



Semiannual Report to Congress

October 1, 2025–March 31, 2026



**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 across multiple agencies through timely, relevant, and impactful oversight.

Report Fraud, Waste, and Abuse

Our statutorily mandated Hotline receives allegations of fraud, waste, and abuse affecting U.S. foreign assistance programming. The allegations may include but are not limited to fraud, corruption, diversion of aid to terrorist organizations, and sexual exploitation and abuse.

Report Fraud, Waste, and Abuse

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By the Numbers

October 1, 2025–March 31, 2026

Investigative Results



18 prosecutorial referrals
5 convictions
10 arrests



12 administrative actions, including
9 government-wide suspensions and debarments

Audit Results



\$25.9 billion in funds audited¹



59 recommendations to improve programs and operations²



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

¹ Funds audited included dollar amounts from reported total estimated costs or obligations within the scope of an 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 **64** audit reports totaling **\$868,166,333** in funds audited that included **\$95,272** in questioned costs and **12** recommendations.

Message From the Acting Deputy Inspector General



I am pleased to present the USAID Office of Inspector General (OIG) Semiannual Report to Congress for the first half of fiscal year 2026. Per the Inspector General Act, and the Consolidated Appropriations Act, 2026, OIG is committed to providing continued independent oversight of foreign assistance programming implemented across multiple Federal agencies. While OIG does not set policy or programs, our work is designed to inform those who do: Federal agencies and Congress.

In March, the House Foreign Affairs Committee invited OIG (and the Government Accountability Office) to testify in a [hearing](#) titled “Waste, Fraud, and Abuse in Foreign Assistance: Charting the Path Forward.” We were pleased to share our perspective and insights, based on decades of providing aggressive independent oversight and investigations of U.S. foreign assistance programs. As stressed in that hearing, central to ensuring accountability in overseas programs is having an uncompromising office of inspector general that employs the right people, in the right places to investigate and audit taxpayer-funded programs abroad. Oversight of foreign assistance cannot be done from an office in Washington, DC. It requires having personnel on the ground, who are close to the projects and familiar with the problems, players, and schemes that impact the delivery of critical U.S.-funded aid. To this end, our work is uniquely supported by expert Foreign Service personnel posted in Ukraine, Israel, El Salvador, South Africa, and Thailand, with additional posts on the horizon.

Our expert criminal investigators and auditors understand how aid is implemented in practice, and our longstanding contacts with aid organizations, recipient governments, and host-nation law enforcement allow us to track and quickly respond to fraud, corruption, and diversion of aid delivered in the world’s most challenging locations.

During this reporting period, OIG has continued to achieve unparalleled investigative results in our foreign assistance oversight, including: shutting down a transnational racketeering, money-laundering, and visa-fraud scheme in [Colombia](#); helping to secure a [life sentence](#) for a Maryland man convicted of raping two children in Burkina Faso; and the first ever U.S. government debarment of a United Nations (UN) official involved in the [Hamas terrorist attacks](#) in Israel on October 7, with several more to follow. We also continued our long-standing focus on accountability over U.S. funds spent through the UN and other international organizations, flagging shortcomings and vulnerabilities in the UN’s transparency, cooperation, and capacity to oversee these funds. Our work has led to multiple recommendations to the U.S. Mission to the UN’s Ambassador for Management and Reform as well as to Congress for legislative fixes to increase accountability over billions of dollars in UN voluntary contributions.

Further, during this reporting period our audits, inspections, and evaluations provided recommendations and considerations that will inform administration and congressional decision-making on U.S. foreign assistance programs going forward. These include the need to establish and adhere to comprehensive guidance on the use of third-party monitors and other oversight mechanisms, address open non-Federal audit recommendations that could result in the recovery of millions in potential improper payments to implementing organizations, and more effectively monitor pharmaceutical supply chains to ensure global health programming reaches its intended beneficiaries.

This Semiannual Report summarizes these and other activities conducted by our office between October 1, 2025, and March 31, 2026. As the United States foreign assistance architecture continues to evolve, Congress and the American people can rely on OIG to provide experienced, timely, and independent oversight, while holding perpetrators accountable for defrauding both American taxpayers and beneficiaries that our aid is intended to help. We appreciate Congress' ongoing support and interest in our oversight work, and we look forward to continuing to provide insights in the years ahead.

