Semiannual Report to Congress

April 1, 2025–September 30, 2025

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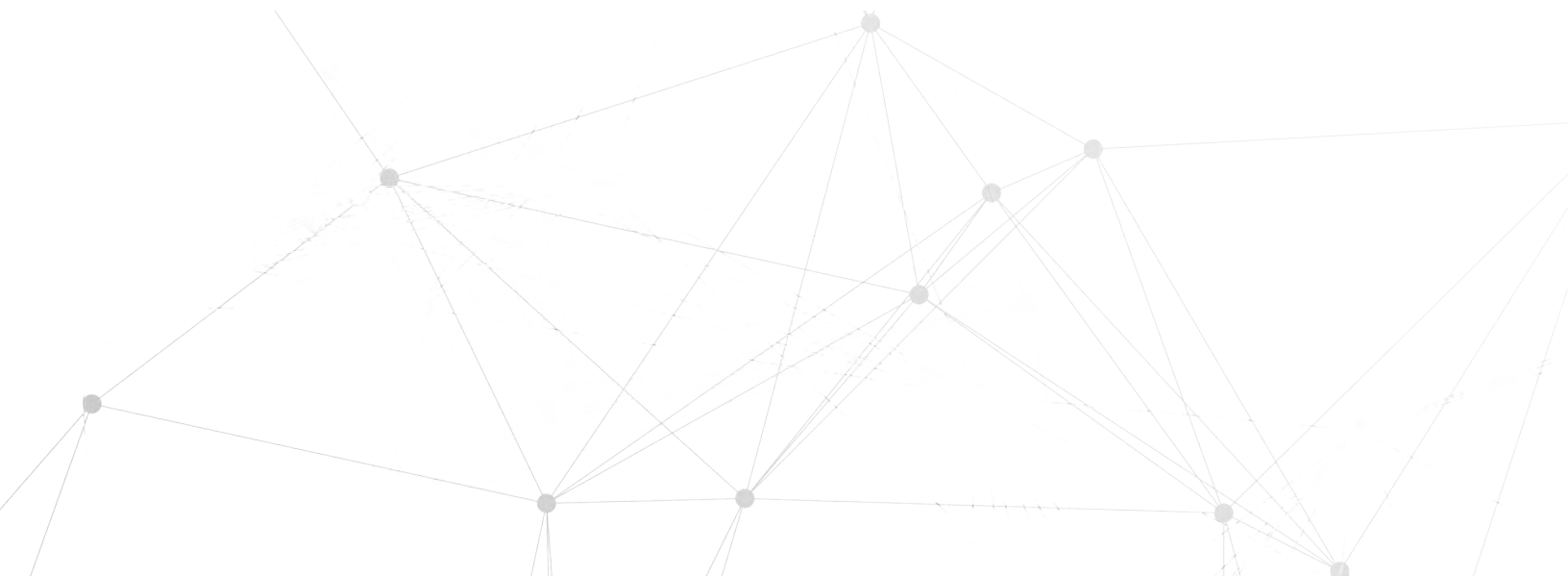Office of Inspector General

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

April 1, 2025–September 30, 2025

Investigative Results

13 investigations opened

63 investigations closed

$139,696,072 in monetary results

54 prosecutorial referrals

10 convictions

7 administrative actions, including

19 government-wide suspensions and debarments

13 fraud awareness briefings delivered

Audit Results

$1,323,900,000 in funds audited[1]

21 recommendations to improve programs and operations[2]

24 performance and financial audits, evaluations, inspections, and agile products

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[1] Funds audited included dollar amounts from four performance audits and one evaluation that reported total estimated costs or obligations within the scope of those engagements' objectives.

[2] We also performed desk reviews of USAID's and MCC's non-Federal audit program. During the past 6 months, we reviewed **190** audit reports totaling **$7,230,655,156** in funds audited that included **$4,486,451** in questioned costs and **67** recommendations.

Message From the Acting Deputy Inspector General

Established by Congress in 1980, the U.S. Agency for International Development (USAID) Office of Inspector General (OIG) remains dedicated to a singular mission: strengthening and safeguarding U.S.-funded humanitarian and development assistance implemented abroad through timely and relevant oversight. Per the Inspector General Act, this includes oversight over funding administered under part 1 of the Foreign Assistance Act by USAID or any successor agency responsible for administering foreign assistance programs. By statute, we also provide oversight over the Millenium Challenge Corporation (MCC), the U.S. African Development Foundation (USADF), and the Inter-American Foundation (IAF).

Our expert criminal investigators, including those posted in Ukraine, Israel, El Salvador, South Africa, and Thailand, continue to conduct aggressive and complex overseas investigations to hold accountable perpetrators of fraud, corruption, human trafficking, and diversion of aid by terrorist organizations.
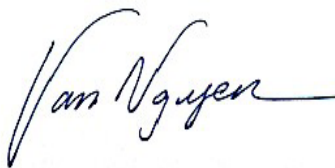
Currently, we have over 300 ongoing investigative matters, including 41 criminal cases and 16 civil fraud cases accepted by the U.S. Department of Justice. We served as the lead law enforcement agency in uncovering and investigating a $550 million bribery scheme at USAID involving a contracting officer and private company, which concluded in guilty pleas. Our expertise in conducting overseas investigations led to the conviction and sentencing of a foreign national involved in a kickback scheme to defraud a U.S.-funded power grid project in Pakistan and charges against two foreign nationals with conspiring against the United States to illegally divert U.S.-funded global health commodities from a Kenyan government-run corporation, Kenya Medical Supplies Authority. And finally, our active and ongoing investigation of Hamas interference in aid programs in Gaza has, to date, connected three current or former United Nations Relief Works Agency (UNRWA) employees to the October 7 terror attacks in Israel and revealed evidence affiliating 14 other current or former UNRWA employees with Hamas. OIG referred all 17 individuals for suspension/debarment as part of our ongoing investigation to ensure that terrorist actors do not recirculate to other U.S.-taxpayer-funded aid organizations.

In addition to our investigations, the work of our dedicated auditors, inspectors, evaluators, and UN accountability professionals offers the administration and Congress early warning fraud indicators, lessons learned, and key considerations in designing and implementing programming overseas. While OIG does not set policy or make programmatic decisions, our work is designed to inform those who do.

Our audit, inspections, and evaluations during this reporting period helped to inform policymakers on challenges in programming to counter violent extremism in West Africa, efforts to prevent Taliban interference within U.S.-programming in Afghanistan and al-Shahaab terrorist influence in Somalia, and adequacy of controls to mitigate the risk of misuse of Starlink satellite terminals in Ukraine. In May, we issued a memorandum highlighting major challenges to countering fraud and improving accountability in the aid sector, and we continue to inform the administration and Congress on best practices for ensuring accountability and integrity of taxpayer dollars spent overseas.

Finally, we continued to take the lead in providing comprehensive oversight over U.S.-funded foreign assistance implemented by UN agencies. This includes work with the U.S. Mission to the UN to ensure to transparency and accountability in the UN system and numerous ongoing investigations into misconduct involving grant funds awarded to UN agencies for humanitarian assistance work. We also reported on non-security, assistance-related programming 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. And finally, as the United States moved to realign the architecture of foreign assistance, we highlighted lessons learned to inform future foreign aid activities involving global health, UN agencies and other public international organizations, and humanitarian assistance.

This Semiannual Report summarizes these and other activities conducted by our office between April 1, 2025, and September 30, 2025. We appreciate Congress' longstanding support and interest in our oversight activities, and we look forward to continuing to provide insights to both the administration and Congress and to safeguard hard-earned American taxpayer dollars. We hope you find this report informative.

