Semiannual Report to Congress

October 1, 2023–March 31, 2024

U.S. Agency for International Development
Office of Inspector General
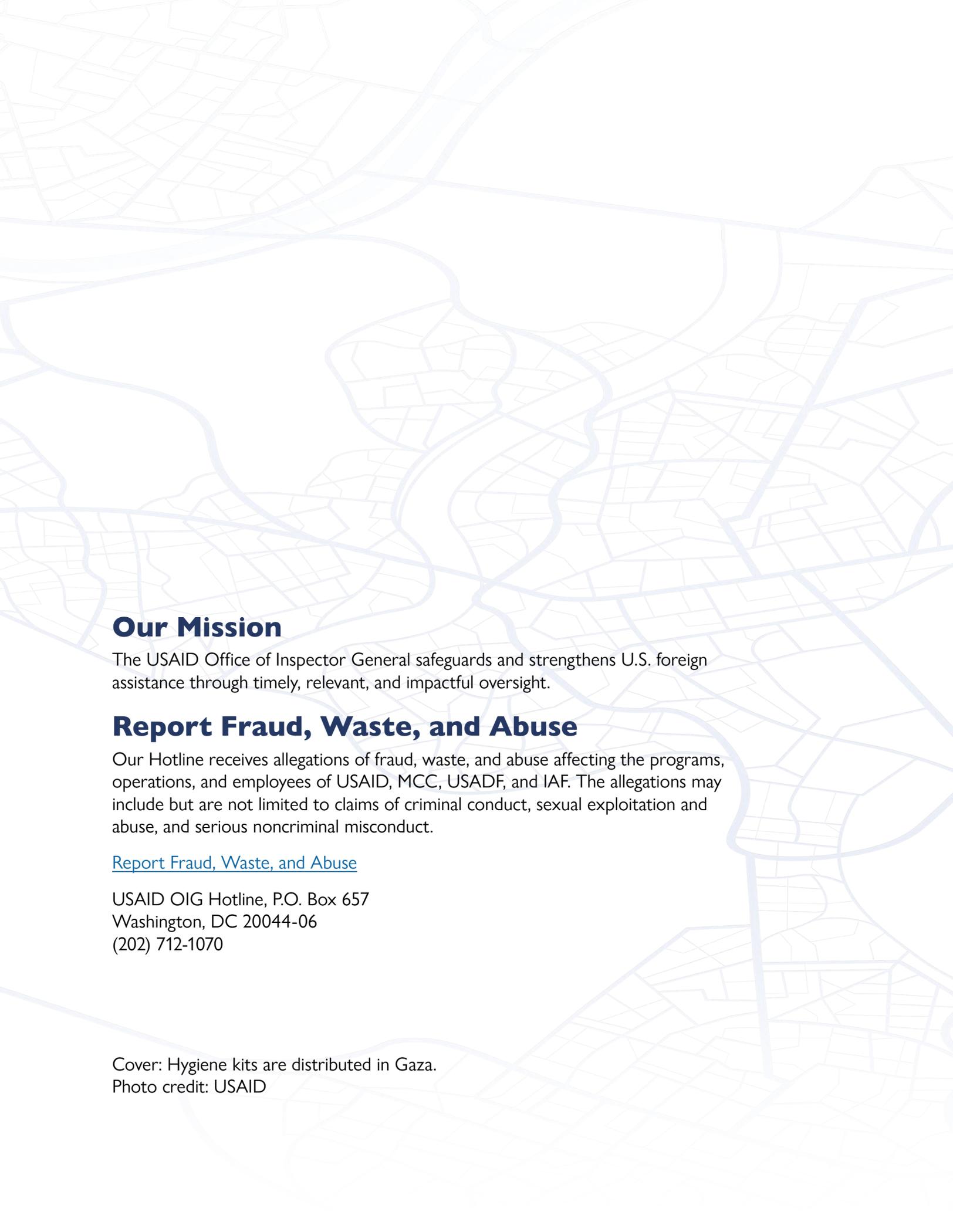
Our Mission

The USAID Office of Inspector General safeguards and strengthens U.S. foreign assistance through timely, relevant, and impactful oversight.

Report Fraud, Waste, and Abuse

Our Hotline receives allegations of fraud, waste, and abuse affecting the programs, operations, and employees of USAID, MCC, USADF, and IAF. The allegations may include but are not limited to claims of criminal conduct, sexual exploitation and abuse, and serious noncriminal misconduct.

Report Fraud, Waste, and Abuse

USAID OIG Hotline, P.O. Box 657
Washington, DC 20044-06
(202) 712-1070

Cover: Hygiene kits are distributed in Gaza.
Photo credit: USAID

Contents

A USAID-supported emergency food distribution site in East Africa, where a food insecurity is exacerbated by Russia's invasion of Ukraine.

By the Numbers

October 1, 2023–March 31, 2024

Audit Results

$54,509,028,156
in funds audited

20 performance and financial audits, evaluations, inspections, and agile products
30 recommendations to improve programs and operations[1]

Investigative Results

36 investigations opened

56 investigations closed

$7,901,239 in savings and recoveries

31 prosecutorial referrals

1 conviction

17 administrative actions, including

11 government-wide suspensions

8 entities referred for present responsibility determination

90 fraud awareness briefings delivered

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[1] During this reporting period, we changed how we present our audit results to focus more on our direct work. We also performed desk reviews of USAID's non-Federal audit program and during the past 6 months reviewed 267 audit reports totaling $6,274,257,550 in funds audited that included $39,494,396 in questioned costs and 95 recommendations.

Message from the Inspector General

I am honored to join the USAID Office of Inspector General (OIG) and work alongside the dedicated team who are committed to providing independent, objective, and comprehensive oversight of USAID, the Millennium Challenge Corporation, the Inter-American Foundation, and the U.S. African Development Foundation.

Simply put, our goal at USAID OIG is to improve U.S. foreign assistance programmed by the agencies we oversee by providing assurances to Congress and the American people that critically important aid dollars are going where intended and having the desired impact.

Our oversight work during this reporting period tracked USAID's major programs and initiatives. For example, we continued to prioritize USAID's Ukraine response, expanding our on-the-ground presence in Kyiv, and issuing an evaluation of USAID's direct budget support to the government of Ukraine administered through the World Bank. We also audited USAID's response to the Rohingya crisis in Burma and Bangladesh and evaluated USAID's role in evacuating aid workers during the U.S. withdrawal from Afghanistan in 2021, all while expanding our evaluation and inspection capacity.

During this period, we also issued audit reports that examined risks associated with fixed amount awards, USAID's response to democratic backsliding in Latin America and the Caribbean, and USAID's management of Negotiated Indirect Cost Rate agreements.

On the investigations side of the house, our special agents, digital forensics specialists, and investigative analysts continued to investigate fraud, corruption, and other misconduct involving U.S. foreign assistance programs, operations, and personnel. We investigated allegations of trafficking Syrian refugee children in Lebanon and theft and diversion of humanitarian assistance in Ethiopia.

OIG team members walk past the makeshift shelters made of tarp and bamboo sticks in the Rohingya refugees camps in Cox's Bazar, Bangladesh.

We also continue to play a key role on task forces that disrupted human trafficking networks, foreign gangs, and pandemic relief fraud. For example, as part of Joint Task Force Vulcan, our investigators assisted in arresting a high-ranking MS-13 fugitive on a terrorism indictment.

Finally, OIG issued timely alerts to the international aid sector for identifying and reporting diversion of aid to Hamas and other designated terrorist organizations in Gaza and detecting and preventing conflicts of interest in projects to support the people of Ukraine. We also established the International Partnerships and Overseas Contingency Operations unit within OIG to lead our engagement with United Nations and other international organizations receiving U.S. funding and coordinate oversight of complex emergency responses, including Ukraine and Gaza.

This Semiannual Report summarizes OIG's activities and accomplishments between October 1, 2023, and March 31, 2024. We hope you find it informative.

[signature]

Paul K. Martin
Inspector General

About USAID OIG

Under the authority of the Inspector General Act of 1978, as amended, we conduct independent audits, evaluations, and investigations that promote economy, efficiency, and effectiveness and prevent and detect fraud, waste, and abuse in USAID programs and operations. We also provide oversight of the Millennium Challenge Corporation (MCC), Inter-American Foundation (IAF), and the U.S. African Development Foundation (USADF). In coordination with the Inspectors General for the Departments of Defense and State, our work includes oversight of Overseas Contingency Operations in Ukraine, Syria, Iraq, and Afghanistan, which often involve foreign assistance, humanitarian aid, and stabilization activities.

