



# Semiannual Report to Congress

April 1–September 30, 2024



U.S. Agency for International Development  
Office of Inspector General

## **Our Mission**

The USAID Office of Inspector General safeguards and strengthens U.S. foreign assistance through timely, relevant, and impactful oversight.

## **Report Fraud, Waste, and Abuse**

Our Hotline receives allegations of fraud, waste, and abuse affecting the programs, operations, and employees of USAID, MCC, USADF, and IAF. The allegations may include but are not limited to claims of criminal conduct, sexual exploitation and abuse, and serious noncriminal misconduct.

### [Report Fraud, Waste, and Abuse](#)

USAID OIG Hotline, P.O. Box 657  
Washington, DC 20044-06  
(202) 712-1070

#### **Cover Photos:**

1. USAID and ADPP partner in tuberculosis care at community and health facilities in target districts throughout the country.  
Photo credit: Arnaldo Salomão Banze, ADPP Mozambique
2. In Burma, USAID and P&G partner to provide clean drinking water and promote sanitation practices to vulnerable populations.  
Photo credit: Kelly Ramundo, USAID
3. Project HOPE through the USAID Bureau of Humanitarian Assistance offers art classes for internally displaced persons, women, and kids at a mental health center in Ukraine. Photo credit: Oleksii Kozodaiev
4. Truck delivering aid to Gaza via the Joint Logistics Over-the-Shore maritime pier, summer 2024. Photo credit: U.S. Central Command.
5. Participants in USAID's Women in Angola Farming project, a public-private partnership for women farmers. Photo credit: USAID

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# By the Numbers

April 1–September 30, 2024

## Audit Results<sup>1</sup>



**\$3,702,453,656**  
in funds audited



**47** performance and financial audits, evaluations, inspections, and agile products

**74** recommendations to improve programs and operations<sup>1</sup>

## Investigative Results



**40** investigations opened

**39** investigations closed

**\$8,562,426** in monetary results



**24** prosecutorial referrals

**1** conviction



**22** administrative actions, including

**16** government-wide suspensions and debarments



**128** fraud awareness briefings delivered

<sup>1</sup> We also performed desk reviews of USAID's and MCC's non-Federal audit program. During the past 6 months, we reviewed 236 audit reports totaling \$11,470,018,180 in funds audited that included \$7,300,682 in questioned costs and 78 recommendations.

## Message from the Inspector General

The USAID Office of Inspector General (OIG) is committed to improving U.S. foreign assistance administered by USAID, the Millennium Challenge Corporation, the Inter-American Foundation, and the U.S. African Development Foundation while providing assurances to Congress and the American people that U.S. aid is being used effectively to achieve its intended results. This important oversight work is possible only through the dedication, talent, and creativity of over 250 USAID OIG personnel based in Washington and in 12 offices overseas, including our newest office in Kyiv, Ukraine.

Our independent oversight work during this reporting period tracked USAID's major programs and initiatives, including issuance of timely products pertaining to USAID's humanitarian assistance programming for Gaza. For example, we released [an advisory](#) identifying shortcomings and vulnerabilities in USAID's oversight mechanisms to prevent diversion of aid to Hamas and other U.S.-designated terrorist organizations, and [alerted](#) USAID-funded organizations of the need to report instances of prohibited funding to the UN Relief and Works Agency (UNRWA). We also issued [an evaluation](#) assessing USAID's planning, execution, and oversight of humanitarian assistance to Gaza through the Joint Logistics Over-the-Shore maritime corridor, identifying external factors that impaired maximum delivery of aid through this route.

During this reporting period, we continued our aggressive oversight of the tens of billions of dollars in USAID funding to Ukraine and its people. We issued [an evaluation](#) that examined how the USAID Mission in Ukraine responded to challenges in staffing after Russia's full-scale invasion, and the subsequent State Department-ordered departure of all nonemergency U.S. government personnel from Embassy Kyiv. We also [assessed controls](#) over USAID's monitoring mechanisms and safeguards for direct budget support, our fourth review of the \$27 billion in appropriations for direct budget support disbursed to the government of Ukraine through trust funds managed by the World Bank.

During this period, we issued audit reports that examined Millennium Challenge Corporation [data quality reviews](#) and [compact procurements](#), USAID's implementation of its [climate strategy](#), and risk management of USAID- and IAF-funded local entities in [Latin America and the Caribbean](#).

On the investigations side of the house, our special agents, digital forensics specialists, and investigative analysts continued to investigate fraud, corruption, and other misconduct involving U.S. foreign assistance programs, operations, and personnel. Our work, in partnership with the Department of Justice, led to a [\\$671,914 civil settlement](#) with a USAID-funded South African company responsible for tuberculosis treatment and prevention services. The settlement resolved allegations that the company improperly sought reimbursement for work not performed. Further, our casework led to 16 suspensions and debarments, including USAID's debarment of a Lebanese subawardee and its owner who trafficked in children from local Syrian refugee camps. We also continue to play a key role on task forces that combat transnational human smuggling and trafficking networks, fight electronic crimes, and seek to disrupt and dismantle Mara Salvatrucha, commonly known as MS-13. Additionally, we hosted the Complex Emergencies Working Group, consisting of 20 multilateral and bilateral agencies, designed to share best practices in investigating criminal activity affecting foreign assistance programs.

Finally, we continued to provide transparency over USAID's funding to United Nations and other public international organizations (PIOs). Our [evaluation](#) of USAID's due diligence of funding to PIOs found that USAID did not consistently use all available pre- and post-award due diligence mechanisms to ensure effective oversight of programming to these organizations.

This Semiannual Report summarizes OIG's activities and accomplishments between April 1, 2024, and September 30, 2024. We hope you find it informative.



Paul K. Martin  
Inspector General



## About USAID OIG

Under the authority of the Inspector General Act of 1978, as amended, we conduct independent audits, evaluations, and investigations that promote economy, efficiency, and effectiveness and prevent and detect fraud, waste, and abuse in USAID programs and operations. We also provide oversight of the [Millennium Challenge Corporation](#) (MCC), [Inter-American Foundation](#) (IAF), and the [U.S. African Development Foundation](#) (USADF). In coordination with the Inspectors General for the Departments of Defense and State, our work includes oversight of Overseas Contingency Operations in Ukraine, Syria, Iraq, and Afghanistan, which often involve foreign assistance, humanitarian aid, and stabilization activities.

Our strategic oversight goals are aligned with U.S. foreign assistance priorities and the interests of our stakeholders. We provide the results of our work to agency leaders, Congress, and the public.

## History, Mandates, and Authority

### 1980 USAID OIG Established

USAID OIG was established by Public Law 96-533, an amendment to the Foreign Assistance Act of 1961.

### 1981 USAID OIG Brought Under the Inspector General Act

The International Security and Development Cooperation Act of 1981 brought the USAID Inspector General under the Inspector General Act of 1978.

### 1999 Oversight of IAF and USADF

OIG assumed audit and investigative oversight of IAF and USADF under the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Appendix G of Public Law 106-113.

### 2004 Oversight of MCC

OIG assumed oversight of MCC under the Millennium Challenge Act of 2003, Division D, Title VI of Public Law 108-199.

### 2013 Oversight of Overseas Contingency Operations

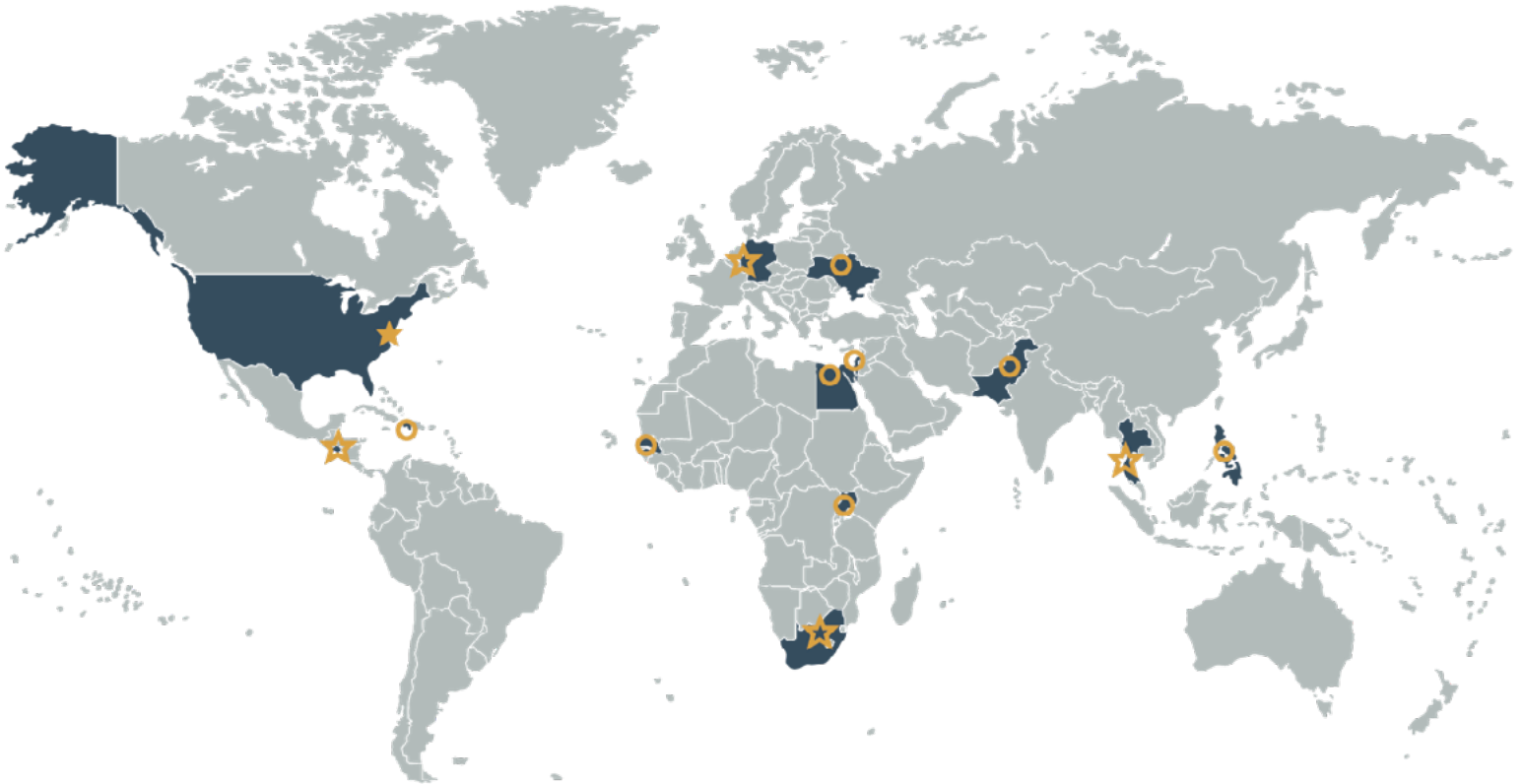
OIG was charged with joint, coordinated oversight of overseas contingency operations under the National Defense Authorization Act for Fiscal Year 2013, Public Law 112-239.





