

# OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

## West Bank and Gaza: Selective Partner Vetting, Policy Exemptions, and Information Shortfalls Could Increase the Risk of Diverting Humanitarian Assistance Funding to Entities Associated With Terrorism

Audit Report 8-294-26-003-P  
May 14, 2026

Audit



Office of Audits, Inspections, and Evaluations



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

**DATE:** May 14, 2026

**TO:** Eric Ueland  
Performing the Duties of Administrator and Chief Operating Officer  
U.S. Agency for International Development

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

**SUBJECT:** West Bank and Gaza: Selective Partner Vetting, Policy Exemptions, and Information Shortfalls Could Increase the Risk of Diverting Humanitarian Assistance Funding to Entities Associated With Terrorism

This memorandum transmits our final audit report. Our audit objective was to determine the extent to which USAID's partner vetting for selected humanitarian assistance activities in West Bank and Gaza provided assurance that related funding did not support entities associated with terrorism.

USAID did not provide a response to or comments on the draft report. Should we receive written comments from the Agency on this report at a later date, we will update and reissue the report to reflect the comments and technical changes as applicable.

The report contains our audit findings and three considerations for improving partner vetting for future foreign assistance in West Bank and Gaza.

We appreciate the assistance you and your staff provided to us during this audit.

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## Report in Brief

### Why We Did This Audit

On October 7, 2023, Hamas—a U.S.-designated foreign terrorist organization—launched a massive terrorist attack on Israel that triggered the latest armed conflict in Gaza and resulted in widespread destruction and a humanitarian crisis. Between January 2023 and October 2024, the period under review, USAID had 18 active humanitarian assistance awards, valued at \$650 million, in West Bank and Gaza to address urgent needs like food security, healthcare, and lack of shelter.

To mitigate the risk of the diversion of humanitarian assistance to U.S.-designated terrorists in addressing the crisis in West Bank and Gaza, USAID used partner vetting, which involved checking the names and other identifying information of its implementers and beneficiaries against public and nonpublic databases for any associations with terrorism. We have previously reported concerns about USAID's ability to deliver humanitarian assistance in conflicts involving designated terrorist organizations. For example, in July 2024, we issued an advisory notice highlighting challenges in USAID's oversight mechanism to prevent humanitarian assistance from being diverted by Hamas and other U.S.-designated terrorist organizations.

We conducted this audit to determine the extent to which USAID's partner vetting for selected humanitarian assistance awards in West Bank and Gaza provided assurance that related funding did not support entities associated with terrorism.

### What We Recommend

We suggest that the administration consider reviewing exemptions to partner vetting policies and enhancing procedures and other internal controls for vetting partners that receive humanitarian assistance in West Bank and Gaza.

### What We Found

**USAID selectively vetted organizations and individuals in West Bank and Gaza for humanitarian assistance awards, deeming the majority of them eligible.** The individuals included principal officers, deputy officers, program managers, chiefs of party, and other people with significant responsibilities for the administration of USAID-funded activities or resources. We reviewed USAID's vetting records from January 2023 to October 2024 for four selected awards and found that the Agency deemed 622 of 627 entities eligible for assistance. Five were ineligible, but the Agency did not disclose the reasons for ineligibility.

**USAID's policy exempted United Nations (UN) staff and other groups receiving assistance from the vetting process.** Although USAID/West Bank and Gaza's Mission Order 21 provided specific partner-vetting requirements and detailed guidance, it also exempted certain entities. For example, UN staff and ultimate beneficiaries receiving less than a \$1,000 worth of humanitarian assistance were not subject to vetting, according to the order. It also exempted any non-U.S. contractor or subcontractor that received less than \$25,000 in total USAID funding in a 12-month period. The last update of the vetting exemptions was in 2007, nearly 20 years ago.

**USAID's partner vetting relied on implementer self-reporting and had information shortfalls.** Such weak internal controls limited oversight and data quality in USAID's partner vetting program. For example, USAID did not independently verify the vetting information it received from implementers' self-reporting, and Agency vetting records included duplicate entries and multiple variations of the same name across entries. Assessing whether vetting policies are appropriate and addressing information shortfalls would enhance the U.S. government's ability to ensure humanitarian assistance is not diverted to designated terrorists.

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## Introduction

On October 7, 2023, Hamas—a U.S.-designated foreign terrorist organization—launched a massive terrorist attack on Israel, killing approximately 1,200 people, including 46 U.S. citizens, and abducting hundreds of hostages.<sup>1</sup> This triggered the latest armed conflict in Gaza, resulting in widespread destruction and a humanitarian crisis. To address this crisis, the United States, through the U.S. Agency for International Development’s (USAID) Bureau of Humanitarian Assistance (BHA), provided hygiene kits, shelter, healthcare services, and life-saving food assistance to people in Gaza and the West Bank, though U.S. humanitarian assistance there goes back decades. Between January 2023 and October 2024, USAID had 18 active humanitarian assistance awards valued at \$650 million in West Bank and Gaza to address the urgent needs, like food security, healthcare, and lack of shelter, of those in crisis.