Our strategic oversight goals are aligned with U.S. foreign assistance priorities and the interests of our stakeholders. We provide the results of our work to agency leaders, Congress, and the public.

History, Mandates, and Authority

1980 — USAID OIG Established

USAID OIG was established by Public Law 96-533, an amendment to the Foriegn Assistance Act of 1961.

1981 — USAID OIG Brought Under the Inspector General Act

The International Security and Development Cooperation Act of 1981 brought the USAID Inspector General under the Inspector General Act of 1978.

1999 — Oversight of IAF and USADF

OIG assumed audit and investigative oversight of IAF and USADF under the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Appendix G of Public Law 106-113.

2004 — Oversight of MCC

OIG assumed oversight of MCC under the Millennium Challenge Act of 2003, Division D, Title VI of Public Law 108-199.

### 2013 — Oversight of Overseas Contingency Operations

OIG was charged with joint, coordinated oversight of overseas contingency operations under the National Defense Authorization Act for Fiscal Year 2013, Public Law 112-239.

USAID OIG Office Locations

USAID OIG conducts oversight activities worldwide, working from 13 offices, including our headquarters, regional offices, and suboffices.[2]
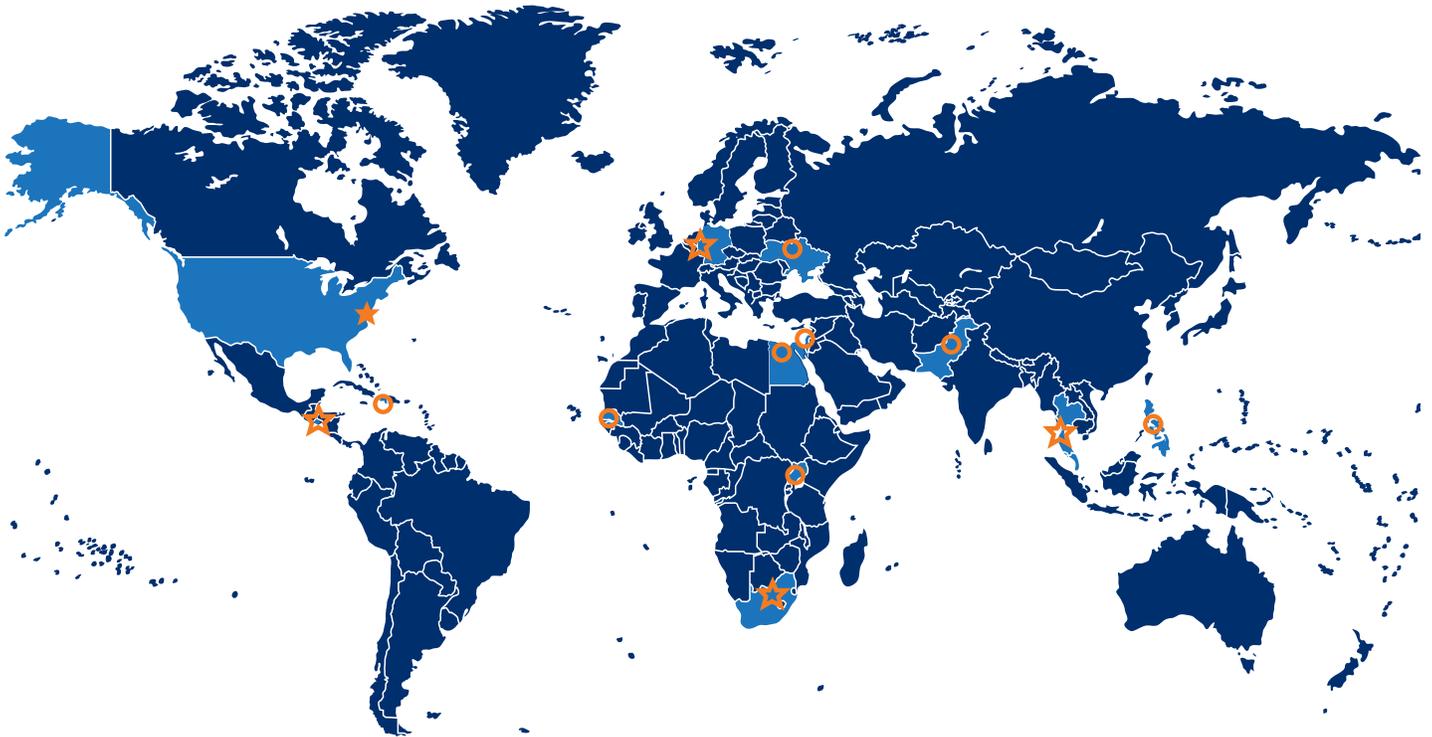
Headquarters
Washington, DC, USA

Regional Offices
Latin America/Caribbean, San Salvador, El Salvador
Middle East/Eastern Europe, Frankfurt, Germany
Africa, Pretoria, South Africa
Asia, Bangkok, Thailand

Suboffices
Port-au-Prince, Haiti
Dakar, Senegal
Cairo, Egypt
Kampala, Uganda
Tel Aviv, Israel
Kyiv, Ukraine
Islamabad, Pakistan
Manila, Philippines

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[2] Here and throughout the report, the depiction and use of boundaries and geographic names on maps do not imply official endorsement or acceptance by the U.S. government.

Outreach and External Engagement

Emergency relief supplies at the International Organization for Migration warehouse in Port Au Prince, Haiti.

Photo: Ellie Van Houtte/USAID

Our outreach and external engagements give our congressional stakeholders, oversight partners, aid organizations, and the public timely and relevant information related to our oversight of U.S. foreign assistance programs. We seek to inform stakeholders about our work, coordinate oversight as appropriate, and highlight ways in which the aid sector can promote accountability and good stewardship of U.S. foreign assistance funding.

Engagements With Congress

- **Confirmation of USAID's Inspector General.** In December, Paul K. Martin was confirmed by the U.S. Senate to be the Inspector General for USAID.

- **Oversight of USAID's Ukraine Response.** We provided nine briefings to Congress on our oversight of U.S. provided aid to Ukraine, including five briefings alongside the Special IG for Operation Atlantic Resolve at the Department of Defense (DoD) and the Department of State OIG.

- **Accountability in Foreign Assistance.** We met with Congressman Glen Grothman (R-WI), chairman of the Subcommittee on National Security, the Border, and Foreign Affairs on the House Committee on Oversight and Accountability ahead of the subcommittee's March 21 hearing, "Accountable Assistance: Reviewing Controls to Prevent Mismanagement of Foreign Aid." We provided insights from our substantial body of work about oversight of foreign assistance in a complex emergency environment. The hearing referenced our identification of diversion risks in Gaza, audit of negotiated indirect cost rate agreements, collaboration with Ukrainian ministries on oversight matters, and prior work on partner vetting.

- **Oversight of USAID's West Bank and Gaza Response.** We briefed congressional staff on three occasions relating to oversight of USAID's West Bank/Gaza programming. Two of the briefings occurred following our situational alert on potential diversion of aid to Hamas and other foreign terrorist organizations.

- **World Food Programme in Ethiopia.** We provided briefings to the Senate Foreign Relations Committee and Senate Appropriations Committee on oversight of USAID's humanitarian assistance to Ethiopia, including in relation to allegations of food diversion in programming implemented by the United Nations World Food Programme.

- **U.S. African Development Foundation.** We provided four briefings on oversight of USADF to the Senate Foreign Relations Committee and Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs.

- **USAID's Negotiated Indirect Cost Rate Agreements.** We provided a congressional briefing to House Foreign Affairs staff about our recent audit of USAID's issuance of negotiated indirect cost rate agreements with its implementing partners.

Engagements With UN Organizations, Foreign Governments, and the International Aid Sector

- **Ukrainian Government Officials, Civil Society Organizations, and Anti-Corruption Partners.** In January, OIG leadership traveled to Ukraine with leaders from State and DoD OIG (also the Special IG for Operation Atlantic Resolve). The OIG delegation met with the U.S. Ambassador to Ukraine; the Ukrainian Prime Minister; the Minister of Finance; the Minister of Defense; and the Vice Prime Minister for the Restoration of Ukraine - Minister of Communities, Territories and Infrastructure Development. Additionally, the delegation met with key Ukrainian law enforcement partners: the Prosecutor General, the National Anti-Corruption Bureau of Ukraine, the Specialized Anti-Corruption Prosecutor's Office, the State Bureau of Investigation, and the National Police of Ukraine. The delegation also met with Ukrainian civil society organizations, nongovernmental organizations, and contractors performing USAID-funded programming.

