



# Semiannual Report to Congress

October 1, 2024–March 31, 2025



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 statutorily mandated 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 fraud, corruption, and sexual exploitation and abuse.

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

OIG Hotline

P.O. Box 657

Washington, DC 20044-06

(202) 712-1070

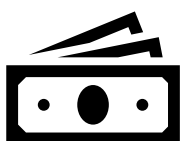
# Contents

By the Numbers .....	1
Message From the Acting Deputy Inspector General .....	2
About USAID OIG .....	4
History, Mandates, and Authority .....	4
Investigative Activities and Reporting .....	6
Investigative Summaries .....	7
Task Force and Committee Participation .....	11
Summary of Investigative Activities for USAID, MCC, USADF, and IAF .....	13
Audits, Inspections, Evaluations, and Agile Products .....	15
Discretionary Audits .....	17
Inspections and Evaluations .....	23
Mandated Financial and Information Technology Engagements .....	25
Agile Products .....	26
Other Mission-Critical Activities .....	28
Outreach and External Engagement .....	29
International Partnerships and Overseas Contingency Operations .....	33
Peer Reviews .....	36
Whistleblower Protection .....	37
Inspector General Act Reporting Requirements .....	38
Appendixes .....	39
Reporting Requirements and Location in This Report .....	40
Audit Terms and Investigative Metrics Defined .....	41
Photo Credits .....	43

# By the Numbers

*October 1, 2024–March 31, 2025*

## Audit Results



**\$49,146,081,754**  
in funds audited



**32**  
performance and financial audits,  
evaluations, inspections, and agile  
products



**72**  
recommendations to improve  
programs and operations<sup>1</sup>

## Investigative Results



**44**  
investigations opened  
**31**  
investigations closed  
**\$6,719,174**  
in monetary results



**18**  
prosecutorial referrals  
**7**  
convictions



**22** administrative actions,  
including  
**15** government-wide  
suspensions and  
debarments



**46** fraud awareness  
briefings delivered

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<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 221 audit reports totaling \$6,930,624,422 in funds audited that included \$8,556,203 in questioned costs and 90 recommendations.



## Message From the Acting Deputy Inspector General

I am pleased to present USAID OIG's Semiannual Report to Congress for the first half of fiscal year 2025. Our comprehensive body of work reflects the dedicated efforts of USAID OIG's staff operating in our 12 overseas posts and in Washington, DC. As underscored in this report, our independent oversight of foreign assistance programs is unique. Our mission is bolstered by longstanding relationships with bilateral and multilateral oversight counterparts including in Israel and Ukraine; a deep knowledge of complex humanitarian and development programs; and a passion to ensure integrity over taxpayer-funded foreign assistance.

Our 44-year commitment to timely and rigorous oversight of U.S. foreign assistance programs continues unabated, despite significant policy and structural changes during this reporting period to the agencies we oversee. Changes in the aid and development space made our independent oversight role—ensuring the efficient and effective use of taxpayer dollars and holding accountable those who defrauded foreign assistance programs—all the more important.

While USAID OIG does not have the authority to set or direct foreign assistance policy, our comprehensive oversight work and expertise informs those who do. For example, in January, we issued a [memorandum](#) to the new administration outlining shortcomings, vulnerabilities, and opportunities to enhance oversight and accountability over foreign assistance, based on our extensive experience. We also continued to use our unparalleled work conducting investigations involving United Nations (UN) agencies, to offer [Congress](#), the U.S. Mission to the UN, and senior administration officials targeted ideas to advance oversight and accountability over these funds. Further, our investigators lent their skills and expertise to task forces that disrupt human trafficking networks, foreign gangs, and cybercrimes, including Joint Task Force Vulcan, aimed at dismantling the transnational criminal organizations MS-13 and Tren de Aragua.

During this period, the investigative work by our special agents, digital forensics specialists, and investigative analysts resulted in an unprecedented [20-year debarment](#) of a USAID mission director who engaged in sexual misconduct, thereby preventing him from recirculating across the aid sector. In January, our multiyear investigation resulted in an extradition order for a Syrian national facing a [12-count indictment](#) for illegally diverting more than \$9 million in U.S.-funded humanitarian aid intended for Syrian civilians to a terrorist organization affiliated with Al-Qaeda. We used our expertise to conduct international investigations to hold accountable Hamas-associated [UN Relief and Works Agency \(UNRWA\) employees](#) who participated in the October 7 terrorist attacks in Israel and to resolve allegations that a major U.S. contractor submitted [fraudulent invoices](#) for subcontractor payments in Nigeria.

Our audit, inspection, and evaluation reports issued during this period provided recommendations that should inform administration and congressional decision-making on U.S. foreign assistance programs

going forward. This includes the need for establishing and adhering to appropriate oversight controls over emergency [food assistance](#); measures to [prevent sexual exploitation and abuse](#) in humanitarian aid programs; [improving procurement processes](#); and more effectively [monitoring equipment delivery and construction projects](#) abroad.

As policymakers consider and debate restructuring and realignment of the nation's foreign assistance architecture, we look forward to partnering with Congress to ensure that U.S. foreign assistance is run effectively, efficiently, and with the accountability and transparency that American taxpayers expect and deserve.

A handwritten signature in black ink, reading "Toayoa Aldridge". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Toayoa Aldridge  
Acting Deputy Inspector General  
performing the work of the 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 independent 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

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### 1980

#### USAID OIG Established

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

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### 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.

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### 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.

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### 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.

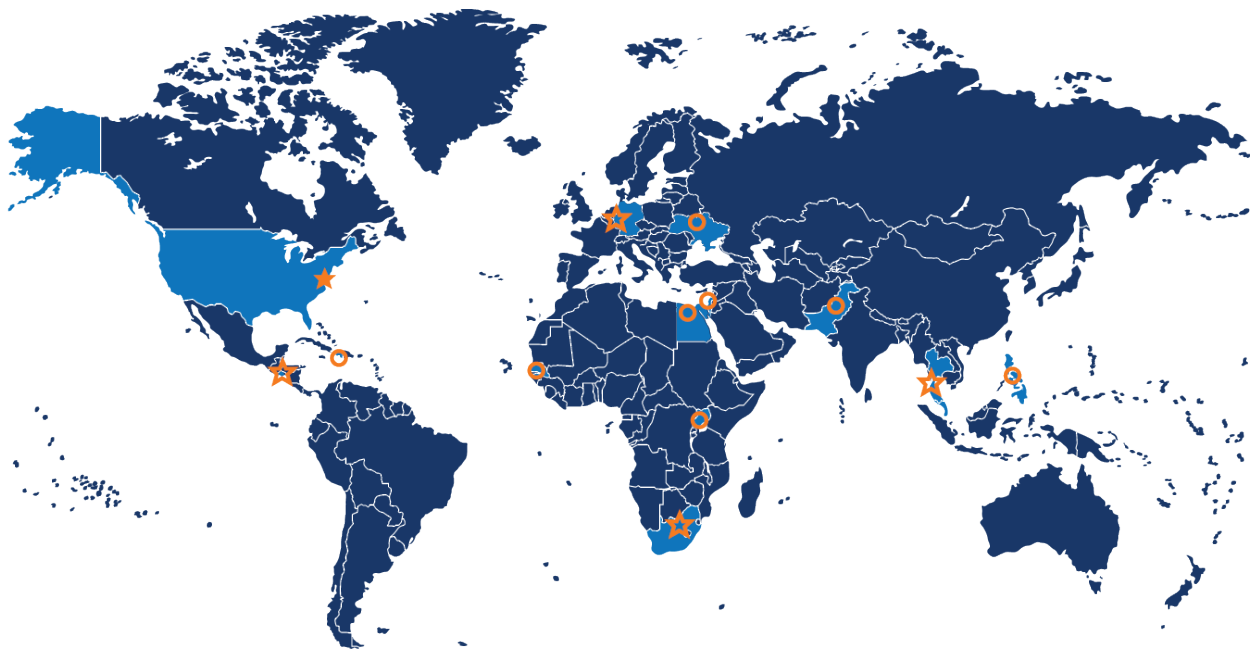
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### 2013

#### 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 as of March 31, 2025



## 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



# Investigative Activities and Reporting

## 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 (DOJ) for prosecution and to USAID, which 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 by agency officials, UN organizations, and U.S.-funded contractors and grantees affecting U.S. foreign assistance programs.