## USAID OIG Office Locations

USAID OIG conducts oversight activities worldwide, working from 13 offices, including our headquarters, regional offices, and suboffices.<sup>2</sup>



### Headquarters

Washington, DC, USA

### Regional Offices

Latin America/Caribbean, San Salvador, El Salvador  
Middle East/Eastern Europe, Frankfurt, Germany  
Africa, Pretoria, South Africa  
Asia, Bangkok, Thailand

### Suboffices

Port-au-Prince, Haiti  
Dakar, Senegal  
Cairo, Egypt  
Kampala, Uganda  
Tel Aviv, Israel  
Kyiv, Ukraine  
Islamabad, Pakistan  
Manila, Philippines

<sup>2</sup> Here and throughout the report, the depiction and use of boundaries and geographic names on maps do not imply official endorsement or acceptance by the U.S. government.

In Senegal, Hapsatou Ka dries beans and meat for longer preservation. Her training by USAID allows her to show her neighbors how to feed and care for their families. Photo credit: Morgana Wingard, USAID



## **Outreach and External Engagement**

Our outreach and external engagements give our congressional stakeholders, oversight partners, aid organizations, and the public timely and relevant information related to our oversight of U.S. foreign assistance programs. We seek to inform stakeholders about our work, coordinate oversight as appropriate, and highlight ways in which the aid sector can promote accountability and good stewardship of U.S. foreign assistance funding.

## Engagements With Congress

- **Gaza Oversight.** We provided four congressional briefings, including joint briefings with the Department of State OIG, on planned and ongoing oversight work related to U.S. humanitarian [assistance to the people of Gaza](#).
- **Oversight of USAID Funding Implemented by United Nations Agencies and Other Public International Organizations.** We provided three congressional briefings focused on oversight of USAID-funded UN agencies and other PIOs.
- **U.S. African Development Foundation.** We provided six congressional briefings on oversight of USADF and discussed the [management advisory](#) that was sent to USADF in August regarding the nonreporting of suspected misuse of grant funds and equipment to the OIG.
- **Oversight of UN Assistance in Yemen.** We provided a joint briefing with Department of State OIG to House staff regarding oversight of foreign assistance programming in Yemen and other regions controlled by U.S. sanctioned terrorist entities.
- **Process Improvement Methods.** We provided a briefing to House member staff on OIG's internal process improvement methods.
- **USAID Telework Policies.** We provided a briefing to Senate member staff regarding USAID's telework, physical space utilization, and locality pay policies.
- **USAID Top Management Challenges.** We provided a joint congressional briefing with the Department of State OIG on the [top management challenges](#) facing USAID in the year 2024.

## Engagements With UN Organizations, Foreign Governments, the Media, and the International Aid Sector

- **UN Relief and Works Agency.** We met with the Deputy Commissioner-General of UNRWA to discuss obtaining information related to allegations that UNRWA staff were involved in the October 7 terrorist attacks in Israel.
- **U.S. Special Envoy for Middle East Humanitarian Issues.** In August, we met with Lise Grande, U.S. Special Envoy for Middle East Humanitarian Issues, to discuss challenges to humanitarian assistance programming in Gaza.

- **UN World Food Programme (WFP).** OIG teams held several meetings during this reporting period with the WFP, including with Executive Director Cindy McCain, and the WFP’s Office of Inspector General. The parties discussed the need for WFP to transmit to OIG information related to humanitarian aid programs in Ethiopia, Gaza, and other regions where WFP is implementing USAID-funded programming. OIG underscored the importance of timely and transparent reporting of misconduct allegations to OIG. OIG also met with WFP’s country office leadership in Kyiv to discuss WFP compliance measures to safeguard donor funding.
- **The World Bank.** OIG teams met with The World Bank, including Regional Country Director for Eastern Europe Robert Saum in Kyiv, regarding oversight of the nearly \$27 billion in direct budget support USAID provided to the Government of Ukraine via the Bank.
- **UN International Organization for Migration.** OIG teams met several times during the reporting period with the UN International Organization for Migration’s Office of Internal Oversight to discuss allegations potentially impacting USAID programming in Ukraine and elsewhere as well as the need for the organization to provide timely reports to OIG of potential misconduct.
- **Complex Emergencies Working Group.** USAID OIG hosted the 2024 Complex Emergencies Working Group Forum in Washington, DC. The event brought together more than 60 people from nearly 20 international and U.S. law enforcement agencies to discuss investigations into misuse of foreign assistance, particularly in nonpermissive environments. The forum also featured exchanges on finding solutions to information-sharing challenges across bilateral and multilateral organizations.
- **National Public Radio.** Paul Martin, Inspector General, was interviewed by Steve Inskeep, host of National Public Radio’s Morning Edition, about aid to Gaza and OIG’s [JLOTS evaluation](#).
- **Dutch Foreign Ministry.** OIG teams met with the Dutch Foreign Ministry’s Fraud and Corruption Unit to discuss challenges with humanitarian assistance oversight from the donor perspective, the need to keep stakeholders transparently informed, and limited reporting by implementers.
- **Nongovernmental Organization (NGO) Legal Counsels.** OIG presented at the Nongovernmental Organization Legal Counsels Forum in Washington, DC, on our current priorities and the need for timely and transparent self-reporting of potential misconduct by NGOs, particularly those operating in Ukraine and Gaza.

- **Food and Agriculture Organization.** OIG teams held several meetings during the reporting period with the UN Food and Agriculture Organization regarding the organization’s misconduct reporting policies and the importance of its workers’ ability to report allegations relating to USAID funding directly to OIG.
- **UN Office on Drugs and Crime.** OIG teams met with representatives from UN Office on Drugs and Crime to discuss opportunities related to oversight of foreign assistance programming in Ukraine.
- **UN Joint Inspection Unit.** OIG teams met with the Joint Inspection Unit as part of the latter’s review titled “Donor-Led Assessments of UN System Organizations and Other Oversight-Related Requests.” The parties discussed ongoing challenges that donor oversight bodies have in obtaining information from UN agencies.



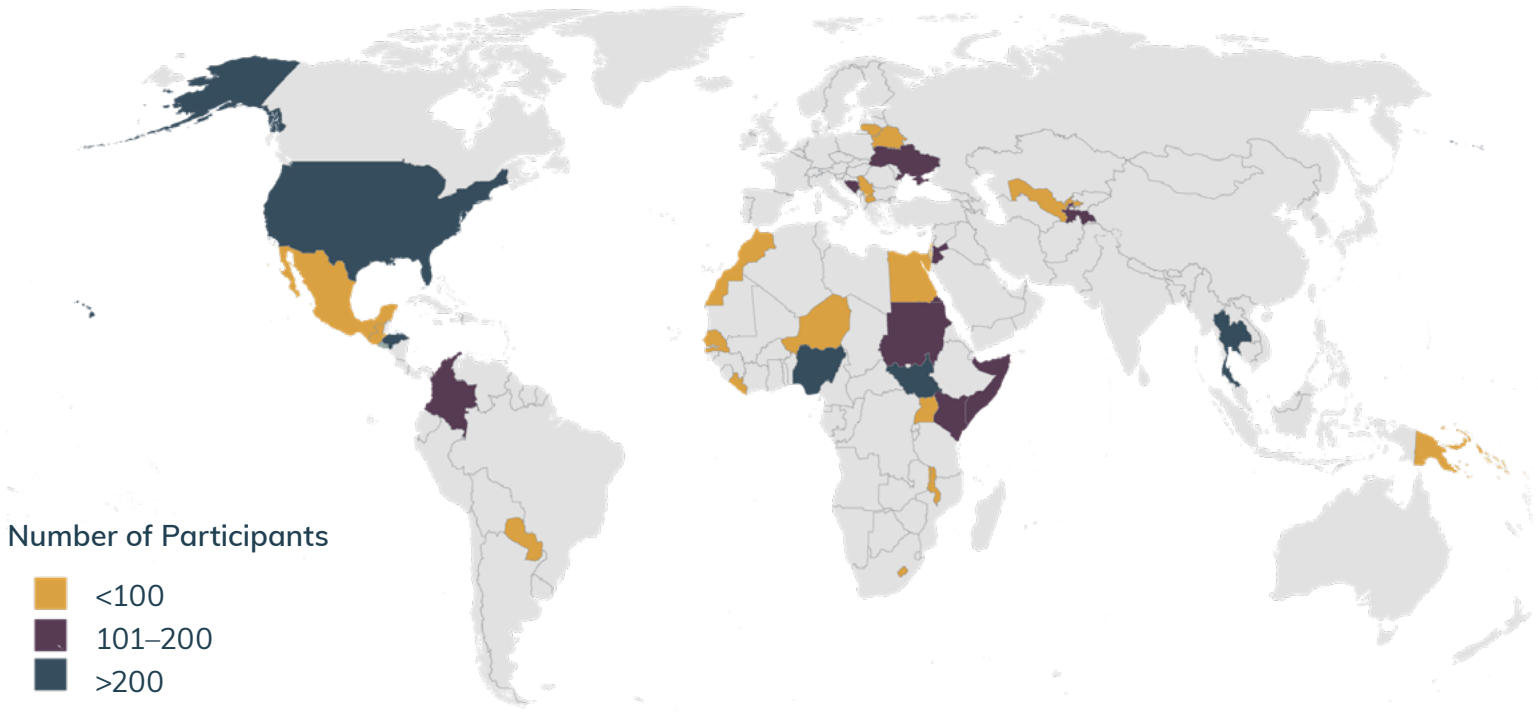
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In June, USAID Inspector General Paul Martin met with the IGs for the Departments of Defense and State for their monthly Lead IG meeting. These meetings foster close coordination among the three IGs for all overseas contingency operations and other emergent geopolitical issues where there is a national security and humanitarian nexus.

The Lead IG model has a proven track record of providing timely, effective oversight in some of the most challenging areas of the world.

# OIG Presented 128 Fraud Awareness Briefings Reaching 4,724 Participants Across the World

April 1–September 30, 2024





USAID and its partners implement a circular economy model in Honduras. Photo credit: USAID/Honduras Transforming Market Systems Activity

## **Audit, Inspection, Evaluation, and Agile Product Activities and Reporting**

Our oversight is designed to improve the efficiency and effectiveness of U.S. foreign assistance programs and operations. This work can examine agency performance, internal controls, and compliance with applicable laws, regulations, and guidance and generally includes recommendations for policy and programmatic changes for the agency to consider.

This oversight includes:

- Conducting performance audits, inspections, and evaluations of programs and management systems as well as issuing agile products such as management advisories.
- Overseeing mandated engagements, such as agency financial statement and information security audits and performed by independent public accounting firms.
- Performing quality control over non-Federal audits required of USAID and MCC grantees.<sup>3</sup>

During the reporting period, we conducted 47 audits, inspections, evaluations, and agile products covering funds totaling \$3,702,453,656; with \$3,243,267 in questioned costs and 74 recommendations.<sup>4</sup> Please refer to the appendixes for further details.

Our library of audits, recommendations, investigations, testimonies, and other reports is available at <https://oig.usaid.gov/>.

## **Audits, Inspections, Evaluations, and Agile Products**

Audits are conducted in accordance with generally accepted government auditing standards ([Yellow Book](#)). Inspections and evaluations must meet [Blue Book](#) standards established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). We issue flexible agile products, including information briefs, that we perform in accordance with CIGIE's quality standards for Federal Offices of Inspector General ([Silver Book](#)).