Van Nguyen
Acting Deputy Inspector General
Performing the duties 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

1980 USAID OIG Established

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

1981 USAID OIG Brought Under the Inspector General Act

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

1999 Oversight of IAF and USADF

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

2004 Oversight of MCC

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

2013 Oversight of Overseas Contingency Operations

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

USAID OIG Office Locations
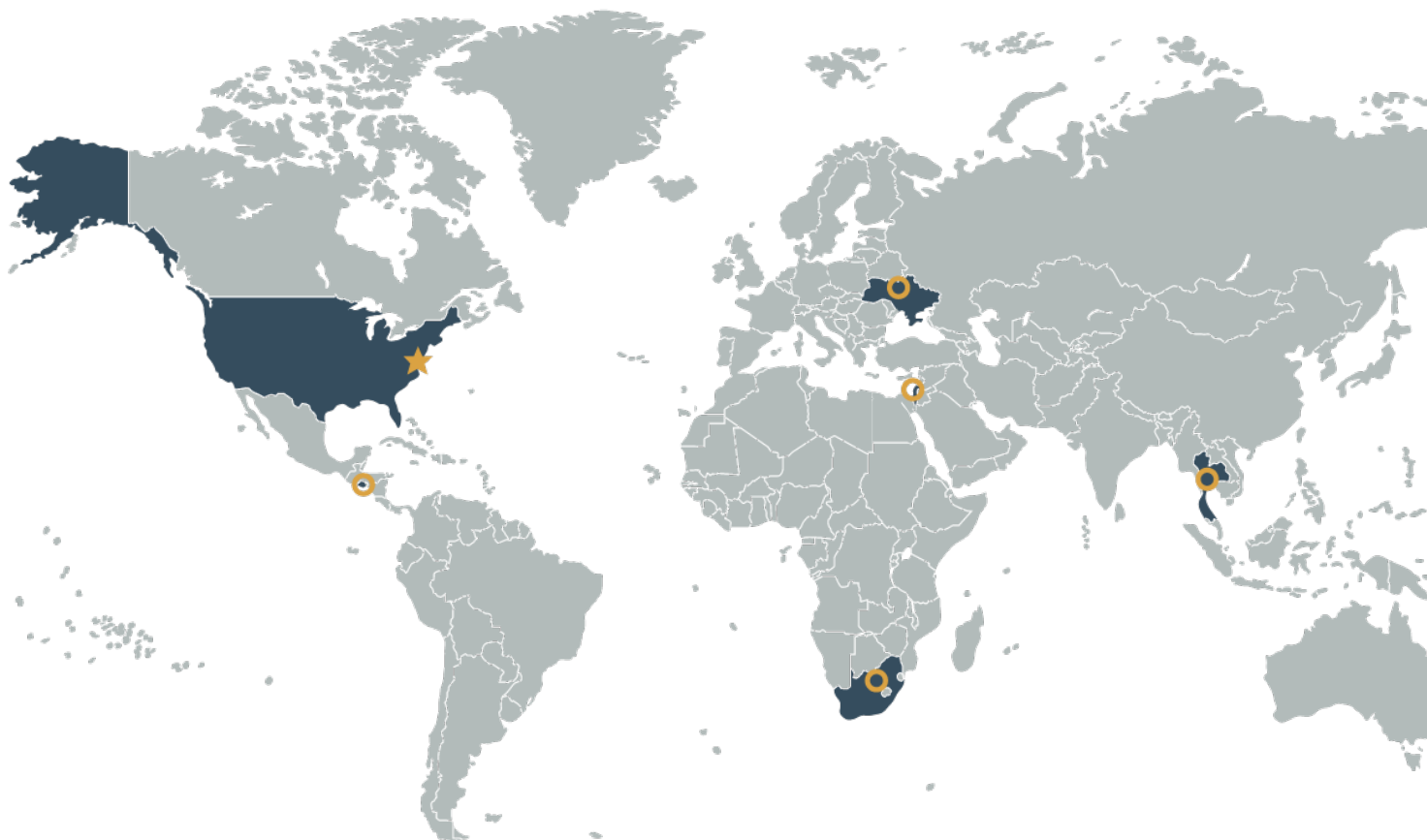
Headquarters

Washington, DC, USA

Overseas Offices

Pretoria, South Africa
Bangkok, Thailand
Tel Aviv, Israel
Kyiv, Ukraine
San Salvador, El Salvador

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.

The Overseas Contingency Operations (OCO) unit—which is responsible for statutorily mandated quarterly reporting to Congress on Operation Atlantic Resolve, Operation Enduring Sentinel, and Operation Inherent Resolve—also sits under the Office of Investigations.

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:

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

OIG's casework remained active with 350 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. These cases, and those listed below, reflect the extensive coordination between OIG and multiple U.S. and foreign law enforcement partners and underscore OIG's dedicated efforts to prevent fraud and corruption involving taxpayer-funded foreign assistance.

USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over $550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud

Following an investigation conducted by OIG, the Federal Bureau of Investigation (FBI), and Internal Revenue Service Criminal Investigation, four men—including a USAID government contracting officer and the owners and presidents of two companies—pleaded guilty for their roles in a decade-long bribery scheme involving at least 14 prime contracts worth over $550 million in U.S. taxpayer

dollars. In addition, the two companies admitted to engaging in a conspiracy to commit bribery of a public official and securities fraud. DOJ entered into a deferred prosecution agreement with the two companies and identified the appropriate criminal penalty as $51.7 million and $86.4 million respectively— more than $138 million in total.

OIG's Long-Term International Investigation Into Conspiracy to Steal American-Funded Aid Concludes With Two Indicted, One Convicted

OIG conducted a long-term investigation into the USAID-funded Kenya Medical Supplies Authority (KEMSA) Medical Commodities Program. The investigation led to charges against two foreign nationals for conspiring to divert U.S.-funded HIV test kits and other medical commodities from Kenya's public health supply chain for illicit resale to the government of Guyana. This fraud resulted in significant losses to U.S. taxpayers and jeoparded critical HIV/AIDS, family planning, nutrition, and malaria programs. In 2021, Kenyan authorities arrested the Kenyan defendant, who awaits trial. Arrested in the United States in 2023, the Guyanese defendant pleaded guilty to conspiracy and theft of USAID-funded health commodities and was sentenced to time served, 3 years of supervised release, and an $84,000 fine.

OIG Investigation Leads to Conviction of Foreign National Involved in Kickback Scheme to Defraud U.S.-Funded Power Grid Project in Pakistan

OIG investigated a kickback scheme involving Atif Hussein Gillani, a Pakistani national and contractor on a USAID-funded power distribution program in Pakistan. Gillani and his supervisor created sham companies to obtain inflated purchase orders for forklift and crane services and then diverted the resulting profits to themselves, defrauding USAID of nearly $100,000. Gillani pleaded guilty in the U.S. District Court for the District of Columbia to conspiracy to commit theft of U.S. funds and was sentenced to time served, $52,000 in joint restitution with his co-conspirator, and a $9,000 forfeiture. His co-conspirator was convicted and sentenced in May 2025.

OIG Investigations Lead to Sentencing and Debarment in Two COVID-Relief Wire-Fraud Schemes

Following an investigation by OIG special agents and the Pandemic Response Accountability Committee Task Force, Jeanty Cherilus, the former CEO of a USAID subawardee, was sentenced to 1 year and 6 months in Federal prison and a forfeiture of $370,000 for wire fraud. USAID subsequently issued a 3-year debarment based on the conviction, barring him from participation in Federal procurement and non-procurement programs. The owner of a business that advertised automobile salvage and transportation services, Cherilus submitted applications to obtain Federal Paycheck Protection Program (PPP) loans and an Economic Injury Disaster Loan (EIDL). The loan applications had materially

false and fraudulent representations, including an inflated number of employees and average payroll and certifications that the loan proceeds would be used for business-related purposes. However, Cherilus used the money for his own personal enrichment.

In similar case, USAID issued a [government-wide, 3-year debarment](#) to a former OIG employee who made false and fraudulent representations on applications to PPP loans. Our investigation into COVID loan fraud found that Jamil Mohammed, a former IT specialist for information security at OIG, fraudulently inflated gross income for a company he formed to secure a larger loan and falsely represented the date of the company's formation in order to qualify for the PPP program. Further, Mohammed did not use the loan funds for eligible expenses under the program. In May 2025, Mohammed pleaded guilty to wire fraud.

Former USAID Subcontractor Employee Debarred for Stealing and Reselling Hundreds of Government-Issued Phones, Tablets, and Computers

On August 28, 2025, USAID issued a 3-year debarment to a former employee of a USAID subcontractor who stole and resold government equipment, following [a joint investigation](#) by OIG and the U.S. Capitol Police (USCP). Accordingly, the former employee is currently prohibited from participating in Federal procurement and non-procurement programs. OIG initiated the investigation following an August 2023 referral from the USCP, which had recovered approximately 20 mobile phones with "USAID" barcodes from a Virginia-based business. OIG found that from July 2022 to August 2023, hundreds of phones and computers had been removed from a USAID-contracted destruction process and resold for personal gain. These actions also caused the subcontractor to issue false certifications of destruction to the U.S. government. In February 2025, Nikhil Parekh, the former employee, pleaded guilty to conspiring to commit an offense against the United States. In May 2025, he was sentenced to 12 months of probation, along with a fine and restitution.

