

U.S. Agency for International Development  
OFFICE OF INSPECTOR GENERAL

# COVID-19 Oversight Plan

Fiscal Years 2021 - 2022



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## Message From the Inspector General

I am pleased to present the Office of Inspector General's (OIG) COVID-19 Oversight Plan for fiscal years 2021-2022. In it we present OIG's plans for oversight of USAID activities carried out pursuant to the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123) and the CARES Act (Public Law 116-136), as well as USAID responses to operational challenges and second-order effects presented by the COVID-19 pandemic. Congress has appropriated approximately \$1.34 billion in supplemental funding for USAID's programming and operations related to COVID-19 and \$1 million for OIG oversight. With additional funding from various Agency accounts and the State Department, the total investment in USAID's COVID-19 activities approaches \$2 billion, in addition to funding USAID redirected from existing development programs.



Ann Calvaresi Barr  
Inspector General

This plan is the result of a methodical approach that builds upon past OIG work and consultations with various stakeholders, while prioritizing planned oversight on risk and high-dollar investments. Soon after the pandemic emerged, OIG examined past work and observations and used this work to prepare a series of key questions for the Agency to consider in implementing response activities. Building off of this [advisory](#), OIG identified top management challenges USAID is likely to face in confronting the pandemic. These formed the basis for initial consultations with Congress in June 2020. OIG then consulted with Agency officials and representatives from industry groups and policy institutes to gain additional input for developing this plan.

I am particularly pleased to report that OIG oversight has been robust to date. OIG special agents participated in the successful recovery of approximately \$3 million in USAID-funded stolen ventilators that were intended for the people of El Salvador. OIG also issued an [informational brief](#) on USAID's COVID-19 response and [correspondence](#) that assessed USAID's plans and procedures for returning employees to Federal offices in the wake of the COVID-19 pandemic. The appendix includes highlights of our completed pandemic-related oversight work to date. In addition, we have initiated audits on the role of ventilators and the capability of USAID's missions to monitor programs during the pandemic.

This COVID-19 Oversight Plan, as with any plan, must be adaptable for changing conditions and priorities. OIG will update its corresponding plans and approach accordingly. Although OIG's other auditees—the Millennium Challenge Corporation, the U.S. African Development Foundation, and the Inter-American Foundation—did not receive COVID-19 supplemental appropriations, we will remain alert for oversight opportunities regarding how those agencies have addressed the many challenges posed by the pandemic. Finally, OIG is committed to developing a lessons learned report, similar to that undertaken after the Ebola outbreak in West Africa, when the current crisis has passed.

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## Ongoing Oversight Work

OIG has initiated oversight activities of USAID's response to the COVID-19 pandemic that will be ongoing during fiscal years 2021-2022. Oversight work that is currently underway includes audits on the role of ventilators in USAID's response and missions' capability to monitor Agency programs during the pandemic; investigative work focusing on USAID pandemic response activities at high risk for fraud and other abuse; proactive oversight measures to prevent problems before they occur; developing resources to assist USAID and stakeholders; and incorporating pandemic-related questions into several audits of USAID programs.

### **Audit of the Role of Ventilators in USAID's COVID-19 Response**

The primary role of ventilators has been one of the most controversial aspects of USAID's COVID-19 response, attracting both media and Congressional scrutiny. Critics have pointed to the apparent emphasis on ventilators over other interventions, evidenced by the relatively large share of funding going to ventilators—roughly \$185 million—and the reported role of the National Security Council in deciding which countries receive ventilators and how many they should get. This audit seeks to answer the following questions: (1) What are USAID's practices for assessing needs and prioritizing interventions during public health emergencies? (2) To what extent, if any, did the practices employed to determine the use and allocation of ventilators during the COVID-19 pandemic differ from these practices?

### **Audit of USAID Missions' Capacity To Monitor During COVID-19**

COVID-19 has severely disrupted USAID's traditional business model, with overseas missions and headquarters essentially on full telework and many overseas Foreign Service Officers returning from overseas to work from the United States while on authorized departure. For those remaining at post, in-country travel is often severely limited, curtailing routine monitoring of activities in the field. Most USAID implementers are suffering from similar constraints. These circumstances, coupled with decisions such as the cessation of World Health Organization (WHO) funding, have accelerated USAID's drive to find new local partners. These partners, however, generally require more attention and oversight to make sure they comply with USAID regulations—attention that missions may find harder to give amidst the pandemic. The objectives of this audit are to (1) determine the extent to which USAID missions' capacity to monitor has been impacted by COVID-19 and (2) assess to what extent USAID has taken steps to mitigate the effects of the pandemic on program monitoring.