- **Ukrainian Ambassador to the United States.** In February, we joined partners at DoD, the Special IG for Operation Atlantic Resolve, and State OIG in a meeting with Ambassador Oksana Markarova, Ukrainian Ambassador to the United States. The group discussed opportunities to increase OIG access and visibility into Ukrainian systems and databases necessary for effective oversight of U.S. assistance to Ukraine.

- **Council of the Inspectors General on Integrity and Efficiency (CIGIE) Meeting With Government of Uzbekistan.** In February, we participated in a meeting with a diplomatic delegation from Uzbekistan, convened by CIGIE alongside leadership from DoD and the Export Import Bank of the United States. The meeting included representatives from Uzbekistan's Anti-Corruption Agency, Supreme Court, Administration of the President, Prosecutor General's Office, and Ministry of Internal Affairs. We provided

Adam Kaplan, Senior Advisor for International Partnerships & Overseas Contingency Operations; Paul Martin, USAID Inspector General; and Bridget Ann Brink, U.S. Ambassador to Ukraine at a meeting in Kyiv.

perspectives on the importance of independent oversight and the mechanisms in place for protecting whistleblowers, and opportunities to share information among bilateral oversight and law enforcement agencies.

- **Association of Inspectors General Annual Conference.** In October, we led a panel on "Monitoring International Aid" at the conference in New York that included 500 oversight professionals from Federal, state, and local IG offices.

- **U.S. Central Command and the U.S. Special Operations Command in Tampa, FL.** In March, we joined counterparts from DoD and State IG for meetings that provided the OIGs with information necessary to fulfill their quarterly reporting related to U.S. overseas contingencies operations and related oversight.

- **UN Agencies and Other Public International Organizations.** During the reporting period, we held meetings with oversight bodies of several public international organizations, including UN organizations. These meetings sought tangible opportunities to advance our oversight of USAID-funding programming channeled through public international organizations, including through expanded information sharing. Meetings were held with:

  - Inspector General of the Global Fund to Fight AIDS, Tuberculosis, and Malaria,
  - Vice President for Integrity and the Group Internal Audit at the World Bank
  - Inter-American Development Bank, Office of the Executive Auditor and Office of Institutional Integrity
  - UNICEF, Office of Internal Audit and Investigations
  - UN World Food Programme, Office of Inspector General
  - United Nations Representatives of Investigation Services
  - United Nations Population Fund
  - UNOPS

OIG Presented 90 Fraud Awareness Briefings Reaching 5,222 Participants Across the World

October 1, 2023–March 31, 2024

Number of Participants

- **■** >400
- **■** 201–400
- **■** <200

Audit, Inspection, Evaluation, and Agile Product Activities and Reporting

OIG team, along with USAID officials and translators, interviews beneficiaries of a USAID-funded program in one of the Rohingya refugee camps in Cox's Bazar, Bangladesh.

Photo: USAID OIG

Our oversight is designed to improve the efficiency and effectiveness of U.S. foreign assistance programs and operations. This work can examine agency performance, internal controls, and compliance with applicable laws, regulations, and guidance and generally includes recommendations for policy and programmatic changes for the agency to consider.

This oversight includes:

- Conducting performance audits, inspections, and evaluations of programs and management systems as well as issuing agile products such as information briefs.

- Overseeing mandated engagements, such as agency financial statement and information security audits and performed by independent public accounting firms.

- Performing quality control over non-Federal audits required of USAID and MCC grantees.[3]

During the reporting period, we conducted 20 audits, inspections, evaluations, and agile products covering funds totaling $54,509,028,156. We also perform desk reviews of USAID's non-Federal audit program. We reviewed 267 audit reports totaling $6,274,257,550 in funds audited, with $39,494,396 in questioned costs and 95 recommendations. Please refer to the appendixes for further details.

Our library of audits, recommendations, investigations, testimonies, and other reports is available at https://oig.usaid.gov/.

Audits, Inspections, Evaluations, and Agile Products

Audits are conducted in accordance with generally accepted government auditing standards (Yellow Book). Inspections and evaluations must meet Blue Book standards established by CIGIE. We issue flexible agile products, including information briefs, that we perform in accordance with CIGIE's quality standards for Federal Offices of Inspector General (Silver Book).

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[3] To complete these audits, USAID relies on non-Federal independent public accounting firms, the Defense Contract Audit Agency, and the supreme audit institutions of host governments, while MCC relies on non-Federal independent public accounting firms. We typically perform desk reviews and quality control reviews of supporting workpapers for select audits to determine whether these audits meet professional standards for reporting and other applicable laws, regulations, or requirements. We issue transmittal memos based on our review, which may include recommendations to the agency, including the third-party auditor's identification of questioned costs and funds to be put to better use.

Discretionary Audits

New Partnerships Initiative: USAID Provided Technical Assistance to Support Implementation but Faced Challenges with Data Reliability, Partner Inexperience, and Mission Staff Capacity
Report No. 9-000-24-003-P
March 25, 2024

Why We Did This Audit

USAID works with over 4,000 organizations in more than 100 countries in support of its mission to end poverty and promote democratic societies. USAID's current focus on localization—shifting funding and decision-making power to local actors to achieve program objectives—is consistent with the Agency's long-standing efforts to increase its engagement with local partners. According to Administrator Samantha Power, it is critical for USAID to engage with a wider range of partners to achieve an impact beyond the reach of any single development agency.

In fiscal year (FY) 2017, more than 80 percent of USAID's $17.2 billion in total obligations was directed to 75 partners. While direct funding of local partners has been increasing, in FY 2022, it still accounted for only 10.2 percent, or $1.6 billion, of the Agency's total budget.

In 2019, USAID launched the New Partnerships Initiative (NPI), which aimed to diversify USAID's partner base by creating avenues for new and underutilized partners (NUPs)—organizations that have received less than $25 million in awards from USAID over the past 5 years—to work with the Agency through an updated approach to partnering and procurement.

We initiated this audit to determine the extent to which USAID (1) established guidance and faced any implementation challenges for NPI and (2) measured and communicated performance results for NPI.

What We Found

- Although USAID provided guidance and technical assistance to develop NPI action plans, the missions we reviewed relied on experiences from past initiatives to implement NPI and continued to face long-standing challenges. They primarily used existing award portfolios, Agency mechanisms and policies, and best practices from past initiatives to develop and implement their NPI action plans. Moreover, the missions identified long-standing challenges to working with NUPs, including implementer inexperience and lack of mission capacity (specifically, limited mission staff bandwidth) as constraints to increasing the number of awards to NUPs. Consequently, it was unclear whether NPI changed the way missions work with local partners and approach localization efforts.

- USAID developed indicators to measure NPI performance, but data may have been flawed, and results were not regularly collected or communicated. NPI action plan guidance required missions to report periodic results on seven key indicators, including one related to subawards, a central component of the initiative. However, this indicator depended on data the Agency did not have control over and that may have been inaccurate, unreliable, or unavailable. Additionally, USAID collected and communicated NPI performance results infrequently and on an ad hoc basis. Missions reported progress toward one of the seven NPI indicators annually, but USAID has not regularly requested other data on NPI performance from missions.

What We Recommend
We made three recommendations to improve USAID's processes for measuring and reporting NPI performance results. USAID agreed with all three recommendations.

USAID Conducted Risk Assessments and Monitoring for Sampled Fixed Amount Awards
Report No. 9-000-24-002-P
March 22, 2024

Why We Did This Audit
USAID has increased its use of fixed-amount awards (FAAs) with the growing emphasis on expanding locally led development. The Agency plans to increase funding these types of awards and shift the financial oversight processes required by traditional awards to the upfront risk assessments and deliverable-based monitoring used for FAAs.

In 2013, the Office of Management and Budget issued new guidance for administering Federal grants to improve performance and outcomes and reduce the overall administrative burden for organizations implementing awards. Unlike traditional assistance awards, which require agencies to ensure implementer costs are eligible for payment, FAAs do not require agencies to review actual costs incurred by implementers.