*Office of Investigations staff visiting a health commodities warehouse in Kinshasa.*


## 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:

### **USAID OIG's Investigative Work to Prevent UNRWA Staff Associated With Hamas From Circulating to Other U.S. Government-Funded Aid Organizations**

Following the October 7, 2023, Hamas terrorist attacks in Israel, OIG [identified](#) Gaza as a high-risk for potential diversion and misuse of U.S.-funded assistance. It remains OIG's investigative priority to ensure that U.S.-funded humanitarian assistance in Gaza does not fall into the hands of Hamas and other foreign terrorist organizations. To advance this priority, we investigated allegations that staff at UNRWA participated in the October 7 terrorist attacks in Israel and/or were affiliated with Hamas.

OIG independently found evidence connecting three current or former UNRWA employees to the October 7 terror attacks and affiliating 14 other current or former UNRWA employees with Hamas. The UN Office of Internal Oversight Services (OIOS) gave OIG an opportunity to review the report of its independent investigation into UNRWA staff involvement in the October 7 attacks. However, OIOS redacted the names of subjects, rendering the report unusable for our purposes. Nonetheless, we



obtained the information necessary to further our investigation, which is ongoing. We remain committed to providing rigorous oversight of taxpayer-funded assistance to Gaza, with a focus on holding accountable those involved in the diversion of aid to terrorist organizations and preventing members of Hamas from circulating from UNRWA to other aid organizations.

### **Chemonics International, Inc., to Pay Over \$3.1 Million to Resolve Allegations of Fraudulent Billing Under Global Health Supply Chain Contract**


In a [settlement](#) with DOJ, Chemonics International, Inc., a USAID-funded contractor, agreed to pay over \$3.1 million to resolve allegations it violated the False Claims Act by passing on fraudulent charges from a subcontractor, Zenith Carex. Between 2017 and 2020, Zenith overcharged Chemonics for long-haul and last-mile deliveries in Nigeria under the Global Health Supply Chain contract. Chemonics failed to detect the fraud due to inadequate oversight, financial controls, and staff training. OIG and DOJ investigated the matter, which led to the settlement. Chemonics received cooperation credit for self-disclosing the fraud, terminating the personnel involved, reviewing subcontractor billing, and improving internal oversight. The case highlights OIG's commitment to protecting U.S. foreign assistance funds and ensuring contractors maintain strong safeguards against fraud.

### **Former USAID Mission Director Debarred for 20 Years After Soliciting and Paying Commercial Sex Workers**

OIG worked with the U.S. Department of State's Bureau of Diplomatic Security (DS) to investigate an [allegation](#) that a former USAID mission director was the client of a commercial sex ring. OIG and DS found evidence showing that the former mission director posted online reviews of over 40 sex workers located in the United States and overseas. He told OIG and DS special agents that he had solicited and paid sex workers while on temporary duty assignments and while he was posted overseas as a USAID Foreign Service Officer (FSO). OIG provided a report to USAID for action. On January 7, 2025, USAID's Suspension and Debarment Official debarred the former FSO from government procurement and nonprocurement programs for 20 years for violating the Agency's Counter-Trafficking in Persons policy and procuring commercial sex while employed by USAID.

### **Syrian National Charged With Diverting \$9 Million in U.S.-Funded Humanitarian Assistance to a Terrorist Organization Affiliated With Al-Qaeda**

In coordination with the Federal Bureau of Investigation (FBI) and DOJ, we investigated [a major fraud scheme](#) involving a Syrian national charged with diverting over \$9 million in U.S.-funded humanitarian aid. Intended to support Syrian civilians, the aid was instead funneled to the Al-Nusrah Front, a designated foreign terrorist organization affiliated with Al-Qaeda. The Syrian national, who led a regional office of a USAID-funded nongovernmental organization, sold food kits on the black market and falsified



records to conceal the diversion. This case marks one of the most significant instances of humanitarian aid misappropriation uncovered by OIG.

### **USAID OIG Finds That Former Employee Abused Sick Leave by Working for a Contractor**

We investigated an [allegation](#) that a former GS-14 employee worked for a contractor while he was simultaneously employed by OIG as a direct hire. OIG found that the subject was working for a private company while on approved sick leave for an entire pay period in 2023. Investigators also found that the employee did not report his outside employment to OIG and made false statements in documentation to another Federal agency while soliciting work for a private company. Based on the investigation, the employee was referred for suspension and debarment and a security clearance review. He was also removed from a USAID contract.

### **OIG Finds USAID Employee Worked in Florida While Receiving DC-Area Locality Pay**


OIG special agents investigated an [allegation](#) that a GS-14 USAID employee worked remotely in Florida while receiving locality pay for the Washington, DC, area. Specifically, the individual worked primarily in Florida between June 2022 and November 2024 but received locality pay adjustments for Federal employees based in Washington, DC, the entire time. OIG estimated that USAID overpaid the employee more than \$23,000 due to the higher pay rate in the National Capital Region. We provided our report to USAID, which had terminated the employee for poor performance before taking action on OIG's referral.

### **Guilty Plea in Theft and Sale of Hundreds of Government-Issued Phones and Computers Slated for Destruction**

Following an OIG [investigation](#), an individual pleaded guilty to conspiring to steal and resell hundreds of government-issued IT devices that were designated for secure destruction. Between 2022 and 2023, while employed by an IT asset disposition company, the individual removed smartphones, laptops, and other equipment from the disposal stream and sold them for personal profit, while falsely certifying their destruction. The scheme came to light after a reseller noticed and reported government asset tags on the resold devices. OIG, in coordination with the U.S. Capitol Police, traced the sale and distribution of the stolen assets across multiple resellers. Investigators executed a search warrant at the individual's home, recovering digital devices and securing key evidence that supported the prosecution. As a result of OIG's work, the individual agreed to forfeit the seized items and pay \$10,000 in restitution.

### **USAID Foreign Service Officer Used Government-Issued Phone to View Pornography and Solicit Commercial Sex**

We investigated an [allegation](#) that an untenured FSO recorded two weekly staff meetings on a government-issued phone without authorization. While investigators found no evidence to support the allegation, they did recover pornographic material from the FSO's government-issued phone and found



evidence that the FSO solicited and engaged in commercial sex. The FSO admitted to engaging in both activities. OIG completed its investigation and provided a report to USAID for action. The Agency curtailed the employee's overseas assignment during the investigation, and the FSO later resigned in lieu of termination from USAID.