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<sup>3</sup> To complete these audits, USAID relies on non-Federal independent public accounting firms, the Defense Contract Audit Agency, and the supreme audit institutions of host governments, while MCC relies on non-Federal independent public accounting firms. We typically perform desk reviews and quality control reviews of supporting workpapers for select audits to determine whether these audits meet professional standards for reporting and other applicable laws, regulations, or requirements. We issue transmittal memos based on our review, which may include recommendations to the agency, including the third-party auditor's identification of questioned costs and funds to be put to better use. We anticipate transitioning our non-Federal audit desk reviews to USAID in 2025.

<sup>4</sup> We also performed desk reviews of 236 non-Federal audit reports totaling \$11,470,018,180 in funds audited, with \$7,300,682 in questioned costs and 78 recommendations.



## Discretionary Audits

### Cloud Computing: USAID Needs to Improve Controls to Better Protect Agency Data

Report No. [A-000-24-004-P](#)

September 16, 2024

#### Why We Did This Audit

USAID has increased its reliance on cloud computing services in recent years with the migration of many of its information technology operations to the cloud. According to Agency officials, USAID spent \$47.6 million on cloud computing services in fiscal year 2022.

Cloud computing provides Federal agencies with “ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.” At the same time, placing data in the cloud involves substantial risk. Federal agencies must take additional steps to protect the confidentiality, integrity, and availability of their cloud-based information, as cybersecurity compromises could result in higher costs, litigation, loss of public trust, and reputational harm.

Given these challenges, we initiated this audit to assess the extent to which USAID (1) followed selected requirements and guidelines for procuring and monitoring selected cloud computing services and (2) implemented and monitored selected security controls over selected cloud computing systems in accordance with Federal requirements.

#### What We Found

- USAID did not consistently follow three of five requirements for procuring and monitoring the cloud computing services we reviewed. Specifically, the Office of the Chief Information Officer (OCIO) did not consistently conduct cost-benefit and alternative analyses, approve acquisition plans, or implement and monitor service level agreement requirements. As required, OCIO officials regularly performed annual evaluations to assess whether contractor performance met the terms of the three contracts we selected for review. They also included the high-risk, cloud-related clauses in the selected contracts, as required, to help protect USAID data and information.
- USAID also did not consistently implement and document monitoring of selected security controls. The National Institute of Standards and Technology’s security standards for Federal information systems include controls to prevent unauthorized user access and to update plan of action and milestones with remediation actions taken and system security plans with security assessment report results. We found that USAID system owners for two systems we reviewed did not consistently approve access or authorize roles and privileges as part of account management, update

plans of action and milestones, or document their monitoring of the remediation of weaknesses as part of security assessment, authorization, and monitoring. In addition, Agency officials did not update the system security plans for these systems so they would be aware of weaknesses in security controls.

- Cloud services are an integral part of USAID’s operations. To mitigate associated risks, the Agency has developed and implemented controls to protect the confidentiality, integrity, and availability of information stored in the cloud. However, by adding controls and consistently implementing existing controls, USAID can more effectively procure, monitor, and use cloud computing services. Strengthening these controls will put the Agency in a better position to use taxpayer dollars more efficiently while protecting system data.

### **What We Recommend**

USAID agreed with all 13 of our recommendations to help improve the Agency’s efforts to procure and secure its cloud services and systems.

### **MCC Data Quality Reviews: MCC Did Not Establish Comprehensive Data Quality Review Guidance or Enforce Existing Requirements**

Report No. [9-MCC-24-006-P](#)  
August 1, 2024

### **Why We Did This Audit**

The Millennium Challenge Corporation (MCC) delivers assistance to partner countries through grant-funded programs that aim to achieve sustainable economic growth and poverty reduction. Millennium Challenge Accounts (MCAs)—accountable entities designated by the partner country—manage and oversee implementation of these programs. However, both MCC and the relevant MCA are responsible for monitoring and evaluating program implementation.

Agency policy directs staff to use monitoring and evaluation data to assess the progress and quality of MCC interventions and ensure decision making remains aligned with MCC’s core value of continuous learning.

In addition, as part of its monitoring and evaluation approach, MCC requires country programs to produce at least one Data Quality Review (DQR)—a mechanism to review and analyze the quality and utility of performance information. According to MCC, DQRs are important parts of the monitoring and evaluation process and must be useful, relevant, and timely to ensure that MCC can assess and enhance program performance.

We conducted this audit to assess (1) how MCC ensured that MCAs implemented MCC-approved recommendations from DQRs and (2) the extent to which MCC used the results of DQRs to inform its continuous learning process.

## What We Found

- MCC did not establish guidance for DQR recommendations, formally document and track whether recommendations were addressed, or consistently ensure that action plans were produced. While the Agency’s monitoring and evaluation guidance addressed aspects of the DQR process, MCC did not fully define and outline all activities for approving and tracking recommendations. The lack of a centralized method for tracking approved and implemented recommendations limited MCC’s ability to verify that issues had been appropriately addressed. MCC also required each DQR to have an action plan. However, these plans were rarely produced, further undermining the Agency’s ability to demonstrate the impact of its monitoring and evaluation activities. Without guidance for the recommendation approval process, a requirement to track recommendations, or enforcement of action plans, MCC’s ability to assess the effectiveness of its DQRs was limited.
- MCC did not incorporate DQR results into its continuous learning process. Although the Agency analyzes some of its monitoring and evaluation products to identify lessons learned, it did not do so for DQRs and their recommendations across different country programs or sectors (e.g., energy, education, and agriculture). MCC also was not required to provide past DQRs to its monitoring and evaluation Leads, who may have been able to benefit from them or identify lessons learned. As a result, MCC may have missed opportunities to refine and strengthen its DQR model and improve evidence-based decision making within its country programs.

## What We Recommend

We made six recommendations to help MCC improve its DQR guidance, track recommendations, and assess the use of DQRs in its continuous learning process. MCC agreed with four of these recommendations and disagreed with two.

### **MCC Compact Procurements: MCC Did Not Consistently Utilize or Document Its Use of Key Pre- and Post-Award Oversight Tools**

Report No. [9-MCC-24-005-P](#)  
July 29, 2024

## Why We Did This Audit

Since 2004, MCC has awarded about \$17 billion in grants to over 46 countries for development programs targeted at reducing poverty and stimulating economic growth. The Agency provides funding to eligible countries through compacts, which are 5-year grant agreements between MCC and the countries to fund specific projects.

MCC is committed to country ownership, which is when partner countries take the lead in all aspects of compact development, implementation, and closeout. Partner country accountable entities—also known as MCAs—solicit, award,

and administer program contracts. MCC oversees the compacts' procurement processes with the goal of ensuring that contracts are open, transparent, free of corruption, implemented as intended, and provide the best value to American taxpayers. Prior oversight work has identified internal control weaknesses in MCC's procurement and project oversight, including a lack of guidance and process documentation.

Given these weaknesses, OIG initiated this audit to (1) determine the extent to which MCC conducted oversight of MCAs' pre-award procurement process for select compacts and (2) examine MCC's actions, and their effects, to address risks identified through the post-award oversight of select MCC-funded compact procurements.

### **What We Found**

- MCC did not consistently conduct or document oversight of MCAs' pre-award procurement processes for select compacts. In addition, the Agency's oversight varied in focus and did not include independent verification of source documents. While MCC procurement directors reviewed MCA procurement files for compliance with MCC's Program Procurement Guidelines, the Agency did not require these reviews or provide guidance on how or when to review procurement files. Further, MCC procurement directors generally certified their reviews of the completeness and accuracy of procurement performance reports. However, the focus of their reviews varied by director. In addition, when reviewing the MCAs' contractor eligibility verifications, MCC procurement directors did not independently verify source documentation because the Agency did not require them to do so.
- MCC did not consistently use post-award oversight tools to document and retain site visit reports and address risks to select compacts. MCC staff regularly visited the select compact countries to provide post-award project oversight. However, the Agency did not require staff to document these visits. Further, when MCC staff did document site visits, they did not have a repository for storing the site visit reports. In addition, MCC did not follow its internal guidance on the use of risk registers—which are used to document, monitor, and track certain risks that require the Agency's close attention—or assign response deadlines for addressing identified risks.

### **What We Recommend**

We made two recommendations to improve the Agency's pre- and post-award oversight of compact procurements. MCC disagreed with both recommendations.

## **USAID's Climate Strategy: Limitations in Information Quality and Agency Processes Compromise Implementation**

Report No. [5-000-24-002-P](#)

July 17, 2024

### **Why We Did This Audit**

In April 2022, USAID announced a new globally focused climate strategy with the 2030 goal<sup>5</sup> of mitigating greenhouse gas emissions by 6 billion metric tons; conserving, restoring, or managing 100 million hectares of natural ecosystems; and mobilizing \$150 billion of public and private finance to address climate change.

According to USAID's climate strategy, as temperatures and sea levels rise, increasingly heat waves, droughts, floods, cyclones, and wildfires are upending lives. Moreover, climate change is considered a global crisis that disproportionately impacts the poorest and most marginalized communities.

We initiated this audit to examine the Agency's preparedness to implement the new strategy and meet its mitigation-related targets. Specifically, our audit objective was to assess whether USAID has quality information to support implementation of its 2022–2030 climate strategy.

### **What We Found**

- USAID did not have quality data to support its efforts to implement a comprehensive climate strategy. Specifically, the data was not complete, accurate, accessible, or current due to the design of USAID's information system and the related processes the Agency used to collect and report data on its climate change mitigation activities. Consequently, USAID did not have the information to assess the success of its mitigation efforts.
- Weaknesses in the Agency's processes for awarding funds, managing performance, and communicating climate change information could impede successful implementation of its strategy. While USAID reported \$2.6 billion in funding for climate change mitigation from fiscal year 2011 to 2021, the Agency lacked complete information to effectively identify and support decisions regarding its resource needs.
- We also found that USAID's performance management process did not produce useful information for assessing its mitigation results.
- Finally, the Agency lacked efficient processes for communicating comprehensive, consolidated information on its mitigation efforts to stakeholders. Failure to successfully address these issues will inhibit USAID's efforts to implement its ambitious global climate strategy.

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<sup>5</sup> United Nations Intergovernmental Panel on Climate Change 2030 goal.

### **What We Recommend**

We made five recommendations to improve the information and processes necessary to support the successful implementation of USAID's climate strategy. The Agency agreed with all five recommendations.

### **Memorandum of Audit Report on USAID Programming in Response to the Influence of the People's Republic of China**

Report No. [4-000-24-002-P](#)

July 15, 2024

### **Why We Did This Audit**

This memorandum acknowledged issuance of our audit report that examined the extent to which selected USAID missions in Africa undertook strategic shifts in programming to respond to the influence of the People's Republic of China under the Agency's 2018 Clear Choice Framework. USAID requested that this report be labeled Sensitive but Unclassified. Following discussions between USAID and OIG lawyers, we agreed to not post the final audit report on our public website.

### **What We Recommend**

USAID agreed with our three recommendations to improve the implementation of the Agency's efforts.

### **Pre-Award Risk Management: USAID and IAF Missed Opportunities to Enhance Risk Management of Local Entities in Latin America and the Caribbean**

Report No. [9-000-24-004-P](#)

May 30, 2024

### **Why We Did This Audit**

The U.S. government has significant economic, political, security, and humanitarian interests in Latin America and the Caribbean (LAC) that cover a range of topics from illicit drugs to immigration to foreign trade. Working with entities at a local level is an integral aspect of U.S. foreign assistance policy and an important mandate for USAID and the Inter-American Foundation (IAF).