As USAID expands its efforts to work with diverse partners on locally led development solutions, the Agency has promised to shift from traditional awards, which focus on compliance, to FAAs, which incorporate a pay-for-results approach.

Given the Agency's plans to increase funding to FAAs and shift the financial oversight processes required by traditional awards to the upfront risk assessments and deliverable-based monitoring used in administering FAAs, we reviewed the Agency's administration of a sample of FAAs.

We initiated this audit to determine whether (1) USAID conducted risk assessments before issuing FAAs and (2) oversight of FAAs ensured that selected milestones were completed in accordance with the terms of the awards.

What We Found
- Mission staff conducted risk assessments before issuing the FAAs in our sample.

- USAID ensured that selected milestones were completed in accordance with the terms of the sampled FAAs.

What We Recommend
Based on our findings, we made no recommendations.

Negotiated Indirect Cost Rate Agreements: Opportunities Exist to Improve Processes and Data Management
Report No. 3-000-24-001-U
January 26, 2024

Why We Did This Audit
We contracted with an independent certified public accounting firm to conduct a performance audit of USAID's management of negotiated indirect cost rate agreements. Indirect cost rates are used to reimburse contractors and grantees ("implementers") for costs incurred for a common purpose in carrying out foreign assistance programs, such as office space, utilities and salaries that are not directly tied to specific award.

Indirect costs carry risks for USAID because indirect cost rates and the basis for their allocation is sensitive information, and determining whether those costs are reasonable, allowable, and allocable can be difficult. We have received allegations of contractors and grantees charging indirect costs incorrectly and our past oversight has shown this to be in part due to unfamiliarity with requirements for indirect cost calculations.

The overall audit objective was to determine the extent to which USAID applied best practices for managing the indirect costs charged by its award recipients to USAID awards from FY 2016 to 2021. Specifically, the audit examined the extent to which:

- USAID negotiated provisional and final indirect cost rates with contractors and grantees within necessary timeframes and in line with applicable cost principles.

- USAID ensured that the indirect costs charged by contractors and grantees to USAID awards were (1) based on the approved indirect cost rate and/or method; (2) calculated consistently across USAID awards whether as prime and/or subcontractor or grantee; and (3) reasonable, allowable, and allocable.

What We Found
- The contracted audit was unable to determine the extent to which USAID applied best practices for managing indirect costs charged to USAID awards from FY 2016 to 2021 due to a limitation with USAID's systems. This systems limitation precluded the audit firm from obtaining a complete listing of contractors and grantees to complete required testing.

- However, during the audit, the contracted firm reported findings, including that:

    ○ USAID's systems could be improved to report and analyze the usage of indirect cost rates;

    ○ USAID does not have a process to monitor prime implementers' verification of subawardee indirect cost rates; and

    ○ USAID does not have proper documentation to support indirect costs charged.

What We Recommend

We made six recommendations to ensure contractor and grantee indirect costs are negotiated and applied in compliance with government-wide and USAID requirements. USAID agreed with four recommendations and disagreed with two.

Democratic Backsliding in Latin America and the Caribbean: Practical Guidance and Internal Coordination May Enhance USAID's Response
Report No. 9-000-24-001-P
January 23, 2024

Why We Did This Audit

The advancement of democracy, human rights, and governance (DRG) is a cornerstone of U.S. foreign policy and national security. However, democracy around the world is facing decline, and democratic advances made over the last several decades are diminishing.

Democracies in the Latin America and Caribbean region face challenges, such as corruption, weak institutions, inequalities, and erosion in social trust, all aggravated by the COVID-19 pandemic. These countries also continue to face misinformation campaigns that have emboldened authoritative and antidemocratic governments.

USAID's missions in the Latin America and Caribbean region design and implement programs to promote and strengthen democracy and adapt those programs as needed to respond to changing environments. Through the Center for Democracy, Human Rights, and Governance and Bureau for Latin America and the Caribbean in Washington, USAID supports missions' DRG programs through technical assistance and mechanisms to meet urgent funding needs.

We initiated this audit to assess the extent to which (1) selected USAID missions in the Latin America and Caribbean region adapted DRG programming in response to democratic backsliding and (2) interagency and internal coordination played a role in selected missions' DRG programs in response to democratic backsliding.

What We Found
- Selected missions took steps to adapt DRG programs in response to democratic backsliding and identified the need for additional guidance.

- Interagency and internal coordination played a role in selected missions' response to democratic backsliding, but USAID has not fully leveraged internal knowledge sharing.

What We Recommend

We made two recommendations to enhance the Agency's ability to improve its programs aimed at responding to democratic backsliding. USAID agreed with both recommendations.

Rohingya Crisis: Ongoing Challenges Limit USAID's Ability to Move From Humanitarian to Development Assistance
Report No. 5-000-24-001-P
January 19, 2024

Why We Did This Audit

The Rohingya people—a Muslim minority in Burma who differ from the country's dominant Buddhist population ethnically, linguistically, and religiously—have faced discrimination, targeted violence, and human rights violations for many years, forcing hundreds of thousands to flee their homes.

In 2017, a Burmese military operation against the Rohingya was described as "ethnic cleansing" by humanitarian organizations and forced more than 740,000 Rohingya to seek refuge in Bangladesh's Cox's Bazar, one of the largest refugee settlements in the world. The estimated 600,000 Rohingya who remain in Burma have been confined to camps and villages without freedom of movement and have had limited access to adequate food, healthcare, education, and livelihoods.

From August 2017 to September 2022, the U.S. government provided nearly $1.9 billion in humanitarian assistance in Burma and Bangladesh for the crisis and has primarily used public international organizations and international nongovernmental organizations to carry out this assistance. With the growing recognition that local partners may enhance the impact of its efforts, USAID has focused over the past decade on strengthening local capacity and increasing the sustainability of outcomes.

We conducted this audit to determine the extent to which USAID (1) was positioned to transition from providing humanitarian assistance to development assistance in response to the protracted Rohingya crisis in Burma and Bangladesh, (2) has developed a strategy for managing the crisis, and (3) has used local implementers in response to the crisis.

What We Found

- Ongoing challenges with Government of Bangladesh policies, access and security issues in Burma, growing social tension between Rohingya refugees and host community members in Bangladesh, and USAID's short-term funding arrangements for humanitarian assistance have impeded USAID's ability to transition to development assistance.

- USAID did not have an overall assistance strategy primarily due to the volatile situation in Burma and instead used a variety of individual governing documents to guide the Agency's efforts.

- USAID allocated only 1 percent of its total funding directly to local organizations due to local organizational capacity and USAID staffing issues.

What We Recommend
We made six recommendations to improve USAID's humanitarian and development assistance efforts in response to the Rohingya crisis. USAID agreed with four recommendations and partially agreed with two recommendations.

COVID-19: Enhanced Controls Could Strengthen USAID's Management of Expedited Procurement Procedures
Report No. 4-000-24-001-P
October 18, 2023

Why We Did This Audit
The COVID-19 pandemic created unprecedented challenges to USAID's ability to provide U.S. foreign assistance worldwide. In March 2020, Congress allotted $2.14 billion to support the Agency's efforts to respond to the pandemic and support the programs it impacted.

The Agency authorized the use of the Expedited Procedures Package for Responding to Outbreaks of Contagious Infectious Diseases (Outbreak EPP) to accelerate awards for COVID-19 programming. The Outbreak EPP deviates from the Agency's standard competitive procurement procedures by allowing USAID to issue new and modified contracts for COVID-19-related activities without resorting to full and open competition. Federal agencies are only allowed to award contracts noncompetitively under emergency circumstances to protect vital government interests, and COVID-19 constituted such a situation.

However, fraud risks are higher in emergency situations than under normal circumstances because the need to provide services quickly can hinder the effectiveness of existing controls and creates more opportunities for fraud.

We conducted this audit to determine the extent to which (1) USAID used the Outbreak EPP for COVID-19 programming and (2) selected USAID Operating Units met requirements for using the Outbreak EPP for COVID-19.

What We Found
- USAID did not have complete and accurate information about how the Agency used the Outbreak EPP for COVID-19 programming. Specifically, USAID did not consistently track Outbreak EPP data, report Outbreak EPP use, or report how noncompetitive actions were used in Federal systems.