### **USAID Foreign Service Officer Arranged a Sexual Encounter With a Sex Worker at His Government-Furnished Residence**


An OIG [investigation](#) examined an allegation that an FSO at USAID arranged a sexual encounter with a sex worker in their government-furnished residence. An altercation allegedly occurred when the FSO failed to pay for the sex worker's services. OIG and DS conducted the investigation and found evidence that the FSO used social media and a messaging app to arrange for a consensual sexual encounter at their government-furnished residence. However, the FSO told OIG and DS agents they were unaware the person was a sex worker. The FSO admitted to paying for the sex worker's transportation from the residence but denied paying for sexual services or having any prior agreement or discussion regarding payment. OIG referred the findings of the investigation to USAID for action.

### **OIG Investigation Resulted in Termination of USAID Foreign Service Officer and Controller**

In response to misconduct [allegations](#) against an FSO serving as the controller in a USAID mission overseas, OIG initiated an investigation. The allegations related to travel fraud, fraudulent claims for Voluntary Separate Maintenance Allowance payments, falsification of a military leave order, and possible false statements on a COVID-19 pandemic relief application. OIG found that the employee, an untenured FSO, submitted fraudulent military orders to USAID, engaged in travel fraud during a permanent change of station between USAID missions, and submitted fraudulent hotel receipts to obtain unjustified travel reimbursements. OIG provided an interim referral to USAID, which curtailed the employee's assignment, placed them on administrative leave, and subsequently suspended their security clearance. USAID also issued the FSO a bill of collection in the amount of \$4,083 for the fraudulent travel expenses.

### **Deputy Chief of Party Debarred for Diversion of Vouchers in Syria**

We investigated an [allegation](#) that a Deputy Chief of Party on a USAID award in Syria solicited bribes and diverted non-food items and food vouchers away from beneficiaries. According to the allegation, the individual also manipulated beneficiaries and had an undeclared conflict of interest. OIG found that the Deputy Chief of Party had an undisclosed financial interest in two stores, which had been opened in temporary locations and contracted for through the award solely to redeem vouchers and divert them from beneficiaries. OIG determined that the individual also directed beneficiaries toward the stores, which had substandard and more costly products. OIG provided its investigative findings to USAID for



action. On January 10, 2025, USAID’s Suspension and Debarment Official debarred the Deputy Chief of Party for 3 years for diverting vouchers and causing harm to program participants.

### **USAID Awardee Finance Officer Admitted to Stealing Money From a USAID Program**

OIG substantiated [allegations](#) that a project finance officer had embezzled \$117,341 from a USAID-funded program in Papua New Guinea. The investigation revealed that the subject had fabricated bank documents and forged signatures to cash project checks to herself. Moreover, during an interview with OIG, the subject confessed to embezzling project funds and forging documents. As our office began working with law enforcement to bring the case to local prosecutors, the subject died. There was no loss to the USAID-funded program as it had not been billed for the \$117,341.

### **OIG Investigation Leads to Recovery of 200,000 Long-Lasting Insecticidal Nets in Mali**

An OIG [investigation](#) looked into allegations that USAID-funded long-lasting insecticidal nets (LLINs) had been stolen and diverted from their intended use. According to the complainant, between 50,000 and 100,000 LLINs intended for a mass distribution campaign in Guinea were found in Bamako, Mali, and were being repackaged in false or counterfeit packaging. OIG determined that USAID/Mali loaned the Ministry of Health in Mali 200,000 USAID-funded LLINs to support a routine distribution campaign throughout the country. The Ministry of Health promised to repay USAID with new LLINs delivered in small tranches. Evidence showed that a company registered in Mali won the Ministry of Health tender to reimburse USAID for the 200,000 LLINs. Over the course of several months, the company delivered approximately 117,000 LLINs to a USAID-contracted warehouse in Bamako, Mali. However, the nets that the company delivered to the warehouse were diverted LLINs, funded by both USAID and other donors, intended for distribution in Guinea and Sierra Leone. OIG completed its investigation and provided a report to USAID for action. The Agency subsequently recovered 200,000 LLINs, valued at approximately \$386,000, from the Ministry of Health in Mali.

### **Task Force and Committee Participation**

We worked with several law enforcement task and strike forces to further the global reach of our finite investigative resources. Examples include:

- **Joint Task Force Vulcan**, aimed at disrupting, dismantling, and ultimately destroying Mara Salvatrucha, known as MS-13, and Tren de Aragua.
- **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 (ECTF)**, 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. We have participated in eight search-and-arrest warrants related to cybercrime and financial fraud investigations over the last 24 months. Additionally, we have provided digital forensics and analytics support for over 100 electronic devices with the ECTF. Through these partnerships, we gain access to advanced forensic tools.
- **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.
- **Suspicious Activity Report (SAR) Working Group**, a collaborative effort by the U.S. Department of Homeland Security; the Federal Bureau of Investigation; and state, local, tribal, and territorial law enforcement partners to gather information on behaviors and incidents associated with crimes and establish processes for reporting suspicious financial activities.
- **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 are also 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, which brings together over 50 agents from 16 OIGs, our office investigated and prosecuted fraud allegations involving COVID-19 relief programs. 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 oversight community. Thus far, our participation has directly led to the arrest of six subjects, resulting in prison time and court-ordered restitution of \$1.7 million.

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

October 1, 2024–March 31, 2025

**Table 1. Investigative Workload**

Action	Number
Investigations Opened	44
Investigations Closed	31
Investigative Reports Issued <sup>1</sup>	42

<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>	18
Persons Referred to State or Local Prosecutors <sup>2</sup>	1
Criminal Indictments / Informations <sup>3</sup>	15
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 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
Suspensions or Debarments <sup>1</sup>	15
Personnel Resignation, Curtailment, Removal, Suspension, or Termination <sup>2</sup>	8
Award or Contract Suspension or Termination <sup>3</sup>	0
New Rule, Policy, or Procedure Based on Investigative Findings <sup>4</sup>	0

<sup>1</sup> Suspensions include the temporary disqualification of firms or individuals from receiving U.S. Government awards. Debarments include proposed actions and 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>2</sup> 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>3</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>4</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	\$1,501,776
Civil Fines, Restitutions, Recoveries, Penalties, Damages, or Forfeitures	\$4,119,587
Non-Judicial Restitutions, Recoveries, Forfeitures, Revocations, Seizures, or Settlements <sup>1</sup>	\$1,097,811

Fraud Loss Prevented or Saved Based on Investigative Findings <sup>2</sup>	\$0
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<sup>1</sup> 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> 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.



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

## Audits, Inspections, Evaluations, and Agile Products

Our oversight is designed to improve the efficiency and effectiveness of U.S. foreign assistance programs and operations. OIG's audits, inspections, and evaluations examine agency performance, internal controls, and compliance with applicable laws, regulations, and guidance and generally include recommendations for policy and programmatic changes for the agency to consider.

Generally, 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 performed by independent public accounting firms.
- Performing quality control over non-Federal audits required of USAID and MCC grantees.<sup>2</sup>

During the reporting period, we conducted 32 audits, inspections, evaluations, and agile products covering funds totaling \$49,146,081,754.

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

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>2</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.