Federal law prohibits individuals or entities from providing material support or resources to individuals or groups associated with terrorism and requires agencies, such as USAID, to take steps to ensure that U.S. funding does not reach designated terrorists.<sup>2</sup> Various executive orders also prohibit any U.S. person from transacting with organizations and individuals found to have committed acts of violence in the Middle East.<sup>3</sup> To ensure that designated terrorists do not receive the humanitarian assistance provided to address the crisis in West Bank and Gaza, USAID employed partner vetting: a process that involves checking names and other identifying information of its implementers and beneficiaries against public and nonpublic databases to determine whether those names have associations with terrorism. Partner vetting was intended to help USAID manage risks associated with delivering lifesaving aid in a timely manner, while providing assurance that such aid did not support entities associated with terrorism.

In November 2023, we identified humanitarian assistance to West Bank and Gaza as high risk for potential diversion and misuse.<sup>4</sup> In addition, in July 2024, we issued an advisory notice highlighting shortcomings and vulnerabilities in USAID’s oversight mechanisms to prevent humanitarian assistance from being diverted by Hamas and other U.S.-designated terrorist organizations.<sup>5</sup> In the notice, we identified concerns with risks associated with the lack of partner vetting for United Nations (UN) personnel working in Gaza. Further, on April 14, 2025,

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<sup>1</sup> Congressional Research Service, *Israel and Hamas Conflict in Brief: Overview, U.S. Policy, and Operations for Congress*, updated October 2024.

<sup>2</sup> Sections 2339A and 2339B of Title 18 of the U.S. Code prohibit the provision of material support or resources for terrorist acts or to designated foreign terrorist organizations. See also Section 7039(b) of the Consolidated Appropriations Act, 2017, Pub. L. No. 115-31, which requires the Secretary of State to establish vetting procedures and terminate any assistance to any individual, entity, or educational institution involved in or advocating terrorist activity.

<sup>3</sup> Executive Order 13224 (signed 2001), “Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism,” bans any U.S. person from transacting or dealing with individuals and groups that are designated as committing or posing as a significant risk of committing terrorism. A U.S. person is defined in the executive order as an individual or entity such as partnerships, corporations, or other organizations. Related Executive Order 12947 (signed 1995) and Executive Order 13099 (signed 1998) are both titled “Prohibiting Transactions With Terrorists Who Threaten To Disrupt the Middle East Peace Process.”

<sup>4</sup> USAID OIG, [Responsibility to Identify and Report Potential Diversion of U.S. Humanitarian Aid to Hamas and Other Foreign Terrorist Organizations](#), November 2023.

<sup>5</sup> USAID OIG, [Assessment of USAID’s Oversight Policies to Prevent the Diversion of Assistance to Hamas and Other Terrorist Organizations](#), July 2024.

we issued an investigative summary describing Gaza as “high risk for potential diversion and misuse of U.S. funded assistance.” We also independently found evidence connecting several current or former employees of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to the October 7, 2023, terror attacks and affiliating 14 other current or former UNRWA employees with Hamas.<sup>6</sup> While USAID did not provide direct funding to UNRWA, much of the aid it provided through its assistance awards in Gaza was distributed and delivered using UNRWA’s infrastructure, according to USAID personnel. OIG conducts investigations designed to prevent the circulation of terrorists throughout the aid sector in Gaza.<sup>7</sup>

Given our ongoing concerns about the delivery of humanitarian assistance in West Bank and Gaza, we conducted this audit to determine the extent to which USAID’s partner vetting for selected humanitarian assistance awards in West Bank and Gaza provided assurance that related funding did not support entities associated with terrorism.

To address our objective, we reviewed Federal laws, regulations, and executive orders with prohibitions on providing U.S. funding to designated terrorists and requirements for agencies to conduct partner vetting. We analyzed USAID/West Bank and Gaza’s Mission Order 21 and USAID’s Automated Directives System (ADS) Chapter 319, “Partner Vetting,” to understand USAID-specific requirements for vetting entities that provide Agency-funded humanitarian assistance. As part of this audit, we judgmentally selected 4 of 18 humanitarian assistance awards in West Bank and Gaza that were active between January 2023 to October 2024 to assess USAID’s implementation and documentation of vetting policies and procedures against vetting requirements and Federal internal control standards.<sup>8</sup> We selected our sample based on the type of entity disbursing U.S. funds, award amount, and security constraints. Our sample comprised \$478 million of \$650 million, or 74 percent of the total value of all humanitarian assistance awards in West Bank and Gaza as of November 2024.