Former USAID Subawardee Employee Debarred for 5 Years for Embezzling U.S. Global Health Funds and Falsifying Documents

OIG investigated an allegation that a former employee of a USAID subawardee performing a tuberculosis prevention global health program [falsified documents and embezzled project funds](#). The investigation found that the individual created fraudulent bank statements, contacts, invoices, and tax documents. Investigators also determined that from April 2020 through May 2022, the individual made 359 unauthorized wire transfers, totaling more than $230,000, from USAID-funded bank accounts to benefit themselves and others. Based on OIG's investigation, USAID issued the former subawardee employee a 5-year debarment from working for or contracting with the U.S. government.

Director on USAID-Funded PEPFAR Project Pleads Guilty to 9-Year Fraud Scheme

Following an OIG investigation, Ruth Chisina Mufute, a Zimbabwean citizen, pleaded guilty to conspiracy to commit an offense against the United States. Working in South Africa as a project director for a North Carolina-based nonprofit with a USAID cooperative agreement under the President's Emergency Plan for AIDS Relief (PEPFAR), the individual defrauded employer of approximately $240,000 in USAID funds. Specifically, the individual claimed housing allowance benefits by falsely representing that she was renting a residence she actually owned and supporting those claims with fabricated documents and electronic communications, resulting in improper reimbursements of rent and housing-related expenses. Conducted in partnership with the DOJ Criminal Division's Fraud Section, this case reflects OIG's efforts to protect U.S. taxpayer-funded foreign assistance from fraud and abuse.

USAID Supervisory Executive Officer Broke the Terms of an Employment Agreement With Foreign National Caregiver

OIG investigated a supervisory executive officer (EXO) working in Africa following allegations she had violated terms of an employment contract with a foreign national she hired as in-home domestic help. The investigation revealed that the EXO hired a housekeeper while working for a USAID mission in Africa. She continued employing the foreign national in the United States as both a housekeeper and caregiver to an ailing family member. However, OIG found the EXO failed to pay the agreed-upon rate or to pay the housekeeper for all the hours she actually worked.

USAID Subawardee Submitted False Claims for Reimbursement

OIG investigated an allegation that a USAID subawardee submitted false claims for reimbursement of tax payments to a foreign government. The investigation found that the USAID subawardee made the tax payments to the foreign government but submitted false invoices and documents when requesting reimbursement—overcharging USAID by $89,000.

USAID Personal Services Contractor Gave His U.S. Embassy-Issued Identification Card to Two Local Women and Used His Government-Issued Mobile Phone to Arrange Sexual Encounters With Several Women

An OIG investigation confirmed allegations that a USAID personal services contractor (PSC) at a U.S. Embassy in Africa provided his Department of State-issued identification card to two local women so they could enter the embassy's residential compound. Investigators also determined that the PSC used his USAID-issued mobile phone to arrange and pay for sexual encounters with several local women. As a result of the investigation, USAID terminated the PSC and removed him from post. The contract termination led to cost savings of approximately $317,374.

Federal Jury Convicts Virginia Man and Maryland Woman for Conspiracy to Defraud a Nonprofit Corporation Through Payments for Work That Wasn't Performed

A Federal jury convicted Abiodun A. Ogunwale, of Virginia, and Abimbola Ajayi, of Maryland, on charges of conspiracy to commit wire and mail fraud and conspiracy to commit money laundering for their parts in defrauding a nonprofit corporation dedicated to global public health. They used fraudulent invoices and receipts to embezzle funds and claim false business expenses. OIG special agents participated in the investigation.

USAID Mission Director Cleared of Abuse of Position Allegation

An OIG investigation determined that a USAID mission director did not abuse his authority to create a position for his spouse at his overseas mission. The mission director had no influence over the process and was not in his spouse's chain of command. His spouse followed Agency policy to request a Domestic Employee Teleworking Overseas Agreement, which was approved by USAID and the relevant U.S. embassy.

OIG Investigation Leads to $1 Million Settlement in USAID Overbilling Case

Stax Inc., a private consulting firm based in Boston, MA, agreed to pay $1 million to resolve allegations it overbilled USAID in claims for salary reimbursement. An OIG investigation found that Stax overbilled USAID more than $850,000 by inflating its employee salary costs. An administrative audit discovered that Stax put hidden profit in its proposed salary for its employees—violating the terms of its cooperative agreement with USAID. During the investigation, Stax was bought out by another company that immediately cooperated with the investigation. As a result, the parties agreed to settle for 1.2 times the damages for a settlement total of $1 million.

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 10-7** (JTF 10-7), led by senior DOJ and FBI officials and supported by specialized agents, analysts, and international partners. JTF 10-7 targets, charges, and prosecutes the perpetrators and leaders of the October 7, 2023, terrorist attacks in Israel, as well as individuals and entities that finance or support Hamas and related entities. It also coordinates investigations, victim assistance, and international collaboration to dismantle Hamas, hold its supporters accountable, and combat terrorist-led antisemitism.

- **Operation African Star**, a multinational initiative to improve health outcomes in Africa, brings together U.S., European, and African law enforcement and regulatory partners to disrupt the illicit trade in health products, pharmaceutical preparations, and medical devices and equipment. Since June 2024, our Office of Investigations has partnered with Operation African Star to train and collaborate with international and African law enforcement and administrative partners on detecting and disrupting the diversion of pharmaceuticals and medical supplies from U.S. government–funded global health supply chains. Based on our input, the second phase of Operation African Star will focus enforcement efforts on countering the diversion of medicines and medical supplies from donated medical supply chains.

- **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 participated in four search-and-arrest warrants related to cybercrime and financial fraud investigations during the reporting period. 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; FBI; 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 agents from 16 OIGs, our office investigated and prosecuted fraud allegations involving COVID-19 relief programs. 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 $2.5 million.

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

April 1, 2025–September 30, 2025

Table 1. Investigative Workload

Action	Number
Investigations Opened	13
Investigations Closed	63
Investigative Reports Issued[1]	20

[1] 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 DOJ[1]	54
Persons Referred to State or Local Prosecutors[2]	0
Criminal Indictments / Informations[3]	5
Arrests	6
No-Knock Warrants Served or No-Knock Entries Made[4]	0

[1] 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.

[2] 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.

[3] The number of indictments reported include both sealed and unsealed.

[4] 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[1]	19
Personnel Resignation, Curtailment, Removal, Suspension, or Termination[2]	3
Award or Contract Suspension or Termination[3]	2
New Rule, Policy, or Procedure Based on Investigative Findings[4]	2

[1] 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.

[2] 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.

[3] 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.

[4] 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, Penalties, Assessments, or Forfeitures[2]	$139,607,072
Civil Fines, Restitutions, Recoveries, Penalties, Damages, or Forfeitures	$0
Non-Judicial Restitutions, Recoveries, Forfeitures, Revocations, Seizures, or Settlements[1]	$89,000
Fraud Loss Prevented or Saved Based on Investigative Findings[3]	$0

[1] 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.

[2] This includes any agreements (e.g., deferred prosecution agreements), regardless of inability to pay.

[3] 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.

Overseas Contingency Operations

We reported quarterly on USAID response efforts in Ukraine, Afghanistan, and 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. The reports focused on the following topics:

For **Operation Atlantic Resolve, we reported in** May 2025 and August 2025 on:

- The the cancellation of many State Department and USAID foreign assistance programs in Ukraine and the status of third-party monitoring contractors previously assigned to projects in the country.

- The July 1, 2025, State Department assumption of responsibility for administering most remaining foreign assistance, including programs and functions previously managed by USAID.

- The missile and unmanned aircraft system strikes that continued to dominate the war, with both Ukrainian and Russian forces focusing their attacks on critical energy and defense infrastructure.

- Russia's continued rejection of ongoing U.S. calls for a ceasefire, with Russia insisting on major concessions that Ukraine has rejected.

For **Operation Enduring Sentinel, we reported in** May 2025 and August 2025 on:

- The May 2025 cancellation of virtually all State- and USAID-funded development and humanitarian projects in Afghanistan.