## Discretionary Audits

### Ukraine Response: Action Needed to Enhance Oversight of Energy Procurements

Report No. [8-121-25-002-P](#)

March 28, 2025

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

Russia has conducted an intensive campaign to destroy Ukrainian electricity infrastructure since its full-scale invasion of Ukraine in February 2022. In response, USAID/Ukraine modified its largest energy sector award, the Energy Security Project implemented by Tetra Tech, to focus on procuring energy equipment and materials to support Ukraine's energy sector stabilization efforts; increase the Project's value from \$85 million to \$920 million; and extend its




*Left: Pipes purchased by Tetra Tech transport hot water in a Ukrainian city. Right: A bucket truck purchased by Tetra Tech supports maintenance work on powerlines next to a rural road in Ukraine.*

period of performance from June 2023 to June 2025. We conducted this audit to (1) assess USAID/Ukraine's oversight of the Project's procurement process and (2) determine the extent to which USAID/Ukraine verified that the Project delivered equipment and materials to recipients as intended.

#### ***What We Found***

While USAID/Ukraine provided oversight of Tetra Tech's subcontracting practices, it received little to no advance notice from the company for seven subcontracts in our sample with a total value of \$67.5 million, which limited its ability to identify and resolve issues prior to subcontract signature. USAID/Ukraine did not receive an internal Tetra Tech procurement compliance report until 11 months after the company completed it. Lastly, USAID/Ukraine did not conduct an Agency-required assessment for a \$17.5 million subcontract with a Ukrainian government-controlled company with known vulnerabilities. Without timely and complete information, USAID/Ukraine was not positioned to effectively address procurement issues.

USAID/Ukraine verified the delivery of energy equipment and materials through several monitoring efforts. However, monitoring efforts were limited geographically and focused primarily on a few types of equipment, such as generators. In addition, Tetra Tech did not fully resolve issues that monitors



identified with inventory, branding, and property transfer documentation. As such, USAID/Ukraine may have missed opportunities to correct delivery issues promptly.

#### ***What We Recommended***

USAID/Ukraine agreed with all five of our recommendations to improve its oversight of the Project's procurement processes and monitoring of equipment and material deliveries.

### **Iraq Economic Development: USAID/Iraq Addressed Compliance Issues but Failed to Monitor Progress Toward Program Goals**

Report No. [8-267-25-001-P](#)

March 18, 2025

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

Since 2003, USAID has helped Iraq strengthen and diversify its economy, including boosting the private sector to create jobs and businesses. One of the main components of USAID/Iraq's Durable Communities and Economic Opportunities project was the Business Competitiveness and Job Creation Initiative, which started in June 2020. We conducted this audit to assess the extent to which USAID/Iraq monitored the Initiative's efforts to achieve its goals.

#### ***What We Found***

USAID/Iraq ensured that compliance issues identified by its third-party monitor were corrected. However, it failed to monitor some contractually required performance indicators, did not use its third-party monitor to conduct performance monitoring for the Initiative, and failed to implement other mechanisms to fill gaps in performance monitoring. Thus, USAID/Iraq lacked the information it needed to assess progress toward the Initiative's goals and make informed decisions about resource allocations.

#### ***What We Recommended***

We made two recommendations to improve and strengthen USAID/Iraq's contract and project monitoring processes. USAID took corrective action to implement both recommendations.

## Construction Sustainability: USAID/Pakistan Did Not Ensure That Recipients Could Use, Operate, and Maintain the Selected Water Supply System and Schools as Intended

Report No. [5-391-25-001-P](#)

March 4, 2025

### *Why We Did This Audit*

In Pakistan, limited access to potable water, wastewater treatment, and schools poses some of the greatest barriers to a resilient and prosperous country. To help Pakistan address these barriers and underpin sustainable development, USAID invests in construction activities for recipients to use and sustain.

We conducted this audit to determine whether the selected water supply system and schools that USAID/Pakistan constructed were used, operated, and maintained as intended to achieve sustainable results.



*Water supply challenges in Pakistan. Left: A hole in the water pump room roof leaves equipment exposed to the elements. Right: A nonfunctional latrine shows the unsanitary conditions in a school.*


### *What We Found*

USAID/Pakistan did not ensure that recipients could use, operate, and maintain the selected water supply system and schools that it constructed. Specifically, the water supply system in Jacobabad, one of the hottest cities in the world, did not provide the intended quality or quantity of water. OIG testing confirmed that the water was unsafe for drinking. In addition, the water supply was irregular and, with a shortage of about 2 million gallons a day, did not sufficiently meet the demands of the residents.

The schools failed to provide a conducive learning environment; half of them failed to increase or sustain enrollment. None of the schools had water, and over half of them had nonfunctional or unsanitary latrines and corroded faucets and lacked preventative maintenance (see photo). USAID/Pakistan also did not adequately reassess the recipients' capability to operate and/or maintain the water supply system and schools after handover, despite major contextual changes, such as high inflation.

### *What We Recommended*

We made four recommendations to address issues concerning the use, operation, and maintenance of the selected programs and to ensure continuous risk assessment and activity management.



## **Global Health: USAID Planned for Emergency Responses in Accordance With Best Practices but Gaps Remain**

Report No. [4-000-25-002-P](#)

March 3, 2025

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

USAID plays a key role in the United States' global response to health emergencies, sending staff and providing financial assistance to help manage infectious disease outbreaks such as Ebola, Zika, pneumonic plague, and COVID-19. We conducted this audit to determine the extent to which USAID developed plans to mobilize staff and funding and respond to global health emergencies in accordance with 14 identified best practices.

### ***What We Found***

USAID's Bureau for Global Health (GH), Bureau for Humanitarian Assistance (BHA), and Agency-led task forces developed plans that aligned with more than half of the identified best practices for staffing, plan content, planning process, and funding. However, gaps remained in contingency planning, staffing, testing, and documenting lessons learned, which may hinder the response to future global health emergencies. For example, Agency plans lacked contingency planning for situations when not enough staff are available for a task force. By failing to identify staffing needs and address gaps, task forces responding to global health emergencies may face challenges in recruiting and retaining sufficient staff with appropriate skills. In addition, Global Health's plan lacked staff deployment procedures, and response plans by GH and Agency-led task forces lacked provisions for conducting periodic tests and documenting and addressing lessons learned—all of which could help improve preparation and effectiveness in a global health emergency.

### ***What We Recommended***

USAID agreed with all four of our recommendations to improve the Agency's preparation for a global health response.


## **President's Malaria Initiative in Africa: USAID Did Not Implement Its Strategy to Prioritize High-Burden Countries**

Report No. [4-000-25-001-P](#)

February 27, 2025

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

The USAID-led U.S. President's Malaria Initiative (PMI) has been a key player in the fight against malaria. USAID has invested over \$9 billion since PMI's inception in 2005 to help partner countries fight the disease. In fiscal year 2024, Congress appropriated \$795 million to USAID for malaria control and elimination. As PMI's lead agency, USAID develops a comprehensive malaria strategy every 5 years. The



most recent version identified six “strategic shifts” from the previous strategy. Our audit focused on the Agency’s shift to prioritizing the 14 countries in Africa with the highest burden of malaria and death.

### ***What We Found***

USAID’s allocation of funding for the 14 high-burden countries remained flat under its 2021–2026 Strategy. These countries accounted for about 81 percent of the total deaths and malaria cases that occurred within the 27 countries included in PMI. However, the 14 countries received only about 50 percent of USAID’s malaria funds in fiscal year 2023—the same percentage they received under the previous PMI Strategy that did not include a shift to prioritize high-burden countries.

