by the individual, supervisor, and local Personnel Security Specialist, which documents the understanding and adherence to the supervision and in sight requirements. Personnel Security Specialists are required to upload the signed provisional authorization form into the Security Manager tracking system, in accordance with the IHS pre-employment suitability requirements SOP, and IHS Areas and Service Units are required to maintain a copy.

As of March 2023, Billings Area Service Units, including the Crow/Northern Cheyenne Hospital, are notified by Billings Area Personnel Security staff when a new hire is pre-cleared to begin employment and will be in a provisional status. The new hire, supervisor, and the Personnel Security Specialist sign the provisional authorization form. A copy of the signed provisional authorization form is provided to the new hire, supervisor, and Service Unit, and uploaded into Security Manager tracking system.

OIG Recommendation No. 5:

We recommend that Crow/Northern Cheyenne Hospital, Billings Area Office, and Indian Health Service Headquarters work together to update standard operating procedures for provisional staff supervision to address the deficiencies we identified in this report.

The IHS concurs with this recommendation.

Planned and completed actions:
The IHS has completed the following actions to address this recommendation.

In addition to the issuance of the Indian Child Care Covered Positions memorandum discussed above, the IHS pre-employment suitability requirements SOP includes the requirement for all individuals employed/working or being considered for employment at the IHS with duties and responsibilities involving regular contact with or control over American Indian and Alaska Native children and who are pending a favorably adjudicated background investigation, to have a signed provisional authorization form in place and uploaded into the Security Manager tracking system. This addresses the requirement to document and provide supervisory assurance that the in sight and supervision requirements are met, which provides a standardized process and consistent recording of the provisional authorization forms and monitoring compliance at the Service Unit- and Area-level, as well as within the Security Manager tracking system.

The Billings Area IHS is obtaining the provisional authorization form for individuals who are in provisional status as they await a favorably adjudicated background investigation. The form is also completed by all required parties, which conforms to the pre-employment suitability requirements SOP.
OIG Recommendation No. 6:

We recommend that Crow/Northern Cheyenne Hospital, Billings Area Office, and Indian Health Service Headquarters work together to establish a monitoring system to ensure that the Hospital meets sight and supervision requirements for staff with pending background investigations and documents that they are met.

The IHS concurs with this recommendation.

Planned and completed actions:
The IHS plans to identify and establish a monitoring process or system to identify individuals in IHS Service Units who are in a provisional status and are required to be supervised and in sight of a staff person who has a favorably adjudicated background investigation that includes child care coverage whenever American Indian and Alaska Native children are in their care, custody, and/or control. A few IHS Areas and Service Units have established a process to monitor staff. IHS Headquarters is reviewing these established processes to identify an agency-wide approach. The Billings Area IHS will be working closely with IHS Headquarters on the implementation of an IHS-wide process. The IHS estimates a process will be identified, developed, bargained, and implemented by December 31, 2024.

Thank you for the opportunity to review and comment on this draft report. Please refer any follow-up questions you have regarding our comments to Mr. Benjamin Smith, Deputy Director, IHS, by e-mail at benjamin.smith@ihs.gov.

Roselyn Tso
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Roselyn Tso

Attachments: IHS Office of Human Resources Standard Operating Procedure Update: Pre-employment/Pre-clearance Suitability and Appendices
January 24, 2023-Director Signed Memorandum: IHS Child Care Covered Positions
Updates to Financial Threshold and Pre-Employment SOP
IMPT: Implementation of SGM 21-02 Personnel Security/Suitability Determinations