USAID Administrator Power has identified localization as a top priority, and the agency intends to provide at least a quarter of its program funds to local entities by the end of fiscal year 2025. IAF directly invests in locally led development to advance program areas important to U.S. foreign assistance.

However, as with any foreign assistance award, there are risks, including those associated with engaging local entities. For example, USAID has encountered challenges when working with local entities that lack sufficient expertise or financial resources to implement U.S. programs or adhere to U.S. regulations. Furthermore, U.S. government efforts in the LAC region face a range of external issues, such as corruption and criminal activity.

We conducted this audit to determine the extent to which (1) selected USAID missions and (2) IAF implemented procedures for managing risks when selecting local entities for awards in LAC.

### **What We Found**

- The three USAID missions we reviewed implemented certain required agency procedures before making awards to LAC entities but missed opportunities to enhance risk management. The missions conducted pre-award risk assessments for all sampled awards, including considering past performance and organizational and financial capacity. However, two of the three missions did not request or document required reviews to determine whether local entities had any known involvement with drug trafficking. Two missions did not consistently obtain signed certifications and assurance statements attesting recipients' compliance with all relevant U.S. laws and USAID policies. All three missions also missed opportunities to fully integrate USAID's enterprise risk management guidance into their pre-award risk assessment processes.
- IAF implemented risk management procedures before awarding LAC grants but did not follow certain Federal requirements or use an enterprise risk management framework to inform its practices. IAF took steps to identify and assess risks during the pre-award process for the sampled awards. However, IAF did not ensure that the required reviews were conducted to determine whether key individuals from local entities had any known involvement with drug trafficking prior to making the awards. Furthermore, while IAF adopted some risk management procedures, the agency did not have a formal enterprise risk management framework in place to inform and guide implementation of those practices.

### **What We Recommend**

We made six recommendations—three for USAID and three for IAF—to improve compliance with agency and Federal requirements and strengthen pre-award risk management procedures. USAID and IAF agreed with five of our recommendations. USAID partially agreed with one recommendation.

## **Audits of Costs Incurred by Selected USAID Awardees Implementing COVID-19 Activities for the Period March 1, 2020, to March 31, 2022**

### COVID-19 Cost Incurred Audits

May 29, 2024

### **Why We Contracted for These Audits**

The Coronavirus Disease 2019 (COVID-19) pandemic created unprecedented challenges to USAID's ability to provide U.S. foreign assistance worldwide. USAID responded to the pandemic by launching programs to

- promote delivery of safe and effective COVID-19 vaccines,
- strengthen health systems to mitigate transmission and reduce morbidity and mortality,

- provide rapid assistance to combat the pandemic in low- and middle-income countries,
- mitigate the impact of COVID-19 on HIV programs funded by the President’s Emergency Plan for AIDS Relief, and
- develop infrastructure to support the use of liquid oxygen in treating COVID-19.

Congress provided OIG with funds to oversee USAID’s implementation of its COVID-19-related activities under the American Rescue Plan Act of 2021. OIG contracted with independent public accounting firm Kearney & Company P.C. (Kearney) to conduct a series of performance audits on incurred costs related to COVID-19 activities under multiple awards USAID issued from March 1, 2020, to March 31, 2022. Kearney conducted the 12 audits in accordance with generally accepted government auditing standards. The objective of the audits was to determine whether specific costs incurred for COVID-19 activities were allowable, allocable, and reasonable under regulatory requirements and award provisions.

### **What the Audits Found**

- Of the \$556,907,108 in total auditable costs for the 12 USAID-funded implementers, Kearney found \$3,243,268 in questioned direct costs that were potentially unallowable. The audit firm also identified ten internal control deficiencies, including not meeting deadlines for reports, not including required information in reports, using incorrect indirect cost rates, and not having detailed policies and procedures.
- Kearney had findings for 4 out of 12 implementers.

### **What We Recommend**

As a result of Kearney’s audit findings, OIG issued 12 recommendations to USAID for the 4 implementers, consisting of 2 recommendations for questioned direct costs and 10 recommendations for internal control deficiencies.

### **Audits of Selected USAID COVID-19 Activities Using Funds From the American Rescue Plan Act of 2021**

[COVID-19 Contracted Audits](#)

April 3, 2024

### **Why We Contracted for These Audits**

The COVID-19 pandemic created unprecedented challenges to USAID’s ability to provide U.S. foreign assistance worldwide. USAID responded to the pandemic by launching programs to promote delivery of safe and effective COVID-19 vaccines; strengthen health systems to mitigate COVID-19 transmission and reduce morbidity and mortality; provide rapid assistance to combat the pandemic in low- and middle-income countries; mitigate the impact of COVID-19 on HIV programs funded by the President’s Emergency Plan for AIDS Relief (PEPFAR); and develop infrastructure to support the use of liquid oxygen in treating COVID-19.



Congress provided OIG with funds to oversee USAID’s implementation of its COVID-19-related activities under the American Rescue Plan Act of 2021 (ARPA). OIG contracted with independent public accounting firm Williams Adley LLC to conduct a series of performance audits looking at various aspects of USAID’s COVID-19 response, including vaccine readiness, supplies used for the response, the monitoring of the Oxygen Ecosystem program, and the use of PEPFAR and ARPA funds. (Note: The audit of USAID’s Reprogramming of PEPFAR Funds for COVID-19 was included in the Inspectors General Coordinated PEPFAR Oversight Plan, Fiscal Year 2024, as it was not focused on activities conducted with ARPA funding.)

### **What the Audits Found**

- The reports found that USAID had adapted its program monitoring in accordance with Agency requirements by significantly increasing communications with stakeholders and requesting voluntary reporting of COVID-19 indicators. USAID also purchased essential supplies to support its response and used them for their intended purposes and in alignment with host government priorities.
- The Agency faced challenges implementing liquid oxygen systems due to unreliable local manufacturers, poor infrastructure, and delays in selecting sites and qualified vendors. Due to these challenges, USAID’s efforts to provide liquid oxygen systems—as called for in the Oxygen Ecosystem work plans—encountered delays. However, since the process to find qualified vendors and complete installation is either underway or completed, we are not making a recommendation on this matter.

### **What We Recommend**

The audits contained no recommendations.

## **Inspections and Evaluations**

### **Ukraine Response: Assessment of USAID’s Response to Staffing Challenges and Increased Programming Following Russia’s Full-Scale Invasion**

Report No. [E-121-24-003-M](#)  
September 19, 2024

#### **Why We Did This Evaluation**

After Russia’s full-scale invasion of Ukraine in February 2022, USAID’s assistance programming in the country increased by more than 224 percent by April 2023. In contrast, USAID’s staffing in Ukraine shrank to 58 percent of pre-invasion levels.

We initiated this evaluation due to the increase in funding to the mission’s award portfolio, potential risk of remote-managed assistance, and congressional interest in oversight of Ukraine programming.

Our objective was to determine how USAID responded to challenges associated with its staffing footprint while implementing expanded programming.

### **What We Found**

- USAID took responsible actions to address staffing challenges and meet increased programming needs in Ukraine.
- For about 3 months after Russia’s full-scale invasion, USAID did not have a staff presence in Kyiv. Even with the phased reopening of the embassy beginning in May 2022, the State Department significantly restricted the number of U.S. government personnel in-country and their travel within Ukraine.
- USAID recognized the need to add resources to meet increased humanitarian and development programming and pursued a multitiered approach to reconstitute USAID/Ukraine operations and supplement assigned Mission personnel.
- Unable to control staff allocations and travel within Ukraine during the first year after the full-scale invasion, USAID implemented workplace flexibilities such as staff rotations and extended temporary duty status, sought office space in Poland, and leveraged its existing contract for third-party monitors of USAID projects and activities. In addition, USAID/Ukraine successfully added and retained staff by bringing employees from other USAID offices to add capacity in Ukraine, offering counseling and support services to staff serving in Ukraine, holding an in-person transition seminar for incoming and outgoing staff, and developing a workforce plan to gradually increase staffing levels.
- USAID addressed challenges in staffing and programming in Ukraine through multiple actions that can inform the Agency’s ongoing and future work in complex crisis environments:
  - Implementation of workplace flexibilities, such as staff rotations and extended temporary duty status
  - Pursuit of alternative workspace
  - Expansion of third-party monitoring of USAID programming
  - Rapid deployment of the Disaster Assistance Response Team
  - Surge and contractor staff support
  - Priority bidding to fill Foreign Service Officer positions
  - Strategic workforce planning that resulted in 50 new mission positions
  - Transition seminar

### **What We Recommend**

We did not make any recommendations.

## **Direct Budget Support: Ukraine Security Supplemental Appropriations Act, 2024, Mandated Assessment**

Report No. [9-199-24-001-M](#)  
September 05, 2024

### **Why We Did This Evaluation**

Russia's February 2022 full-scale invasion of Ukraine and the ongoing war has caused catastrophic loss of life and livelihood. Prior to 2024, the United States, through USAID, provided \$22.9 billion in direct budget support to the Government of Ukraine (GoU) to ensure the continuity of operations and delivery of essential services. USAID provides this support to the GoU through World Bank trust funds.

The Ukraine Security Supplemental Appropriations Act of 2024 (the Act), enacted on April 24, 2024, appropriated an additional \$7.8 billion in funding to provide direct budget support to the GoU. On July 12, 2024, USAID obligated \$3.9 billion of the \$7.849 billion to the GoU through the World Bank's Public Expenditures for Administrative Capacity Endurance (PEACE) multidonor trust fund.

The Act also required USAID Office of Inspector General (OIG) to submit a report to Congress detailing and assessing the monitoring mechanisms and safeguards in place to prevent corruption and ensure accountability over USAID's direct budget support to the GoU.

Accordingly, the objective of this evaluation was to assess the design of these monitoring mechanisms and safeguards per the statutory directive.

### **What We Found**

- The mechanisms and safeguards over U.S. direct budget support contributions to the GoU aligned with Federal and Agency standards. Specifically, the World Bank and USAID had implemented multiple monitoring mechanisms and safeguards over the Agency's direct budget support to the GoU. These 12 mechanisms and safeguards include reviews, reports, and other methods that aligned with Federal internal control standards.
- Moreover, USAID implemented three due diligence safeguards over direct budget support contributions by using contractors to conduct spot checks, financial statement audits, and capacity building. These safeguards were (1) technical assistance to the GoU's Ministry of Finance, (2) financial and internal control audits of the GoU's ministries, and (3) capacity building of the Accounting Chamber of Ukraine.

### **What We Recommend**

We did not make recommendations in this report but will continue to monitor USAID's management of direct budget support to the GoU through ongoing audit work.

## **USAID's Gaza Response: External Factors Impaired Distribution of Humanitarian Assistance Through the JLOTS Maritime Corridor**

Report No. [E-000-24-004-M](#)

August 27, 2024

### **Why We Did This Evaluation**

On October 7, 2023, Hamas—a U.S.-designated terrorist organization—invaded southwest Israel, killing more than 1,200 people and seizing 253 hostages. In response, Israel declared war on Hamas the next day and announced a total blockade on Gaza that cut off food, medicine, and other supplies to more than 2 million residents in Gaza. As of August 2024, nearly 40,000 Gazans had been killed since the beginning of the war, and about 96 percent of the population faced severe food insecurity and a high risk of famine.