In fiscal year 2023, USAID received a \$20 million budget increase from the previous year for malaria control and elimination activities; yet none of the 14 high-burden countries received a year-over-year increase in funding. Rather, the Agency used the funds for other PMI priorities, such as expansion to additional countries. USAID also failed to document budget and resource priorities during strategy development. As a general principle, strategic planning and budget plans should work closely together to ensure stated objectives are achieved, and strategic plans should document that alignment.

### ***What We Recommended***

We made three recommendations to ensure that USAID documents a strategic budgetary process that supports its malaria strategy.

## **Audits of Costs Incurred by Selected USAID Awardees Implementing Ukraine Activities From January 1, 2018, to December 31, 2022**

### **[Audit Reports](#)**

February 18–March 19, 2025


### ***Why We Did These Audits***

On February 24, 2022, at the start of Russia’s full-scale invasion of Ukraine, USAID/Ukraine managed 41 awards totaling roughly \$1.1 billion for humanitarian assistance and aid development across the country. After the invasion, USAID worked quickly to adjust its portfolio of awards across Ukraine. In addition, Congress allocated first \$4.6 billion and then an additional \$13.1 billion to USAID in support of Ukraine’s humanitarian and development efforts—for a combined total of \$18.8 billion.

We contracted with an independent public accounting firm to conduct 12 performance audits on incurred costs related to Ukraine activities. The objective was to determine whether specific costs incurred for the activities were allowable, allocable, and reasonable under regulatory requirements and award provisions.

### ***What We Found***

Of the \$484,387,915 in total auditable costs for the 12 implementers, the firm found \$186,899 in questioned costs that were potentially unallowable. The audit firm also identified 16 internal control deficiencies for 7 of the implementers, including a lack of controls to prevent comingling of funds,



inadequate and incomplete supporting documentation, the use of incorrect currency exchange rates, and a lack of detailed policies and procedures.

#### ***What We Recommended***

As a result of the audit findings, OIG issued 20 recommendations to USAID for the 7 implementers: 4 recommendations for questioned direct costs and 16 recommendations for internal control deficiencies.

### **Audits of the USAID Bureau for Humanitarian Assistance's and Office of Transition Initiatives' Localization Initiatives in Ukraine**

Report Nos. [8-121-25-002-U](#) and [8-121-25-001-U](#)

January 15, 2025

#### ***Why We Contracted to Do These Audits***

OIG contracted with an independent public accounting firm to audit the localization initiatives in Ukraine managed by BHA and the Bureau for Conflict Prevention and Stabilization's Office of Transition Initiatives (OTI). The audit objectives were to determine (1) the extent to which USAID has developed objectives and metrics for the program under review, (2) progress toward achieving those objectives, and (3) how, and to what extent, USAID is monitoring implementer performance in accordance with the Agency's standard policies and procedures.

#### ***What the Audits Found***

The firm concluded that BHA and OTI developed objectives and metrics to assess the programs under review and demonstrated progress toward achieving the programs' objectives. In addition, BHA monitored the method and extent of implementer performance in accordance with USAID's standard policies and procedures. However, while OTI monitored its programs in accordance with USAID criteria, improvements are needed to ensure the accuracy of quantitative data obtained and reported on from sub-implementers.

#### ***What We Recommended***

OTI agreed with our three recommendations to develop controls surrounding the accuracy of implementer-reported indicator data.

## Inspections and Evaluations

### **Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion**

Report No. [E-000-25-002-M](#)

February 26, 2025

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

Since 2020, food insecurity in Ethiopia has been exacerbated by armed conflict, severe drought, and economic shocks including COVID-19. Between fiscal years 2021 and 2023, BHA obligated more than \$3.3 billion in humanitarian assistance for the country. On May 3, 2023, USAID paused its food assistance in the northern Tigray region after finding that food aid intended for Ethiopians suffering under famine-like conditions was being diverted and sold on the local market. One month later, USAID expanded the pause to the entire country after finding widespread food aid diversion throughout Ethiopia.

We initiated this evaluation to assess USAID's oversight of emergency food assistance awards in Ethiopia prior to the discovery of widespread diversion. Our objectives were to evaluate the effectiveness of BHA's (1) award administration, (2) monitoring, and (3) management of incident reporting.

#### ***What We Found***


BHA lacked controls to allocate the appropriate number of agreement officer representatives (AORs) for Ethiopia and to maintain award records in the Agency's official system. As a result, there were too few AORs to effectively manage the awards. The bureau also lacked controls to ensure that required award administration activities were properly recorded in USAID's official electronic repository, increasing the risk of award mismanagement.

BHA neither developed a country monitoring plan nor completed required formal assessments of the need for a third-party monitoring program. Instead, BHA relied on virtual meetings and unverified implementer reporting to monitor emergency food assistance. Additionally, limited capacity and staffing strained BHA's ability to monitor awards effectively, despite significant increases in humanitarian assistance funding in the country. BHA likely would have detected the widespread food diversion earlier if it had resourced and implemented a more robust monitoring approach.

BHA did not enforce timely reporting, had unclear reporting requirements, and did not fully document or respond to implementer incident reports. In addition, BHA did not consistently record incident-related documentation in the three required information systems or consistently respond to incident reports it received related to emergency food assistance.

#### ***What We Recommended***

We made 11 recommendations to improve BHA's award administration, monitoring, and incident reporting policies and procedures.



## **Ukraine Response: USAID Can Strengthen Efforts to Ensure Compliance and Improve Monitoring to Protect Against Sexual Exploitation and Abuse for Humanitarian Assistance**

Report No. [E-000-25-001-M](#)

February 13, 2025

### ***Why We Did This Inspection***

According to the United Nations, approximately 90 percent of the nearly 6.5 million people who fled Ukraine after Russia's full-scale invasion were women and children, with women at the greatest risk of sexual exploitation and abuse (SEA), human trafficking, and forced prostitution. In July 2022, we issued an advisory notice highlighting key considerations for USAID's developing humanitarian response led by BHA, which included risks of SEA. As a follow-up to that advisory, OIG conducted this inspection to determine (1) whether USAID ensured that pre-award requirements related to protection from sexual exploitation and abuse (PSEA) were met prior to executing BHA awards for its Ukraine response and (2) to what extent USAID ensured that implementers that received BHA awards for the Ukraine response operationalized PSEA-related requirements.

### ***What We Found***

Most of the BHA Ukraine response awards that were active between February 2022 and September 2023 did not include prevention and reporting measures consistent with USAID's PSEA Policy. In addition, the SEA prevention and reporting measures in implementers' application materials lacked sufficient detail to meet BHA's full requirements. USAID staff lacked clear guidance to ensure that their pre-award risk assessments included reviews of implementers' PSEA internal controls. Finally, multiple awards did not have the PSEA-related application materials filed in the USAID's official system of record.

BHA did not fully monitor the implementation of PSEA requirements for Ukraine response awards. Due to movement restrictions in Ukraine, BHA staff relied on virtual meetings and a third-party monitor to verify and monitor the implementation of PSEA-related requirements by implementers. However, BHA's guidance for third-party monitors was not as robust as its monitoring guidance for BHA staff. The guidance also did not address all the BHA-required SEA prevention and reporting measures, which limited the information that third-party monitors collected for Ukraine response awards.

### ***What We Recommended***

We made three recommendations to improve compliance with and monitoring of USAID's PSEA-related award requirements.