A handwritten signature in black ink that reads "Van Nguyen". The signature is fluid and cursive, with a long horizontal stroke at the end.

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 U.S. foreign assistance programs. We provide oversight of ongoing foreign assistance programming, as well as oversight of the operations and personnel of the U.S. Agency for International Development (USAID), [Millennium Challenge Corporation](#) (MCC), [Inter-American Foundation](#) (IAF), and [U.S. African Development Foundation](#) (USADF). In coordination with the Inspectors General for the Departments of Defense and State, our work also 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 Foreign 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

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

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.

2026 Oversight Jurisdiction for Foreign Assistance Programs

The Consolidated Appropriations Act, 2026 (Public Law 119-75) affirmed OIG's continued oversight jurisdiction for foreign assistance programs administered by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.).

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 result in adoption of changes in foreign assistance programs and operations. The impact of our work can be seen in cases referred to the U.S. Department of Justice (DOJ) for prosecution, which have led to the removal of individuals 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 in 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:

Ongoing Investigation Leads to Debarment of Former UNRWA Employee for Participation in the October 7 Terrorist Attacks in Israel

An [ongoing OIG investigation](#) has led to the 10-year, government-wide debarment of Hafez Mousa Mohammed Mousa, a former employee of the United Nations Relief and Works Agency for Palestinian Refugees (UNRWA), for participating in the October 7, 2023, terrorist attacks in Israel. As a result, Mousa is prohibited from participating in all U.S. contracting and grant activities. This is the first known debarment by the United States of a terrorist affiliated with a UN agency responsible for humanitarian assistance programming. OIG's investigation revealed evidence that Mousa is an operative of the Hamas East Jabaliya Battalion and coordinated communications with other suspected Hamas members during the October 7 attacks while serving as an UNRWA school principal.

Senior Official at U.S. African Development Foundation Agrees to Plead Guilty to Accepting Gratuities and Making False Statement

USADF's Director of Financial Management was charged by criminal information and has agreed to plead guilty to [accepting gratuities from a USADF contractor](#) and then lying to Federal law enforcement officers about those payments. OIG special agents conducted the investigation. According to court documents, Mathieu Zahui, 59, of Fairfax, VA, who referred to himself as the "CFO" of USADF, arranged to pay USADF vendors and contractors through Company-1, a Kenya-based entity. Company-1 was owned by a government contractor (CC1) who had known Zahui for over 20 years. Between June 2020 and December 2023, Zahui arranged for Company-1 to act as a pass-through for USADF's payments to certain vendors, rather than have USADF pay the vendors directly.

The Zahui-approved pass-through invoices included mark-ups ranging from 17 percent to 66 percent above the amounts owed to the vendors. Company-1 submitted more than 20 pass-through invoices to USADF, and Zahui approved payments of at least \$617,625.49 to Company-1, which retained \$134,886.34. Zahui accepted \$12,000 in cash payments directly from CC-1. Zahui and CC-1 did not disclose this conduct to the Bureau of the Fiscal Service, which oversaw and authorized USADF's payments to external parties. In 2024, Zahui told Federal law enforcement agents that he had never received any benefits from CC-1.

Zahui agreed to plead guilty to one count of accepting gratuities from CC-1 and one count of making a false statement to a Federal law enforcement officer. He is scheduled for sentencing on May 27. Additional investigations related to USADF are active and ongoing.

Former American Embassy Employee Sentenced for Rape of Minors in Burkina Faso

A Maryland man was sentenced to life in prison for forcibly sexually assaulting two minor girls in Burkina Faso in 2022 and 2023. After a 2-week trial in October 2025, a Federal jury in the District of Maryland convicted Fode Sitafa Mara, 41, of four counts of aggravated sexual abuse of a minor, as well as one count each of attempted coercion and enticement of a minor and attempted obstruction of justice. Mara, a U.S. citizen, was an employee at the U.S. Embassy in Ouagadougou, Burkina Faso, at the time of his offenses. Mara repeatedly raped the girls for approximately 1 year, beginning when the victims were 13 and 15 years old. He was also convicted for sending sexually enticing phone messages to one of the victims and for attempting to persuade his housekeeper to lie to U.S. investigators. OIG special agents investigated the case with the Diplomatic Security Service (DSS) Office of Special Investigations, DSS Regional Security Office at U.S. Embassy Ouagadougou, and Homeland Security Investigations. The Burkinabe authorities provided significant assistance.

