



USAID OIG's Role in Safeguarding Foreign Assistance from Corruption

“Corruption corrodes public trust; hobbles effective governance; distorts markets and equitable access to services; undercuts development efforts; contributes to national fragility, extremism, and migration; and provides authoritarian leaders a means to undermine democracies worldwide.”

— President Biden, June 2021 National Security Study Memorandum establishing the fight against corruption as a core national security interest of the United States

The USAID Office of Inspector General plays a pivotal role in identifying and combating corruption in foreign assistance programs through its global law enforcement activity, independent audit function, and relationships with oversight counterparts around the world. In 2020, OIG was commended by the Organisation for Economic Co-operation and Development for its “powerful tools” that support the detecting, reporting, and investigating of bribery allegations. OIG representatives also have observer status and offer insights to USAID’s Anti-Corruption Task Force.

Investigations

OIG acts on reports of corruption that affect foreign aid programs and works to hold bad actors accountable. OIG’s ability to investigate corruption and other misconduct includes:

- Over 40 trained Federal Law Enforcement Officers operating globally and based throughout the United States and in six locations overseas.
- Employment of a dedicated Special Assistant United States Attorney with authority to prosecute cases on behalf of the Department of Justice, and three in-house investigative counsel.
- Independent subpoena authority and ability to obtain information and evidence from USAID award recipients.
- An active suspension/debarment referral program reporting corrupt actors to USAID for U.S. government-wide exclusion from future funding and recirculating throughout the aid sector.
- Formal relationships with numerous U.N. and bilateral oversight entities for information sharing, collaboration, and joint investigations.
- A designated Whistleblower Protection Coordinator who educates USAID employees about their right and responsibility to safely disclose allegations of corruption and other misconduct.

Holding Corrupt Actors Accountable Through:

Criminal Investigations

A multiyear OIG investigation led to the **extradition and 40-month U.S. prison sentence** for a nongovernmental organization (NGO) procurement official who coordinated a collusive bidding scheme for the procurement of food and supplies intended for those displaced by the conflict in Syria.

OIG's investigation found that the procurement official bribed officers from other NGOs to obtain confidential procurement information and provided this information to his preferred companies in exchange for kickbacks, ensuring that they had an advantage over other bidders.

Civil Investigations

An OIG investigation led to a **\$6.9 million civil settlement** with an international NGO under the False Claims Act.

This settled allegations that an international NGO submitted inflated invoices to USAID while implementing humanitarian assistance awards to deliver aid to refugees and displaced persons affected by the conflict in Syria. The NGO's staff participated in a collusion and kickback scheme that resulted in its procurement of goods at grossly inflated prices, which were then invoiced to USAID.

Suspension/Debarments

An OIG investigation led to the **debarment of three foreign service nationals and a related company** in South Africa after OIG discovered the employees engaged in a contract steering conspiracy, knowingly fabricating invoices and receiving kickbacks for each USAID contract that was awarded to the company.

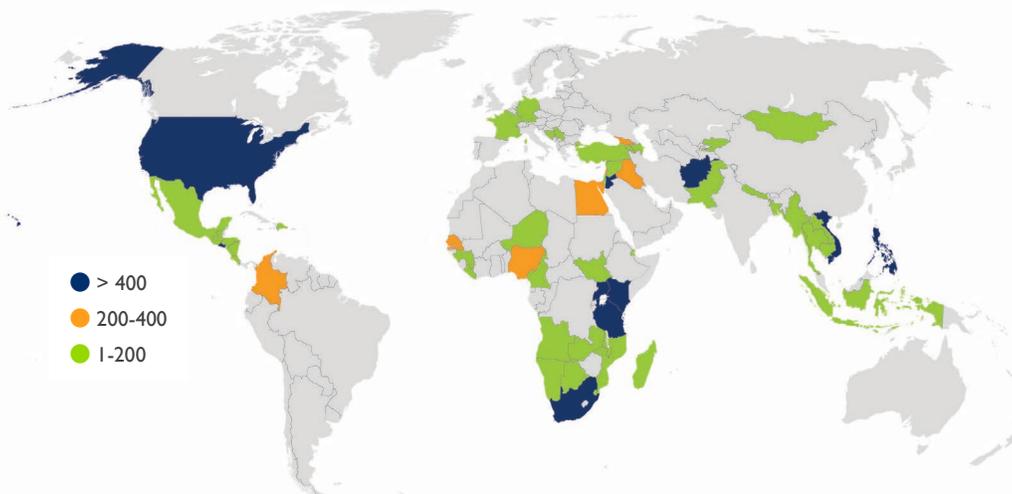
Another OIG investigation led to the **debarment of an Africa-based NGO** after OIG discovered the NGO's diversion of USAID funding to a national political party.