We also reviewed the Agency’s vetting records from January 2023 to October 2024 for the four selected awards. To better understand vetting data and procedures, we interviewed USAID officials responsible for partner vetting as well as representatives from the implementers of the four awards we selected for review. We conducted site visits to Washington, DC; Vienna, Virginia; Amman, Jordan; and Jerusalem, Israel, in December 2024 to develop an understanding of the partner vetting process. We could not perform certain steps, such as observing partner vetting procedures and fully evaluating a key vetting system, due to a lack of access to Agency and implementer staff and documentation during a substantial portion of our audit. We conducted our work in accordance with generally accepted government auditing standards. Appendix A provides more detail on our scope and methodology, and Appendix B provides more detail on the awards we selected for review.

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<sup>6</sup> USAID OIG, [Investigative Summary: USAID OIG’s Investigative Work to Prevent UNRWA Staff Associated With Hamas From Circulating to Other U.S. Government-Funded Aid Organizations](#), April 2025.

<sup>7</sup> USAID OIG, [USAID Inspector General Launches Operation Stop the Carousel: Preventing the Circulation of Hamas and Other Terrorists Across Aid Organizations in Gaza](#), November 2025.

<sup>8</sup> U.S. Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014.

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## Background

### Humanitarian Assistance in West Bank and Gaza

Following the onset of the armed conflict and humanitarian crisis caused by the October 2023 Hamas terrorist attack on Israel, BHA led USAID's international disaster assistance response and managed humanitarian assistance awards in West Bank and Gaza.<sup>9</sup> USAID reported that the ongoing conflict in Gaza had damaged infrastructure and led to a significant number of deaths, 1.9 million internally displaced persons, and 2.1 million people projected to face acute food insecurity.<sup>10</sup>

BHA provided humanitarian assistance through UN partners such as the World Food Programme (WFP), International Organization for Migration (IOM), and other UN agencies as well as nongovernmental organizations (NGOs). These organizations, in turn, entered into agreements with local vendors, such as shops and suppliers of vouchers, shelters, and hygiene items.<sup>11</sup> The assistance provided included emergency food shipments, shelter supplies, hygiene kits, and logistical support for assistance delivery.

### Partner Vetting in West Bank and Gaza

Federal regulations granted USAID discretion to subject certain awards to vetting in the interest of national security.<sup>12</sup> For example, foreign assistance appropriations laws regularly state that no funds appropriated for West Bank and Gaza may be made available for assistance unless all reasonable steps have been taken to ensure that such assistance is not provided to or through any individuals or entities that the Secretary of State knows, or has reason to believe, advocate, plan, sponsor, engage in, or have engaged in terrorist activity.<sup>13</sup> ADS Chapter 319, which contained the Agency's policies and procedures for partner vetting,<sup>14</sup> stated that USAID undertook partner vetting as a risk mitigation measure that "takes a targeted, risk-based approach and involves the use of public and nonpublic information to determine a contractor's or recipient's eligibility for an award." USAID conducted partner vetting in West Bank and Gaza and six other locations.<sup>15</sup>

To help ensure adherence to vetting regulations, in 2007, USAID/West Bank and Gaza issued Mission Order 21, which outlined vetting policies and procedures specific to West Bank and

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<sup>9</sup> In contrast to USAID/BHA's activities in West Bank and Gaza, the USAID/West Bank and Gaza mission located in Israel managed foreign assistance activities funded by the Economic Support Fund. Congress authorized the fund to provide economic support to countries facing special economic, political, or security conditions that may not be justified under other assistance programs. USAID implemented most Economic Support Fund programs.

<sup>10</sup> USAID, "Fact Sheet #6: Levant – Complex Emergency," September 2024.

<sup>11</sup> For this report, "local" refers collectively to vendors in Israel, including West Bank and Gaza.

<sup>12</sup> 2 Code of Federal Regulations, Part 701.

<sup>13</sup> Further Consolidated Appropriations Act, 2024, Pub. L. No. 118-47, Div. F, § 7039(b), March 23, 2024. This prohibition is specific to assistance provided under the Economic Support Fund and not the International Disaster Assistance account, which supports humanitarian assistance.

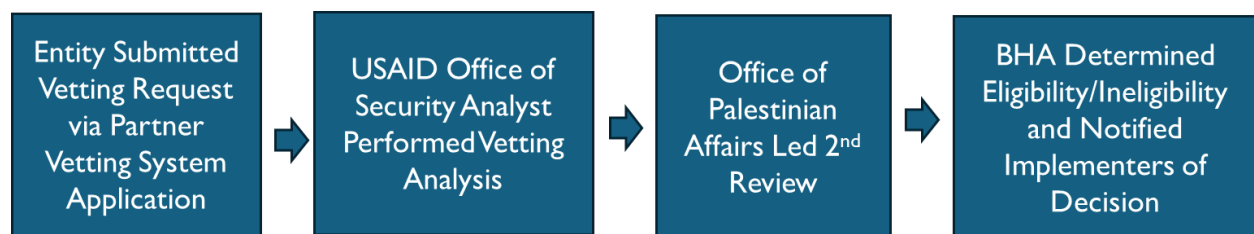
<sup>14</sup> ADS 319, "Partner Vetting," January 2025.