Nineteen People Arrested in Four Countries Related to Visa Fraud, Racketeering, Money Laundering, and Related Charges

Nineteen individuals were arrested in the United States, Colombia, Ecuador, and El Salvador in connection with racketeering, money laundering, and visa fraud charges. Five of the arrestees were charged in a U.S. indictment for participation in a 4-year, transnational visa fraud, racketeering, and money-laundering scheme that defrauded thousands of Central and South American nationals seeking to work lawfully in the United States. The case



Left: Typical fake visa document sent electronically to victims by co-conspirators involved in the visa fraud scheme. Right: Three of the six principal defendants in Medellin following their arrest by Colombian police, along with seized evidence. Photo credit: OIG.

was investigated by OIG as well as the Department of State Diplomatic Security Service and Department of Homeland Security (DHS) Homeland Security Investigations. The defendants face a maximum penalty of 30 years' imprisonment and fines of \$1 million.

Victims were deceived into believing that they were participating in a legitimate visa-application process through Facebook pages and other websites. They were guided through an elaborate, fake process during which co-conspirators pretended to help with the application process and made false representations during calls and electronic communications about available jobs. Working out of illegal call centers in Colombia, the co-conspirators impersonated U.S. government officials in video calls and induced victims to make international wire transfers supposedly to pay required U.S. fees to intermediaries in at least 16 states. Victims were shown fake visa approvals and employment authorizations that included counterfeit replicas of U.S. department and agency seals.

No legitimate visas or services of any kind were rendered to victims. Law enforcement has interviewed approximately 700 victims to date, and there is evidence that over 7,000 additional victims were drawn into the fraud scheme. Reported losses range from approximately \$50 to \$90,000 per person. Since 2021, enterprise members have obtained approximately \$2.5 million from victims in up to 15 countries in relation to this scheme.

NGO Employee and Consultant Sentenced in Federal Court for Conspiracy to Commit Money Laundering and Other Charges

An OIG investigation, which uncovered a scheme to defraud a USAID-funded global public health nongovernmental organization (NGO), has led to the conviction and sentencing of two individuals. Abiodun Ogunwale, of Virginia, received a 42-month sentence, and Abimbola Ajayi, of Maryland, was sentenced to 12 months and 1 day. Both were convicted in May of conspiracy to commit wire and mail fraud and conspiracy to commit money laundering. Ogunwale was also found guilty of mail fraud. Following allegations of fraud and embezzlement, OIG investigated Ogunwale, a former employee of the NGO, and Ajayi, a consultant for the NGO. The investigation found that Ajayi submitted fraudulent invoices created by Ogunwale to make it appear that she performed work when she had not. Ogunwale then approved the fraudulent invoices and payments. Ajayi also submitted fraudulent receipts claiming business expenses for her consulting company, AbbiFabDynamics, LLC, and funneled money back to Ogunwale by a variety of means, including depositing cash into his account and paying his credit card bills.

OIG Investigation Found Evidence That 22 Employees of a PEPFAR/ USAID Awardee in Namibia Engaged in Fraud

OIG investigated an allegation of beneficiary fraud within a project funded by USAID and the President's Emergency Plan for AIDS Relief (PEPFAR). The investigation found that 22 local staff members of a Namibia-based awardee engaged in fraudulent activities that included creating ghost beneficiaries and diverting cash subsidies. OIG found no evidence indicating senior project officials were involved in the fraud scheme. The Department of Justice declined to pursue criminal charges. OIG referred the investigation to USAID, which cancelled the award, thus terminating the staff, in February 2025.

OIG Found Evidence That a Former USAID Staff Member Violated Information Technology Policy

An OIG investigation found that a USAID staff member improperly emailed an unencrypted sensitive but unclassified (SBU) document to a nongovernment email. The individual stated that they intended to send the emails to the recipient's government email address but inadvertently sent them to the recipient's nongovernment email address, which violated the Agency's information technology (IT) policy. OIG's investigation found that the staff member knew the transmission of these unencrypted documents outside of approved systems violated IT policy.