### **Proactive Outreach Program**

Through its Proactive Outreach Program, OIG's Office of Investigations coordinates with implementers to identify weaknesses and vulnerabilities, giving OIG and implementers a better understanding of risk areas affecting USAID programs. Under the program, OIG special agents and analysts continue to engage with organizations implementing USAID's COVID-19 response to preemptively identify systemic

weaknesses and vulnerabilities in their internal controls over procurement, fraud reporting, finance, staffing, and other processes. OIG provides immediate feedback to the implementers and the relevant USAID missions, encouraging systemic changes where needed and building partnerships.

### **Fraud Awareness Briefings**

OIG's Office of Investigations conducts worldwide fraud awareness briefings for both implementers and USAID personnel. These informative, relationship-building efforts will help deter fraud, waste, and abuse by increasing awareness of mandatory disclosure requirements for allegations of program and procurement fraud, commodity diversion, and other types of fraud and misconduct occurring during COVID-19 response activities. OIG's Office of General Counsel conducts similar briefings—in conjunction with the Office of Investigations or separately—to national and international forums of the legal counsels of nongovernmental organizations. So far in fiscal year 2020, OIG has conducted 105 fraud awareness briefings globally and virtually as COVID-19 restrictions were put in place, reaching 7,166 participants.

### **Investigative Monitoring of USAID's Global Health Supply Chain Contract**

In fiscal year 2020, USAID's Office of Investigations prioritized deterring, detecting, and neutralizing organized crime that targets the global health supply chain for life-saving medications and commodities. This focus included maintaining collaborative relationships with implementers and the USAID Bureau of Global Health, tracking complaints of theft and loss, developing trend analyses, and pursuing relevant investigations in the field. Since USAID has designated the \$9.5 billion Global Health Supply Chain mechanism as the primary procurer for COVID-19 ventilators and accessories, the Office of Investigations is well-positioned to continue working with USAID and the implementer to track any incidents of theft or diversion.

### **COVID-19 Information Briefs**

OIG outreach to USAID stakeholders revealed an interest in access to more timely information on USAID COVID-19 response efforts. In response, OIG has begun preparing periodic information briefs on the progress of USAID's response to the COVID-19 pandemic and associated challenges, as well as related oversight plans and activities. These products include information on response strategies, spending, and interventions and are based on data and information gathered from Agency documents, interviews, and public sources to provide timely reporting on related activities. The products are designed to increase stakeholder knowledge and public transparency regarding USAID efforts and OIG oversight.

## **Quarterly Reporting on COVID-19 in Overseas Contingency Operations**

As required by the Inspector General Act of 1978, as amended, the Inspectors General for the Department of Defense, Department of State, and USAID work together to report quarterly to Congress on the progress of overseas contingency operations and corresponding oversight activities. Starting in the second quarter of fiscal year 2020, these [quarterly reports](#) have tracked COVID-19 outbreaks and USAID responses in Afghanistan, Syria, Iraq, and the Philippines, as well as parts of Northwest and East Africa. They also include information about the broader U.S. Government's response as it relates to each overseas contingency operation.

## **Incorporating Pandemic Oversight Into Audits With Other Focuses**

In addition to audits focused specifically on USAID's COVID-19 response, OIG is also incorporating questions related to the effects of the pandemic into its audits of other USAID programs and activities.

### ***Audit of Local Partner Participation Initiatives in USAID's PEPFAR Programs in Africa***

The Office of the U.S. Global AIDS Coordinator and Health Diplomacy (OGAC) has established a goal of 70 percent local partner participation in U.S. President's Emergency Plan for AIDS Relief (PEPFAR) programs by 2020. Included in the definition of local partner participation is government-to-government assistance, which is especially risky in Africa given the levels of corruption in countries with the greatest HIV prevalence. Additional concerns about the target goal include lack of local partner capacity and management capacity at USAID. The objectives of this audit are to (1) describe the extent to which USAID's PEPFAR budgets are on track to meet the goal for local partner funding; (2) assess to what extent USAID's strategy has prepared the Agency to increase PEPFAR funding to local partners while addressing risks; and (3) assess to what extent selected USAID missions in Africa followed Agency guidance designed to achieve the goal for PEPFAR local partner funding while addressing risks. The audit also explores topics related to the possible effects of the COVID-19 pandemic on USAID's ability to reach the OGAC target and the extent to which USAID has identified financial and programmatic risks emanating from the pandemic.