<sup>15</sup> USAID conducted partner vetting in the following countries: Afghanistan, Iraq, Lebanon, Pakistan, Syria, Yemen, as well as West Bank and Gaza. USAID had the discretion to add more countries to this list.

Gaza.<sup>16</sup> In general, non-U.S. individuals and organizations seeking or receiving USAID assistance had to be vetted if certain thresholds were met. To initiate the vetting process, an entity submitted a Partner Information Form containing details on the organization and its “key individuals” to BHA’s Vetting Support Unit directly or through the Partner Vetting System application.<sup>17</sup> After BHA’s Vetting Support Unit processed the form, it forwarded the information to USAID’s Office of Security vetting analysts at the Federal Bureau of Investigation’s Terrorist Screening Center.<sup>18</sup> The vetting analysts used public and nonpublic databases to identify any derogatory information that could disqualify the entity from receiving USAID assistance or awards. They forwarded the result of the analysis to BHA’s Vetting Support Unit as a recommendation of eligibility or ineligibility.

If the vetting analysts found derogatory information, BHA’s Vetting Support Unit convened a working group to discuss the findings and determine eligibility. If they found no derogatory information and the subject award was a grant, cooperative agreement, or in-kind donation, BHA’s Vetting Support Unit sent a request to the Department of State’s Office of Palestinian Affairs for a second review.<sup>19</sup> The Office of Palestinian Affairs forwarded the results of this second review to BHA, which provided the eligibility determination to the implementer. Entities deemed eligible qualified to be recipients of USAID awards or subawards. Figure 1 summarizes the partner vetting process.

**Figure 1. USAID Partner Vetting Process for Awards in West Bank and Gaza**



Source: OIG analysis of USAID’s ADS 319, USAID/West Bank and Gaza’s Mission Order 21, and a BHA presentation on the Partner Vetting System.

Under Mission Order 21, entities subject to vetting procedures included non-U.S. contractors and subcontractors, both organizations and individuals, and recipients of assistance instruments,

<sup>16</sup> The purpose of Mission Order 21 was to ensure that the mission’s assistance program did not inadvertently provide support to entities or individuals associated with terrorism. It was issued on October 3, 2007. Although the mission order only specified assistance provided by USAID/West Bank and Gaza (e.g., Economic Support Fund), BHA officials said that it complied with the mission order.

<sup>17</sup> In Mission Order 21, “key individuals” referred to principal officers, deputy officers, program managers or chiefs of party, and any other person with significant responsibilities for administration of USAID-financed activities or resources. USAID bureaus and independent offices used a password-protected, web-based application to transfer information confidentially on key individuals to the USAID Security Office for vetting. For this process, an “entity” referred to an individual or organization submitted for vetting regardless of whether they received USAID funds or awards.

<sup>18</sup> In March 2025, the Federal Bureau of Investigation’s Terrorist Screening Center was renamed the Threat Screening Center to reflect an expanded mission.

<sup>19</sup> Mission Order 21 specified that the U.S. Consulate General in Jerusalem would conduct the second review, but it merged with the U.S. Embassy in Jerusalem in 2019. During our audit, the Office of Palestinian Affairs led the second review, but it closed in May 2025.

such as grants and subgrants. According to ADS 319, a determination of ineligibility for a given award or subaward did not preclude an entity from seeking future awards or subawards from USAID.

To monitor the status of vetting requests, analysts in BHA’s Vetting Support Unit manually entered entity information into a consolidated tracking sheet, which contained the name of the entity, the corresponding USAID award number, the dates when the vetting request was submitted and completed, and the final eligibility determination. Some implementers used their own tracking sheets to monitor vetting activities for their prospective subawards. Some implementers also submitted to BHA monthly Sub-Award Reports that tracked vetting activities.<sup>20</sup>

On January 24, 2025, the Secretary of State ordered a pause and review of all U.S. foreign assistance.<sup>21</sup> As part of this review, one of the awards in our sample was terminated in February 2025 and another in March 2025. In addition, in February 2025, many USAID staff were put on administrative leave, including staff in BHA’s Vetting Support Unit. On March 28, 2025, the Department of State formally notified Congress that it would assume USAID’s remaining responsibilities and functions by July 1, 2025. Accordingly, the Department assumed responsibility for ongoing foreign assistance awards and activities, including partner vetting.

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## **USAID Selectively Vetted Humanitarian Assistance Entities in West Bank and Gaza, but Policy Exemptions and Information Shortfalls Limited Assurance That Funding Did Not Support Entities Associated With Terrorism**

USAID’s selective vetting of entities implementing the selected humanitarian assistance awards in West Bank and Gaza identified some instances of ineligibility, but most entities were cleared as eligible. However, USAID’s policy exempted certain individuals or organizations from being vetted. Furthermore, gaps in the Agency’s internal controls—including a lack of independent verification, poor data quality, and issues with automated reporting—hindered oversight of partner vetting.