Ethiopia: Beneficiaries Solicited for Kickbacks During Humanitarian Registration

This fraud alert highlighted ongoing fraud schemes involving U.S.-funded humanitarian programs in central and northwestern Ethiopia. It covered extortion during program registration, removal of beneficiaries from distribution lists and replacement with ineligible individuals, and threats of removal following complaints.

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 Federal Bureau of Investigation (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** 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 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 Miami Digital Evidence Forensics Lab Task Force**, 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 (U.K.)-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 DHS, 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 20 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. Our office currently has 8 open investigations and thus far, our participation has directly led to the arrest of 12 subjects, resulting in prison time, 10 convictions, and nearly \$5 million recovered in court-ordered restitution and seizures.

Fraud Awareness Briefings

During this reporting period, OIG presented 2 fraud awareness briefings to 216 participants in Ukraine. We also continued to routinely engage with UN agencies and workers as well as nongovernmental organizations across the world on the need to make timely and transparent reports of misconduct to OIG's Hotline and to protect the rights of whistleblowers.

Overseas Contingency Operations

We reported quarterly on USAID-financed 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. In February 2026, we reported on Operation Atlantic Resolve (Ukraine), Operation Enduring Sentinel (Afghanistan), and Operation Inherent Resolve (Iraq and Syria). USAID reported that this was due to the Agency's reduced capacity resulting from staffing cuts and ongoing operational drawdown.

Audits, Inspections, Evaluations, and Agile Products

Our oversight is designed to improve the efficiency and effectiveness of U.S. foreign assistance programs and operations across ultimate agencies.

Generally, this oversight includes:

- Conducting performance audits, inspections, and evaluations of programs and management systems as well as issuing agile products and management advisories.³
- 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.⁴

During the reporting period, we completed 22 audits, inspections, evaluations, advisories, and agile products covering funds totaling \$25.9 billion.

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

³ 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).

⁴ 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.

Performance Audits

Direct Budget Support: Oversight Mechanisms Provided Limited Assurance That U.S. Trust Fund Contributions Supported the Government of Ukraine as Intended

Report No. [9-121-26-001-P](#)
March 3, 2026

Why We Did This Audit

Russia's full-scale invasion of Ukraine in February 2022 and the ongoing war have had devastating economic consequences for Ukraine, such as a sharp decline in economic growth, higher inflation, and the inability to fund essential government functions. In addition, demand has increased for social assistance among the citizens of Ukraine, especially from internally displaced persons (IDPs) who were forced to leave their homes due to the war. As of April 2025, approximately 3.8 million Ukrainians had been internally displaced since the onset of the war.

From FY 2022 to FY 2024, USAID obligated about \$30.7 billion in direct budget support to the government of Ukraine, most of which passed through the World Bank. Eighty-four percent of USAID's direct budget support went to the Public Expenditures for Administrative Capacity Endurance (PEACE) fund, a portion of which paid IDPs' living expenses. PEACE fund contributions reimburse the government of Ukraine for expenditures verified by the World Bank. USAID contracted with Deloitte and KPMG to provide additional oversight of its contributions and relied on the World Bank to manage the PEACE fund. We conducted this audit to assess (1) USAID's oversight of its contributions to the PEACE fund and (2) the extent to which USAID's contributions to the PEACE fund supported eligible IDPs. This audit was one of a series of OIG engagements that have examined USAID's direct budget support to the government of Ukraine.

What We Found

USAID did not receive some contractor deliverables on time or at all, weakening its oversight of PEACE fund contributions. This limited reasonable assurance that the government of Ukraine had the capacity to receive the PEACE funds and use them as intended before USAID released additional funds. Deloitte was required to provide monthly spot checks, gap analyses reports, and funding flowcharts to USAID but submitted nearly one-third of the deliverables to USAID late. USAID also contracted KPMG to audit direct budget support funds, but KPMG did not submit any of the six required audit reports on time or at all, even with extended due dates. On July 1, 2025, the Department of State assumed responsibility for USAID's remaining programming. It was still unclear when KPMG would submit the required reports.