- Local security forces that forcibly entered implementer compounds; seized vehicles, equipment, cash, and documents; and temporarily detained or interrogated staff following program terminations in Afghanistan. USAID implementers abandoned millions of dollars-worth of equipment, including some related to power system development projects.

- The return of 1.2 million Afghans from Pakistan and Iran and the subsequent impact on the humanitarian situation in Afghanistan.

- Plans to conclude Enduring Welcome, the U.S. government's effort to relocate and resettle eligible Afghan allies and their families to the United States, as well as the Department of Homeland Security termination of Temporary Protected Status for Afghans.

For **Operation Inherent Resolve**, we reported in April 2025 and July 2025 on:

- The cancellation of most State and USAID foreign assistance programs in Syria and Iraq, with the exception of some lifesaving humanitarian assistance programs.

- The July 1, 2025, State Department assumption of responsibility for administering most remaining foreign assistance, including programs and functions previously managed by USAID.

- The consolidation of power by Syria's new interim authorities into a more inclusive body after the fall of the Assad regime.

- Coalition forces' actions to advise Syrian and Iraqi partner forces while taking steps to reduce the U.S. military footprint in both countries.

- U.S. government efforts to support the repatriation of displaced persons and detainees from Syria, as well as the return of Syrians to their home communities, despite the assistance pause and reductions in U.S. government programming.

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.[1]

During the reporting period, we completed 24 audits, inspections, evaluations, and agile products covering funds totaling $1,323,900,000.

Our library of audits, inspections, evaluations, 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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[1] 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

Non-Federal Audits: Actions Needed to Standardize Processes for Reviewing Reports and Assessing Questioned Costs

Report No. 9-000-25-002-P
September 11, 2025

Why We Did This Audit

USAID frequently relied on non-U.S.-based entities to deliver foreign assistance, such as lifesaving humanitarian aid in conflict zones and development programs across a range of sectors. In accordance with Federal regulations, USAID required foreign audit firms to conduct non-Federal audits (NFAs) of foreign entities that spent more than $750,000 in USAID awards in a fiscal year. Agency staff then reviewed the reports and determined whether any questioned costs identified were justified. From FY 2021 through FY 2023, NFA reports identified nearly $75 million in questioned costs across 28 countries and 3 regions. USAID determined that 96 percent (approximately $72 million) of these costs were allowable and recovered the remaining 4 percent (about $3 million) in disallowable costs. We conducted this audit to assess the extent to which USAID missions (1) reviewed foreign audit firms' NFA reports for quality standards and (2) determined that NFA questioned costs were allowable.

What We Found

Surveyed missions generally reviewed NFA reports for quality standards, but their processes varied because USAID did not have clear policies, guidance, or training. Ninety-one percent of respondents said that their Office of Financial Management reviewed all NFA reports issued from FY 2021 through 2023 for quality standards, while the remaining 9 percent did not. Still, missions reported that they did not have sufficient knowledge of the quality standards or training to carry out the reviews. Without clear policies, guidance, and training, USAID did not have reasonable assurance that the NFA reports met quality standards.

Selected missions used varying levels of support to justify allowed questioned costs. As a result, it was not always clear why mission officials allowed the costs. According to our analysis, mission officials allowed more than 98 percent (about $63 million) of questioned costs identified in sampled NFA reports. USAID's NFA policy stated that missions are responsible for developing their own management decisions but did not explain how mission officials should determine the allowability of questioned costs or document the determinations. In addition, USAID did not provide training for staff about this process. Thus, USAID did not have reasonable assurance that officials were making decisions about questioned costs that aligned with laws, regulations, and the award terms.

What We Recommended

We suggested that decision makers consider developing policies, guidance, and training for staff reviewing NFA reports for quality standards as well as for determining allowability of questioned costs identified in NFA reports and documenting those determinations.

Global Food Security: USAID Prioritized Funding and Adapted Programs to Address the Impacts of Russia's Full-Scale Invasion of Ukraine

Report No. 9-000-25-001-P
September 11, 2025

Why We Did This Audit

Ukraine and Russia are key food suppliers to global markets, accounting for 12 percent of food trade worldwide from 2019 to 2021. Russia's full-scale invasion of Ukraine in February 2022 exacerbated food insecurity beyond Ukraine's borders, impacted the global food system, and contributed to worldwide increases in agricultural commodity prices. The 2022 Additional Ukraine Supplemental Appropriations Act (2022 AUSAA) included funds for Ukraine and other countries experiencing food insecurity. USAID was responsible for efforts to address food insecurity, including programming $655 million of AUSAA funding.

We conducted this audit to (1) identify the process USAID's Bureau for Resilience, Environment, and Food Security (REFS) followed to consider the risk of food insecurity and other factors when prioritizing 2022 AUSAA funding recommendations and assess to what extent REFS documented this process and (2) assess how USAID adapted and measured the results of its agricultural programming to address the impacts of Russia's full-scale invasion of Ukraine. We reviewed Agency efforts from May 21, 2022, through September 30, 2024, and focused on agricultural activities.

What We Found

REFS developed a risk assessment to rank countries at risk of increased food insecurity and used the results to prioritize 2022 AUSAA funding for operating units. While REFS documented several steps in its process to prioritize funding, we could not verify how it made certain decisions because USAID's workforce was placed on administrative leave in February 2025. USAID programmed most of the funding into existing agricultural activities to help address food insecurity in countries impacted by Russia's full-scale invasion. The Agency measured the results of agricultural activities overall but could not measure activity results specific to the programming of 2022 AUSAA funding because most of these activities also received funds as part of Feed the Future, a U.S. government initiative launched in 2010.

What We Recommended

We did not make any recommendations. However, we suggested the administration consider documenting all key decisions when determining allocations for any future emergency supplemental funding to enhance the transparency of the process for stakeholders.

Audit of USAID's Implementation, Measurement, and Oversight of Activities to Prevent and Counter Violent Extremism in West Africa

Report No. 4-624-25-003-P
July 31, 2025

Why We Did This Audit

Violent events linked to extremist organizations along the borders of coastal West African countries have increased by more than 250 percent in the last 2 years. USAID's West Africa Regional Mission (USAID/West Africa) established preventing and countering violent extremism (PCVE) as an objective in its 2020–2025 Regional Development Cooperation Strategy. PCVE assistance awards advanced U.S. national security interests by supporting peace, prosperity, and stability overseas while reducing threats to Americans at home and abroad.

We conducted this audit because of the threat violent extremism poses to West Africa and broader U.S. foreign policy and national security interests in the region. Our objective was to determine to what extent USAID/West Africa implemented, measured, and conducted oversight of selected activities to prevent and counter violent extremism.

What We Found

The three PCVE awards that we selected for the audit had implementation delays during the first year, and the implementers missed nearly all performance indicator targets or did not report the first-year results. However, USAID/West Africa did not conduct lessons-learned exercises focused on first-year delays to strategically inform and adapt PCVE activities to achieve results and thus risked encountering similar challenges in the future.

USAID/West Africa's mission-level performance indicator—which tracked the number of PCVE regional, national and local efforts implemented—did not measure the outcomes or impact of those efforts. Specifically, this indicator did not inform USAID officials and other stakeholders about the effect those efforts had on changing public attitudes, perceptions, or behaviors related to community cohesion or preventing violent extremism.

The PCVE audit team meeting with police officials.

Due to unsafe conditions and security-related travel restrictions, USAID staff could not access PCVE project sites to monitor the three selected awards' progress in meeting goals. Further, the mission did not use third-party monitors, which the Agency often used in nonpermissive environments, to mitigate this challenge.

What We Included for Consideration

We suggested that the administration consider enhancing the implementation, outcome measurement, and oversight of future PCVE programs in nonpermissive environments.

PEPFAR in Ukraine: USAID/Ukraine Achieved Mixed Results When Implementing Programs Due to Wartime Challenges and Did Not Conduct Independent Performance Monitoring

Report No. 8-121-25-003-P
June 27, 2025

Why We Did This Audit

Before Russia's full-scale invasion in February 2022, an estimated 260,000 people in Ukraine were living with HIV, the second-highest number of cases in Europe. USAID and other government agencies implemented PEPFAR programs to support Ukraine's efforts to end HIV as a public health threat by 2030. The ongoing war has altered the landscape of the country's HIV/AIDS epidemic and created significant challenges in providing essential HIV services. In response, USAID's Mission in Ukraine (USAID/Ukraine) continued to fund HealthLink and Community Action for HIV Control, two programs that aim to improve HIV testing in Ukraine.