Direct Outreach to International Aid Organizations

Through targeted fraud awareness briefings and outreach to NGO legal counsels, OIG investigators and attorneys reinforce to grantees, contractors, and Federal employees their ability and responsibility to report allegations of corruption and other misconduct to OIG.

Participants Reached Through OIG Fraud Awareness Briefings

Fiscal Years 2019-2021



In fiscal years 2019-2021, OIG conducted **455** fraud awareness briefings, reaching **23,448** participants around the world.

Notes: Includes both virtual and in-person briefings. The depiction and use of boundaries on this map do not imply official endorsement or acceptance by the U.S. government.

Audits and Evaluations

OIG’s Office of Audit conducts audits and evaluations of USAID programs and operations. The reports produced typically result in recommendations to improve the effectiveness, economy, efficiency, internal control, and compliance with requirements of foreign assistance programs.

Our work points to greater corruption risks in certain environments, such as where USAID faces constraints in accessing project sites for monitoring. Risks also increase when USAID provides funds or commodities directly through local organizations that may lack the capacity to prevent corrupt acts. While USAID accepts certain risks in order to achieve broader foreign assistance objectives, our work underscores the need for continued diligence. For example:

- USAID did not follow through on some procurement fraud risk mitigation measures for an implementer working on Syria humanitarian response cross-border activities. Following our audit, USAID built new conditions into its awards with the implementer to help minimize risk.
- In its response to the Venezuelan migrant crises, USAID had incorporated leading practices to manage fraud risks but did not carry forward those risk management requirements in its guidelines to program implementers. This gap exposed programming to different fraud risks. For example, we found that one implementer had enrolled ineligible individuals affiliated with a local government due to control weaknesses in preventing employee corruption.
- In the case of supplying health commodities, our audits have highlighted trade-offs USAID must make between utilizing host country supply chains (which boosts self-reliance) and setting up parallel supply chains (which mitigates the risk of corruption and improves accountability).

OIG’s Worldwide Presence and Partnerships

OIG conducts oversight activities worldwide, working from the 12 offices shown in the following map. Our information-sharing agreements and partnerships with international oversight counterparts multiply the effects of our efforts to tackle corruption, enabling us to cast a wide net and leverage collective knowledge and resources to confront corruption allegations affecting programs across the aid sector. These global relationships include memorandums of understanding with oversight counterparts in:

- World Food Programme
- U.N. High Commissioner for Refugees
- U.N. Development Programme
- U.N. Office for Project Services
- Japan International Cooperation Agency
- Inter-American Development Bank
- World Health Organization
- European Anti-Fraud Office
- Gavi, the Vaccine Alliance

OIG Office Locations



Note: The depiction and use of boundaries and geographic names on this map do not imply official endorsement or acceptance by the U.S. government.

OIG's Hotline

Report Waste, Fraud, and Abuse

ig.hotline@usaid.gov | [Online Complaint Form](#)

202-712-1023 or 800-230-6539

OIG's Hotline provides a mechanism for any individual to confidentially report corruption including but not limited to fraud, waste, and abuse—including sexual exploitation and abuse—related to programming or operations for which OIG provides oversight.

Federal employees are required to disclose fraud, waste, abuse, and corruption to appropriate authorities, such as OIG.

Contractors and grantees implementing projects with U.S. funds must comply with mandatory disclosure requirements (pursuant to Federal and agency-specific procurement and assistance rules) in reporting allegations of fraud and misconduct.

Employees of such organizations may also submit confidential complaints to the Hotline directly. Retaliation against employees of grantees and contractors for disclosing misconduct in the performance of a U.S.-funded award is prohibited by law.



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