USAID's contributions to the PEACE fund supported some eligible IDPs but also supported duplicate payments and IDPs living abroad. The government of Ukraine took steps to strengthen criteria and verification processes but has not yet determined the full extent of duplicate payments to IDPs or payments made to IDPs living abroad. Continued U.S. oversight and reconciliation of ineligible payments would help ensure that U.S. contributions support eligible beneficiaries.

What We Recommend

We made three recommendations to responsible U.S. government officials to strengthen the oversight of direct budget support to the government of Ukraine through the PEACE fund.

Humanitarian Assistance: Actions Needed to Strengthen Inventory Management and Oversight at the Dubai Warehouse

Report No. [8-000-26-001-P](#)

March 3, 2026

Why We Did This Audit

Using eight strategically located warehouses around the world, USAID's Bureau for Humanitarian Assistance (BHA) helped the Agency rapidly respond to global humanitarian crises when they occurred. USAID's humanitarian assistance warehouse in Dubai, the United Arab Emirates, provided humanitarian aid to vulnerable populations in the region, including Afghanistan, Gaza, and Syria, by enabling the quick delivery of prepositioned food commodities and nonfood items. The Dubai warehouse was the Agency's largest warehouse with nonfood items.

Between October 2022 and July 2024, BHA used humanitarian supplies from the Dubai warehouse to respond to 17 crises. For example, between March and July 2024, BHA shipped 494 metric tons of high-energy biscuits and 719 hygiene kits valued at \$1.5 million to Gaza as part of its response to the ongoing humanitarian crisis in the region. As of September 2024, BHA's inventory in the Dubai warehouse included food and nonfood items valued at approximately \$10.3 million. We conducted this audit to determine the extent to which USAID (1) followed Federal standards for managing its humanitarian assistance inventory and (2) conducted oversight of the warehouse and third-party inspections contracts for the BHA warehouse in Dubai.



A warehouse employee uses a box cutter without gloves. Photo credit: OIG.

What We Found

USAID did not use quality inventory information to make decisions on humanitarian assistance supplies at the Dubai warehouse. Instead, it relied on various inventory management tools, some of which required extensive manual entries and verification and where we identified a \$4 million discrepancy in total inventory value. In addition, BHA used an unwritten process to make forecasting decisions about commodity levels based on past procurement levels and response needs. Thus, USAID did not have the information needed to make informed decisions about humanitarian assistance commodities stored at the warehouse. USAID also did not enforce certain oversight requirements for its third-party inspections contract related to monitoring warehouse and commodity conditions. As a result, the Agency could not ensure that commodities stored in the Dubai warehouse remained unspoiled and in operable condition.

What We Recommend

We made two recommendations to responsible U.S. government officials to improve the management and oversight of the Dubai warehouse and avoid unnecessary spoilage and waste. We also suggested that decision makers assess warehouse inventory information, enhance procurement planning, and improve the management of certain nonfood items in the future.

Asset Disposition Audits

On January 20, 2025, Executive Order 14169 directed a government-wide pause and review of U.S. foreign assistance. As of March 2025, USAID had terminated over \$76.5 billion out of a total of \$159 billion (about 50 percent) in foreign assistance awards. As a result, implementers began disposing of government-funded assets. In response to the award terminations, we initiated a series of audits examining asset disposition processes for eight USAID missions around the world.

Terminated USAID Awards in Thailand: Implementers Have Disposed of Assets by Donating and Selling Them as Approved

Report No. [5-000-26-002-P](#)

March 11, 2026

Why We Did This Audit

The objective of this audit was to determine the status of the disposition of USAID-funded physical assets procured under selected terminated awards in Thailand. We identified 17 programmatic awards managed by the USAID Regional Development Mission for Asia (USAID/RDMA) that were terminated between January 20 and February 26, 2025. Of these, we selected a judgmental sample of 10 awards and inspected assets valued at over \$1,000 procured under the selected awards.

What We Found

USAID/RDMA approved implementer disposition plans, and implementers disposed of assets by donating and selling them. The mission approved 7 of the 10 asset disposition plans for selected terminated awards. The other three awards, implemented by public international organizations, were reactivated by the Department of State in August 2025. As a result, disposition plans were no longer needed. We identified discrepancies, totaling \$5,204 in underreported funds, in the inventory lists for three of the seven selected terminated awards with disposition plans. After we brought this to USAID/RDMA's attention, the mission notified the implementers, and they provided justification that resolved the discrepancies. Finally, USAID/RDMA approved implementers' requests to donate 310 of 388 assets (80 percent) for the 7 selected awards to local universities and nongovernmental organizations, consisting of \$196,542 worth of information technology equipment, and sell the remaining 78 (20 percent) worth \$18,517. All seven implementers completed the asset disposition by September 2025.