We conducted this audit to assess the extent to which USAID/Ukraine implemented and monitored selected PEPFAR programs to achieve its intended results. We assessed USAID/Ukraine's implementation and monitoring of the two programs from January 2022 through September 2023 and focused on PEPFAR indicators for HIV testing and HIV case identification.

What We Found

Throughout fiscal years 2022 and 2023, HealthLink and Community Action for HIV Control continued to operate, but the programs did not fully achieve USAID/Ukraine intended results for HIV testing and HIV case identification. Mission and implementer staff reported a range of war-related challenges that hindered full achievement of the intended results. These challenges included infrastructure damage, continuous population migration, program site staffing, and safety and security.

The PEPFAR audit team interviewing a social worker during their site visit to Ukraine.

USAID/Ukraine did not conduct independent performance monitoring or adapt its monitoring practices in response to the war. USAID/Ukraine officials stated that for FY 2022 and FY 2023, they generally relied on PEPFAR program implementers to conduct self-monitoring of activities, report program data, and perform data quality assessments.

What We Recommended

We made one recommendation for USAID to implement independent performance monitoring methods to verify activity and performance data reported by PEPFAR implementers in Ukraine. The Agency agreed with the recommendation.

Afghanistan: USAID Can Strengthen Coordination, Award Requirements, and Guidance to Safeguard Implementers and Manage Taliban Engagement

Report No. 5-000-25-002-P
May 28, 2025

Why We Did This Audit

In August 2021, the government of Afghanistan collapsed, the U.S. government evacuated its personnel and citizens, and the Taliban assumed control of the country. This chain of events abruptly ended decades of U.S. presence in the country and threatened to undermine USAID's investment of over $26 billion in foreign assistance to Afghanistan since FY 2002. Since then, USAID has continued to fund programs in Afghanistan that support livelihoods, agriculture, education, and access to lifesaving food and healthcare. To administer these programs, the Agency relies on local, nongovernmental organization (NGO) implementers.

Given the political and security situation, USAID and its implementers face numerous risks, including safety threats as well as Taliban interference in the delivery of aid to Afghans. To assess the Agency's ability to manage foreign assistance in such a hostile, nonpermissive environment, we initiated this audit of USAID's efforts in Afghanistan to safeguard implementers and activities by (1) mitigating security and safety risks and (2) managing the impact of Taliban interference.

What We Found

The Agency provided a range of security and safety services to protect implementers delivering U.S.-funded aid in the country. However, USAID/ Afghanistan, the Bureau for Humanitarian Assistance, and the Office of Security lacked internal coordination and did not consistently direct implementers to develop plans or report incidents to mitigate security and safety risks. Further, USAID used a range of measures to manage the impact of Taliban interference on implementers and activities but did not monitor or guide implementer engagement with Taliban representatives. Consequently, Taliban representatives used these engagements to gain information and access to USAID's activities.

What We Recommended

We made four recommendations to better safeguard USAID's implementers and Agency-funded activities in Afghanistan. The Agency agreed with three recommendations and disagreed with one recommendation. Based on the change in USAID's operations announced by the Department of State in May 2025, we determined that all four recommendations have been overcome by events. As such, we consider the recommendations closed.

Colombia: USAID Complied With U.S. Laws Limiting Assistance But Could Strengthen Internal Management Activities

Report No. 1-000-25-001-P
May 6, 2025

Why We Did This Audit

For over 2 decades, Colombia has been a top recipient of U.S. foreign assistance in the Western Hemisphere. U.S.-Colombia relations have centered around counternarcotics and counterterrorism efforts to advance mutual security interests. In more recent years, USAID-managed foreign assistance has supported implementation of the 2016 Peace Accord, which ended the 50-year conflict between the government of Colombia and the Revolutionary Armed Forces of Colombia.

U.S. appropriations laws include limitations for how foreign assistance funds could be used in Colombia. Specifically, no U.S. government funds could be used for the payment of reparations to conflict victims, compensation to demobilized combatants, or cash subsidies for agrarian reforms associated with implementation of the 2016 Peace Accord. These limitations applied to funds provided under each annual appropriations law as well as to unspent funds from prior appropriations laws.

Congress expressed interest in OIG oversight of the funding limitations in an early version of the FY 2024 appropriations law. Accordingly, OIG initiated this audit to determine the extent to which USAID complied with specific statutory limitations for assistance to Colombia.

What We Found

USAID did not use U.S. foreign assistance to pay reparations to conflict victims, compensation to demobilized combatants, or cash subsidies for agrarian reforms for the sampled awards and period reviewed. However, the Agency risked noncompliance in the future because management activities related to the limitations, like policies and checklists, had not been documented. Documenting these activities would help ensure sustained compliance for future U.S. foreign assistance to Colombia.

What We Recommended

We made two recommendations to strengthen management activities for U.S. foreign assistance to Colombia. USAID elected not to provide comments on the recommendations.

Inspections and Evaluations

U.S. African Development Foundation: Gaps in Policy and Guidance Hindered Strategic Partnerships and Grants Administration

Report No. E-ADF-25-004-M
August 28, 2025

Why We Did This Evaluation

Established by Congress in 1980 to invest in African grassroots organizations and entrepreneurs, USADF provides direct grants of up to $250,000 to eligible enterprises to support entrepreneurship and address food insecurity, insufficient energy access, and unemployment. Although USADF receives an annual appropriation from Congress, it also leverages funds from partnerships with the private sector, other government agencies, and African governments. USADF reported that by the end of FY 2023, it expected to collect over $87 million in cumulative leveraged funds from partnerships to expand its grant portfolio.

We initiated this evaluation in response to a congressional request that OIG examine, in part, USADF's use of strategic partnerships. Our objectives were to determine the extent to which USADF established and implemented policies and procedures to (1) form, leverage, and manage strategic partnerships, (2) maintain accurate information on its strategic partnerships and receive pledged funding, and (3) administer grants through partnership and agency matching funds.

What We Found

USADF lacked policies and procedures for managing its strategic partnerships, leading to gaps in due diligence and assessment. USADF drafted a strategic partnership policy in May 2022 but never finalized it. The draft addressed key areas of partnership management, but lacked guidance on others, including financing, matching requirements, and funds management.

USADF failed to fully account for information on its strategic partnerships and received only 25 percent of the maximum funding pledged. The Agency had 32 active strategic partnerships between FY 2022 and FY 2024. Yet USADF's documentation for these partnerships was incomplete, and there may have been more. These 32 partners pledged up to $69 million between FY 2022 and FY 2024. However, USADF only received $17 million (25 percent). Additionally, USADF public reporting did not use clear and consistent terms regarding the funding it received from strategic partners, which could mislead readers.

USADF lacked clear guidance and procedures for grants management and administration, leading to delayed grant activities and inconsistent implementation. As a result, USADF inconsistently administered several aspects of its grants and did not maintain complete documentation of required activities.

What We Recommended

We made nine recommendations to USADF to strengthen its strategic partnership and grants management and administration processes. USADF agreed with each recommendation and identified planned corrective actions and target dates but stated implementation was contingent on the Agency remaining operational.

Ukraine Response: USAID Did Not Fully Mitigate the Risk of Misuse of the Starlink Satellite Terminals It Delivered to Ukraine

Report No. E-121-25-003-M
August 11, 20205

Why We Did This Inspection

On February 24, 2022, Russia launched a full-scale invasion of Ukraine and targeted critical infrastructure, including internet and telecommunications networks. In response, USAID partnered with Space Exploration Technologies Corporation (SpaceX) to provide 5,175 Starlink satellite terminals to the government of Ukraine's State Service of Special Communications and Information Protection (SSSCIP) to support critical civilian services and internet connectivity. The U.S. Department of Defense and other donors, including foreign governments, have also delivered Starlink terminals to Ukraine.

Starlink, a dual-use technology with both civilian and military applications, played an important role in Ukraine's resilience and defense. Ukraine relied on Starlink to restore civilian internet access and maintain communications between government officials and emergency services providers. The country also used terminals to pilot drones, target artillery fire, and communicate on the battlefield.