### **USAID Selectively Vetted Organizations and Individuals, Deeming the Majority of Them Eligible**

We reviewed USAID’s vetting records from January 2023 to October 2024 for the four selected awards and found that the Agency generally deemed entities eligible to receive its assistance, while a small number of entities were deemed ineligible. USAID selectively vetted

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<sup>20</sup> According to BHA, the Sub-Award Report identified all first-tier subawards executed during the prior month by a USAID implementer, which included formal contracts, informal contracts above \$500, cash grants, in-kind assistance, cost amendments, and time extensions.

<sup>21</sup> The Secretary of State issued this order consistent with the President’s executive order, “Reevaluating and Realigning United States Foreign Aid,” signed January 20, 2025.

organizations and individuals, such as principal officers, deputy officers, program managers, chiefs of party, and other persons with significant responsibilities for administering USAID-funded activities or resources. Specifically, BHA worked with entity organizations to select non-exempt individuals among their staff for vetting. They determined that 622 of 627 entities were eligible for assistance, and 5 were ineligible, but the eligibility notices did not disclose the reasons for their ineligibility. BHA notified the affected implementer that these five entities were not eligible for funding and encouraged it to identify other candidates. Table I shows the number of entities USAID determined eligible and ineligible for implementers of the four selected awards.

**Table I. USAID’s Vetting Results for Implementers of Selected Humanitarian Assistance Awards in West Bank and Gaza, January 2023 to October 2024**

Partner Vetting Results	World Food Programme	International Organization for Migration	NGO 1	NGO 2	Total
Eligible for Assistance	424	25	123	50	622
Ineligible for Assistance	5	0	0	0	5
<b>Total</b>	<b>429</b>	<b>25</b>	<b>123</b>	<b>50</b>	<b>627</b>

Source: OIG analysis of USAID and implementer vetting records.

## USAID’s Policy Exempted United Nations Staff and Other Groups Receiving Assistance From the Vetting Process

USAID/West Bank and Gaza’s Mission Order 21 provided specific vetting requirements and detailed guidance on vetting procedures. The order also exempted certain entities from being vetted. Specifically, the order exempted staff from public international organizations (PIO), such as UN agencies, and beneficiaries, contractors, and subcontractors receiving humanitarian assistance below specific thresholds.<sup>22</sup> It also exempted vendors of certain goods and services used during ordinary business and third-tier recipients that may receive an award from a subcontractor. Table 2 lists the exemptions in Mission Order 21.

**Table 2. Vetting Exemptions in USAID/West Bank and Gaza’s Mission Order 21**

Exemption Category	Description
UN Agencies	UN agencies were not required to submit their staff for vetting.
Ultimate Beneficiaries	Ultimate beneficiaries of cash or in-kind assistance (e.g., food, water, medical care, shelter) were exempt from vetting if the total value of assistance per occasion did not exceed: <ol style="list-style-type: none"> <li>1. \$1,000 for individuals (other than loans).</li> <li>2. \$2,500 for organizations (other than loans).</li> <li>3. \$5,000 for micro-enterprise loans or assistance to a household.</li> </ol>

<sup>22</sup> PIOs are organizations composed of multiple sovereign countries and includes UN agencies.

Exemption Category	Description
Contractors or Subcontractors Receiving Less Than \$25,000	Vetting was not required for non-U.S. individuals or organizations proposed for an award of a contract or subcontract of less than \$25,000, including contracts awarded by USAID, subcontracts awarded by implementers, and contracts awarded by grantees and recipients of cooperative agreements. This threshold was cumulative for multiple awards to the same firm or individual within a 12-month period.
Vendors of Certain Goods and Services	Vendors of goods and services acquired by USAID contractors and grantees in the ordinary course of business for their own use (e.g., utilities, communications, office supplies, vehicles) were not required to be vetted.
Third-Tier Recipients	Third-tier recipients were not required to be vetted. For example, a non-U.S. prime contractor (first tier) may award a grant to a local NGO (second tier), which in turn awards a subgrant to another NGO (third tier). Only the first and second tier recipients were required to be vetted.

Source: OIG analysis of USAID/West Bank and Gaza’s Mission Order 21 and interviews with BHA partner vetting officials.

According to Mission Order 21, these exemptions from partner vetting were produced from an “evolutionary process” with consultation from various stakeholders. However, the order did not contain additional information about this process, such as the Agency’s procedure for identifying and assessing associated risks or balancing risks with its mission to deliver life-saving humanitarian assistance in a timely manner. USAID/West Bank and Gaza personnel told us that they did not know why the Agency set the vetting thresholds in Mission Order 21 at these levels. We could not obtain sufficient information about how USAID derived these vetting exemptions because the Agency placed its personnel involved with partner vetting on administrative leave starting in February 2025.