Terminated USAID Awards in the Philippines: USAID Approved Disposition Plans and Implementers Started Disposing Assets Largely Through Donations

Report No. [5-000-26-001-P](#)

March 9, 2026

Why We Did This Audit

The objective of this audit was to determine the status of the disposition of USAID-funded physical assets procured under selected terminated awards in the Philippines. We identified 30 awards the USAID Mission for the Philippines (USAID/Philippines) managed that were terminated between January 20 and March 25, 2025. Of the 30 awards, we selected a judgmental sample of 8 awards and examined a sample of 297 assets procured under those selected awards.

What We Found

USAID/Philippines approved implementer disposition plans for selected awards, and implementers began disposing of assets largely by donating them. For the eight selected terminated awards that we reviewed, USAID/Philippines approved asset lists and disposition plans covering assets valued at approximately \$1.5 million, including information technology equipment, vehicles, and laboratory equipment. As of May 29, 2025, USAID/Philippines had approved implementers to donate 253 of the 297 assets (85 percent) under the eight awards. Because of USAID's closure and the U.S. government scaling back foreign assistance in the Philippines, options to redistribute assets for use within USAID operations or transfer them to another U.S.

government agency were not feasible in most cases. During our site visits in April and May 2025, we determined that three implementers were disposing of assets in accordance with their approved plans.

Terminated USAID Awards in El Salvador: Assets Were Disposed of According to USAID-Approved Plans

Report No. [1-000-26-001-P](#)

February 9, 2026

Why We Did This Audit

The objective of this audit was to determine the status of the disposition of USAID-funded physical assets procured under selected terminated awards in El Salvador. We identified 18 programmatic awards managed by the USAID Mission for El Salvador (USAID/El Salvador) that were terminated between January 20 and March 11, 2025, as a result of the foreign assistance review. The selected awards had 40 priority assets purchased for approximately \$1.1 million with an estimated fair market value of over \$780,000 at the time of our audit.

What We Found

USAID/El Salvador approved implementers' expedited disposition plans for selected awards, and implementers donated or retained priority assets in accordance with the plans. The mission implemented expedited procedures to dispose of priority assets for terminated awards consistent with USAID guidance. As of May 28, 2025, USAID/El Salvador had approved all disposition plans for selected assets for all nine selected awards, despite some challenges with information consistency. In some cases, USAID/El Salvador relied on implementers to safeguard assets using interim measures, such as by renting commercial space. Ultimately, implementers disposed of the 40 priority assets for the selected awards by donating them to local entities or retaining them in accordance with the approved disposition plans.

Inspections and Evaluations

Gaza Response: USAID Ensured Health Supply Chain Plans Addressed Quality Risks but Did Not Actively Monitor All Project Components

Report No. [E-294-26-001-M](#)

February 2, 2026

Why We Did This Inspection

On October 7, 2023, Hamas terrorists invaded southwest Israel, killing more than 1,200 people and seizing 253 hostages. Following Hamas' cross-border terrorist attack, Israel declared war on the group, which resulted in a humanitarian crisis in Gaza. Critical shortages in available medical stock and treatment needs have made procurement of pharmaceuticals and other medical commodities a priority need for Gaza's health system. USAID worked with International Medical Corps (IMC) for the procurement and distribution of pharmaceuticals and other medical commodities in Gaza. We conducted this inspection to determine the extent to which USAID (1) ensured pre-award requirements related to the supply chain of pharmaceuticals and other medical commodities for Gaza were fulfilled and (2) monitored award implementation related to the supply chain of pharmaceuticals and other medical commodities for Gaza.

