



Office of Inspector General

FOR IMMEDIATE RELEASE

PRESS RELEASE

February 8, 2018
Press Office: 202-712-1150
<http://oig.usaid.gov/>

USAID Inspector General Hosts Fomilenio II Anti-Corruption Workshop *Event Promotes Action to Combat Fraud in Public Infrastructure Projects*

San Salvador, El Salvador —At a half-day anti-corruption workshop, the U.S. Agency for International Development (USAID) Office of Inspector General (OIG) called on implementers of the Millennium Challenge Corporation’s (MCC) El Salvador Investment Compact to help prevent fraud in U.S.-funded infrastructure projects. USAID OIG, an independent office that oversees U.S. foreign assistance programs, joined U.S. and Salvadoran Government officials, along with MCC compact implementers, to raise awareness about typical fraud schemes and how to report them.

In opening remarks, Ann Calvaresi Barr, Inspector General for USAID, noted OIG’s responsibility for also overseeing MCC projects and working to protect them from fraud, waste, and abuse. “Projects that promote economic growth and private investment have tremendous potential to advance the security, prosperity and governance of El Salvador. But, these projects can also face serious fraud risks that must be met with effective safeguards, regular monitoring activities, and proper reporting to independent investigative authorities.” Ms. Calvaresi Barr also cited her office’s work with the Corruption Crimes Unit under El Salvador’s Attorney General, an important investigative partner in the country.

U.S. Ambassador to El Salvador, Jean Elizabeth Manes said, “The objective of today’s event is to equip everyone present with the knowledge and tools required to identify risk factors, so we can put in place appropriate methods of mitigating that risk.”

She continued, “Let me be perfectly clear – transparency and honesty are good for business, and show the world that they can have confidence in transacting with your companies. Gaining a reputation as an enterprise committed to transparency, which has strong controls and mechanisms for internal monitoring is, in and of itself, a smart investment.”

MCC's El Salvador Investment Compact, signed in 2014 and implemented by the Salvadoran Government as Fomilenio II, aims to promote economic growth and private investment in the country by improving its investment climate, employment opportunities, and transportation infrastructure. The compact calls for MCC to invest up to \$277 million, with the Salvadoran Government committing an additional \$88.2 million. Today's workshop focused on implementers of the compact's transportation infrastructure projects. Such projects have been a part of 20 out of MCC's 33 compacts signed worldwide since its creation in 2004.

USAID OIG conducts independent investigations and audits to make U.S. foreign assistance programs more efficient, effective, and accountable. It has made detecting, deterring, and stopping fraud and corruption in MCC infrastructure projects one of its top investigative priorities. Such projects face risks of bid-rigging, contract steering, product substitution, bribery, and kickbacks.

To help address these risks, USAID OIG holds fraud awareness briefings and workshops to tell public, private, and nonprofit organizations working on U.S. foreign assistance projects how to prevent, identify, and report fraud. In fiscal year 2017, OIG delivered nearly 350 fraud awareness briefings in 42 countries with more than 9,000 participants.

USAID OIG is responsible for oversight of USAID and MCC, in addition to the Overseas Private Investment Corporation, the Inter-American Foundation, and the U.S. African Development Foundation. Employees, contractors, and grantees of these agencies may report complaints of possible fraud, waste, or abuse to USAID OIG through its public web site (<https://oig.usaid.gov/>) or using the information below:

Telephone

1 (800) 230-6539 or (202) 712-1023

Email

ig.hotline@usaid.gov

Mail

U.S. Agency for International Development

Office of Inspector General

P.O. Box 657

Washington, D.C., 20044-0657

USA

###