- The Operating Units we selected generally met the Outbreak EPP requirements. However, USAID did not have controls in place to assess the continued use of the Outbreak EPP. Several Outbreak EPP award files did not have the documentation required under Federal each time a noncompetitive process is followed. In addition, USAID lacked an established process for periodically reviewing the continued need of the Outbreak EPP for other disease outbreaks.

What We Recommend

We made four recommendations to address weaknesses in how USAID tracks and reports Outbreak EPP information and assesses continued need. USAID agreed with three recommendations and partially agreed with one recommendation to implement procedures to improve USAID's management of the Outbreak EPP.

Ukraine Response: USAID/Ukraine Adjusted Its Internal Processes and Strategies to Support Recovery Goals for Ukraine
Report No. 8-121-24-001-P
October 16, 2023

Why We Did This Audit

On February 24, 2022, Russia launched its full-scale invasion of Ukraine. Also in February, the USAID Mission in Ukraine (USAID/Ukraine) managed 41 awards across the country totaling roughly $1.1 billion. The escalating hostilities in Ukraine increased USAID/Ukraine's need for flexible programming, which led the Administrator to grant approval for the mission to modify its awards to address wartime conditions. An award modification is an adjustment to an agreement between USAID and a contractor due to new contract needs.

We conducted this audit to determine the extent to which (1) USAID/Ukraine assessed selected awardees' past performance and capacity before modifying development awards to respond to Russia's invasion and (2) selected modified awards supported recovery goals in Ukraine.

What We Found

- USAID developed a Framework for the Agency's response to Russia's invasion. USAID ensured that the Framework's lines of effort aligned with USAID/Ukraine's development objectives and the government of Ukraine's priorities for recovery. We found that modifications USAID/Ukraine made to all the selected awards aligned with at least one of the Framework's three strategic goals and at least one of its four lines of effort.

- Before modifying awards, USAID/Ukraine assessed selected awardees' past performance and their capacity to take on additional funds. The mission ensured that the modified awards aligned with Ukraine's recovery efforts and developed an internal process to speed up the modification effort. However,

the mission inconsistently documented awardee performance during the modification process.

- USAID/Ukraine has updated its guidance for award modifications to address these inconsistencies.

What We Recommend

Our report contained no recommendations as USAID continues to update its processes and modification of existing awards to respond to Russia's full-scale invasion.

Inspections and Evaluations
Withdrawal From Afghanistan: USAID Faced Challenges Assisting in the Evacuation and Relocation of Implementer Staff
[Report No. E-306-24-001-M](#)
March 18, 2024

Why We Did This Evaluation

In April 2021, President Biden announced a full military withdrawal from Afghanistan after nearly 20 years of U.S. military involvement. Subsequently, the Taliban entered Kabul and took control of the country on August 15, 2021. By August 31, all USAID personnel had left Afghanistan.

We initiated this evaluation in response to congressional requests that the Inspectors General for USAID, the Departments of State and Defense, and the Special Inspector General for Afghanistan Reconstruction examine the special immigrant visa process for Afghan refugees. Members of Congress were concerned that processing delays put Afghans working with USAID-funded awardees (implementing organizations) at an increased risk of violent retribution by the Taliban. Our evaluation also considered the U.S. Refugee Admissions Program's Priority 1 and Priority 2 (P2) refugee resettlement programs.

Our evaluation objectives were to: (1) review USAID's role in the evacuation of its implementing organization staff from Afghanistan and to identify opportunities for improvement in future withdrawals, (2) review USAID's role in the relocation of implementing organization staff from Afghanistan and identify opportunities for improvement, and (3) determine if USAID's risk management procedures effectively prepared the Agency to carry out its role in the evacuation and relocation of implementing organization staff from Afghanistan.

What We Found

- USAID lacked a clear role and experienced challenges planning and communicating during the evacuation of implementing organization staff from Afghanistan. The Agency did not have defined evacuation-related roles and responsibilities or a mechanism to accurately track implementing organization staff. USAID was also constrained by insufficient staff and delayed guidance on how to address questions from implementing organizations, which had divided opinions about the Agency's communication efforts.

- USAID coordinated relocation program referrals but was constrained by the timing of the P2 program announcement, lack of related guidance, and eligibility restrictions. USAID had a limited role in P2 processing, including verifying eligibility requirements and submitting referrals to the State Department. Strict P2 eligibility requirements and funding challenges also prevented some implementing organization staff from leaving Afghanistan.

- USAID's Bureau for Asia did not conduct a comprehensive review of the risks that the USAID Mission in Afghanistan identified before the evacuation. This may have been due to the staff's inadequate knowledge and experience in this area and possibly weakened the Agency's response to the withdrawal.

What We Recommend

We made seven recommendations to improve the Agency's preparation to support implementing organizations during a withdrawal. USAID agreed with six recommendations and disagreed with one. We closed two recommendations upon issuance of this report and will work with the Agency to close the outstanding five.

Direct Budget Support: USAID Ensured That the Government of Ukraine Adhered to Required Controls, but Did Not Verify the Accuracy of Salary Expenditures

Report No. 8-121-24-001-M
February 13, 2024

Why We Did This Evaluation

Russia's full-scale invasion of Ukraine in February 2022 has caused almost 6.5 million people to flee the country, displaced nearly 3.7 million people internally, and resulted in catastrophic loss of life and livelihood.[4] At the time of the evaluation, the United States, through USAID, had directed $22.9 billion in direct budget support to the Government of Ukraine to fund emergency services for internally displaced people and pay public employees delivering critical services.[5]

Of the direct budget support, $1.7 billion was channeled through the World Bank's Single Donor Trust Fund (SDTF) to reimburse the Ukraine government for the salaries of healthcare workers employed from January 1, 2022, to July 31, 2022. USAID's contribution to the SDTF was limited to funding verifiable salary expenditures for these healthcare workers.

The Agency contracted with Deloitte Consulting LLP to track and oversee U.S. government funds for the SDTF. Deloitte used spot checks of sample transactions and fund flows from the U.S. government through the World Bank to help USAID review, analyze, and report on Ukraine's oversight of direct budget support funds.

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[4] Figures according to the Office of the United Nations High Commissioner for Refugees as of February 2024.
[5] A supplemental appropriations act (P.L. 118-50) was signed into law on April 24, 2024, to provide nearly $8 billion in additional funding for budget support.

Our evaluation objective was to determine to what extent safeguards and controls for direct budget support through the SDTF are operating effectively.

What We Found
- USAID verified that the Government of Ukraine met reporting requirements and contracted for monitoring activities of the SDTF.

- USAID did not verify the accuracy of healthcare worker salary expenditure reports.

What We Recommend
We recommend USAID implement an action plan to verify the accuracy of salary expenditure reports and remediate any identified deficiencies, as appropriate. The Agency agreed with the recommendation.

Mandated Financial and Information Technology Engagements

In addition to our discretionary work, we provide oversight of Agency financial, information technology, and other controls, as required by statute.

Financial Statement Audits
- **Audit of USAID's Financial Statements for Fiscal Years 2023 and 2022,** Report No. 000024001C, November 14, 2023

- **Audit of USADF's Financial Statements for Fiscal Years 2023 and 2022,** Report No. 0ADF24003C, November 14, 2023

- **Audit of IAF's Financial Statements for Fiscal Years 2023 and 2022,** Report No. 0-IAF-24-004C, November 14, 2023

- **Audit of Millennium Challenge Corporation's (MCC's) Financial Statements for Fiscal Years 2023 and 2022,** Report No. 0-MCC-24-002C, November 14, 2023

Why We Did These Audits
The Government Management Reform Act of 1994 requires annual audits of the financial statements for the agencies we oversee. Accordingly, we contracted with independent certified public accounting firms to conduct audits of each agency's financial statements for FYs 2023 and 2022. The audit objectives were to (1) express an opinion on whether the financial statements as of September 30, 2023 and 2022, were presented fairly, in all material respects; (2) evaluate each agency's internal control over financial reporting; and (3) determine whether each agency complied with applicable laws, regulations, contracts, and grant agreements.

These audits help provide a window into the financial conditions, internal control over financial reporting, and compliance of the Federal agencies that we oversee. The audits also present an opportunity to recommend improvements as needed.

What We Found

For all four agencies, the accounting firms concluded that the financial statements were presented fairly, in all material respects, and in conformity with U.S. generally accepted accounting principles. For all four agencies, the audit firms also found no reportable noncompliance for FY 2023 with applicable laws, regulations, contracts, and grant agreements. For ADF and IAF, the firm did not identify any material weaknesses in internal control over financial reporting. However, for USAID and MCC, while the firms did not identify any material weaknesses, they did identify significant deficiencies in internal control.