Immediately after the October 7 attack, USAID's Bureau for Humanitarian Assistance worked with the United Nation's World Food Programme (WFP) to provide humanitarian assistance to Gaza through land crossings in Israel and Egypt. In March 2024, President Biden directed the Department of Defense to establish a temporary maritime corridor to deliver aid to the Gaza coast to supplement land-based humanitarian aid operations. The Joint Logistics Over-the-Shore (JLOTS) modular system would transport aid from Cyprus via a series of vessels, a floating platform, and a temporary pier affixed to the beach. USAID requested Department of Defense support through JLOTS for about 90 days, with a goal of feeding or assisting 500,000 people each month. Costing an estimated \$230 million, JLOTS construction was completed on May 16, 2024.

We initiated this review given the critical humanitarian need and the large U.S. investment in the JLOTS system. Our objectives were to assess USAID's (1) planning and execution and (2) oversight of the distribution of humanitarian assistance through the JLOTS maritime corridor.

### **What We Found**

- External factors impaired USAID's efforts to distribute humanitarian assistance to Gaza through JLOTS. The Department of Defense and Israel Defense Forces operational and security requirements took precedence in the planning to use JLOTS for the humanitarian response. Accordingly, USAID and WFP adjusted their plans to work within these security requirements.
- Multiple USAID staff expressed concerns that the focus on using JLOTS would detract from the Agency's advocacy for opening land crossings, which were seen as more efficient and proven methods of transporting aid into Gaza. However, once the President issued the directive, the Agency's focus was to use JLOTS as effectively as possible.
- Due to structural damage caused by rough weather and high seas, the pier operated for only 20 days and was decommissioned on July 17. Additionally, security and access challenges plagued aid distributions once on shore. As a result, USAID fell short of its goal of supplying aid

- to 500,000 or more Palestinians each month for 3 months and instead delivered enough aid to feed 450,000 for 1 month.
- Although JLOTS was a new method for USAID to deliver aid into Gaza, the Agency relied on its existing controls of risk assessments and monitoring to provide oversight of aid distribution with USAID and WFP documenting risks as required. While unable to directly monitor distribution activities in Gaza, USAID's Bureau for Humanitarian Assistance received incident reports and updates from WFP that aligned with internal guidance for monitoring implementing organizations in nonpermissive environments such as Gaza.

### **What We Recommend**

Based on our findings and the decommissioning of JLOTS, we did not make any recommendations.

See also:

- [Timeline of Significant Events Related to USAID's Distribution of Humanitarian Aid to Gaza Through the Joint Logistics Over-the Shore Maritime Corridor.](#)
- Video summary of the report on YouTube: [USAID OIG Evaluation of USAID Gaza Response and JLOTS Maritime Corridor.](#)

### **Management Advisory: Nonreporting of Suspected Misuse of USADF Grant Funds and Equipment**

Report No. [E-ADF-24-001-A](#)  
August 29, 2024

USAID OIG issued a management advisory to the President and CEO of the U.S. African Development Foundation (USADF). This advisory communicates a management issue related to USADF's nonreporting of suspected misuse of grant funds and equipment to the USAID OIG. This management issue came to the OIG's attention during an ongoing inspection of USADF.

USAID agreed with our three recommendations in the advisory.

### **Public International Organizations: USAID Did Not Consistently Perform Expected Due Diligence**

Report No. [E-000-24-002-M](#)  
August 22, 2024

### **Why We Did This Evaluation**

USAID regularly partners with multilateral organizations, including United Nations agencies such as the World Food Programme and UNICEF, and the World Bank. These organizations, also known as public international organizations (PIOs), deliver development and humanitarian assistance in complex, emergency situations. In the past year, USAID has relied heavily on

PIOs to implement its humanitarian assistance programming for its pressing responses in Gaza and Ukraine.

While USAID's obligations, disbursements, and in-kind contributions to PIOs increased 282 percent from \$5.6 billion in fiscal year (FY) 2019 to \$21.4 billion in FY 2022, PIOs are not subject to the same rigorous oversight regulations as contractors, grantees, and other nongovernmental organizations. This limits USAID's insight into how PIOs manage U.S.-provided foreign assistance funds. Nevertheless, USAID's policies on managing PIO agreements include a variety of due diligence mechanisms to help ensure proper oversight of U.S. funds.

Our evaluation objective was to determine the extent USAID performed expected due diligence over funding to selected PIOs. We focused on the 67 PIOs that received \$45.9 billion total in USAID funding between FYs 2019 and 2022.

### **What We Found**

- USAID did not consistently use pre-and post-award due diligence mechanisms to ensure effective oversight of PIOs. Before making an award, USAID must perform an organizational capacity review (OCR) of the PIO to ensure it is capable of adequately safeguarding Agency resources. OCRs should be updated at least every 5 years. However, USAID did not conduct OCRs in line with Agency guidelines for more than 70 percent of PIOs. Rather than using OCRs to understand the challenges that PIOs faced when administering USAID funds, Agency staff relied more on Multilateral Organisation Performance Assessment Network assessments or other types of risk assessments and management plans.
- Additionally, when an OCR included recommendations for corrective action, USAID did not have a formal follow-up mechanism to ensure that the Agency addressed the recommendations.
- After making an award to a PIO, USAID can apply due diligence oversight mechanisms that vary by agreement type. A USAID official said most PIO agreements are made through cost-type awards, and the Agency's policy for these awards allows for spot checks related to USAID-funded activities. However, for the cost-type awards we reviewed, USAID officials generally did not perform spot checks. Moreover, USAID had limited guidance for conducting spot checks and did not track their occurrence or results.
- USAID has limited insight into how PIOs manage billions of dollars in U.S. funding, so the use of pre-and post- award due diligence mechanisms can help USAID officials ensure that a PIO is capable of safeguarding Federal funding. When USAID does not use these mechanisms, Agency officials lack access to information on potential vulnerabilities in a PIO's policy and organizational framework and project operations and management that might lead to waste or misuse of critical U.S. aid funds.

## What We Recommend

We made three recommendations to USAID’s Bureau for Planning, Learning, and Resource Management/Office of Development Cooperation to strengthen USAID’s oversight of PIOs. The Agency agreed with two recommendations and partially agreed with one recommendation.

## Mandated Financial and Information Technology Engagements

In addition to our discretionary work, we provide oversight of Agency financial, information technology, and other controls, as required by statute.

## Federal Information Security Modernization Act of 2014 (FISMA)

We contracted with an IPA to conduct audits of the information security programs at USAID, MCC, IAF, and USADF. We made recommendations in all four reports to address weaknesses identified in the reports.

- FISMA: USAID Implemented an Effective Information Security Program for Fiscal Year 2024 but Longstanding Weaknesses Persist, Report No. [A-000-24-005-C](#), September 19, 2024.
- FISMA: Despite Challenges, MCC Generally Implemented an Effective Information Security Program for Fiscal Year 2024, Report No. [A-MCC-24-001-C](#), August 22, 2024.
- FISMA: IAF’s Information Security Program for Fiscal Year 2024 Was Effective, Although Improvements Are Recommended, Report No. [A-IAF-24-002-C](#), August 23, 2024.
- FISMA: Despite Weaknesses, USADF Generally Implemented an Effective Information Security Program for Fiscal Year 2024, Report No. [A-ADF-24-003-C](#), August 29, 2024.

## Payment Integrity Information Act of 2019

We contracted with IPAs to determine whether USAID and MCC’s improper payment reporting in FY 2023 complied with the Payment Integrity Information Act of 2019 (Public Law 116-117). We made no recommendations.

- USAID Complied With the Payment Integrity Information Act of 2019 for Fiscal Year 2023, Report No. [0-000-24-006-C](#), May 28, 2024
- MCC Complied With the Payment Integrity Information Act of 2019 for Fiscal Year 2023, Report No. [0-MCC-24-005-C](#), May 28, 2024

## Government Charge Card Abuse Prevention Act of 2012

The Charge Card Act (Public Law 112-194) requires OIGs to conduct periodic risk assessments of agency charge card programs to assess the risk of illegal, improper, or erroneous purchases and payments. We contracted with IPAs to conduct risk assessments, and as warranted, audits of charge card programs at USAID and MCC, and we conducted the risk assessments for IAF and USADF.

We made three recommendations in the USAID Purchase Card report and one recommendation in the MCC Charge Card report to address weaknesses identified in the reports.

- Travel Card Audit: USAID’s Program Complied with the Government Charge Card Abuse Prevention Act in Fiscal Year 2023, Report No. [0-000-24-008-C](#), August 08, 2024.
- Purchase Card Risk Assessment: USAID’s Program Showed Low Risk of Improper Purchases and Payments in Fiscal Year 2023, Report No. [0-000-24-009-C](#), August 07, 2024.
- Charge Card Risk Assessment: MCC’s Programs Showed Low Risk of Improper Purchases and Payments in Fiscal Year 2023, Report No. [0-MCC-24-007-C](#), July 11, 2024.
- Assessment of the Inter-American Foundation Charge Card Program Showed Low Risk for Fiscal Year 2023, Report No. [0-IAF-24-001-S](#), May 28, 2024.
- Charge Card Risk Assessment: USADF’s Programs Showed Low Risk of Improper Purchases and Payments in Fiscal Year 2023, Report No. [0-ADF-24-002-S](#), July 11, 2024.

## Agile Products

Agile products are designed to provide expedited, high-level reviews of critical issues for prompt stakeholder consideration.

## Non-Federal Audit Snapshots

USAID’s non-Federal audit (NFA) program helps ensure that contracts, cooperative agreements, and other foreign assistance awards meet Federal requirements. NFAs—financial audits typically performed by independent public accounting firms—help safeguard taxpayer dollars. USAID OIG reviews NFA reports for compliance with government auditing reporting standards and transmits the reports and recommendations to USAID. Learn more in the [NFA Primer](#). During this reporting period, we issued the following snapshots summarizing NFA activities in different regions:

- Latin America and the Caribbean Regional Office, July–December 2023, Report No. [1-000-24-001-A](#), September 26, 2024.
- Latin America and the Caribbean Regional Office, January–June 2024, Report No. [1-000-24-002-A](#), September 25, 2024.
- USAID OIG Middle East and Eastern Europe Regional Office, January–June 2024, Report No. [8-000-24-001-A](#), September 18, 2024.



- Africa Regional Office, January–June 2024, Report No. [4-000-24-002-A](#), September 11, 2024.
- Asia Regional Office, January–June 2024, Report No. [5-000-24-002-A](#), September 6, 2024.
- Africa Regional Office, July–December 2023, Report No. [4-000-24-001-A](#), June 26, 2024.

### **Information Brief: USAID’s Use of Artificial Intelligence in Foreign Assistance**

Report No. [A-000-24-001-A](#)

April 08, 2024

USAID is leaning into artificial intelligence (AI) and other advanced technologies to enhance the Agency’s ability to carry out its foreign assistance mandate around the world. According to the Agency, “promising applications funded by USAID are proliferating across various geographies and sectors, including agriculture, health and infectious diseases, civic spaces and democracy, education ... and humanitarian assistance.”