### ***Audit of Data Quality in Selected USAID PEPFAR Programs in Africa***

High-quality data are the foundation for sound decision-making and should be valid, precise, timely, and reliable to be useful and credible for reporting. USAID uses data to make decisions, such as whether to make follow-on awards to implementers. Given OGAC's strong emphasis on meeting targets amidst stagnant or declining budgets, implementers may try to falsify data to obtain favorable ratings and follow-on awards, or to collect U.S. Government funds by claiming inflated numbers of beneficiaries served. Prior OIG audits reported that data quality issues are commonplace in USAID PEPFAR programs. This audit examines the quality of data reported in selected PEPFAR programs to determine if weaknesses exist that may lead to inaccurate results reporting.

The objectives of this audit are to assess the extent to which USAID has (1) designed and implemented internal controls over collecting, verifying, and reporting PEPFAR data and (2) identified and mitigated the effects of the COVID-19 pandemic on its internal controls over PEPFAR data quality.

***Audit of USAID's Branding and Marking Requirements***

In May 2019, a bill was introduced in the House of Representatives (H.R. 2691) authorizing the USAID Administrator to prescribe how Agency programs are identified overseas and for other purposes. The bill language included a requirement for OIG to conduct an audit of compliance with the Agency's branding and marking requirements by implementers funded by USAID. The House passed the bill in July 2019, and in December 2019 the Senate Foreign Relations Committee approved a modified version. While the bill has not been enacted into law, OIG initiated this audit in response to significant congressional interest in this subject. The objectives of this audit are to determine the extent to which USAID (1) has policies and procedures to ensure compliance with statutory branding and marking requirements; and (2) has provided information and oversight to ensure implementers complied with branding and marking requirements. This audit considers the impact of COVID-19 under both objectives, as appropriate.

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## Planned Oversight Work

In fiscal years 2021-2022, OIG currently plans to initiate four audits focused on USAID's pandemic response, oversee financial audits of contractors and grantees utilizing COVID-19 funding, and incorporate pandemic oversight into audits of other agency programs. In addition, we will continue monitoring USAID's actions in response to COVID-19 and conducting additional audit, investigative, and other oversight work, as appropriate.

### **Audit of USAID's Efforts To Address the Second-Order Effects of COVID-19**

To address the international economic, security, and governance effects of the COVID-19 pandemic, Congress appropriated \$250 million in Economic Support Funds (ESF) for activities such as enhancing government communications, facilitating border security, fostering economic recovery among vulnerable populations, and promoting conflict mitigation efforts. This audit could examine USAID's prioritization of ESF resources and interventions and whether USAID has appropriate metrics to gauge the effectiveness of those interventions in promoting good governance, stability, economic recovery, and gender equality in the wake of COVID-19.

### **Audit of USAID's Efforts To Address Pandemic Threats**

USAID established the Emerging Pandemic Threats program in 2009 to avert or fight diseases that could lead to future pandemics. Part of this effort included the PREDICT program, which focused on detection and discovery of zoonotic diseases that had the potential to move between animals and people, the likely origin of the COVID-19 pandemic. While the PREDICT program ended in September 2019, it was ultimately extended until September 2020 in response to the COVID-19 pandemic. As PREDICT ends, the Agency has developed a new project—STOP Spillover—to build off its results. Specifically, STOP Spillover is intended to strengthen capacity in selected target countries, as well as implement activities to reduce the spillover and spread of zoonotic pathogens. STOP Spillover is a five-year, \$100 million cooperative agreement awarded to a consortium led by Tufts University that will play a significant role in the implementation of the U.S. Government's Global Health Security Strategy, including support for the Global Health Security Agenda. This planned audit may assess the impact of USAID's ongoing investment in addressing emerging pandemic threats.

### **Audit of USAID's Efforts To Preserve Gains in Its HIV, Malaria, and Tuberculosis Programs During the COVID-19 Pandemic**

While global attention is currently riveted on the 1 million deaths caused by COVID-19, longstanding diseases continue to claim millions of lives in the developing world. Each year, HIV and AIDS-related illnesses are estimated to kill 690,000 people, tuberculosis



another 1.2 million people who are HIV-negative, and malaria 405,000 people.<sup>1</sup> However, disruptions caused by COVID-19 have hampered the fight against these diseases and pose enormous challenges for USAID, which has been at the forefront of efforts against HIV, malaria, and tuberculosis for over a decade. USAID officials are keenly aware of the need to preserve the U.S. Government's nearly \$100 billion investment and the measurable progress resulting in millions of lives saved. This audit may examine USAID's strategy and associated interventions to mitigate the effects of COVID-19 on its HIV, malaria, and tuberculosis programs.