## 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.

### Financial Statement Audits

- *Audit of USAID's Financial Statements for Fiscal Years 2024 and 2023*  
Report No. [0-000-25-001-C](#), November 14, 2024
- *Audit of MCC's Financial Statements for Fiscal Years 2024 and 2023*  
Report No. [0-MCC-25-002-C](#), November 14, 2024
- *Audit of USADF's Financial Statements for Fiscal Years 2024 and 2023*  
Report No. [0-ADF-25-003-C](#), November 15, 2024
- *Audit of IAF's Financial Statements for Fiscal Years 2024 and 2023*  
Report No. [0-IAF-25-004-C](#), November 13, 2024

### Why We Did These Audits

The Government Management Reform Act of 1994 requires annual audits of the financial statements for the agencies we oversee. Accordingly, we contracted with independent certified public accounting firms to conduct audits of each agency's financial statements for fiscal years 2024 and 2023. The audit objectives were to (1) express an opinion on whether the financial statements as of September 30, 2024, and September 30, 2023, were presented fairly, in all material respects; (2) evaluate each agency's internal control over financial reporting; and (3) determine whether each agency complied with applicable laws, regulations, contracts, and grant agreements. These audits examine the financial conditions, internal control over financial reporting, and compliance of the Federal agencies that we oversee and present an opportunity to recommend improvements as needed.

### What We Found

For all four agencies, the accounting firms concluded that the financial statements were presented fairly, in all material respects, and in conformity with U.S. generally accepted accounting principles. For all four agencies, the firms also found no reportable noncompliance for fiscal year 2024 with applicable laws, regulations, contracts, and grant agreements. However, the firms did identify significant deficiencies pertaining to USAID's personnel and payroll actions (modified repeat finding) and lease reporting and USADF's internal controls over the Funds Held Outside of Treasury process.

### What We Recommended

Accordingly, we made nine recommendations to USAID and six recommendations to USADF to address the identified significant internal control deficiencies.

## Management Letters for Financial Statement Audits

- *Management Letter for USAID’s Fiscal Years 2024 and 2023 Financial Statements Audit Report* ([0-000-25-001-C](#)), December 12, 2024
- *Management Letter for MCC’s Fiscal Years 2024 and 2023 Financial Statements Audit Report* ([0-MCC-25-002-C](#)), December 10, 2024
- *Management Letter for USADF’s Fiscal Years 2024 and 2023 Financial Statements Audit Report* ([0-ADF-25-003-C](#)), December 12, 2024

For USAID, the accounting firm identified 10 internal control deficiencies that did not rise to the level of a material weakness or a significant deficiency but still warranted management’s attention. Seven of these deficiencies were newly identified during the fiscal year 2024 audit while the remaining three deficiencies were repeated from the prior year. For MCC and USADF, the accounting firm identified one internal control deficiency for each agency that did not rise to the level of a material weakness or a significant deficiency but still warranted management’s attention.

## 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.<sup>3</sup> During this reporting period, we issued the following snapshots summarizing NFA activities in different regions:

- Middle East and Eastern Europe Regional Office, July–December 2024  
Report No. [8-000-25-002-A](#), March 24, 2025.
- Africa Regional Office, July–December 2024, Report No. [4-000-25-001-A](#), March 17, 2025.
- Latin America and the Caribbean Regional Office, July–December 2024  
Report No. [1-000-25-001-A](#), March 14, 2025.
- Asia Regional Office, July–December 2024, Report No. [5-000-25-001-A](#), March 10, 2025.

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<sup>3</sup> Learn more in the [NFA Primer](#).

## Information Brief: Haiti: Risks to U.S. Foreign Assistance

Report No. [1-521-25-001-A](#)

February 18, 2025

Since 2021, the U.S. government has committed over \$1.1 billion in foreign assistance to Haiti with humanitarian assistance funding increasing steadily since October 2022. Based on our prior audits, investigations, and other oversight activities, we identified the following areas to help the Agency reduce the risks to its program and operations in Haiti: (1) reinforce implementer accountability; (2) continue efforts to prevent, detect, and report exploitation and abuse; (3) maintain vigilance against fraud and corruption; (4) adapt approaches for monitoring risks and progress; and (5) strengthen transition planning and local capacity.

## Management Advisory: Compliance With Safety Standards at the Bureau for Humanitarian Assistance Warehouse in the United Arab Emirates

Report No. [8-000-25-001-A](#)

December 18, 2024

This management advisory to BHA and the USAID Bureau for Management's Office of Acquisition and Assistance focused on safety concerns at BHA's warehouse in Dubai, the United Arab Emirates. Specifically, during a visit to the warehouse, we observed subcontractor personnel failing to follow established safety standards and practices regarding the use of personal protective equipment. These deficiencies could lead to preventable injuries and damage to the Agency's reputation. In response to our two recommendations, USAID agreed to adhere to international standards and best practices for the use of helmets and gloves in areas where employees are at risk of injury and to ensure consistency in the implementation of safety protocols.



*A warehouse employee without a helmet operates a forklift near a pallet rack with USAID commodities in the presence of a properly attired inspector.*



## **Other Mission-Critical Activities**

## 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.

### Congressional Engagements

We provided congressional briefings on the following topics:

- **Gaza Oversight.** With the Department of State OIG, we discussed our [planned and ongoing](#) oversight work related to U.S. humanitarian assistance to Gaza. Topics included our [delegation](#) to Israel to further investigations designed to prevent the recirculation of Hamas terrorists associated with UNRWA through the aid sector.
- **Oversight of USAID Funding Implemented by UN Agencies and Other Public International Organizations (PIOs).** We also issued a [memorandum](#) on enhancing oversight and accountability over aid implemented through the UN.
- **Oversight of [USAID's response in Ukraine](#)** following Russia's full-scale invasion.
- **Our Investigation of a former USAID Mission Director** who was [debarred from government programs for 20 years](#) for violating USAID's Counter-Trafficking in Persons Policy.
- **Oversight of MCC, USADF, and IAF**, the other foreign assistance agencies we oversee. A briefing on USADF focused on our [Management Alert](#) and an ongoing inspection.
- **Oversight of USAID Programming in Colombia;** specifically our [audit](#) on USAID's compliance with Federal prohibitions on assisting Colombia with payment of reparations to conflict victims, compensation to demobilized combatants, or cash subsidies for agrarian reforms associated with the implementation of the 2016 Peace Accord.
- **Negotiated Indirect Cost Agreement Rates.** We discussed our [audit](#) of USAID's best practices for managing the indirect costs charged by its award recipients.
- **Overseas Contingency Operations.** OIG's oversight of Operation Inherent Resolve in Iraq and Syria.
- **Top Management Challenges** facing [USAID in the year 2025](#).

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

**World Food Programme (WFP).** We met multiple times with WFP leadership:

- With the Inspector General ad interim and the Director of Inspections and Investigations to discuss WFP's withholding of information related to OIG's Ethiopia work;
- With WFP's Legal Office to successfully negotiate a process for exchanging information between WFP and OIG;
- With WFP's Washington, DC, representatives to explore avenues for future collaboration (beyond the existing relationship with WFP OIG).

**United Nations Children's Fund (UNICEF).** During a number of meetings with UNICEF's Office of Internal Audit and Investigations, we discussed opportunities to expand the sharing of investigative information with OIG. We also attended and commented during a briefing where UNICEF proposed a change to the sharing of allegations with donors.