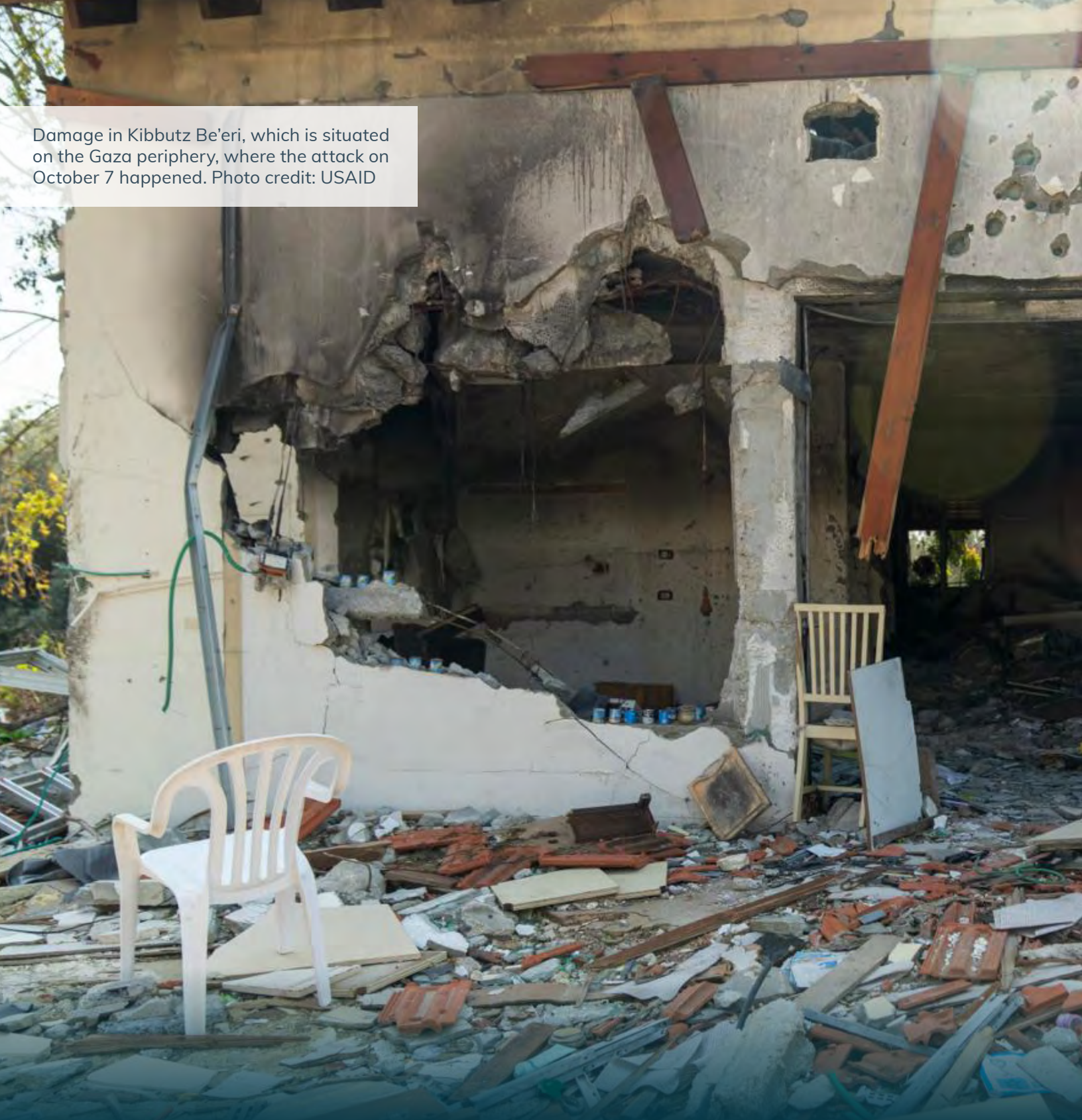
This information brief describes USAID’s approach to using AI in foreign assistance programs as well as the associated benefits and risks of expanded AI use. We prepared this brief using public and nonpublic information.



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USAID OIG auditors on site in Bogota, Colombia conducting interviews at the office of unmigration. The audit is examining USAID adherence to appropriations act limitations for assistance to Colombia, in particular prohibitions for payment of reparations to conflict victims, compensation for demilitarized combatants, and cash subsidies for agrarian reform in association with the 2016 Peace Accord.

Damage in Kibbutz Be'eri, which is situated on the Gaza periphery, where the attack on October 7 happened. Photo credit: USAID



## Investigative Activities and Reporting

OIG has statutory authority to conduct criminal investigations into any conduct compromising the programs and operations of the agencies we oversee. In addition to furthering potential criminal, civil, and administrative enforcement remedies, our investigative activities resulted in USAID's adoption of changes in its programs and operations. The impact of our work can be seen in cases referred to the U.S. Department of Justice for prosecution and to USAID and other agencies that led to removal of employees who engaged in gross misconduct; the government-wide suspension or debarment of individuals or organizations deemed to lack present responsibility; and increased reporting of misconduct affecting U.S. foreign assistance programs from agency officials, UN organizations, and U.S.-funded contractors and grantees.

## Whistleblower Protection

Ensuring individuals' rights to report wrongdoing without fear of reprisal is essential to our mission. Our work includes:

- Assessing, responding to, and, when warranted, investigating allegations of whistleblower retaliation.
- Advising on whistleblower retaliation protections afforded to those who report allegations of misconduct. We share this information through fraud awareness briefings, meetings with management and staff from the agencies we oversee and with grantees/contractors, and communications and presentations to internal and external stakeholders.

## USAID OIG's Whistleblower Protection Coordinator

Our statutorily designated Whistleblower Protection Coordinator, located in the Office of Investigations, conducts the following activities:

- Educates agency employees on their legal right to disclose fraud, waste, abuse, and other misconduct, free from reprisal.
- Delivers information and materials on whistleblower protections to USAID employees, including at USAID's biweekly new entrant orientations.
- Works with Investigations personnel and our Office of General Counsel to ensure that employees of USAID-funded awardees receive information on whistleblower rights and remedies.

We also provide information about whistleblower protection on our public website. For more information, contact our Whistleblower Protection Coordinator at [oigombud@usaid.gov](mailto:oigombud@usaid.gov).

## Investigative Summaries

To access press releases or investigative summaries for our ongoing criminal, civil, and administrative matters, please visit <https://oig.usaid.gov/our-work/investigations>. Investigative results for matters closed this reporting period include the following.

### Scam Found in Gambia Involving Improper Use of USAID Name and Likeness

We investigated a scam in which a malicious user, presenting itself as USAID in Gambia, made social media posts through Meta advertising fraudulent USAID grants. The scam posts deceptively advertised USAID grants of up to \$500,000 for companies in Gambia seeking financing in real estate, oil and gas, bio-energy, automotive and aviation, and manufacturing. These posts included fake verbal quotes about the program, purportedly from the USAID Mission Director, although USAID/Gambia had no Mission Director at the time. Following the allegation, we worked with Meta's Trust & Safety Operations team to remove the scam posts made on the social media platform.

### USAID Personal Services Contractor Referred for Present Responsibility Determination for Fraudulent Application for a COVID-19 Economic Injury Disaster Loan

We investigated allegations that a USAID personal services contractor submitted a COVID-19 Economic Injury Disaster Loan application for \$122,900 to the Small Business Administration for a business that was no longer in operation. During the investigation, we found the personal services contractor started a business in Maryland before onboarding with USAID in 2015. However, that business was in "inactive" status at the time of loan application. The loan application also falsely claimed \$260,675 in gross annual revenue. The Small Business Administration rejected the employee's loan application and the employee did not receive the loan. OIG completed its investigation and provided a report to USAID for action. USAID determined no action would be taken.

### Awardee Volunteer Referred for Present Responsibility Determination for Sexual Abuse

In January 2021, we initiated an investigation of an awardee volunteer based on allegations of sexual exploitation and abuse. The allegation reported that while working for the awardee, under the USAID-funded Food for Peace Apolou Activity in Uganda, the volunteer sexually abused a 14-year-old program beneficiary. On May 12, 2023, we referred the volunteer for a present responsibility determination with the USAID Office of Responsibility,



USAID OIG hosted the 2024 Complex Emergencies Working Group forum in Washington, DC, where oversight counterparts from government and UN agencies gathered to learn from each other, share challenges, and explore enforcement mechanisms to hold those who abuse foreign aid accountable.

Safeguarding, and Compliance. In July 2024, USAID determined that no administrative action would be taken.

### **USAID Debarred a Former Employee of a Grantee for Sexual Exploitation and Abuse of a Program Participant**

A USAID-funded grantee reported that its employee, an HIV-care nurse, used his position to sexually exploit and abuse a program beneficiary in Zimbabwe. We investigated and substantiated the allegations. In response to our referral, USAID debarred the perpetrator for 5 years.

### **Food Diversion Found in the al-Hol Displaced Persons Camp in Northeast Syria**

We investigated allegations that bread provided under a USAID award was diverted from the intended beneficiaries—the refugee families of Islamic State of Iraq and Syrian fighters located in the al-Hol Camp in Northeast Syria. We found that the Asayish (Internal Security Forces of North and East Syria) and the al-Hol Camp Administration diverted the aid from the intended beneficiaries to themselves. Between February 2019 and March 2023, the Camp Administration set security restrictions at the al-Hol Camp that prevented the USAID awardee from physically accessing beneficiaries. The awardee was forced to rely on the Asayish and the Camp Administration to deliver bread within the inaccessible areas of the camp, which created the opportunity for the initial diversion. Once the awardee received full access to the camp, the Asayish and the Camp Administration continued to divert the USAID-funded bread. We completed our investigation and referred the findings to USAID. USAID informed us that it had already disallowed costs from the awardee, which was responsible for safeguarding the USAID-funded assistance. USAID also communicated to all its operational awardees across Syria that allegations related to diversion, fraud, waste, and abuse of U.S. resources must be reported to USAID OIG.

### **Locally Employed Staff at USAID/West Bank and Gaza Made Changes to File Hosting Service Security Settings**

We investigated allegations that procurement sensitive documents belonging to USAID’s West Bank and Gaza mission were viewed by unknown users. We received a report that authorized users observed access to the files by “anonymous users” on the USAID-approved file hosting service. We found that locally employed staff had changed the security settings on documents to allow access using personal email accounts. However, the file hosting service provider was unable to access additional user information. We referred our findings to USAID/West Bank and Gaza, which resulted in verbal counseling, reaffirming applicable policies, and training on proper use of file hosting services.

## **Former Chief of Party in Jordan Debarred for 3 Years as a Result of a Fraudulent Claim for Temporary Quarters Allowance**

We investigated allegations that a former Chief of Party—the project director of an aid organization—fraudulently claimed a Temporary Quarters Subsistence Allowance under the USAID-funded Public Accountability and Justice Strengthening Activity Project in Jordan. We found that the subject fraudulently claimed a subsistence allowance for an apartment in Amman while living in a separate Jordan-based apartment with his wife. As a result of our investigation, he was debarred from working with the U.S. government for 3 years, and the awardee reimbursed USAID \$96,442.

## **Subgrant Terminated and Owner and Company Debarred for Trafficking of Syrian Refugee Children in Lebanon**

We investigated child labor allegations with a company in Zahle, Lebanon, that received a subaward from a USAID-funded grant to support ecotourism and agrotourism in Lebanon. We found that the company employed children in various positions and transported the children to the company's location from what witnesses described as local Syrian refugee camps. Investigators interviewed the owner and manager who admitted to employing multiple minors. USAID terminated the subgrant and issued 2-year debarments for the owner/manager and his company.

