



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

### USAID OIG's Active and Ongoing Investigations Involving U.S.-Funded Foreign Assistance

May 2025

USAID OIG's criminal investigative casework remains **active** with **208 ongoing** investigative matters relating to the approximately \$80 billion in continued active USAID awards, as well as past misconduct by USAID implementers or employees prosecutable under relevant statutes of limitations. Our skillset in investigating fraud, corruption, and diversion of humanitarian assistance to terrorist organizations is unique and necessary to ensure accountability over U.S. taxpayer dollars implemented under the Foreign Assistance Act.

We enjoy a close working relationship with the Department of Justice Criminal and Civil Divisions and employ a trial attorney and Special Assistant U.S. Attorney solely responsible for prosecuting foreign assistance cases. Where prosecutions are not viable due to foreign or diplomatic jurisdictional issues, we pursue all available U.S. enforcement angles to ensure that perpetrators of fraud, terrorists, and child sex abusers do not circulate across future programming funded by American taxpayers. Where there are jurisdictional loopholes or challenges to our access rights, we bring those matters before Congress to consider legislative fixes; particularly relating to programming funded through the United Nations.

We look forward to continuing to utilize our expertise, international relationships, and partnership with the Department of Justice to detect and deter all forms of misconduct involving foreign assistance.

#### Recent Investigations into Diversion of Aid to Terrorist Entities

##### **Preventing Recirculation of UNRWA-Affiliated Hamas Terrorists Across the Aid Sector**

We continue to [investigate UNRWA staff](#) who participated in the terrorist attacks that took place across Israel on October 7, 2023, to ensure they do not recirculate across U.S.-funded aid organizations. We are also engaged with the Attorney General's Joint Task Force October 7 (JTF 10-7), an initiative that will seek justice for the victims of the Oct. 7 terrorist attack and address the ongoing threat posed by Hamas and its affiliates.

##### **Indictment of Syrian National for Diverting \$9 Million in Aid Funding to Al Qaeda Affiliate**

USAID OIG's multi-year investigation resulted in the January 2025 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.

## **Recent Results Holding Accountable Individuals and Companies that Defraud U.S. Foreign Aid Programs**

### **Global Health Fraud: \$3 Million False Claims Act Settlement with Chemonics**

In late 2024, our investigation, in partnership with the Department of Justice Civil Division and U.S. Attorney's Office for the Western District of Missouri, resulted in Chemonics International, Inc, agreeing to pay \$3 million to resolve allegations it violated the False Claims Act by passing on [fraudulent invoices](#) from a subcontractor submitted for subcontractor payments under a global health supply chain contract in Nigeria.

### **\$1 Million Settlement in USAID Overbilling Case**

This month, USAID OIG's investigation, in partnership with the U.S. Attorney's Office for DC, resulted in Stax Inc. paying \$1 million following allegations it inflated \$850,000 in employee salary costs, thus [overbilling USAID](#) on a contract for a development project in Sri Lanka.

### **Sentencing in COVID Relief Fraud Scheme**

This month, a USAID OIG investigation into a [COVID relief scheme](#), in partnership with the Department of Justice, led to a guilty plea and sentencing of one year and six months in federal prison and forfeiture of \$370,000 for defrauding the United States.

### **Arrest of NGO Official For Nine-Year Fraud Scheme**

In April, USAID OIG Special Agents [arrested](#) a former project director of a North Carolina-based non-profit organization, which regularly implements projects funded by USAID, on a federal indictment alleging they defrauded a U.S.-funded organization by \$240,000.

### **Eight Debarments for Misuse of Foreign Aid Dollars**

This month, USAID debarred eight entities based on our ongoing investigation into misuse of U.S.-funded foreign aid. Seven are the results of an ongoing criminal and civil investigation. The eighth stems from a separate investigation that uncovered a scheme by a former USAID awardee employee who fabricated records to facilitate unauthorized transfers of taxpayer funds to himself and others.

### **20-Year Debarment for Former USAID Mission Director**

We initiated an investigation into an allegation that a former USAID mission director was the client of a commercial sex ring. In January 2025, the [former USAID mission director was debarred for 20 years](#) for violating USAID's Counter Trafficking in Persons policy, thereby preventing him from recirculating across the aid sector.

### **USAID Contractor Extradited, Convicted, and Sentenced**

Also this month, USAID OIG's investigation into a [fraud scheme](#) perpetrated by an employee of

a USAID awardee resulted in his extradition to the United States, a conviction, and a guilty plea for conspiracy to commit theft concerning a program receiving federal funds.

## **Significant Ongoing Investigative Work**

### **PEPFAR Fraud**

We are actively investigating allegations of wide-scale fraud involving the volunteer medical male circumcision program funded by the President's Emergency Plan for AIDS Relief (PEPFAR). The investigation has, so far, led to the termination of a \$105 million contract and one mission employee. Approximately \$52 million remained unspent due to the contract termination.

### **Ethiopia Food Aid Diversion**

Our investigation in Ethiopia has uncovered the diversion of USAID-funded food commodities, routed for sale by elements of the Ethiopian National Defense and Tigray forces. OIG fieldwork revealed World Food Programme knowledge of nonexistent food distribution points.

### **Bid Collusion in Bosnia and Herzegovina**

We are investigating a reported appearance of bid collusion by a USAID awardee in Bosnia and Herzegovina for a USAID subaward to design a vaccine-tracking software program.

### **Ukraine Aid Fraud**

We are investigating fraud and misrepresentation by a USAID awardee in Ukraine. The initial allegations suggested the awardee had knowledge of the fraud and made several internal changes as a result but failed in their reporting obligations.

### **Fraud and Money Laundering in Global Public Health Programming**

Recently, a USAID OIG investigation resulted in a federal jury convicting a Virginia man and Maryland woman for conspiracy to [defraud a non-profit corporation](#) dedicated to global public health through payments for work that wasn't performed.

For more on USAID OIG's investigative work, visit <https://oig.usaid.gov/our-work/investigations>. Please contact [OIGLegAffairs@oig.usaid.gov](mailto:OIGLegAffairs@oig.usaid.gov) for inquiries.