We initiated this inspection to assess USAID's oversight of the 5,175 Starlink satellite terminals it delivered to Ukraine. USAID procured 1,508 terminals while SpaceX donated 3,667. Our objective was to determine the extent to which USAID mitigated the risk of misuse of those terminals. We reviewed USAID's activities related to the acquisition, donation, delivery, transfer, and oversight of the terminals between March 2022 and July 2024.

What We Found

USAID did not fully mitigate the risk of misuse of the Starlink terminals it delivered to Ukraine, with nearly half of active terminals present in territories that Russia fully or partially occupied. USAID also did not fully define clear expectations and conditions for Ukraine's use of the Starlink terminals it delivered. The Agency initially drafted conditions that restricted the terminals to civilian use and required SSSCIP to establish safeguards for proper use and ensure secondary recipients agreed to conditions of use in writing. However, it never exercised this agreement. Ultimately, USAID's implementer, DAI, and SSSCIP signed a transfer agreement on April 11, 2022, stating that SSSCIP would bear full financial and legal responsibility for the safety and use of Starlink terminals.

However, SSSCIP's letter and USAID/Ukraine's final transfer agreement did not include conditions from USAID's original draft, such as safeguards to prevent misuse or written assurances from secondary recipients, including regional governments and cities, to ensure proper use. In addition, it excluded location restrictions from SpaceX's terms of service for the Donetsk and Luhansk regions of eastern Ukraine. As a result, SSSCIP transferred terminals to high-risk locations in eastern Ukraine—areas occupied by Russia since the invasion began—increasing the risk of misuse for military or intelligence operations or theft by Russian forces.

We also found USAID did not monitor the Starlink terminals after delivery because it accepted more risk in the challenging wartime environment and transferred responsibility for the terminals to the government of Ukraine upon delivery. As a result, USAID did not know where the terminals were or how they were used.

What We Recommended

We recommended that USAID/Ukraine request that SSSCIP assess which USAID-delivered Starlink terminals are at high risk of misuse or theft and coordinate with SpaceX to suspend service for those terminals. The Agency partially agreed with the recommendation.

Global Health: Lessons for the Future

Report No. E-000-25-007-M
July 30, 2025

Over the past decade, USAID has led global health efforts, investing $85 billion to combat infectious diseases, control HIV/AIDS, and prevent child and maternal deaths. As the largest international donor, USAID played a critical role in responding to the 2014 Ebola outbreak that killed more than 11,000 people. The Agency led the President's Malaria Initiative, which is the U.S. government's largest malaria control program. In addition, USAID was a key Agency involved in implementing PEPFAR, which has been central to U.S. global health policy. Beyond disease-specific efforts, USAID has provided healthcare commodities and technical assistance, working to improve supply chain reliability and ensuring an uninterrupted flow of quality health products and services worldwide. As diseases previously eliminated in the United States reemerge, outbreaks in remote regions of the world can spread quickly. In the past years, measles surged, mpox triggered a public health emergency, and dengue cases doubled, underscoring the urgent need for sustained global health interventions.

Through our independent oversight of U.S. foreign assistance, OIG has identified numerous findings and made dozens of recommendations to strengthen global health programs. Based on our reporting over the past 10 years, we identified five key lessons. Applying these lessons to future U.S. foreign assistance is essential for continued success in delivering impactful, sustainable, and accountable global health programs.

Inspection of USAID/Philippines Programming

Report No. E-492-25-008-M
July 24, 2025

Why We Did This Inspection

In response to congressional concerns about gaps in oversight of USAID programming, we developed a recurring inspection model to assess missions' adherence to USAID's Program Cycle policy. We selected USAID/Philippines for the pilot inspection based on several factors related to the mission's programming and characteristics.

We conducted this inspection to determine the extent to which USAID/Philippines: (1) met required Program Cycle operational policy on strategic planning and program monitoring since the development of the 2019 Country Development Cooperation Strategy (CDCS); (2) met required Program Cycle operational policy on the design, implementation, monitoring, and evaluation of select USAID/Philippines activities; and (3) leadership promoted an organizational culture that supports collaborating, learning, and adapting principles.

What We Found

We determined that the mission's 2019 CDCS largely met strategic planning requirements. In addition, USAID/Philippines conducted a mid-course stocktaking, as required, which the mission said allowed it to review CDCS progress, assess changes in country context, and identified implications for the current and forthcoming CDCS. While the mission also met most requirements for its performance management plan, it did not update the plan annually as required.

Signage at the Puerto Princesa International Airport in the Philippines highlighting U.S. government efforts to disrupt the illegal supply chain and trade of local wildlife.

USAID/Philippines generally met activity design requirements and conducted regular financial reviews during activity implementation. While it also met most requirements for monitoring, missing information related to performance indicators and incomplete Monitoring, Evaluation, and Learning plans limited its ability to assess programmatic results and ensure data quality. Additionally, the mission did not consistently prepare site visit reports or upload them to the Agency's official system due to workload challenges. Further, USAID/Philippines outlined an evaluation plan to guide strategic decision-making but completed less than half of its planned evaluations.

Still, USAID/Philippines staff said that leadership's communication and engagement effectively promoted cross-office cooperation and learning that enhanced the mission's ability to adapt and respond to challenges.

What We Recommended

As the administration determines the future of foreign assistance, particularly in the Philippines, we suggested decisionmakers consider enhancing performance management, monitoring, and evaluations of foreign assistance programming.

Public International Organizations: Lessons for the Future

Report No. E-000-25-006-M
July 23, 2025

USAID funds PIOs through its other transaction authority (OTA), a unique power afforded through the Foreign Assistance Act. USAID's other transactions are unlike contracts and grants and offer more flexibility to the Agency since OTA is generally not subject to Federal laws and regulations such as the Federal Acquisition Regulation. Consequently, USAID developed its own policies and award provisions, primarily outlined in Automated Directives System (ADS) 308, which sets monitoring and reporting procedures, including pre- and post-award due diligence mechanisms to govern its work with PIOs. As a result of our recommendations, USAID made significant revisions to strengthen ADS 308, including requirements to promptly disclose credible allegations of fraud, corruption, and sexual exploitation and abuse.

Humanitarian Assistance: Lessons for the Future

Report No. E-000-25-005-M
July 16, 2025

For years, USAID has been the U.S. government's lead agency for international humanitarian assistance. In the last decade alone, the Agency funded more than $70 billion in food, healthcare, shelter, water, sanitation, and other lifesaving supplies needed during disasters and crisis conditions overseas. Crisis environments are by their very nature unstable and insecure, such as the war zones in Ukraine, Gaza, and Syria; massive population displacement in Iraq and Northern Ethiopia; and the March 2025 earthquake in Burma. Substantial uncertainty and inaccessibility, coupled with the rapid flow of large amounts of money, create prime opportunities for fraud and diversion—risks that have intensified with the growing scale and duration of humanitarian responses.

USAID/Somalia's Democracy, Stabilization, and Governance Portfolio: Insufficient System Use, Financial Oversight, and Monitoring Processes Limited Activity Assessments

Report No. E-649-25-001-M
July 2, 2025

Why We Did This Evaluation

USAID/Somalia's Democracy, Stabilization, and Governance (DSG) Office was tasked with overseeing a portfolio of five programs, totaling over $120 million, spanning from March 2022 to July 2028. The goal of these programs was to reduce the influence of al-Shabaab, a U.S.-designated terrorist organization, and support areas newly liberated from the group.

To do this, DSG programs addressed the root causes of violent extremism by working with Somali government and local partners—as well as public international organizations and other implementers—to strengthen communities, social cohesion, and systems of governance.

To assist with its oversight responsibilities, USAID designed an official management system to capture all portfolio development activities and facilitate evidence-based decision making. USAID/Somalia had financial management responsibilities—which varied by the type of program—and contracted with a third party to help monitor program performance of mission strategies, projects, and activities.

We initiated this evaluation to determine the extent to which the DSG Office (1) used the official portfolio management system to measure progress toward intended results, (2) conducted oversight to ensure that spending complied with Federal cost principles, and (3) conducted oversight of the third-party monitor.

What We Found

USAID/Somalia did not use the official portfolio management system as required, which limited its ability to measure progress toward intended results in the DSG portfolio. Of the five awards in USAID/Somalia's DSG portfolio, mission personnel and implementers included information for only four awards in the performance system and only reported indicator data for three of those four awards. Moreover, among the latter three awards, we noted inconsistencies in the number of indicators or results recorded among various sources of information maintained by the mission.