Accordingly, we made one recommendation to MCC and no recommendation to USAID as USAID had not completed final action on the prior year's recommendation for the same deficiency.

Agile Products

Agile products are designed to provide expedited reviews of critical issues for prompt stakeholder consideration.

Information Brief: USAID's Expanded Approach to Anticorruption
Report No. 5-000-24-001-A
February 16, 2024

Corruption undermines development efforts and threatens national security. USAID's 2004 anticorruption approach broadly aimed to counter corruption occurring within host-country boundaries, while their 2022 approach expands this focus to include additional forms of corruption at the country, regional, and global levels. This information brief summarizes USAID's approaches to anticorruption and provides a snapshot of the Agency's anticorruption efforts in Asia.

Information Brief: USAID's Assistance to Address Global Food Security Impacted by Russia's War Against Ukraine
Report No. 9-000-24-001-A
February 2, 2024

Russia's full-scale invasion of Ukraine has impacted the global food system and contributed to worldwide increases in agricultural commodity prices. As a result, countries far beyond Ukraine's borders have experienced increased food insecurity. Through supplemental appropriations, the U.S. government has devoted more than $1 billion of food security funding for development assistance to Ukraine and other countries experiencing an elevated risk of food insecurity. This information brief summarizes USAID's assistance efforts to address global food security.

Food distribution program in Pakistan for individuals displaced by militants. Photo: USAID/Pakistan

Overseas Contingency Operations Quarterly Reports

Quarterly Reporting

We reported on USAID response efforts in Ukraine, Afghanistan, Iraq, and Syria for the statutorily mandated Overseas Contingency Operation quarterly reports, produced in conjunction with the OIGs for DoD and State].

For **Operation Atlantic Resolve,** we reported (in October 2023 and February 2024) that:

- From FY 2022 through the first quarter for FY 2024, USAID obligated over $2.1 billion in development assistance, nearly $2 billion in humanitarian assistance, and provided nearly $23 billion in direct budget support to the Ukrainian government.

- State and USAID responded to humanitarian needs with food assistance, cash assistance, health assistance, and support for nearly 3.7 million internally displaced persons and nearly 6.5 million refugees.

- Movement restrictions on U.S. staff at Embassy Kyiv meant that many projects and activities, particularly those close to the battlefield, received limited direct oversight.

For **Operation Enduring Sentinel,** we reported (in November 2023 and February 2024) that:

- In FY 2023, USAID provided more than $643 million for humanitarian assistance and $262 million for development, including support for agriculture, civil society, economic growth, governance, health, and education programs.

- The Pakistani government announced a campaign to deport 1.7 million undocumented Afghan nationals living in Pakistan.

- Four magnitude 6.3 earthquakes struck Afghanistan's Herat province in October, resulting in at least 1,480 dead; 1,950 injured; and 131,000 displaced from their homes.

For **Operation Inherent Resolve,** we reported (in November 2023 and February 2024) that:

- In FY 2023, USAID provided $114 million in humanitarian assistance and $59 million in stabilization assistance.

- Humanitarian services are in the process of being fully transitioned from the international community to the Iraqi government, but progress is slow.

- Foreign currency restrictions imposed by the Central Bank of Iraq impacted USAID humanitarian assistance implementers, who experienced varying success withdrawing funds from banks to pay salaries.

- In FY 2023, USAID provided $704 million in humanitarian assistance for the regional crisis in Syria, $170 million for the Syrian earthquake response, and nearly $21 million in stabilization assistance.

- Economic challenges, earthquakes, and drought increased stabilization and humanitarian needs.

- Clashes between the Syrian Democratic Forces and local tribes reduced access for USAID operations in Dayr az Zawr.

Investigative Activities and Reporting

Community members in the Gwanda district of Zimbabwe on the Mbuyane dam.

Photo: Cultivating New Frontiers in Agriculture.

OIG has statutory authority to conduct investigations into criminal and other misconduct compromising the foreign assistance programs and operations of the agencies we oversee. In addition to furthering potential criminal, civil, and administrative enforcement remedies, our investigative activities resulted in USAID's adoption of changes in its programs and operations. The impact of our work can be seen in cases referred to USAID and other agencies that led to removal of employees who engaged in gross misconduct; the government-wide suspension or debarment of individuals or organizations deemed to lack present responsibility; and increased reporting of misconduct affecting U.S. foreign assistance programs from agency officials, UN organizations, and U.S.-funded contractors and grantees.

Whistleblower Protection

Ensuring individuals' rights to report wrongdoing without fear of reprisal is essential to our mission. Our work includes:

- Assessing, responding to, and, when warranted, investigating allegations of whistleblower retaliation.

- Advising on whistleblower retaliation protections afforded to those who choose to report allegations of misconduct. We share this information through fraud awareness briefings, meetings with management and staff from the agencies we oversee and grantees/contractors, and in our external communications.

Whistleblower Protection Coordinator

Our statutorily designated Whistleblower Protection Coordinator, located in the Office of Investigations, conducts the following activities:

- Educates agency employees on their legal right to disclose fraud, waste, abuse, and other misconduct, free from reprisal.

- Delivers information and materials on whistleblower protections at USAID's biweekly new employee orientations. During the reporting period, this included 13 such sessions.

- Works with our Office of General Counsel to ensure that employees of USAID-funded recipients receive information on whistleblower rights and remedies.

We also provide information about whistleblower protection on our public website. For more information, contact our Whistleblower Protection Coordinator at oigombud@usaid.gov.

Investigative Summaries

To access press releases or investigative summaries for our criminal, civil, and administrative matters, please visit https://oig.usaid.gov/our-work/investigations.

Investigative results for matters closed this reporting period include the following.

USAID Debarred Aid Worker for Sexually Abusing and Impregnating a Minor Relative

We received a disclosure from a USAID awardee in Zimbabwe reporting that one of its employees impregnated his 13-year-old niece, a beneficiary of USAID-funded assistance. Our investigation substantiated the allegations. In response to our referral, in October 2023, USAID debarred the aid worker for a period of 7 years.

USAID/Liberia Removed Unauthorized Yahoo Email on Its Facebook Page, Issued Rules of Behavior Notice

We initiated an investigation into an unauthorized Yahoo email listed as a method to contact USAID/Liberia on its Facebook page. During the investigation, we found that the email listed was set up by the mission in 2011. Due to possible violations of Federal and agency information security and records preservation requirements, we provided a report to the USAID Chief Information Security Officer (CISO) for appropriate action. CISO disseminated a Mission Notice to all USAID/Liberia staff in November 2023, reminding staff of the Rules of Behavior for users, including the prohibition to download or send USAID information to personal devices and email accounts without approval.

Substantiated Misconduct of Agency Employees

USAID Contracting Officer Resigned Following Investigation

In January 2023, the U.S. Diplomatic Security Service, Office of Special Investigations, informed us that a former USAID contracting officer (FS-04) assigned to USAID/India had allegedly sexually assaulted an Indian national. Our investigation did not conclusively determine the nature of the sexual activity; however, it did reveal the employee had engaged in a pattern of inappropriate and unwelcomed conduct that was sexual in nature. We also discovered the employee failed to submit written notification of foreign contact. We referred the matter to USAID Human Capital and Talent Management in April 2023. Subsequently, the employee resigned their position with USAID in November 2023.

Mission Director Retired in Lieu of Agency Reprimand

We initiated an investigation after receiving information alleging that a mission director in Latin America pressured USAID employees in June 2022 involved with

the procurement of an award to favor an academic institution owned by his former academic institution. We investigated the allegation and found the mission director may have created the appearance of a conflict of interest, lacked impartiality in the performance of his official duties, and provided preferential treatment to the academic institution. We completed our investigation and provided a report to USAID. In December 2023, USAID administratively closed the matter after the mission director retired from service.

Fraud and Situational Alerts

Responsibility to Identify and Report Potential Diversion of U.S. Humanitarian Aid to Hamas and Other Foreign Terrorist Organizations

In November 2023, following USAID's announcement of additional humanitarian assistance to Gaza in the wake of Israel's response to Hamas' October 7 attack, OIG issued an alert identifying Gaza as a high risk for potential diversion and misuse of U.S.-funded assistance and identifying means for organizations receiving USAID funding to mitigate diversion and provide timely reports of potential misconduct to OIG.

