

OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

USAID Did Not Comply With the Payment Integrity Information Act of 2019 for Fiscal Year 2024

Report 0-000-25-006-C
May 30, 2025



Office of Audits, Inspections, and Evaluations



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

MEMORANDUM

DATE: May 30, 2025

TO: Kenneth Jackson
Deputy Administrator for Management and Resources and Chief Financial Officer
USAID

FROM: Gabriele Tonsil /s/
Acting Assistant Inspector General for Audits, Inspections, and Evaluations

SUBJECT: USAID Did Not Comply With the Payment Integrity Information Act of 2019 for Fiscal Year 2024 (0-000-25-006-C)

The Office of Inspector General (OIG) conducted a review of USAID's compliance with Public Law 116-117, the Payment Integrity Information Act of 2019 (PIIA).¹ Our objective was to determine whether USAID complied with the PIIA for fiscal year (FY) 2024.

To answer the objective, we attempted to review the payment integrity information in USAID's Annual Financial Report and any accompanying materials to assess the agency's compliance with PIIA and related Office of Management and Budget (OMB) guidance. We conducted our review from March 2025 through May 2025 in accordance with Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation* and the requirements for reporting as established by OMB, Transmittal of Appendix C to OMB Circular A-123, "Requirements for Payment Integrity Improvement" (M-21-19), March 5, 2021.

We determined that USAID did not comply with PIIA in FY 2024. Specifically, we found that USAID did not comply with PIIA § 3351, section (2)(A)(ii), which requires the executive agency to post its prior year improper payments information with the annual financial statements and any accompanying materials on its website. Due to USAID's operating status, USAID did not have staff available to respond to our information requests regarding compliance with the other PIIA requirements in FY 2024. As a result, we were unable to determine whether the agency complied with these requirements. We have included one matter for consideration as decisionmakers transfer certain USAID functions to the Department of State (State).

¹ Public Law 116-117, enacted March 2, 2020.

Background

PIIA aims to improve efforts to identify and reduce government-wide improper payments. Agencies are required to identify and review all programs and activities they administer that may be susceptible to significant improper payments based on guidance provided by OMB. Payment integrity information is published with the agency's annual financial statement in accordance with payment integrity guidance in OMB Circular A-136. The agency must also publish any applicable payment integrity information required in the accompanying materials to the annual financial statement in accordance with applicable guidance. The most common accompanying materials to the annual financial statement are the payment integrity information published on paymentaccuracy.gov.²

According to OMB guidance, an agency has complied with PIIA if it has complied with the 10 requirements listed in Table 1 below. If the agency does not meet one or more of these requirements, the Agency is not compliant with PIIA.

USAID management is responsible for compliance with PIIA requirements. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial data and other information that are free from material misstatement whether due to fraud or error. We determined that USAID complied with PIIA in FY 2023.³ Auditors were not aware of any material modifications that should be made to the accompanying financial data and other information.

On January 26, 2025, the Secretary of State ordered a pause on all U.S. foreign assistance funded by State and USAID for review.⁴ Moreover, many USAID staff were put on administrative leave in February 2025. Since that time, USAID has significantly downsized, transferred to State, or eliminated the majority of its applications and systems, including its public-facing website.

USAID Did Not Post Annual Financial Statements on Its Website as Required for Compliance with PIIA for FY 2024

We determined that USAID did not comply with PIIA in FY 2024. Specifically, USAID did not comply with requirement 1b to post its annual financial statements and accompany materials required by OMB guidance on the Agency's website. USAID did not comply with this requirement because it eliminated its public facing website as part of transitioning critical business operations to State.

In addition, we were unable to review USAID's compliance with the remaining nine requirements, because the Agency did not have staff available to respond to our information requests. On March 12, 2025, USAID officials informed us that the Agency would not be able to respond to requests related to this review. We made multiple attempts to contact Agency

² This information is provided by the agency to OMB through the Annual Data Call and is then subsequently published on paymentaccuracy.gov.

³ USAID OIG, [USAID Complied With the Payment Integrity Information Act of 2019 for Fiscal Year 2023](#) (0-000-24-006-C), May 28, 2024.

⁴ The Secretary of State issued this order consistent with the President's executive order, "Reevaluating and Realigning United States Foreign Aid," signed January 20, 2025.

officials in April and May and were informed that the Agency did not have staff available to respond to our review.

Table I summarizes our review results.

Table I. Review Results of USAID's Compliance with PIIA Requirements for FY 2024

PIIA Requirement	Results
1a. Published payment integrity information with the annual financial statement and in the accompanying materials to the annual financial statement of the agency for the most recent FY in accordance with OMB guidance.	We were not able to determine the extent to which USAID complied with this requirement.
1b. Posted the annual financial statement and accompany materials required under guidance of OMB on the agency website. ^a	Non-Compliant
2a. Conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years.	We were not able to determine the extent to which USAID complied with this requirement.
2b. Adequately concluded whether the program is likely to make improper payment (IP) and unknown payments (UP) above or below the statutory threshold.	We were not able to determine the extent to which USAID complied with this requirement.
3. Published IP and UP estimates for programs susceptible to significant IPs and UPs in the accompanying materials to the annual financial statement.	We were not able to determine the extent to which USAID complied with this requirement.
4. Published corrective action plans for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	We were not able to determine the extent to which USAID complied with this requirement.
5a. Published an IP and UP reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual financial statement.	We were not able to determine the extent to which USAID complied with this requirement.
5b. Demonstrated improvements to payment integrity or reached a tolerable IP and UP rate. ^b	We were not able to determine the extent to which USAID complied with this requirement.
5c. Developed a plan to meet the IP and UP reduction target.	We were not able to determine the extent to which USAID complied with this requirement.
6. Reported an IP and UP estimate of less than 10 percent for each program for which an estimate was published in the accompanying materials to the annual financial statement.	We were not able to determine the extent to which USAID complied with this requirement.

^a To achieve compliance, the agency must publish any applicable payment integrity information in its annual financial statement in accordance with payment integrity guidance provided in OMB Circular A-136. In addition, the agency must publish any applicable payment integrity information required in the accompanying materials to the annual financial statements in accordance with applicable guidance. The agency's payment integrity information that is published on paymentaccuracy.gov is the most common accompanying materials to the annual financial statement.

^b On October 26, 2021, the CFO Council published a guide on tolerable rates (see https://www.cfo.gov/assets/files/TolerableRateGuide_final.pdf).

Source: OIG analysis of PIIA.

With the ongoing transition of certain USAID functions to State and review of U.S. foreign assistance, it is critical that the Agency, or its successor, ensure it is meeting requirements under PIIA. Noncompliance with PIIA reduces the government's ability to identify, recapture, report, and reduce improper payments related to foreign assistance. Given USAID's current operating status, we are not making recommendations at this time.

Considerations for Future Foreign Assistance

As certain USAID functions are realigned with State, we suggest decisionmakers consider the following action:

- I. Put oversight mechanisms in place to ensure compliance with PIIA, including that information on improper payments, performance in reducing and recapturing improper payments, payment integrity, and related financial data be accurate, complete, and available to the public.