**United Nations International Organization for Migration (IOM).** We met with the officials from IOM's Office of Internal Oversight to negotiate the transmittal of documents related to a number of IOM-related allegations in Ukraine..

**United Nations Relief and Works Agency (UNRWA).** Our meeting with UNRWA officials focused on OIG's oversight efforts to prevent the recirculation of Hamas terrorists through the aid sector.


**United Nations Food and Agriculture Organization (FAO).** We met with the Investigation Branch Analysis and Professional Practices Unit to discuss allegations received by FAO OIG, and necessary coordination with our Office of Investigations.

**Government of Israel.** We met with officials at the Embassy of Israel in Washington, DC, to set the stage for the [Inspector General's January 2025 meetings in Israel](#) with the Israeli government to discuss our oversight efforts in Gaza.

**United Kingdom Foreign Commonwealth and Development Office and Donor Safeguarding Investigations Working Group.** We met with the leader of the Donor Safeguarding Investigations Working Group, which focuses on preventing sexual exploitation and abuse in the foreign aid sector. OIG is an original member of this organization. We also attended a bilateral conference that featured discussions on sharing information on sexual exploitation and abuse allegations among donors, child-safeguarding investigations, and balancing due process for alleged perpetrators with a survivor-centered approach. OIG staff spoke on a panel called "Navigating the Landscape of Information Sharing: Success and Challenges Among Donors."

**Switzerland Ministry of Foreign Affairs.** We met with the Swiss delegation to discuss opportunities for collaboration on oversight of nongovernmental organizations and UN agencies as well as the role played by OIG's International Partnerships team.

**International Public Sector Fraud Forum (IPSFF).** We participate in this U.K.-government-led organization, which aims to combat public sector fraud via international cooperation.

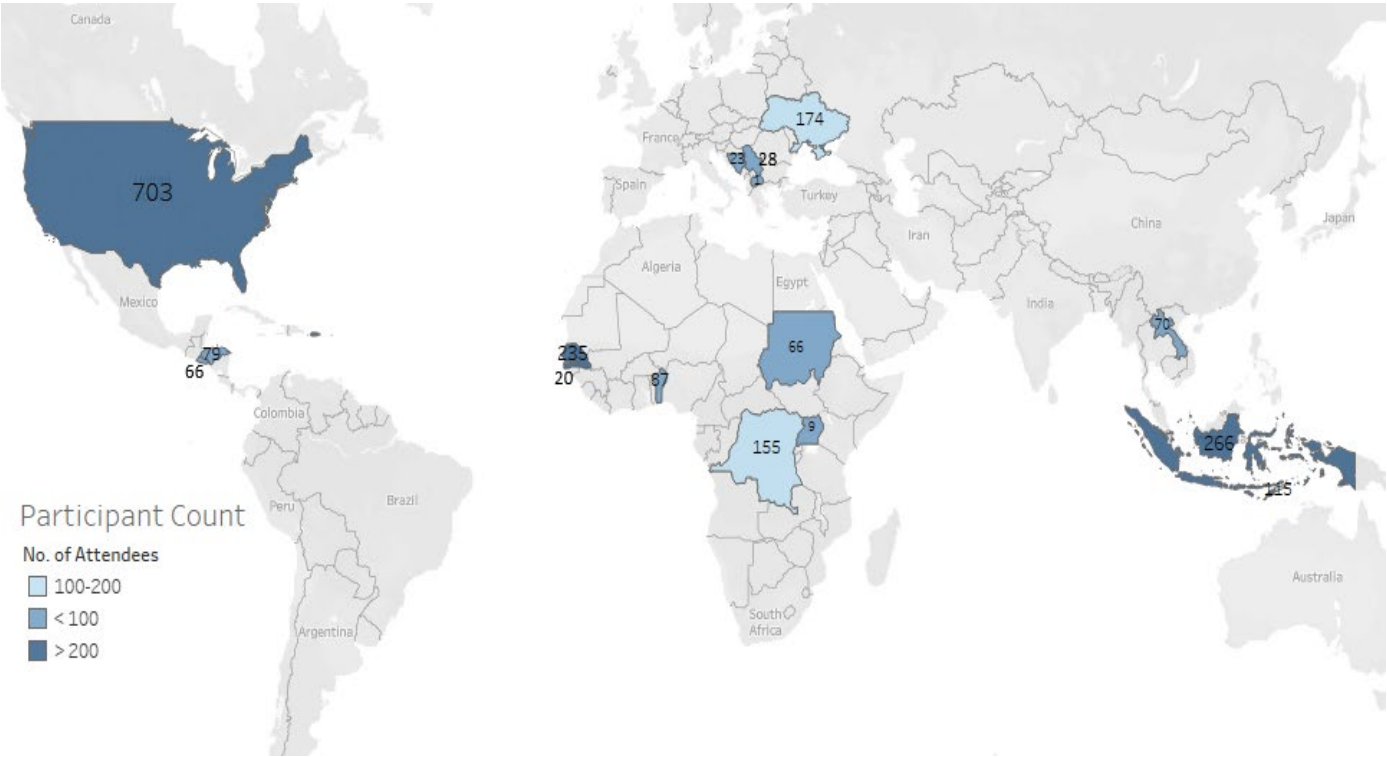


**International Federation of the Red Cross.** We attended a Red Cross conference to share our expertise in Preventing Corruption in Humanitarian Operations.

**Nongovernmental Organizations.** Inspector General Paul Martin spoke at the Professional Services Council forum of chief ethics and compliance officers from development contractors. He highlighted the need to cooperate with OIG audits and investigations and maintain strong internal compliance mechanisms to detect fraud and abuse.

**U.S. Mission to the United Nations.** We continued our active partnership with the mission to further mutual interests in identifying and responding to allegations of misuse of U.S. government funding by the UN.

# OIG Presented 46 Fraud Awareness Sessions, Reaching 2,097 Participants Across the World, October 1, 2024–March 31, 2025



## Attendee Count by Country

Country	#	Country	#
United States	703	Lao People’s Democratic Republic	70
Indonesia	266	El Salvador	66
Senegal	235	Sudan	66
Ukraine	174	Serbia	28
Democratic Republic of the Congo	155	Bosnia and Herzegovina	23
East Timor	115	Gambia	20
Benin	87	Uganda	9
Honduras	79	Macedonia	1

## International Partnerships and Overseas Contingency Operations

The International Partnerships and Overseas Contingency Operations (IP/OCO) unit manages OIG's relationships with global oversight counterparts within the UN and bilateral donors, international nongovernmental organizations (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.

Organizational products relating to these issues included:



*OIG staff in Kyiv, furthering independent oversight of USAID funding to Ukraine.*

### **Memo to Congress on Oversight Challenges in Aid to the UN**

#### [Memorandum](#)

January 2, 2025

Addressed to a Professional Staff Member on the House Committee on Appropriations, State and Foreign Operations Subcommittee, this memorandum identified the unique challenges and risks associated with USAID programming through the UN. It also described certain oversight vulnerabilities within the UN system, particularly with regard to employee vetting and efforts to prevent the recirculation of UN employees engaged in any form of misconduct.