### **Audit of USAID's Efforts To Safeguard Implementers and Program Operations in Selected Countries**

The COVID-19 pandemic has disrupted the operations of USAID's implementers and program operations in countries, as implementers contended with public health restrictions imposed by host governments and changing USAID guidance. USAID implementers have had to navigate how to continue providing USAID-funded services and deliver programmatic results while protecting their staff from COVID-19 and adhering to USAID policies. USAID reported taking several actions to assist implementers in response to the changes in the global operating environment, such as authorizing flexibilities for assistance and acquisition awards; issuing guidance on remote monitoring and procurement of personal protective equipment; authorizing the Expedited Procedures Package for Responding to Outbreaks of Contagious Infectious Diseases to streamline award processes; and launching a learning platform for missions and implementers. This audit could examine effects, considerations, and limitations of these USAID policies and guidance on implementers as they adapted to operating during the pandemic.

### **Oversight of Financial Audits of COVID-19 Contractors and Grantees**

Nearly all of USAID's nearly \$2 billion COVID-19 response will be spent by contractors and grantees. USAID is required by the Federal Acquisition Regulation, the Single Audit Act, and Office of Management and Budget guidance to obtain appropriate and timely audits of its U.S.-based contractors, grantees, and enterprise funds. USAID policy further requires audits of those contractors and grantees based overseas. Pursuant to these requirements, independent audit firms perform incurred-cost and financial audits of contractors and grantees. These audits may identify questioned costs, deficiencies in internal controls, noncompliance with laws and regulations, and fraud affecting Federal programs. OIG reviews the resulting reports for conformity with professional reporting standards and issues a transmittal memo to the Agency that may contain recommendations for improvement. OIG also conducts quality control reviews of audit firms as time and resources permit.

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<sup>1</sup> The number of HIV and AIDS-related deaths is for 2019; the numbers for malaria and tuberculosis are for 2018.

## **Incorporating Pandemic Oversight Into Audits With Other Focuses**

In addition to planned audits focused on USAID’s COVID-19 response, OIG also plans to incorporate questions related to the effects of the pandemic into its future audits of other USAID programs and activities.

### ***Audit of Oversight on USAID’s Investment for Vaccination Efforts***

USAID has worked with partners around the world to build strong immunization systems and extend access to lifesaving vaccines to all. USAID announced in February 2020 that the U.S. Government will commit \$1.16 billion over 4 years to Gavi, the Vaccine Alliance, which brings together public and private sectors with the shared goal of creating equal access to new and underused vaccines for children living in the world’s poorest countries. In August 2020, USAID issued a new global award focused on vaccines and immunization and with capacity to support COVID-19 vaccine introduction and delivery at the country level. This audit could assess how USAID’s support to Gavi and other vaccination implementers is strengthening the health system and building local capacity in the supported countries, and how the Agency oversees its vaccination activities to ensure effective coordination to prevent duplication of health efforts in the field.

### ***Audit of USAID’s Implementation of the Clear Choice Framework in Africa***

Africa has been a major focus of China’s efforts to gain access to strategic ports and resources via the provision of aid. China’s development model prioritizes debt-financed infrastructure constructed by Chinese firms and workers under the One Belt, One Road initiative. In contrast, USAID’s Clear Choice Framework aims to provide a “clear choice” between free and repressive models of international development while advancing U.S. national security. Clear Choice is posited on an alternative development model that prioritizes private enterprise, transparent governance, and self-reliance. Since the start of the pandemic, the Chinese government has aggressively marketed COVID-19 assistance to other countries, particularly in Africa. This planned audit will examine how USAID has implemented its Clear Choice Framework in Africa, in the context of the pandemic.