## **Operation African Star Results in Multiple Actions to Counter Illicit Pharmaceuticals**

We participated in [Operation African Star](#)—a large-scale international enforcement operation to counter illicit pharmaceuticals. The operation involved coordination with the U.S. Food and Drug Administration Office of Criminal Investigation, other U.S. agencies, the United Kingdom, the European Union, and the Governments of Kenya and Uganda. It resulted in the initiation of criminal investigations, seizures of counterfeit products, and the exchange of actionable intelligence. The operation also broadened the discussion of combating illicit trade.

## **Former USAID Senior Official Found Not in Violation of Ethics Regulations**

In December 2022, we received a referral from USAID Office of General Counsel which reported that a former USAID senior official was currently employed by a USAID awardee and violated conflict of interest regulations. We found that the former senior official was subject to certain guidelines including a 2-year bar from representing a private entity to USAID, and we confirmed the former senior official was employee by a USAID awardee. However, the former senior official did not represent the USAID awardee to USAID. OIG did not find any evidence that the former senior official violated conflicts of interest statutes or regulations.

## **Allegations of Conflict of Interest and Fraud Not Substantiated Against a USAID Mission Ukraine Subawardee**

In April 2023, a USAID prime awardee operating in Ukraine disclosed that the staff of a subawardee engaged in nepotism, received pay when not working, and had conflict of interest violations. We developed evidence that refuted the allegations and did not find evidence of misconduct by the staff of the subawardee.

## **Allegation Against Senior USAID Official in Paycheck Protection Program Loan Fraud Disproven**

In March 2024, we opened an investigation into allegations that a senior USAID official engaged in fraud to obtain about \$4 million in loans from the Paycheck Protection Program. We determined that while the employee's name was on the loan, it was due to the employee's minority ownership in a private business. The loan proceeds were used to support the private business in alignment with the purpose of the Paycheck Protection Program loans. In addition, the employee consulted with USAID ethics officials before signing the loan documents. We found no evidence of misconduct by the senior USAID official.

## **Fraud and Situational Alerts**

### **Fraud Alert—Reported Phishing and Other Business Email Compromise Schemes Targeting U.S. Government Employees and Annuitants**

[June 14, 2024](#)

Our Office of Investigations undertook investigative steps to identify bad actors employing business email compromise tactics designed to redirect OIG employee paychecks to nonsanctioned bank accounts. This alert, following up on a similar one issued in September 2023, discusses business email compromise schemes, how to identify them, and how to mitigate them.

### **Fraud Alert—USAID Name and Logo Used to Defraud Job, Grant, and Visa Applicants**

[June 14, 2024](#)

We alerted USAID and the public to ongoing schemes in which individuals and entities claim to represent USAID or a USAID-funded organization. The scammers require victims to pay fees associated with job, grant, and visa applications through wire transfers or mobile money applications. Along with other investigating agencies, we have identified hundreds of likely applicants who have been defrauded by these schemes and incurred hundreds of thousands of dollars in monetary losses.

## USAID OIG Alert—Responsibility to Report USAID Funds Transmitted to UNRWA

May 30, 2024 (in [English](#) and in [Arabic](#))

This alert reminds USAID implementing partners (i.e., nongovernmental organizations, contractors, and UN agencies/public international organizations) that they must promptly report all information or allegations that USAID funds have been distributed or otherwise transmitted to UNRWA. We issued this alert after Congress passed and the President signed into law the Further Consolidated Appropriations Act, 2024. Among other things, the law precludes U.S. funds from being used for any contribution, grant, or other payment to UNRWA through March 30, 2025.

### Task Force and Committee Participation

We joined and continued our work with several law enforcement task and strike forces to further the global reach of our finite investigative resources. For example, the following are some of Departments of Justice and Homeland Security groups our Office of Investigations currently participates in.

- **Joint Task Force Vulcan**, aimed at disrupting, dismantling, and ultimately destroying Mara Salvatrucha, commonly known as MS-13.
- **Joint Task Force Alpha**, an initiative to combat transnational human smuggling and trafficking networks in Northern Central America and Mexico.
- **Procurement Collusion Strike Force Global**, an effort to tackle potential collusion in bids for billions of dollars in U.S. funds spent abroad.
- **U.S. Secret Service Electronic Crimes Task Force**, a collaborative effort with the Secret Service, other law enforcement agencies, and organizations from various sectors to combat electronic crimes through information sharing, resource support, joint investigations, policy development, advocacy, and training initiatives. The task force aims to improve the quality of digital forensics and cybersecurity practices while enhancing collective capabilities in responding to cyber threats, digital forensics, and cybersecurity practices.
- **Donor Safeguarding Investigations Working Group**, a United Kingdom-led effort that coordinates bilateral oversight bodies' response to allegations of sexual exploitation and abuse affecting foreign assistance programs.
- **National Intellectual Property Rights Coordination Center**, composed of Federal agencies and industry experts, the Intellectual Property Rights Coordination Center develops initiatives, coordinates enforcement actions, and shares information related to intellectual property theft. It also stops predatory, illegal trade practices that threaten the public's health and safety, the U.S. economy, and national security.



We also are members of the Pandemic Response Accountability Committee (PRAC) Fraud Task Force, PRAC Law Enforcement Subcommittee, and the COVID-19 Fraud Enforcement Task Force Corporate and Large Business Subcommittee. Under the PRAC Fraud Task Force, OIG investigated and prosecuted fraud allegations involving COVID-19 relief programs. The task force was established to facilitate coordinated oversight of the Federal government's pandemic response by bringing together over 50 agents from 16 OIGs. Since fiscal year 2020, we have dedicated USAID OIG agents part time to lead task force investigations. Our agents comprise over 10 percent of the task force with seven agents participating as of the end of this reporting period. This initiative allowed our Office of Investigations to make a broader contribution to the OIG community.

# Summary of Investigative Activities for USAID, MCC, USADF, and IAF

April 1, 2024–September 30, 2024

**Table 1. Investigative Workload**

Action	Number
Investigations Opened	40
Investigations Closed	39
Investigative Reports Issued <sup>1</sup>	46

<sup>1</sup> This number includes all final reports of investigation, any interim reports referred for possible action, and any fraud alert or advisory issued as a result of investigative findings.

**Table 2. Prosecutive Referrals and Actions**

Action	Number
Persons Referred to the Department of Justice <sup>1</sup>	23
Persons Referred to State or Local Prosecutors <sup>2</sup>	1
Criminal Indictments / Informations <sup>3</sup>	7
Arrests	3
No-Knock Warrants Served or No-Knock Entries Made <sup>4</sup>	0

<sup>1</sup> This number includes all criminal and civil referrals to the Department of Justice (DOJ) for a prosecutorial decision whether they were ultimately accepted or declined with the caveat that if an investigation was referred to more than one DOJ office for a prosecutorial decision, the referral to DOJ was only counted once. The number reported represents referrals for both individuals and/or legal entities.

<sup>2</sup> This number includes all referrals to state or local prosecutorial bodies for a prosecutorial decision whether they were ultimately accepted or declined. The number reported represents referrals for both individuals and/or legal entities.

<sup>3</sup> The number of indictments reported include both sealed and unsealed.

<sup>4</sup> Section 10(c) of Executive Order 14074 states that Federal law enforcement agencies shall issue annual reports to the President—and post the reports publicly—setting forth the number of no-knock entries that occurred pursuant to judicial authorization; the number of no-knock entries that occurred pursuant to exigent circumstances; and disaggregated data by circumstances for no-knock entries in which a law enforcement officer or other person was injured in the course of a no-knock entry.

**Table 3. Administrative Referrals and Actions**

Action	Number
Entities Referred for Present Responsibility <sup>1</sup>	13
Suspensions or Debarments <sup>2</sup>	26
Personnel Resignation, Curtailment, Removal, Suspension, or Termination <sup>3</sup>	7
Award or Contract Suspension or Termination <sup>4</sup>	2
New Rule, Policy, or Procedure Based on Investigative Findings <sup>5</sup>	1

<sup>1</sup> This number includes all referrals submitted by OIG to USAID’s Office of Responsibility, Safeguarding, and Compliance in which an entity or individual’s “present responsibility” to do business with the government is suspect based on OIG investigative findings and suspension/debarment was determined by OIG’s Office of General Counsel to be a viable potential outcome of the referral.

<sup>2</sup> Suspensions include the temporary disqualification of firms or individuals from receiving U.S. Government awards. Debarments include actions taken by a debarring official to exclude a contractor or grantee, or individual from Government contracting and assistance awards for a specified period.

<sup>3</sup> This number includes terminations, resignations, and curtailments from assignments while under and/or in lieu of investigation and any adverse action based upon investigative findings to include security clearance suspension or revocation. This also includes both personal services contractors and institutional services contractors hired to directly support agencies OIG oversees. This does not include contractors or others working for third parties on agreements with the agencies we oversee.

<sup>4</sup> Terminations include instances in which a contract, grant, or cooperative agreement was terminated in response to OIG investigative findings. Contract or grant terminations are frequently accompanied by a financial recovery. Suspensions include instances in which ongoing, pending, and planned activities under a specific award are suspended based upon investigative findings until a prescribed remedial or administrative action is concluded.

<sup>5</sup> These include new procedures, rules, policies, agreement clauses, or regulations implemented by the responsible Federal agency to address systemic weaknesses revealed during an OIG investigation or other investigative work.

**Table 4. Monetary Results**

Action	Number
Criminal Fines, Restitutions, Recoveries, Assessments, or Forfeitures	\$0
Civil Fines, Restitutions, Recoveries, Penalties, Damages, or Forfeitures	\$671,915
Non-Judicial Restitutions, Recoveries, Forfeitures, Revocations, Seizures, or Settlements <sup>1</sup>	\$2,290,511
Fraud Loss Prevented or Saved Based on Investigative Findings <sup>2</sup>	\$5,600,000

<sup>1</sup> This number includes funds that were already distributed and for which the agency formally issued a bill of collection or other recovery mechanism after an OIG investigation revealed that the funds were lost, misappropriated, stolen, or misused; funds recovered as part of a settlement that did not require judicial intervention; and any funds or valued property forfeited as part of an investigation prior to judicial intervention.

<sup>2</sup> This number includes funds that were obligated, but not yet distributed, to be spent as part of an agency's award that were preserved and made available for better uses after an OIG investigation revealed evidence that those funds were vulnerable to fraud or waste; and funds that were not yet obligated and subsequently set aside and made available for other uses as a result of an OIG investigation.

## International Partnerships and Overseas Contingency Operations

This year, the Office of Inspector General established the International Partnerships & Overseas Contingency Operations (IP/OCO) unit, situated within its Front Office. The IP/OCO team manages OIG's relationships with global oversight counterparts within the United Nations (UN) and bilateral donors, international NGOs, and senior USAID officials. IP/OCO also coordinates planning of oversight of USAID's most pressing responses, including Ukraine, Gaza, and other complex emergencies; produces statutorily mandated reports on U.S. overseas contingency operations; and supervises OIG's Legislative and Public Affairs Division. In this reporting period, IP/OCO led the following products.



As a part of our ongoing oversight of USAID's Ukraine response, OIG staff traveled to Kyiv to meet with USAID personnel, implementers, and worldfoodprogramme staff.

### Best Practices for Oversight of Foreign Assistance Programming

[June 25, 2024](#)

As a requirement in the Further Consolidated Appropriations Act, 2024, P.L. 118-47, USAID OIG, along with State OIG, submitted a report to Congress that details a common set of best practices across programming carried out by the Department of State and USAID. As a part of this report, the two OIGs highlighted best practices for oversight of U.S.-funded foreign assistance implementers in particular. The report describes engagement with implementers on accountability requirements, issuing fraud alerts to help implementers identify and report misconduct, identifying vulnerabilities in award agreements, and emphasizing whistleblower protections.