### **Combating Fraud, Corruption, Diversion, and Inefficiencies in U.S.-Funded Foreign Aid Programs**

#### [Memorandum](#)

February 25, 2025

This memorandum discussed OIG's critical role in identifying and addressing fraud, corruption, diversion, and inefficiencies in U.S.-funded foreign assistance programs. Examples include our work with DOJ to hold accountable those who misuse U.S. taxpayer dollars abroad by concealing support to terrorist organizations; the dozens of recommendations our office has made to improve the design, implementation, and monitoring of foreign assistance programming; and our efforts to proactively identify risks based on lessons learned from our previous oversight work.

## Challenges to Accountability and Transparency Within USAID-Funded Programs

### [Memorandum](#)

January 28, 2025

This memorandum to the new administration identified vulnerabilities that hinder accountability and transparency within Agency programs. These issues include (1) resistance from UN agencies and foreign-based NGOs to sharing information with OIG, (2) limitations on vetting of aid organizations for ties to designated terrorist organizations and known corrupt actors, and (3) limitations in obtaining data about USAID-funded subawardees. OIG also identified potential solutions to address these vulnerabilities.

## Oversight of USAID-Funded Humanitarian Assistance Programming Impacted by Staffing Reductions and Pause on Foreign Assistance

### [Advisory](#)

February 10, 2025

This advisory identified risks and challenges to the safeguarding and distribution of USAID's \$8.2 billion in obligated but undisbursed humanitarian assistance funds following (1) the Department of State's pause on foreign assistance programs and (2) subsequent personnel actions by USAID that reduced BHA's operational capacity.

## 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 the Departments of Defense and State.

For **Operation Atlantic Resolve**, we reported in [November 2024](#) and [February 2025](#) on:

- The disruptions to Ukrainian food production and distribution that followed Russia's full-scale invasion of Ukraine, and the U.S. government's agriculture and infrastructure activities for addressing such disruptions.
- U.S. support for the repair and rehabilitation of Ukraine's energy infrastructure, and the enhancement of the cybersecurity of Ukrainian government systems.
- U.S.-provided emergency assistance and support to internally displaced persons and other people within Ukraine.
- Challenges that prevent U.S. direct hire travel for in-person site visits, the lack of third-party monitoring for most USAID/Ukraine awards, and the United States' plans to address future third-party monitoring coverage.



For **Operation Enduring Sentinel**, we reported in [November 2024](#) and [February 2025](#) on:

- The safety- and access-related challenges faced by the USAID staff and third-party monitors conducting oversight of Agency programs in Afghanistan.
- The rise in humanitarian needs in Afghanistan since the Taliban takeover in August 2021 and the extent to which the Taliban continued to interfere with basic needs assistance provided by the U.S. government.
- How the Taliban’s restrictions on female aid workers affected tens of millions of Afghans in need of humanitarian assistance.

For **Operation Inherent Resolve**, we reported in [November 2024](#) and [February 2025](#) on:

- The advice and assistance given to partner forces seeking to independently defeat ISIS in designated areas of Iraq and Syria.
- U.S. government efforts to support the reintegration of Iraqi and Syrian nationals from al-Hol camp into their home communities as well as the challenges they face.
- U.S. government efforts to respond to communicable disease outbreaks by implementing risk communication activities, strengthening disease surveillance, and training medical professionals on screening and treatment.



## Peer Reviews

### Peer Reviews Conducted of OIG as of March 31, 2025

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

#### Audits

In a prior reporting period, the Department of the Interior OIG conducted a peer review of USAID OIG's audit function for the year ended September 30, 2022, and issued its report on March 31, 2023. There were no recommendations, and USAID OIG received an External Peer Review rating of "pass."

#### Inspections and Evaluations

In this reporting period, the Farm Credit Administration OIG conducted a peer review of USAID OIG's inspection and evaluation function for the period ending September 30, 2024, and issued its report on March 4, 2025. The peer review report did not identify any deficiencies, and USAID OIG received an External Peer Review rating of "pass." This was OIG's first inspection and evaluation peer review, and the results demonstrate its credibility in providing accurate and objective information on U.S. foreign assistance programs and operations to the American taxpayer. We have posted in full the results of the inspection and evaluation peer review on our website.

#### Investigations

The Special Inspector General for Afghanistan Reconstruction (SIGAR) conducted an external peer review in January 2023 of USAID OIG's systems of internal safeguards and management procedures of the Investigations Division. SIGAR issued its final report on February 15, 2023. We received a rating of "pass" and posted in full the results of the peer review on our website.

### Peer Reviews Conducted by OIG as of March 31, 2025

We conducted a peer review of the Pension Benefit Guaranty Corporation OIG's Office of Investigations for the period ending September 30, 2024. We had no recommendations, and the Pension Benefit Guaranty Corporation received an External Peer Review rating of "pass."

We conducted a peer review of General Services Administration (GSA) OIG's Office of Audit for the period ending March 31, 2024, and issued our report on October 25, 2024. We had no recommendations, and GSA OIG received an External Peer Review rating of "pass."



## 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.
- As of May 8, 2025, OIG was reviewing 17 whistleblower-related investigations.

### USAID OIG's Whistleblower Protection Coordinator


Our statutorily designated Whistleblower Protection Coordinator, located in the Office of General Counsel, 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 our Office of Investigations 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).



# **Inspector General Act Reporting Requirements**



The following page references information throughout the report as required by the Inspector General Act of 1978, as amended, and other requirements, for the reporting period October 1, 2024, through March 31, 2025. 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 March 31, 2025
- D. NFA Reports and Recommendations Issued Before Reporting Period Without Final Action (Including the Potential Costs Savings), as of March 31, 2025
- E. AIEA Reports and Recommendations Issued Before Reporting Period (With Management Decision During Reporting Period), as of March 31, 2025
- F. NFA Reports and Recommendations Issued Before Reporting Period (With Management Decision During Reporting Period), as of March 31, 2025

## 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. 7–11 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. 35
§5(a)(9)	Peer review recommendations	p. 35
§5(a)(10)	Peer reviews conducted by USAID OIG	p. 35
§5(a)(11)	Statistical table of investigative reports and referrals	pp. 13–14
§5(a)(12)	Audit and investigative reporting metrics	pp. 40–41
§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.	pp. 25–26

## 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 39–40, 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.

## Photo Credits

*Front cover: (clockwise) Young women in Honduras performing a folk dance; Luis Villatoro, Sembrando Esperanza. Children in Kibra, Kenya; Khalid Kyule Ngamau Act Change Transform. Salman Khan sits on a rocky perch beside his wheelchair; Salman Khan, Paraplegic Center Peshawar. Person cooking over flame; Chaimae Chekkar. (center) Two people removing plastic bottles from body of water.*

All courtesy USAID / Flickr.

*Page 8:* Office of Investigations staff visiting a health commodities warehouse in Kinshasa. USAID OIG.

*Page 20: (left)* Pipes purchased by Tetra Tech transport hot water in a Ukrainian city. *(right)* A bucket truck purchased by Tetra Tech supports maintenance work on powerlines next to a rural road in Ukraine. Both photos: USAID OIG.

*Page 22: (left)* A hole in the water pump room roof leaves equipment exposed to the elements. *(right)* A nonfunctional latrine shows the unsanitary conditions in a school. Both photos: USAID OIG.

*Page 31:* A warehouse employee without a helmet operates a forklift near a pallet rack with USAID commodities in the presence of a properly attired inspector. USAID OIG.

*Page 37:* OIG staff, including members of the IP/OCO team, conducting oversight work in Kyiv, Ukraine. USAID OIG.

A light blue, stylized map of a city grid with a river winding through it, serving as a background for the page.

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