While the DSG Office provided financial oversight of its five awards in line with Agency requirements, it did not perform discretionary post-award financial oversight, thereby preventing it from fully detecting and addressing fiduciary risks.

USAID/Somalia did not have a standardized process for managing recommendations from third-party monitors. As such, the mission missed opportunities to improve implementation of the DSG programs.

What We Recommended

We made one recommendation for USAID/Somalia to determine the allowability of questioned costs identified in this evaluation, which the Agency disagreed with. We also included considerations for the Administration to enhance performance management and oversight of future foreign assistance programs.

Mandated Financial Engagements

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

Payment Integrity Information Act of 2019

The Payment Integrity Information Act of 2019 (Public Law 116-117) requires Inspectors General to review Federal agencies' payment integrity reporting for compliance and issue an annual report. We assessed USAID's compliance with PIIA for FY 2024 and contracted with an independent public accounting firm to review MCC's compliance. We made no recommendations.

- *USAID Did Not Comply With the Payment Integrity Information Act of 2019 for Fiscal Year 2024, Report No.* 0-000-25-006-C, May 30, 2025.

- *MCC Complied in Fiscal Year 2024 With the Payment Integrity Information Act of 2019, Report No.* 0-MCC-25-005-C, May 22, 2025.

Government Charge Card Abuse Prevention Act of 2012

The Charge Card Act (Public Law 112-194) requires OIGs to conduct periodic risk assessments of agency charge card programs to assess the risk of illegal, improper, or erroneous purchases and payments. We contracted with independent public accountants to conduct a risk assessment of the charge card programs at MCC, and we conducted the risk assessment for IAF. We were unable to perform the risk assessment of USAID's management of purchase cards for FY 2024 for reasons noted in the report. We made one recommendation to address a weakness in the MCC charge card report and no recommendations in the USAID and IAF reports.

- *Risk Assessment of U.S. Agency for International Development's Management of Purchase Cards in Fiscal Year 2024, Report No.* 0-000-25-007-C, July 15, 2025

- *Charge Card Risk Assessment: MCC's Programs Showed Low Risk of Improper Purchases and Payments in Fiscal Year 2024, Report No.* 0-MCC-25-008-C, August 19, 2025

- Assessment of the Inter-American Foundation's Charge Card Program Showed Low Risk for Fiscal Year 2024, Report No. 0-IAF-25-001-S, July 16, 2025

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. OIG reviews NFA reports for compliance with government auditing reporting standards and transmits the reports and recommendations to USAID.[2] We issued the following snapshot summarizing NFA activities during this reporting period:

- Latin America and the Caribbean Regional Office, January–June 2025 Report No. 1-000-25-002-A, September 26, 2025.

USAID faced difficulty managing these challenges while distributing and overseeing humanitarian assistance. As the administration determines the future of foreign assistance, we offered lessons from our oversight of humanitarian assistance programs to learn from past experiences and enhance future responses.

Management Advisory: Information Security: Weaknesses in USAID's Management of Travel System Account Closures Highlight Concerns About Protecting Travelers and Sensitive Information

Report No. A-000-25-002-M
May 13, 2025

OIG issued a management advisory to USAID regarding concerns with the Agency's End-to-End Travel system (known as E2). Our evaluation found that USAID did not disable E2 accounts for 76 percent of users (137 of 178) within 24 hours following their separation from the Agency, as required. As a result, USAID faces the risk that unauthorized users will access sensitive travel plans, personally identifiable information, and credit card numbers of current or former employees.

This advisory made five recommendations to strengthen USAID's controls around its sensitive travel data. We consider Recommendations 1 and 2 open and resolved pending further actions; Recommendations 3 and 4 open and unresolved; and Recommendation 5 closed.

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[2] Learn more in the NFA Primer.

Management Advisory: Vulnerabilities at Two Overseas Missions Raise Serious Concerns About the Safety of Americans and Government Assets

Report No. A-000-25-001-A
May 8, 2025

OIG issued a management advisory to USAID regarding security concerns at two USAID missions—one of which is a high-threat mission. We visited the missions in February 2025 as part of an annual audit required under the Federal Information Security Modernization Act.. One mission is collocated with a U.S. embassy; the other mission is not. During the visits, we observed vulnerabilities to physical access security at both missions. For the mission collocated with a U.S. embassy, we identified concerns with entry into USAID's facility; at both missions, we identified concerns with access to restricted information technology (IT) areas. We acknowledge that USAID is in the process of winding down its operations overseas.

While we did not make recommendations, we urged USAID officials to verify that individuals are authorized to access all Agency facilities and sensitive IT areas abroad.

Other Mission-Critical Activities

OIG Presented 13 Fraud Awareness Briefings, Reaching 374 Participants Across the World

April 1, 2025–September 30, 2025

Number of Participants

- 1-40
- 41-80
- 81-125
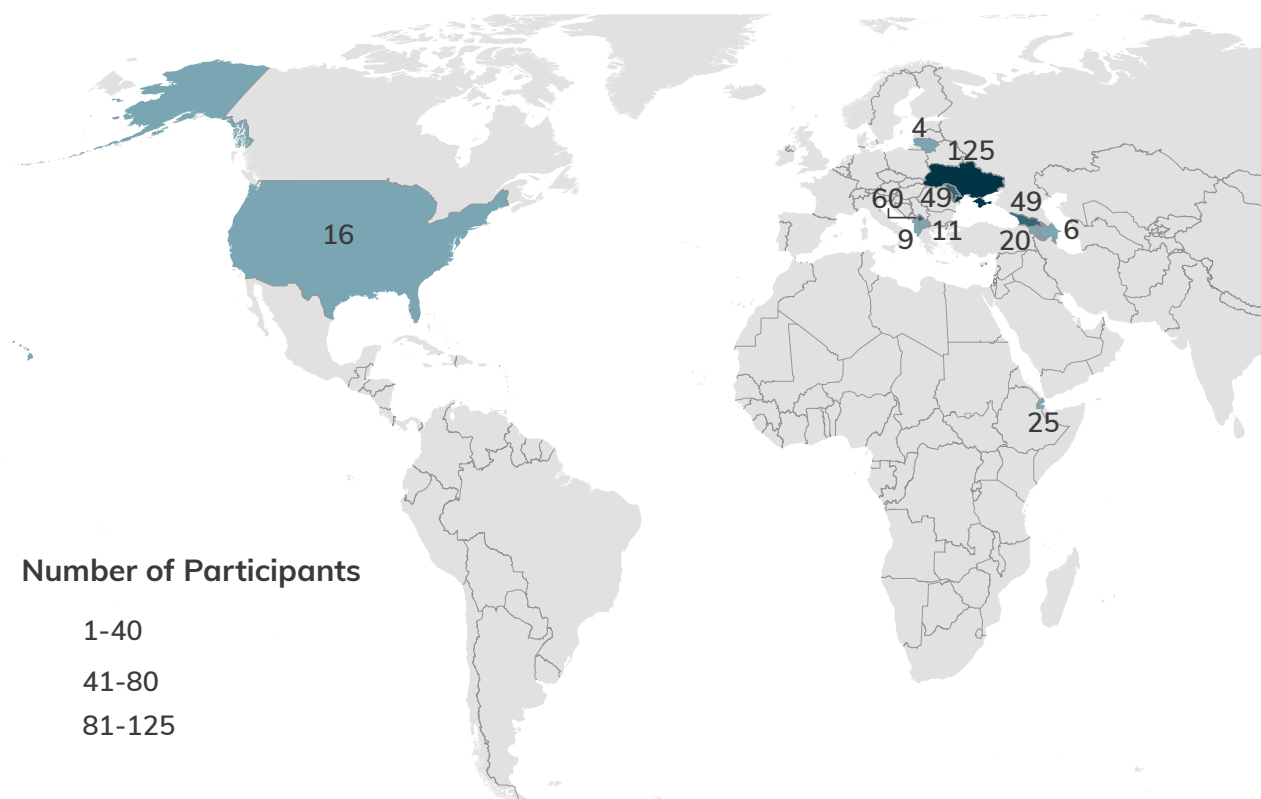
Attendee Count by Count

Country	#	Country	#
Armenia	20	Moldova	49
Albania	9	North Macedonia	11
Azerbaijan	6	Kosovo	60
Djibouti	25	United States	16
Lithuania	4	Ukraine*	125
Georgia	49		

*Note: OIG presented 3 briefings in Ukraine with a combined total of 125 attendees, resulting in 13 briefings overall.