Federal laws require that assistance does not support entities or individuals associated with terrorism. Furthermore, Federal internal control standards call for management to design controls, vetting in this case, appropriately to achieve objectives. Moreover, management should review policies, procedures, and controls periodically for risks and effectiveness, and remediate identified control deficiencies in a timely fashion.<sup>23</sup>

We found that USAID had not updated the vetting thresholds in Mission Order 21 since USAID/West Bank and Gaza issued the order in 2007. USAID updated the order in 2017 when it added an addendum expanding the scope of vetting to non-U.S. field staff of U.S.-based organizations, addressing a known vetting gap. However, the Agency did not update the exemptions previously outlined. According to USAID personnel, amending the order would require approval from the Secretary of State and coordination with Congress.<sup>24</sup> As of December 2024, personnel in the Management Bureau’s Office of Management Policy, Budget

<sup>23</sup> GAO, *Standards for Internal Control in the Federal Government*, Principle 12.05 and 17.01.  
<sup>24</sup> “The Secretary of State and USAID Administrator may initiate a partner vetting program to mitigate the risk of diversion of foreign assistance or make significant modifications to any existing partner vetting program, only following consultation with the Committees on Appropriations,” according to the Consolidated Appropriations Act, 2017, Pub. L. No. 115-31, Div. J, § 7034(e).

and Performance, which was responsible for ADS 319, was unaware of any efforts to revise the order.

As a result, the partner vetting thresholds outlined in Mission Order 21 provided limited assurance that humanitarian assistance funding to West Bank and Gaza did not support entities associated with terrorism. Based on information from the four selected implementers, we determined that the following entities were exempt from partner vetting in accordance with the order:<sup>25</sup>

- UN staff: None of the estimated 200 locally-based UN staff from the 2 awards in our sample were subject to vetting.
- Ultimate beneficiaries: None of the beneficiaries from three of the four selected awards were vetted because they did not meet the order's vetting threshold.<sup>26</sup> Specifically, 774,000 beneficiaries from the first award, 242,000 from the second award, and 126,000 from the third award were not vetted.<sup>27</sup>
- NGO staff: More than 160 staff from the NGOs of the two awards we selected were not vetted because they were not identified as key individuals.
- Subcontractors receiving less than \$25,000: We estimated that BHA did not vet 106 subcontractors associated with the selected awards.

By not assessing whether its vetting policies and procedures meet needs and legal requirements, the U.S. government weakens its ability to detect potential terrorist affiliations among prospective implementers and beneficiaries. This increases the risk that U.S. funds or assistance may be diverted to entities associated with designated terrorist groups in West Bank and Gaza.

## **USAID's Partner Vetting Relied on Implementer Self-Reporting and Had Information Shortfalls**

We found weaknesses in internal controls for USAID's partner vetting in West Bank and Gaza, specifically the reliance of implementer self-reporting without independent verification and information shortfalls in data quality and automated reporting. For example, BHA did not independently verify that all required entities were vetted and relied on implementers to self-report that information. We found instances of poor data quality in BHA's vetting records, including duplicate entries and different variations of the same name across entries. We also observed issues with the Partner Vetting System's automated controls. As of August 2025, 30 of the 36 automated reporting features (83 percent) did not produce any reports, including reports on the total numbers of organizations, trainees, and beneficiaries vetted. We received errors when we tried to run these reports.

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<sup>25</sup> Because of USAID's operating status and the limited availability of staff from the Agency and the implementers, we could not validate the estimates reported by the implementers against source documentation. These estimates are presented for reference only.

<sup>26</sup> One of the prime implementers provided logistical support for other aid organizations and did not provide direct assistance to beneficiaries.

<sup>27</sup> We did not total the beneficiary estimates because they may not be mutually exclusive.

Given USAID’s operating status, we could not identify the reasons for these internal control weaknesses. Federal internal control standards state that management should have reasonable assurance that internal controls are functioning properly to support reliable reporting and compliance with laws and regulations.<sup>28</sup> The standards also state that management should obtain or generate relevant, quality information and use it to support the functioning of the internal control system.<sup>29</sup> Quality information is appropriate, current, complete, accurate, accessible, and provided on a timely basis.

BHA personnel acknowledged issues with vetting controls. According to bureau personnel, the Partner Vetting System is prone to human error due to translations and other unspecified factors. BHA vetting personnel pulled data from the Partner Vetting System manually into a separate BHA spreadsheet, which resulted in variances across USAID’s vetting records. According to Agency staff, USAID planned to update the system in 2025 because it recognized the automated reporting features were limited but discontinued this effort after many of the Agency’s responsibilities and functions transferred to the Department of State. USAID’s Office of the Chief Information Officer informed OIG in August 2025 that plans to transfer the Partner Vetting System to the Department were still being developed.

Strengthening controls would help ensure that the U.S. government vets entities receiving humanitarian assistance in West Bank and Gaza as required—boosting assurance that this assistance does not support entities associated with terrorism. Further, accurate, consistent, and reliable vetting information would better enable agencies to determine whether vetting is working as intended.