Conflicts of Interest in USAID's Ukraine Response

In December 2023, we issued a fraud alert addressing conflicts of interest affecting USAID's Ukraine response. Our effort outlined examples of detected conflicts, such as an unreported personal relationship between procurement staff and a bidder, an employee who was responsible for quality control of a subawardee the employee also worked for, and an awardee that did not have a policy on conflicts of interest. To mitigate risks, USAID awardees are advised to instill effective conflict of interest policies, conduct due diligence reviews, and request Fraud Awareness Briefings from OIG.

Task Force and Committee Participation

We joined and continued our work with several law enforcement task and strike forces to further the global reach of our finite investigative resources. For example, our Office of Investigations currently participates in the following Department of Justice groups:

- *Joint Task Force Vulcan,* aimed at disrupting, dismantling, and ultimately destroying Mara Salvatrucha, commonly known as MS-13. High-Ranking MS-13 Fugitive Arrested on Terrorism Indictment.

- *Joint Task Force Alpha,* an initiative to combat transnational human smuggling and trafficking networks in Northern Central America and Mexico.

- *Procurement Collusion Strike Force Global,* an effort to tackle potential collusion in bids for billions of dollars in U.S. funds spent abroad.

- *U.S. Secret Service Electronic Crimes Task Force,* a collaborative effort with the Secret Service, other law enforcement agencies, and other organizations to combat electronic crimes through information sharing, resource support, joint investigations, policy development, advocacy, and training initiatives. The task force aims to improve the quality of digital forensics and cybersecurity practices while enhancing collective capabilities in responding to cyber threats.

- *International Contract Corruption Task Force* integrates the full spectrum of investigative, intelligence, audit, and prosecutorial resources to combat contract fraud and public corruption related to U.S. government spending, with an emphasis on Southwest Asia operations.

- *Donor Safeguarding Investigations Working Group,* a United Kingdom-led effort that coordinates bilateral oversight bodies' response to allegations of sexual exploitation and abuse affecting foreign assistance programs.

We also are members of the Pandemic Response Accountability Committee (PRAC) Fraud Task Force, PRAC Law Enforcement Subcommittee, and the COVID-19 Fraud Enforcement Task Force Corporate and Large Business Subcommittee. Under the PRAC Fraud Task Force, we investigated and prosecuted fraud allegations involving COVID-19 relief programs. The task force was established to facilitate coordinated oversight of the Federal government's pandemic response by bringing together 50 agents from 16 OIGs. Since 2020, we have dedicated nine agents part time to lead task force investigations, which is more than 10 percent of the task force. This initiative allowed our Office of Investigations to make a broader contribution to the IG community. Our criminal investigators met monthly with the PRAC Law Enforcement Subcommittee to share trends and best practices.

Summary of Investigative Activities for USAID, MCC, USADF, and IAF

October 1, 2023–March 31, 2024

Investigative Workload

Action	Number
Investigations Opened	38
Investigations Closed	56
Investigative Reports Issued[1]	48

[1] This number includes all final reports of investigation, any interim reports referred for possible action, and any fraud alert or advisory issued as a result of investigative findings.

Prosecutive Referrals and Actions

Action	Number
Persons Referred to the Department of Justice[1]	31
Persons Referred to State or Local Prosecutors[2]	0
Criminal Indictments / Informations[3]	0
Arrests	0
No-Knock Warrants Served or No-Knock Entries Made[4]	0

[1] This number includes all criminal and civil referrals to the Department of Justice (DOJ) for a prosecutorial decision whether they were ultimately accepted or declined with the caveat that if an investigation was referred to more than one DOJ office for a prosecutorial decision, the referral to DOJ was only counted once. The number reported represents referrals for both individuals and/or legal entities.

[2] This number includes all referrals to state or local prosecutorial bodies for a prosecutorial decision whether they were ultimately accepted or declined. The number reported represents referrals for both individuals and/or legal entities.

[3] The number of indictments reported include both sealed and unsealed.

[4] Section 10(c) of Executive Order 14074 states that Federal law enforcement agencies shall issue annual reports to the President—and post the reports publicly—setting forth the number of no-knock entries that occurred pursuant to judicial authorization; the number of no-knock entries that occurred pursuant to exigent circumstances; and disaggregated data by circumstances for no-knock entries in which a law enforcement officer or other person was injured in the course of a no-knock entry.

Administrative Referrals and Actions

Action	Number
Entities Referred for Present Responsibility[1]	8
Suspensions or Debarments[2]	11
Personnel Resignation, Curtailment, Removal, Suspension, or Termination[3]	10
Award or Contract Suspension or Termination[4]	1
New Rule, Policy, or Procedure Based on Investigative Findings[5]	1

[1] This number includes all referrals submitted by OIG to USAID's Office of Responsibility, Safeguarding, and Compliance in which an entity or individual's "present responsibility" to do business with the government is suspect based on OIG investigative findings and suspension/debarment was determined by OIG's Office of General Counsel to be a viable potential outcome of the referral.

[2] Suspensions include the temporary disqualification of firms or individuals from receiving U.S. Government awards. Debarments include actions taken by a debarring official to exclude a contractor or grantee, or individual from Government contracting and assistance awards for a specified period.

[3] This number includes terminations, resignations, and curtailments from assignments while under and/or in lieu of investigation and any adverse action based upon investigative findings to include security clearance suspension or revocation. This also includes both personal services contractors and institutional services contractors hired to directly support agencies OIG oversees. This does not include contractors or others working for third parties on agreements with the agencies we oversee.

[4] Terminations include instances in which a contract, grant, or cooperative agreement was terminated in response to OIG investigative findings. Contract or grant terminations are frequently accompanied by a financial recovery. Suspensions include instances in which ongoing, pending, and planned activities under a specific award are suspended based upon investigative findings until a prescribed remedial or administrative action is concluded.

[5] These include new procedures, rules, policies, agreement clauses, or regulations implemented by the responsible Federal agency to address systemic weaknesses revealed during an OIG investigation or other investigative work.

Monetary Results

Action	Number
Criminal Fines, Restitutions, Recoveries, Assessments, or Forfeitures	$419,000
Civil Fines, Restitutions, Recoveries, Penalties, Damages, or Forfeitures	$0
Non-Judicial Restitutions, Recoveries, Forfeitures, Revocations, Seizures, or Settlements[1]	$322,426
Fraud Loss Prevented or Saved Based on Investigative Findings[2]	$7,159,813

[1] This number includes funds that were already distributed and for which the agency formally issued a bill of collection or other recovery mechanism after an OIG investigation revealed that the funds were lost, misappropriated, stolen, or misused; funds recovered as part of a settlement that did not require judicial intervention; and any funds or valued property forfeited as part of an investigation prior to judicial intervention.

[2] This number includes funds that were obligated, but not yet distributed, to be spent as part of an agency's award that were preserved and made available for better uses after an OIG investigation revealed evidence that those funds were vulnerable to fraud or waste; and funds that were not yet obligated and subsequently set aside and made available for other uses as a result of an OIG investigation.

Peer Reviews Conducted of OIG as of March 31, 2024

CIGIE requires OIGs to conduct and undergo periodic external peer reviews, and the IG Act of 1978 requires the results of these peer reviews to be published in this Semiannual Report to the Congress.

In a prior reporting period, the Department of the Interior OIG conducted a peer review of USAID OIG's audit function and issued its report on March 31, 2023. There were no recommendations and USAID OIG received an External Peer Review rating of "pass." The Special IG for Afghanistan Reconstruction conducted a peer review of OIG's Office of Investigations and issued its report on February 15, 2023. Our office was rated as in compliance with the quality standards established by CIGIE and other applicable guidelines and statutes.

Inspector General Act Reporting Requirements

USAID Saath-Saath project providing home-based reproductive health care and services to people living with HIV and AIDS in Nepal.

Photo: USAID/Nepal.

The following page references information throughout the report as required by the Inspector General Act of 1978, as amended, and other requirements, for the reporting period October 1, 2023, through March 31, 2024. Requirements for which we have nothing to report this period are also noted in the table below.

Additional information regarding activity during the current period for reports and recommendations can be found in separate appendixes to this document. These appendixes are available on our website under https://oig.usaid.gov/our-work/semiannual-report.

