



Office of Inspector General

U.S. Department of State · Broadcasting Board of Governors

Report on the Quality Assessment Review of the Investigative Operations of the Office of Inspector General for the U.S. Agency for International Development

Conducted in Washington, D.C.

by

Office of Inspector General

U.S. Department of State

Washington, DC 20522

The Honorable Steve A. Linick, Inspector General

Christian Mazerolle, Team Leader

May 2017

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Report on the Quality Assessment Review

COMPLIANT RATING

June 29, 2017

The Honorable Ann Calvaresi Barr
Inspector General
U.S. Agency for International Development
1300 Pennsylvania Avenue, NW, Room 6.06D
Washington, D.C. 20523

SUBJECT: *Report on the Quality Assessment Review of the Investigative Operations of the Office of Inspector General for the U.S. Agency for International Development*

Dear Ms. Calvaresi Barr:

We have reviewed the system of internal safeguards and management procedures for the investigative operations of the Office of Inspector General for the U.S. Agency for International Development (USAID OIG) in effect for the period ending May 12, 2017. Our review was conducted in conformity with the Quality Standards for Investigations and the Quality Assessment Review Guidelines established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and the Attorney General's Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, as applicable.

We reviewed compliance with USAID OIG's system of internal policies and procedures to the extent we considered appropriate. The review was conducted at USAID OIG's headquarters in Washington, D.C. Additionally, we sampled 30 investigative case files closed during the previous 12 months.

In addition, we have given consideration to the requirements of Section 6(e) of the Inspector General Act of 1978, as amended, (IG Act) and Section 812 of the Homeland Security Act of 2002 (Pub. L. 107-296). These requirements authorize law enforcement powers for eligible personnel of each of the various offices of presidentially appointed Inspectors General.

In our opinion, the system of internal safeguards and management procedures for the investigative function of the USAID OIG in effect for the period ending May 12, 2017, complies with the quality standards established by CIGIE and the applicable Attorney General guidelines.

These safeguards and procedures provide reasonable assurance of conforming to professional standards in the planning, execution, and reporting of its investigations.

Finally, we would like to express our appreciation to the USAID OIG staff for their assistance throughout this peer review process.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Linick', written in a cursive style.

Steve A. Linick
Inspector General

Attachments:

- A) Location and Summary of Visited Field Offices & Personnel Interviewed
- B) List of Closed Investigative Files Reviewed

**Attachment A:
Location and Summary of Visited Field Offices & Personnel Interviewed**

<u>Office Location</u>	<u>Number of Personnel Interviewed</u>
Washington D.C. (Headquarters)	8
Frankfurt, Germany (Telephonic)	1
Kampala, Uganda (Telephonic)	1
Islamabad, Pakistan (Telephonic)	1

Attachment B:
List of Closed Investigative Files Reviewed

<u>Case File Number</u>	<u>Case Closing Date</u>
AF-HA-14-0072-I	11/24/2015
AF-HA-13-0277-I	12/30/2015
AF-HA-14-0169-I	12/31/2015
AF-HI-15-0104-I	02/02/2016
AF-HI-15-0261-I	02/02/2016
AF-CA-14-0005-I	03/07/2016
AF-CA-14-0008-I	03/30/2016
LA-MA-13-0291-I	05/02/2016
LA-MA-14-0071-I	05/09/2016
LA-MA-09-0124-I	06/08/2016
AF-HA-14-0132-I	06/20/2016
LA-KA-12-0354-I	06/28/2016
LA-HO-13-0198-I	07/05/2016
LA-HO-16-0048-I	08/01/2016
LA-KA-15-0305-I	08/02/2016
LA-IS-15-0190-I	08/02/2016
LA-KA-13-0218-I	08/04/2016
LA-IS-15-0301-I	08/04/2016
LA-IS-15-0089-I	08/04/2016
AF-HI-14-0022-I	08/18/2016
LA-IS-13-0289-I	08/23/2016
LA-MA-15-0276-I	08/24/2016
LA-IS-16-0159-I	08/29/2016
LA-IS-15-0200-I	08/29/2016
LA-HO-14-0010-I	09/08/2016
LA-HO-11-0043-I	09/20/2016
LA-MA-16-0088-I	09/22/2016
LA-IS-11-0344-I	09/26/2016
LA-HO-12-0219-I	09/28/2016
LA-HO-13-0046-I	09/29/2016



Letter of Observations

June 29, 2017

The Honorable Ann Calvaresi Barr
Inspector General
U.S. Agency for International Development
1300 Pennsylvania Avenue, NW, Room 6.06D
Washington, D.C. 20523

SUBJECT: *Letter of Observations following the Report on the Quality Assessment Review of the Investigative Operations of the Office of Inspector General for the U.S. Agency for International Development*

Dear Ms. Calvaresi Barr:

This is a supplement to our *Report on the Quality Assessment Review of the Investigative Operations of the Office of Inspector General for the U.S. Agency for International Development* (USAID OIG), conducted in May 2017.