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## Conclusion

USAID’s partner vetting was intended to help the Agency manage tradeoffs associated with delivering lifesaving aid in a timely manner, while providing assurance that such aid did not support entities associated with terrorism. However, limiting this assurance were exemptions in the Agency’s vetting policy—including for UN agencies—and internal control weaknesses that created information shortfalls. Assessing whether the exemptions are appropriate and implementing robust vetting controls would give the U.S. government more assurance that its humanitarian assistance in West Bank and Gaza is not diverted to organizations or individuals associated with terrorism.

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## Considerations for Future Foreign Assistance

As the administration determines the future of foreign assistance, including humanitarian assistance to West Bank and Gaza, we suggest decision makers consider the following actions:

- I. Assess and update any exemptions in partner vetting policies—including those that do not require United Nations staff to be vetted—to strengthen assurances that U.S. humanitarian assistance does not support entities or individuals associated with terrorists.

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<sup>28</sup> GAO, *Standards for Internal Control in the Federal Government*, Overview 1.01

<sup>29</sup> GAO, *Standards for Internal Control in the Federal Government*, Principle 13.05.

2. Review and strengthen internal controls for partner vetting in West Bank and Gaza, such as independent verification and data quality.
3. Fix the Partner Vetting System's automated reporting features to function as intended.

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## **OIG Response to Agency Comments**

We provided our draft report to USAID on March 19, 2026. As of May 1, 2026, the Agency had not provided a response to or comments on the draft report. Should the Agency provide comments at a later date, we will update and reissue this report to incorporate those comments.

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## Appendix A. Scope and Methodology

We conducted our work in Washington, DC, and in Frankfurt, Germany from the Middle East and Eastern Europe Regional Office from November 2024 through March 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We conducted this audit to determine the extent to which USAID’s partner vetting for selected humanitarian assistance awards in West Bank and Gaza provided assurance that related funding did not support entities associated with terrorism.

The audit covered the period from January 2023 through October 2024. We selected this period to include BHA’s humanitarian assistance response in West Bank and Gaza both before and after the October 7, 2023, Hamas terrorist attack on Israel.

In planning and performing the audit, we gained an understanding of and assessed internal controls that were significant to the audit objective. Specifically, we designed and conducted procedures related to three of the five internal control components as defined by the U.S. Government Accountability Office:<sup>30</sup> Control Activities, Information and Communication, and Monitoring. Our work on these controls is explained in more detail below.

To determine whether USAID vetting provided assurance that humanitarian assistance was not supporting entities associated with terrorism, we assessed USAID’s vetting records for the selected humanitarian assistance awards and its vetting policies and procedures against legal vetting requirements and internal control standards. In general, we took the following steps:

- Reviewed USAID/West Bank and Gaza’s Mission Order 21 and ADS 319, “Partner Vetting,” to identify USAID’s vetting policies and procedures.
- Analyzed relevant Federal laws, regulations, and executive orders to identify legal vetting requirements and reviewed GAO’s Standards for Internal Control in the Federal Government to identify relevant internal control requirements.
- Incorporated identified vetting and internal control requirements into data collection instruments and assessed them against USAID’s vetting policies, procedures, and records (e.g., eligibility notices, Partner Vetting System data, and subaward reports) for selected humanitarian assistance awards.
- Based on the preceding assessment and corroborative interviews of USAID and implementer personnel, we determined the extent to which entities were vetted in accordance with requirements and identified any discrepancies between USAID vetting policies and procedures, vetting legal requirements, and internal control standards.

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<sup>30</sup> GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014.

To assess USAID's implementation and documentation of vetting procedures against vetting requirements and Federal internal control standards, we judgmentally selected 4 of 18 USAID humanitarian assistance awards in West Bank and Gaza that were active between January 2023 and October 2024. We selected these awards based on implementer type (i.e., PIO/UN agencies or NGOs), award amounts, and security constraints that made some organizations not physically accessible for site visits. Our sample comprised \$478 million of \$650 million, or 74 percent of the total value of all humanitarian assistance awards in West Bank and Gaza as of November 2024. While our results cannot be generalized to the population of humanitarian assistance awards in West Bank and Gaza, we determined that they provided valid, reliable evidence to support our audit findings and conclusions.

To determine whether all required entities were being vetted as required under USAID vetting policies and procedures, we obtained Sub-Award Reports from implementers of two of the four selected awards and a tracking sheet that BHA used to monitor its vetting activities. These tools contain data on the entities contracted by the implementers for the award, dollar amounts spent, and other information. We used the data to identify entities that met the \$25,000 vetting threshold and cross-referenced them to the vetting records stored in the Partner Vetting System application to determine if required vetting had occurred. However, due to USAID's operating status and our lack of access to the necessary personnel, we were unable to verify the data in these reports and tracking sheets. We also obtained a draft Sub-Award Report from the implementer of a third award in our sample. However, the draft report was incomplete, and we could not use it to determine whether all required vetting had occurred. The implementer of the fourth award did not provide a Sub-Award Report or equivalent information, citing security and legal concerns. As a result, USAID could not provide us with sufficient information to determine whether all required vetting had occurred.