What We Found

USAID monitored IMC activities in Gaza but relied on IMC to monitor components of its health supply chain in Jordan, Egypt, and other locations. Due to the war, USAID did not have any staff in Gaza to conduct direct monitoring of IMC's activities. As such, USAID was kept informed about the implementation of activities related to pharmaceuticals and other medical commodities through required programmatic reporting included in IMC's award terms. In addition, USAID used implementer meetings and a third party to monitor the implementation of IMC's activities inside Gaza. However, USAID relied on IMC to self-monitor the procurement, storage, and transportation of pharmaceuticals and other medical commodities as they moved through the supply chain on the way to Gaza. This occurred because USAID's guidance on the roles and responsibilities for overseeing implementer-managed supply chains was unclear.

What We Recommend

As the administration implements new foreign assistance programs, we suggested decision makers consider developing clear roles and responsibilities for staff overseeing implementer-managed humanitarian supply chains, including the procurement, transportation, storage, and distribution of U.S.-government funded commodities.

MCC Use of Funds: Requirements for Anniversary Events and Promotional Items Were Generally Met, but Gaps Exist in Internal Policy

Report No. [9-MCC-26-001-M](#)

January 28, 2026

Why We Did This Evaluation

In May 2024, we received an allegation that MCC used taxpayer money on a “lavish” event to celebrate its 20th anniversary. The allegation also indicated that MCC used over \$750,000 in taxpayer money to buy promotional items for employees, such as T-shirts, water bottles, and bags, that represented a misuse of funds and wasteful spending. In response, we initiated this evaluation to determine whether MCC adhered to applicable Federal requirements and internal policies and procedures when holding events and buying promotional items to celebrate the anniversary.

What We Found

MCC followed requirements for most anniversary-related purchases but did not always document approvals due to internal policy gaps. MCC’s expenditures for anniversary events and promotional items were consistent with its annual appropriations for R&E funds. Based on our analysis, MCC did not exceed the total R&E funds available under its appropriations and internal policy. We also concluded that MCC’s use of administrative funds for anniversary-related activities aligned with its statutory authority. However, MCC did not have documented approvals for selected promotional items purchased under a contract amounting to approximately \$26,900 in administrative funds because there was no internal policy to govern the approval of those funds at the time.

In September 2024, about 4 months after its 20th anniversary activities, MCC issued interim guidance on the review and pre-approval process to purchase items using administrative funds. As of September 2025, the policy was still in draft form. The lack of an approved policy on the use and approval of administrative funds increases the risk of inconsistent use of funding authorities for similar expenditures in the future.

What We Recommend

We made two recommendations to MCC to improve its management process for purchases made using administrative funds and to determine the allowability of approximately \$26,900 in questioned costs. MCC agreed with the recommendations.

Management Advisories

Non-Federal Audits: Management Gaps Weaken Stewardship of U.S. Foreign Assistance

Report No. [1-000-26-001-A](#)

January 30, 2026

OIG issued a management advisory to USAID to highlight key issues related to non-Federal audits (NFAs) of organizations that implemented U.S. foreign assistance programs. Also known as single audits, NFAs help to mitigate the risk of fraud, waste, and abuse; strengthen internal controls and compliance with award terms and applicable laws and regulations; and identify and recover improper payments. OIG has over 170 open recommendations for USAID related to NFAs, including \$47.4 million in costs that auditors questioned as unreasonable, unsupported, or ineligible as of September 24, 2025. In addition, when USAID missions closed on August 15, 2025, over 350 planned NFAs covering approximately \$1.2 billion in foreign entity expenditures were still outstanding. Addressing open NFA recommendations, incomplete NFAs, and NFA policies and procedures would help USAID administer the responsible closeout of Agency awards, including the recovery of millions in potential improper payments to implementing organizations.

MCC Compact and Threshold Programs: Actions Needed to Establish Specific Requirements for Closeout Processes for Suspended and Terminated Programs

Report No. [9-MCC-26-001-A](#)

December 4, 2025

OIG issued a management advisory to MCC regarding its ability to close out programs that may be suspended or terminated following the U.S. foreign assistance review ordered by the President in January 2025. As part of our ongoing audit of MCC's program closeout practices, we found that the Agency lacks specific closeout processes for suspended and terminated programs, potentially risking up to \$60 million of foreign assistance to fraud, waste, and abuse. This also increases the risk to MCC's ability to potentially close out spent foreign assistance funds in an orderly and efficient manner. The advisory made one recommendation to strengthen MCC's closeout processes for suspended or terminated programs. We consider the recommendation resolved but open pending completion of planned activities.