In addition to reporting a rating of compliant, the peer review team identified three best practices or similar notable positive attributes of your investigative operations.

- USAID OIG has cultivated an exceptional proactive briefing program. In FY 2016, USAID OIG investigative personnel conducted 341 fraud awareness briefings with more than 10,000 participants worldwide. In addition, USAID OIG has developed publications and educational materials—such as hotline posters, fliers, and cards—that are produced in six languages and distributed worldwide. While the review team could not quantify the effectiveness of the program, the impact of the outreach efforts can be seen through the quality of referrals and case initiations.
- USAID OIG's evidence program is of notably high quality. The evidence room is clean, organized, and adequately secured through proper access controls. Records for the evidence log and related documentation, including evidence and property records, are meticulously categorized and maintained. A random number of evidence records were spot checked and found to be in 100 percent compliance.

- USAID OIG developed and recently implemented case prioritization matrices that optimize its investigative expertise when evaluating allegations with the greatest potential to cause financial or reputational harm. These tools enable agents to quickly identify the most significant allegations and prioritize them using a historical analysis of investigative efforts and strategic priorities; these efforts, in turn, allow USAID OIG to prevent, detect, deter, and neutralize threats in high-conflict areas and non-permissive environments. The first matrix, which targets employee integrity issues, examines factors including rank and position, the nature of the allegation (criminal or administrative), and the level of control or authority exercised by the individual. The second matrix assesses program integrity allegations and analyzes factors such as the value of the award, the life-long viability of the project, and the agency's ability to administratively address non-criminal issues. These tools also support USAID OIG's investigative efforts to protect its programs, life-saving medical commodity supply chains, and large-infrastructure projects as well as the U.S. mission to defeat the Islamic State in Iraq and Syria in critical priority countries.

In addition to reporting a rating of compliant, the peer review team identified two areas for improvement or increased efficiency or effectiveness.

- We recommend a revision to the USAID OIG Criminal Investigator Manual to more succinctly clarify that all matters will be referred to the Attorney General when there are reasonable grounds to believe that a violation of Federal law has occurred.

Section VII of the Attorney General Guidelines for Offices of the Inspector General with Statutory Law Enforcement Authority and Section 4 (d) of the Inspector General Act of 1978, as amended, states, "each Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law."

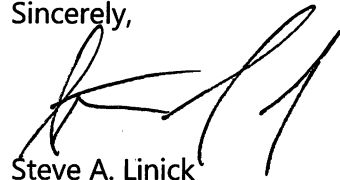
This language appears in Chapter 19.2 A (Reporting Suspected Criminal Violations). However, Section 19.5 A (Reporting Suspected Criminal Violations to Foreign Authorities) states, "OIG/I will refer substantiated allegations of rules, laws, and regulations pertaining to U.S. government programs for which the USAID OIG provides oversight for foreign prosecution when domestic prosecution is inappropriate or impossible." Section 2 further states, "Cases involving U.S. citizens or U.S. firms will be referred to DOJ before any referral is made to host government authorities." This language could be taken to mean that there are circumstances in which USAID OIG would not report a matter to the Attorney General. We suggest that language throughout the Criminal Investigator Manual be consistent with the requirement in the Attorney General guidelines.

- Consideration should be given to incorporate policy into the USAID OIG Criminal Investigator Manual that addresses all overt and covert investigative techniques that the office frequently employs beyond those investigative techniques that are already addressed in policy.

We hope you find the review team's suggestions helpful. We note that implementation of the second suggestion is at your discretion and will not be tracked or monitored by the review team.

If you have any questions, please feel free to contact me or your staff may contact ASAC Mazerolle at (703) 284-1872.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Linick', written over a horizontal line.

Steve A. Linick
Inspector General