To determine the number of entities USAID vetted and deemed eligible or ineligible, we used multiple sources of information, including computer-processed data, because BHA did not have a reliable centralized list of all vetted entities available for our selected awards. We created a list of vetted entities for each award implementer by analyzing eligibility notices we received from BHA and collected from USAID's electronic awards filing records stored in the Agency Secure Image and Storage Tracking system. USAID sent the notices to recipients after vetting was complete to inform them of their eligibility for Agency-funded assistance. We also analyzed BHA's and the implementers' spreadsheets tracking vetted entities, and available implementer Sub-Award Reports to identify additional vetted entities. In total, we identified 1,593 individual vetting records, 627 of which we determined were unique entries. Where appropriate, we cross-referenced recipient names from our list and the spreadsheets that BHA and the implementers provided us with vetting records in the Partner Vetting System application as a data quality check of entity names and eligibility status. From our list of vetted entities, we counted the number of unique names by implementer.

We documented data quality issues, such as duplications and different name spellings, in BHA's vetting documentation and assessed them against relevant Federal internal control standards. We also interviewed USAID personnel and implementer staff to determine the causes of data quality issues. We included the results of our assessment in the body of the report.

To ensure the reliability of the data presented in this report, we cross-referenced information from eligibility notices and tracking sheets to records in the Partner Vetting System and worked with BHA and the implementers to corroborate, correct, and clarify discrepancies in the data. Based on these steps, we determined that the partner vetting data was sufficiently reliable for the purpose of reporting the number of entities USAID deemed eligible or ineligible for humanitarian assistance within our audit scope. However, we determined that the partner vetting data was not reliable for reporting on whether all required entities had been vetted or whether USAID vetting was working as intended.

In December 2024, we conducted site visits in Washington, DC, to meet with staff from BHA and other USAID offices, as well as DC-based implementers, to better understand their vetting policies and management of the Partner Vetting System. We visited the Federal Bureau of Investigation's Terrorist Screening Center in Vienna, Virginia, to better understand the vetting process and roles. We also visited Amman, Jordan, and Jerusalem, Israel, to meet with implementers to learn more about their program activities and their implementation of vetting procedures, collect vetting records, and identify additional information sources from implementers.

In addition, we interviewed USAID vetting analysts in BHA's Partner Vetting Unit and at the Terrorist Screening Center, BHA personnel, and Office of Security personnel about vetting roles, data, process, and policy. To understand vetting policy and vetting practices in other USAID operating units, we interviewed personnel from USAID's Office of Management Policy, Budget and Performance in the Management Bureau; Middle East Bureau; and USAID/West Bank and Gaza. In addition, we interviewed representatives from implementers of the four selected awards and from two subawardees to obtain an understanding of how they addressed USAID's vetting requirements.

Due to USAID's operating status during a substantial portion of our audit, we did not have access to Agency personnel, including staff in BHA's Vetting Support Unit; employees from the implementers of the selected awards; or certain documentation. As a result, we were unable to observe vetting procedures, obtain documentation needed to fully evaluate the Partner Vetting System, or determine causes for issues we identified.

## Appendix B. Selected USAID Humanitarian Assistance Awards in West Bank and Gaza

We judgmentally selected 4 of 18 USAID humanitarian assistance awards in West Bank and Gaza that were active between January 2023 and October 2024 for our audit. UN agencies implemented two awards, and NGOs implemented the other two. The following table summarizes the implementer, description, status, and funding amounts of the awards as of October 2024.

**Table 3. Key Information on Selected USAID Awards in West Bank and Gaza**

Implementer	Award Activity Description	Start and End Dates	Funding Amount (as of October 2024)
<b>WFP</b>	Emergency food assistance and cash-based transfers in the form of electronic food vouchers to vulnerable Palestinians in West Bank and Gaza, and emergency logistics support	10/19/2023 to 9/30/2025	\$390,328,953
<b>IOM</b>	Technical capacity building for partners and humanitarian response in Gaza	3/20/2024 to 2/26/2025*	\$28,500,000
<b>NGO 1</b>	Rapid response of multipurpose cash; food assistance; shelter and settlements; water, sanitation, and hygiene (WASH); and protection support to conflict-affected communities in West Bank and Gaza	11/15/2023 to 7/13/2025	\$27,000,000
<b>NGO 2</b>	Multipurpose cash assistance, food assistance, WASH, shelter and settlements, and humanitarian coordination, information management, and assessments	4/1/2022 to 3/25/2025*	\$32,000,000
		<b>Total</b>	<b>\$477,828,953</b>

\* These awards were terminated as part of the foreign assistance review.  
Source: OIG analysis of BHA award documentation.



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