### ***Audit of USAID’s Healthcare Response to the Venezuela Regional Crisis***

Deteriorating economic and political conditions in Venezuela have contributed to a health emergency with widespread shortages of pharmaceutical supplies and medicine; reduced access to medical care; and increased spread of communicable diseases. The COVID-19 pandemic has compounded the urgency of health needs, and USAID implementers have adjusted programs to prioritize life-saving health services and medicine to vulnerable Venezuelans. An audit could assess how various USAID units overseeing programs in the area are identifying and addressing healthcare needs; how medical commodities are managed and distributed in the country; and to what extent implementers are carrying out sustainable solutions. This audit could also inform stakeholders on the impact of COVID-19 on USAID’s health programming in the country.

***Audit of USAID's New Partnerships Initiative***

A key element of USAID's 2018 Acquisition and Assistance Strategy was a focus on diversifying the Agency's partners, including working with new or underutilized partners or local entities. In May 2019, the Agency announced the New Partnerships Initiative (NPI), which was designed to increase USAID's development impact by increasing the number of implementers while at the same time diversifying them, changing the way USAID supports self-reliance. Since its inception, NPI has awarded over \$300 million to new underutilized implementers. USAID continues to roll out NPI programs while it responds to the COVID-19 pandemic. An audit could assess the extent to which NPI is being used to increase USAID's engagement with local implementers and the reach of its programming, as well as how the Agency has taken lessons learned from prior efforts to engage with new, local, or underutilized implementers. Further this audit could provide an opportunity to determine what controls the Agency has put in place to safeguard taxpayer resources as it looks to work with new implementers, and what mechanisms are in place to develop their capacity as they implement development programs.

## Appendix: Completed Oversight Work

Our ongoing and planned COVID-19 oversight work for fiscal years 2021-2022 builds on the following OIG efforts that have been completed during the pandemic. Through this oversight work, we have provided critical and timely information on USAID's pandemic response to the Agency and stakeholders and recovered stolen USAID-funded ventilators.

### Stolen Ventilator Recovery

In mid-August 2020, OIG was notified that USAID-funded ventilators bound for El Salvador were stolen en route to Miami International Airport. Our agents immediately connected with local police officers and FBI agents in the greater Miami area, who helped locate and seize the stolen goods. As a result, approximately \$3 million in stolen ventilators was recovered. The OIG investigative team then worked closely with the Assistant U.S. Attorney pursuing criminal charges in the case and worked out a way to enable almost all of the ventilators to continue on to El Salvador, preserving the ability to prosecute a criminal case to deter future theft while supporting USAID's mission to deliver life-saving medical equipment to countries in need.

### Key Questions Advisory Notice

This [May 2020 advisory notice](#) posed key questions from past lessons learned for USAID to consider while planning and executing its response to the COVID-19 pandemic. The lessons learned and corresponding questions fall under four broad areas, which mirror the top management challenges we report annually to USAID: (1) managing risks to humanitarian assistance amid a public health emergency of international concern; (2) maintaining responsibilities for planning, monitoring, and sustaining U.S.-funded development; (3) maximizing stakeholder coordination for a global COVID-19 response; and (4) addressing vulnerabilities and implementing needed controls in Agency core management functions.

### USAID Top Pandemic Challenges Report

In June 2020, we contributed to a report compiled by the Pandemic Response Accountability Committee that identified multiple agencies' top challenges in responding to the COVID-19 pandemic. [Our contribution](#) organized the significant anticipated challenges USAID faces in implementing its response efforts into four categories that align with the fiscal year 2020 top management challenges statement for the Agency.

### OIG Letter to Chairman Connolly on USAID Reopening Plans

In August 2020, we [reviewed USAID's plans and procedures](#) for returning employees to Federal offices in the wake of the COVID-19 pandemic. For domestic operations, USAID followed the U.S. Government Accountability Office's key considerations by (1) making decisions about reentry based on local conditions, (2) communicating continuously with employees, (3) having appropriate measures in place to protect employees, and (4) implementing social distancing strategies. For overseas operations, USAID followed State Department direction, which also uses a phased approach

following criteria based on evolving local conditions, for returning staff to the workplace.

### **COVID-19 Information Brief**

This brief provides information on USAID's response to the COVID-19 pandemic and associated challenges, as well as related oversight plans and activities. OIG prepared this [informational brief](#) to increase stakeholder knowledge and public transparency regarding these efforts. It reports on activities from the start of the COVID-19 pandemic through August 31, 2020.

### **COVID-19 Fraud Awareness & Reporting Fact Sheet**

To educate USAID staff and implementers on fraud prevention and reporting in the context of the pandemic, this [fact sheet](#) outlines guidance for reporting potential fraud in COVID-19 programs and supplements information in our Fraud Awareness Handbook.

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