### Independent Oversight of USAID Funding to United Nations Agencies

[September 11, 2024](#)

The brief provides information on challenges we continue to encounter in obtaining information from UN agencies funded by USAID. Our mission includes providing independent oversight of USAID funding to UN agencies implementing foreign assistance programming on the Agency's behalf. To fulfill this mission, we must have access, transparency, and cooperation from USAID-funded UN agencies to fulfill our oversight mandate. This includes prompt disclosure by UN agencies of allegations concerning misuse of USAID-funded programming. Timely sharing of information by UN agencies allows us to swiftly respond to allegations of fraud, sexual exploitation and abuse, corruption, misconduct, or other misuse of USAID programming funded through the UN. Despite contractual obligations

to report allegations of misconduct directly to USAID OIG, reporting from UN agencies is sparse. Failure to report allegations or respond to follow-up requests for information limits our investigators' ability to inform USAID of harm to its programs and hold bad actors accountable.

## **Assessment of USAID's Oversight Policies to Prevent the Diversion of Assistance to Hamas and Other Terrorist Organizations**

July 25, 2024

On May 20, 2024, the "Memorandum of Justification Oversight Policies, Processes, and Procedures to Prevent the Diversion of Assistance to Hamas and other Terrorist and Extremist Entities in Gaza" was transmitted to Congress by the Department of State and USAID, along with a certification that oversight policies, processes, and procedures are established and in use to prevent diversion, misuse, or destruction of USAID-funded assistance, including through international organizations.

After reviewing the USAID and State submission to Congress describing oversight mechanisms for aid to Gaza, and based on our past oversight work, we offered insights on the challenges and vulnerabilities that exist within several of USAID's stated controls. Some of the shortcomings and vulnerabilities we identified included USAID's use of third-party monitors, a lack of anti-terrorism certification requirement for USAID contractors, self-reporting of waste, fraud, and abuse of USAID funds by implementing organizations, and gaps in partner vetting processes and requirements.

### **Quarterly OCO Reporting**

We reported quarterly on USAID response efforts in Ukraine, Afghanistan, Iraq, and Syria for the statutorily mandated Overseas Contingency Operation quarterly reports, produced in conjunction with the OIGs for DoD and State.

For **Operation Atlantic Resolve**, we reported in March 2024 and June 2024 that:

- USAID provided support to about 26,600 small and medium enterprises to generate revenue for the Ukrainian government and create additional employment.
- Security restrictions limited in-person site visits and other monitoring of U.S. assistance to Ukraine.
- USAID's spend plan for the Ukraine Security Supplemental Appropriations Act of 2024 allocated \$7.85 billion from the Economic Support Fund for direct budget support.

For **Operation Enduring Sentinel**, we reported in [March 2024](#) and [June 2024](#) that:

- About 23.7 million Afghans needed humanitarian assistance, with 14.2 million experiencing acute food insecurity.
- The Taliban continued restrictions on women’s and girl’s activities.
- USAID funded 18 active programs (total award amount \$825 million) in Afghanistan during the quarter that provide some level of support for women and girls across several sectors including education, health, economic growth.

For **Operation Inherent Resolve**, we reported in [March 2024](#) and [June 2024](#) that:

- About 16.7 million Syrians were in need of humanitarian assistance.
- Heavy rainfall, strong winds, and flooding affected over 12,600 people in 33 IDP sites in Aleppo and Idlib, damaging or destroying over 200 shelters and 2,500 tents.
- The lack of effective coordination among NGOs in Iraq has hindered their ability to engage collectively with local authorities and improve humanitarian access.

## **Peer Reviews Conducted of OIG as of September 30, 2024**

CIGIE requires OIGs to conduct and undergo periodic external peer reviews, and the IG Act of 1978 requires the results of these peer reviews to be published in this Semiannual Report to the Congress.

In a prior reporting period, the Department of the Interior OIG conducted a peer review of USAID OIG’s audit function and issued its report on March 31, 2023. There were no recommendations and USAID OIG received an External Peer Review rating of “pass.”

## **Peer Reviews Conducted by OIG as of September 30, 2024**

We conducted a peer review of the Pension Benefit Guarantee Corporation OIG’s Office of Investigations. We had no recommendations and Pension Benefit Guarantee Corporation received an External Peer Review rating of “pass.” In addition, we started a peer review of U.S. General Services Administration’s OIG Office of Audit this reporting period.

## Strategic Plans

In May 2024, we issued our revised [Strategic Plan for FYs 2022 through 2026](#). The plan describes our organizational priorities in promoting transparency, efficiency, and accountability in U.S. foreign assistance. Our 5-year plan defines OIG goals, objectives, and performance measures, identifies the factors affecting the achievement of those goals, and describes key areas of interagency collaboration.

Under the plan, our three overarching goals focus on:

- **People.** Foster a diverse, equitable, inclusive, and committed OIG workforce built on shared core values.
- **Process.** Promote plans, processes, policies, and procedures that enhance OIG performance and maximize operational efficiency; and
- **Our Work.** Provide sound reporting and insight for improving foreign assistance programs, operations, and resources.

In August, we issued our [Diversity, Equity, Inclusion, and Accessibility Strategic Plan for FYs 2024 through 2029](#). For us to provide the highest quality oversight of U.S. foreign assistance, we must build an organization rooted in professionalism, trust, and respect. A major way to accomplish this is by taking tangible steps to integrate diversity, equity, inclusion, and accessibility (DEIA) concepts into our office culture. Research consistently shows that diverse teams make better decisions and achieve superior outcomes. When our colleagues feel comfortable to speak up, creativity flourishes and our collective potential increases.

We have the following DEIA goals for FYs 2024–2029:

- Operationalize DEIA best practices.
- Promote data-driven human capital systems to improve diversity and equity in recruitment, hiring, promotion, and professional development.
- Increase employee engagement and inclusion by embedding principles of fairness and respect into our culture.
- Create a culture of respect and open communication free from harassment, discrimination, or retaliation.





**Inspector General Act  
Reporting Requirements**

The following pages reference information throughout the report as required by the Inspector General Act of 1978, as amended, and other requirements, for the reporting period April 1, 2024, through September 30, 2024. Requirements for which we have nothing to report this period are also noted in the table below.

Additional information regarding activity during the current period for reports and recommendations can be found in separate appendixes to this document. These appendixes are available on our website under <https://oig.usaid.gov/our-work/semiannual-report>. The appendixes provide information on audits, inspections, evaluations, and agile products (AIEA) and on non-Federal audits (NFA).

## Appendixes

- A. AIEA Reports and Recommendations Issued During Reporting Period (Including Management Decision Status)
- B. NFA Reports and Recommendations Issued During Reporting Period (Including Management Decision Status)
- C. AIEA Reports and Recommendations Issued Before Reporting Period Without Final Action (Including the Potential Costs Savings), as of September 30, 2024
- D. NFA Reports and Recommendations Issued Before Reporting Period Without Final Action (Including the Potential Costs Savings), as of September 30, 2024
- E. AIEA Reports and Recommendations Issued Before Reporting Period (With Management Decision During Reporting Period), as of September 30, 2024
- F. NFA Reports and Recommendations Issued Before Reporting Period (With Management Decision During Reporting Period), as of September 30, 2024

## Reporting Requirements and Location in This Report

Reporting requirements under the Inspector General Act of 1978, as amended.

**Table 5. Reporting Requirements**

Section	Action	Page in Report
§5(a)(1)	Significant problems, abuses, and deficiencies	Throughout this report
§5(a)(2)	Prior unimplemented recommendations	Appendix C and D
§5(a)(3)	Significant investigations closed	USAID: pp. 25–27 MCC, USADF, IAF: Nothing to report
§5(a)(4)	Number of convictions	p. 1
§5(a)(5); 5(h)	Reports and recommendations issued during the reporting period	Appendix A and B
§5(a)(6)	Management decisions made during the period on previously issued audits	Appendix E and F
§5(a)(7)	Compliance with Federal Financial Management Improvement Act	Nothing to report
§5(a)(8)	Peer reviews conducted of USAID OIG	p. 43
§5(a)(9)	Peer review recommendations	p. 43
§5(a)(10)	Peer reviews conducted by USAID OIG	p. 43
§5(a)(11)	Statistical table of investigative reports and referrals	pp. 38–40
§5(a)(12)	Audit and investigative reporting metrics	p. 48
§5(a)(13)	Substantiated misconduct of senior government employees	Nothing to report
§5(a)(14)	Instances of whistleblower retaliation	Nothing to report
§5(a)(15)	Interference with USAID OIG independence	Nothing to report
§5(a)(16)	Closed but undisclosed audits and investigations of senior government employees	Nothing to report

**Table 6. Other Reporting Requirements**

Other Reporting Requirements	Description	Page in Report
Significant Findings From Contract Audit Reports	The National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181, section 845) requires Inspectors General to submit information on contract audit reports, including grants and cooperative agreements, that contain significant audit findings in semiannual reports to Congress.	Nothing to report

## Audit Terms and Investigative Metrics Defined

In the appendixes to this Semiannual Report to Congress, we present information on the status of recommendations from prior audit reports. We use several key terms to describe their status and how they can help the agencies we oversee save taxpayer dollars. Potential cost savings refer to dollar amounts identified in audit recommendations based on an examination of agency expenditures and referred to agency managers as either “questioned costs” or funds to be “put to better use.” While some questioned costs are identified by independent public accountants, it is solely the prerogative of Agency managers to determine whether to allow or disallow such costs. Monetary recommendations are those that identify either questioned costs, such as unsupported or ineligible costs, or funds recommended to be put to better use. An agency decision, or management decision, to sustain all or a portion of the total amount of a recommendation signals the agency’s intent to recoup or reprogram the funds. Once agency managers make such a decision, we acknowledge the dollar amount the agency has agreed to recoup as the most accurate representation of dollars to be saved. These are known as sustained costs. When available, we reflect sustained costs in the appendixes, adding them to those monetary recommendations that have yet to receive a management decision. This results in an adjusted figure that most accurately reflects potential savings, shown as adjusted potential cost savings.

### Audit Terms Defined

We use two terms to describe audit recommendations that can help save taxpayer dollars:



- **Questioned Costs.** Potentially unallowable costs due to reasons such as inadequate supporting documentation or an alleged violation of a law, regulation, or award term.



- **Funds for Better Use.** Funds that could be used more efficiently if management took actions to implement OIG recommendations.

## Investigative Metrics

In the tables on pages 37–39, we present information on our investigative work and results for the reporting period. Metrics used in the tables are defined below:

- Fraud loss prevention refers to Federal funds that were obligated and because of an OIG investigation were set aside or deobligated and made available for other uses. This includes instances in which the awarding agency made substantial changes to the implementation of a project based on an OIG referral, whether the funds were awarded to a subsequent entity, or restructured another way.
- The number of investigative reports issued includes all final reports of investigation, any interim reports referred for possible action, and any fraud alert or advisory issued because of investigative findings.
- The number of persons referred to DOJ includes all criminal and civil referrals to DOJ for a prosecutorial decision whether they were ultimately accepted or declined with the caveat that if an investigation was referred to more than one DOJ office for a prosecutorial decision, the referral to DOJ was only counted once. The number reported represents referrals for both individuals and legal entities.





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