Outreach and External Engagement

OIG has extensive relationships with global oversight counterparts within the UN and bilateral donors, international NGOs, and senior Federal officials. This office also conducts outreach and external engagements to 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.

Organizational products relating to these issues included:

OIG Letter on Ukraine Oversight Updates

Correspondence
July 31, 2025

This letter to the Senate Foreign Relations Committee provided an update on the completed, ongoing, and planned oversight of U.S. assistance to Ukraine. Topics included oversight of direct budget support provided through the World Bank and our Ukraine-related ongoing audits, evaluations, inspections, and investigations.

OIG's Appropriations Response on Identification of Key Questions, Policies, Procedures, and Statutes in USAID's Realignment to the State Department

Correspondence
May 13, 2025

In response to a bipartisan congressional inquiry, we identified key questions, policies, procedures, and statutes implicated by the Department of State's March 28, 2025, notification to Congress expressing the intent to realign certain USAID functions internally by July 1, 2025, and discontinue the remaining Agency functions.

OIG's Additional Observations on Challenges to Oversight and Accountability Over Foreign Assistance as a Whole

Memorandum
May 13, 2025

This memorandum identified several key issues and provided potential solutions for improving accountability over U.S. foreign assistance. Issues focused on: (1) resistance from UN agencies and foreign-based NGOs to sharing information about potential misconduct with OIG, (2) challenges with monitoring aid in nonpermissive environments, (3) limitations in vetting of aid organizations for ties to designated terrorist organizations and known corrupt actors, and (4) improving transparency in funding to subrecipients.

Congressional Engagements

We provided congressional briefings on the following topics:

- **Gaza Oversight.** We discussed our ongoing work, including credible allegations of Hamas interference, diversion, and theft of humanitarian aid in Gaza and smuggling contraband into Gaza through humanitarian aid shipments.

- **UN Accountability.** Drawing on our unique expertise, we provided multiple briefings on UN accountability and oversight mechanisms and provided technical assistance to support the development of associated legislation.

- **Inspections of Bureau for Humanitarian Assistance (BHA) Warehouses.** We provided updates on our ongoing inspections of BHA pre-positioning warehouses in Djibouti, Djibouti; Durban, South Africa; and Houston, Texas.

- **Audits of the Disposition of Assets for Terminated USAID Awards.** In response to congressional interest, we provided updates on our ongoing audits of the status of certain USAID-funded physical assets.

- **Transition of USAID Programming to the Department of State.** We discussed the challenges associated with the transition and the future of foreign assistance oversight.

- **OIG FY 2026 Oversight Plan.** We presented our oversight plan and explained how we are adapting our oversight to the shifting foreign assistance landscape.

- **Active and Ongoing Investigations.** We provided a number of briefings on our active and ongoing investigations.

- **Oversight of USAID Programming in Kenya.** We reviewed OIG's oversight of programming in Kenya and the surrounding region, including our engagement with Operation African Star and our recent investigation into the Kenya Medical Supplies Authority (KEMSA).

- **Top Oversight Destinations.** Based on our on-the-ground expertise, we provided a briefing on the top destinations of interest from an oversight perspective.

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

- **World Food Programme (WFP).** We communicated with WFP regarding implementation of humanitarian aid in Gaza, specifically, the amount of aid distributed and the distribution challenges.

- **United Nations Children's Fund (UNICEF).** During the reporting period, we held multiple meetings with the UNICEF Office of Internal Audit and Investigations. UNICEF provided information on its restructuring plans based upon the reduction in donor funding and insight on providing humanitarian assistance in Gaza. We also discussed the sharing of more detailed information with our hotline so that OIG can make informed investigative decisions.

- **UN Office of Internal Oversight Services (OIOS).** We engaged with OIOS to obtain an unredacted report on an OIOS-conducted investigation into allegations that UN Relief and Works Agency staff were associated with Hamas and the October 7 terrorist attacks in Israel. The positive and informative conversations focused on information sharing in light of UN General Assembly resolution A/RES/59/272, and we eventually received the unredacted OIOS report.

- **UN Office for the Coordination of Humanitarian Affairs (OCHA).** While OCHA shared information with donors regarding suspected fraud, our Office of Investigations was unable to obtain additional details about the matter. As a result, OIG contacted OIOS.

- **Joint Inspection Unit of the United Nations System** asked OIG to comment on a draft of a report titled "Donor-led assessments of UN system organizations and other oversight-related requests from donors in the context of funding agreements and the UN Single Audit Principle." OIG coordinated with the U.S. Mission to the United Nations (USUN) to ensure the United States provided feedback on the document.

- **United Nations International Organization for Migration (IOM).** OIG engaged with IOM regarding the termination process for Gaza-related awards and the communications IOM received from USAID as part of that process.

- **United Kingdom Foreign Commonwealth and Development Office (FCDO).** OIG continues to engage with FCDO on areas of mutual interest, such as challenges around obtaining information from implementers, and to share information on the impact of organizational changes.

- **World Bank.** OIG attended the World Bank's Global Forum on Coalitions for Reforms where development experts discussed the challenges facing the international development space. Attendees included government, industry, and education representatives.

- **Nongovernmental Organizations.** We briefed NGO humanitarian assistance forums on their ongoing obligation to report fraud, corruption, and abuse, in accordance with their award agreements.

- **U.S. Mission to the United Nations.** We engaged with USUN for assistance obtaining two UN reports and to ensure effective oversight of U.S. government funding distributed through the UN.

Peer Reviews

Peer Reviews Conducted of OIG as of September 30, 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 USAID 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.

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 September 30, 2025

We conducted a peer review of the Inspections and Evaluations function at the Architect of the Capitol OIG for the period ending March 31, 2025. We had no recommendations, and the Architect of the Capitol OIG received an External Peer Review rating of "pass."

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 September 30, 2025, OIG was conducting full investigations into 20 whistleblower complaints around the world. During the reporting period of April 1, 2025 through September 30, 2025, OIG received and reviewed 44 new complaints, 18 of which warranted preliminary 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.

- 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@oig.usaid.gov.

Inspector General Act
Reporting Requirements

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 April 1, 2025, through September 30, 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 September 30, 2025

D. NFA Reports and Recommendations Issued Before Reporting Period Without Final Action (Including the Potential Costs Savings), as of September 30, 2025

E. AIEA Reports and Recommendations Issued Before Reporting Period (With Management Decision During Reporting Period), as of September 30, 2025

F. NFA Reports and Recommendations Issued Before Reporting Period (With Management Decision During Reporting Period), as of September 30, 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	Appendixes C and D
§5(a)(3)	Significant investigations closed	USAID: pp. 6–11 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	Appendixes A and B
§5(a)(6)	Management decisions made during the period on previously issued audits	Appendixes 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. 42
§5(a)(9)	Peer review recommendations	p. 42
§5(a) (10)	Peer reviews conducted by USAID OIG	p. 42
§5(a)(11)	Statistical table of investigative reports and referrals	pp. 14–16

Section	Action	Page in Report
§5(a) (12)	Audit and investigative reporting metrics	pp. 46–47
§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. 33–35

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 14–16, we present information on our investigative work and results for the reporting period. Metrics used in the tables are defined below:

- Fraud loss prevention refers to Federal funds that were obligated and because of an OIG investigation were set aside or deobligated and made available for other uses. This includes instances in which the awarding agency made substantial changes to the implementation of a project based on an OIG referral, whether the funds were awarded to a subsequent entity, or restructured another way.

- The number of investigative reports issued includes all final reports of investigation, any interim reports referred for possible action, and any fraud alert or advisory issued because of investigative findings.

- The number of persons referred to DOJ includes all criminal and civil referrals to DOJ for a prosecutorial decision whether they were ultimately accepted or declined with the caveat that if an investigation was referred to more than one DOJ office for a prosecutorial decision, the referral to DOJ was only counted once. The number reported represents referrals for both individuals and legal entities.

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Page 23: The PCVE audit team meeting with police officials.
Source: OIG

Page 24: The PEPFAR audit team interviewing a social worker during their site visit to Ukraine.
Source: OIG

Page 30: Signage at the Puerto Princesa International Airport in the Philippines highlighting the U.S. government's efforts to disrupt the illegal supply chain and trade of local wildlife.
Source: OIG

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