Appendixes

    A. Reports and Recommendations Issued During Reporting Period (Including Management Decision Status)[6]

    B. Reports and Recommendations Issued Before Reporting Period Without Final Action (Including the Potential Costs Savings), as of March 31, 2024

    C. Reports and Recommendations Issued Before Reporting Period (With Management Decision During Reporting Period), as of March 31, 2024

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[6] Reports include financial audits, performance audits, nonaudits, inspections, and evaluations.

Reporting Requirements and Location in This Report

Reporting requirements under the Inspector General Act of 1978, as amended.

Reporting Requirements

Section	Action	Page in Report
§5(a)(1)	Significant problems, abuses, and deficiencies	Throughout this report
§5(a)(2)	Prior unimplemented recommendations	Appendix C
§5(a)(3)	Significant investigations closed	USAID: pp. 28 MCC, USADF, and IAF: Nothing to report
§5(a)(4)	Number of convictions	p. 1
§5(a)(5); 5(h)	Reports and recommendations issued during the reporting period	Appendix A
§5(a)(6)	Management decisions made during the period on previously issued audits	Appendix C
§5(a)(7)	Compliance with Federal Financial Management Improvement Act	Nothing to report
§5(a)(8)	Peer reviews conducted of USAID OIG	p. 33
§5(a)(9)	Peer review recommendations	Nothing to report
§5(a)(10)	Peer reviews conducted by USAID OIG	Nothing to report
§5(a)(11)	Statistical table of investigative reports and referrals	pp. 31
§5(a)(12)	Audit and Investigative reporting metrics	pp. 38
§5(a)(13)	Substantiated misconduct of senior government employees	USAID: p. 28 MCC, USADF and IAF: Nothing to report
§5(a)(14)	Instances of whistleblower retaliation	Nothing to report
§5(a)(15)	Interference with USAID OIG independence	Nothing to report
§5(a)(16)	Closed but undisclosed audits and investigations of senior government employees	Nothing to report

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7 Reports include financial audits, performance audits, nonaudits, inspections, and evaluations.

Other Reporting Requirements

Other Reporting Requirements	Description	Page in Report
Significant Findings From Contract Audit Reports	The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, section 845) requires Inspectors General to submit information on contract audit reports, including grants and cooperative agreements, that contain significant audit findings in semiannual reports to Congress.	Nothing to report

Audit Terms and Investigative Metrics Defined

In the appendixes to this Semiannual Report to Congress, we present information on the status of recommendations from prior audit reports. We use several key terms to describe their status and how they can help the agencies we oversee save taxpayer dollars. Potential cost savings refer to dollar amounts identified in audit recommendations based on an examination of agency expenditures and referred to agency managers as either "questioned costs" or funds to be "put to better use." While some questioned costs are identified by independent public accountants, it is solely the prerogative of Agency managers to determine whether to allow or disallow such costs. Monetary recommendations are those that identify either questioned costs, such as unsupported or ineligible costs, or funds recommended to be put to better use. An agency decision, or management decision, to sustain all or a portion of the total amount of a recommendation signals the agency's intent to recoup or reprogram the funds. Once agency managers make such a decision, we acknowledge the dollar amount the agency has agreed to recoup as the most accurate representation of dollars to be saved. These are known as sustained costs. When available, we reflect sustained costs in the appendixes, adding them to those monetary recommendations that have yet to receive a management decision. This results in an adjusted figure that most accurately reflects potential savings, shown as adjusted potential cost savings.

Audit Terms Defined

We use two terms to describe audit recommendations that can help save taxpayer dollars.

Questioned Costs

Potentially unallowable costs due to reasons such as inadequate supporting documentation or an alleged violation of a law, regulation, or award term

Funds for Better Use

Funds that could be used more efficiently if management took actions to implement OIG recommendations

Investigative Metrics

In the tables on pages 31–33, we present information on our investigative work and results for the reporting period. Metrics used in the tables are defined below:

- Fraud loss prevention refers to Federal funds that were obligated and because of an OIG investigation were set aside or deobligated and made available for other uses. This includes instances in which the awarding agency made substantial changes to the implementation of a project based on an OIG referral, whether the funds were awarded to a subsequent entity, or restructured another way.

- The number of investigative reports issued includes all final reports of investigation, any interim reports referred for possible action, and any fraud alert or advisory issued because of investigative findings.

- The number of persons referred to DOJ includes all criminal and civil referrals to DOJ for a prosecutorial decision whether they were ultimately accepted or declined with the caveat that if an investigation was referred to more than one DOJ office for a prosecutorial decision, the referral to DOJ was only counted once. The number reported represents referrals for both individuals and legal entities.
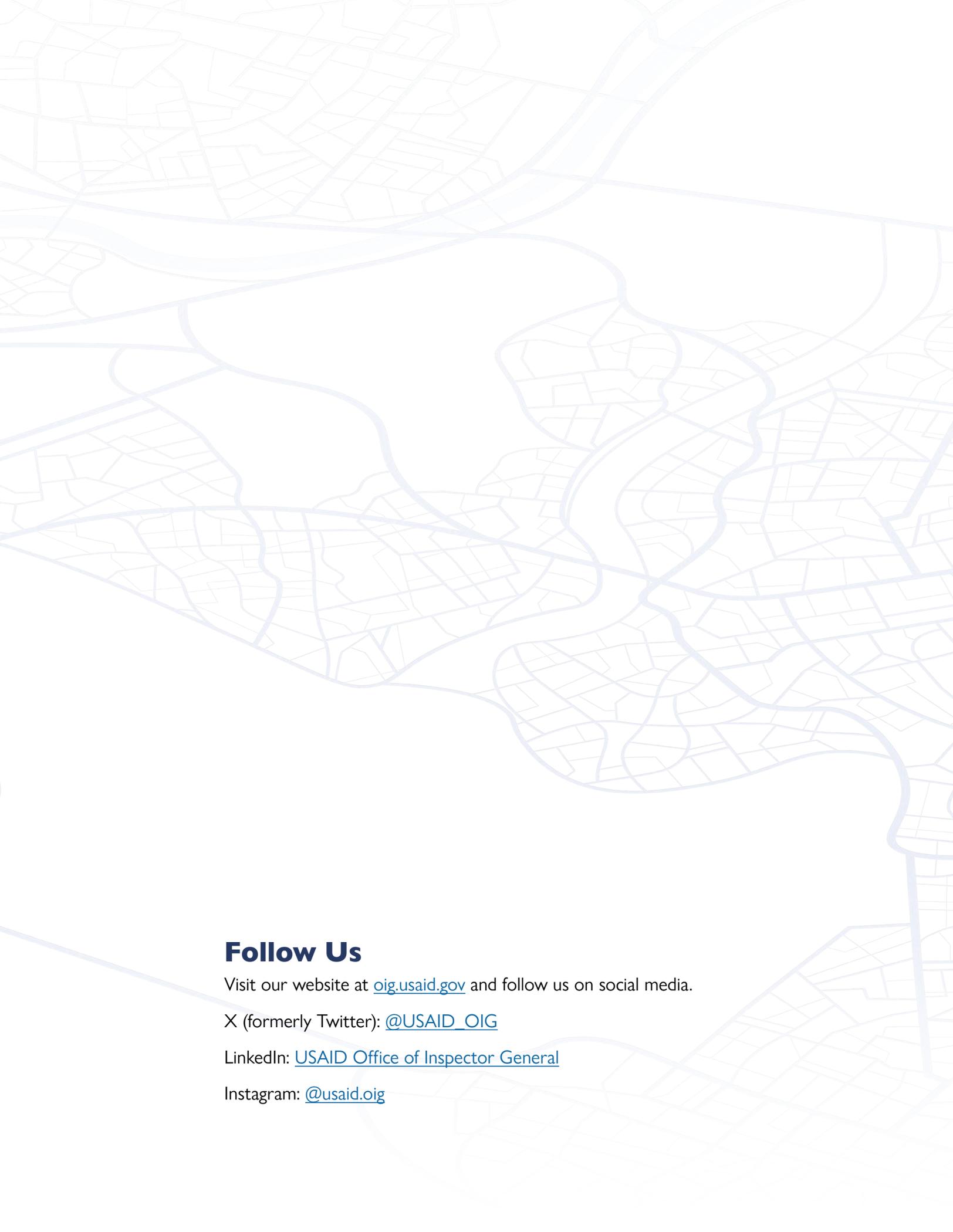
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