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The International Rescue Committee (“IRC”) Agrees to Pay \$6.9 Million To Settle Allegations That It Performed Procurement Fraud by Engaging in Collusive Behavior and Misconduct on Programs Funded by the United States Agency for International Development

WASHINGTON – The Justice Department announced today that the International Rescue Committee (“IRC”) has agreed to pay \$6.9 million to settle allegations under the False Claims Act related to United States Agency for International Development (“USAID”)-funded programming for beneficiaries affected by the conflict in Syria. The settlement announced on March 16, 2021, is part of a civil resolution involving the U.S. Attorney’s Office for the District of Columbia, USAID, and the USAID Office of Inspector General (OIG).

IRC is a global humanitarian aid, relief and development nongovernmental organization that provides emergency aid and long-term assistance to refugees. It is headquartered in New York, New York. In the early years of the conflict in Syria, IRC received USAID funding for humanitarian assistance programming, specifically to provide emergency cross-border humanitarian assistance to internally displaced persons located within Syria.

USAID’s OIG conducted investigations in Turkey into allegations that IRC staff participated in a collusion and kickback scheme with a Turkish supply ring, which included bid-rigging activities in the selection of goods and services contracts for cross-border humanitarian relief into Syria. USAID OIG and the USAO-DC Civil Division also investigated allegations that IRC staff received kickbacks, steered bid procurement tenders, and allowed conflicts of interest between staff and suspect vendors. The investigation revealed that conduct by IRC staff resulted in the procurement of goods at unreasonably high prices, which were subsequently invoiced to USAID from October 2012 to December 2015.

USAO-DC Civil Division and USAID OIG thoroughly examined all source documents including contracts, proposals, contract terms, and invoices, in the lead-up to IRC’s agreement to pay the United States \$6,934,500 to settle the False Claims Act allegations.

We are happy to bring this case to resolution and will continue to work with Offices of Inspectors General to ensure that humanitarian aid dollars that are targeted for humanitarian assistance for displaced persons are not compromised by lax oversight controls but are used appropriately to help those in dire need,” said Acting United States Attorney Channing D. Phillips.

Acting USAID Inspector General Thomas J. Ullom stated, “This settlement sends a strong message that USAID-funded implementers must have systems in place to detect, deter, and prevent fraud in humanitarian assistance programming. Aid organizations that lack proper monitoring and oversight controls over their procurement processes put taxpayer dollars at risk and compromise the delivery of critical assistance to those in need. USAID OIG’s global investigative operations will continue to shine a light on and drive consequences for fraud affecting USAID programming.”

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