Mandated Financial and Information Technology Engagements

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

Financial Statements

- *Audit of USAID's Financial Statements for Fiscal Year 2025*
Report No. 0-000-26-004-C, January 16, 2026
- *Audit of USADF's Financial Statements for Fiscal Year 2025*
Report No. 0-ADF-26-003-C, January 16, 2026
- *Audit of IAF's Financial Statements for Fiscal Year 2025*
Report No. 0-IAF-26-002-C, January 16, 2026
- *Audit of MCC's Financial Statements for Fiscal Year 2025*
Report No. 0-MCC-26-001-C, December 18, 2025

Why We Did These Audits

The Government Management Reform Act of 1994 (GMRA) requires annual audits of the financial statements for the agencies we oversee. Accordingly,

we contracted with independent certified public accounting firms to audit USAID's and MCC's financial statements for FY 2025. Our office audited USADF's and IAF's financial statements for the same period. The audit objectives were to (1) express an opinion on whether the financial statements as of September 30, 2025, were presented fairly, in all material respects; (2) evaluate each agency's internal control over financial reporting; and (3) determine whether each agency complied with applicable laws, regulations, contracts, and grant agreements.

What We Found

MCC and IAF: The financial statements were presented fairly, in all material respects, and in conformity with U.S. generally accepted accounting principles. There was no reportable noncompliance with applicable laws, regulations, contracts, and grant agreements for FY 2025.



During the MCC GMRA financial statement audit, OIG staff visited a water purification plant in Cambodia, accompanied by independent public accountants and MCC personnel. Photo credit: OIG.

USAID: The audit firm was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion due to USAID's failure to maintain adequate processes, controls, and records in support of financial transaction and account balances. For FY 2025, the audit firm noted four material weaknesses in internal control over financial reporting, three significant deficiencies in internal control over financial reporting, and two instances of noncompliance with GMRA and the Federal Managers Financial Integrity Act of 1982.

USADF: Our office was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion because USADF's staff were placed on administrative leave without access to key financial systems. We identified three material weaknesses in internal controls over financial reporting and four instances of reportable noncompliance with applicable laws, regulations, contracts, and grant agreements.

What We Recommend

USAID: To address the material weaknesses, significant deficiencies, and noncompliance identified in the FY 2025 report, we made 20 recommendations to USAID's Chief Financial Officer. We evaluated USAID's response to the recommendations and consider recommendations 1 through 20 closed due to the wind-down of the Agency.

USADF: Our report contained 13 recommendations to improve USADF's management processes for FY 2025 as well as 3 open recommendations from our FY 2024 audit.

Management Letters for Financial Statement Audits

- *Management Letter for USAID's Fiscal Year 2025 Financial Statements Audit Report Report No. [0-000-26-005-C](#), February 25, 2026*
- *Management Letter for MCC's Fiscal Year 2025 Financial Statements Audit Report Report No. [0-MCC-26-006-C](#), February 12, 2026*

For USAID, the accounting firm identified three deficiencies in internal control over financial reporting considered to be significant deficiencies, four deficiencies considered material weaknesses, and two instances of noncompliance. The firm also identified eight internal control deficiencies that did not rise to the level of a material weakness or a significant deficiency but still warranted management's attention. All eight were repeat deficiencies from the prior year audit. For MCC, the accounting firm identified one deficiency in internal control that did not rise to the level of material weakness or significant deficiency but still warranted management's attention.

Federal Information Security Modernization Act of 2014

- *FISMA: USAID Implemented an Effective Information Security Program Through April 14, 2025, Despite Some Concerns*
Report No. [A-000-26-004-M](#), March 4, 2026
- *FISMA: Effectiveness of IAF's Information Security Program for FY 2025 Could Not Be Determined and Weaknesses Continue to Exist*
Report No. [A-IAF-26-003-M](#), February 24, 2026
- *FISMA: MCC Implemented an Effective Information Security Program for FY 2025 Despite Some Concerns*
Report No. [A-MCC-26-002-M](#), January 15, 2026
- *FISMA: Overall Effectiveness of USADF's Information Security Program for FY 2025 Could Not Be Determined and Weaknesses Exist*
Report No. [A-ADF-26-001-M](#), January 13, 2026

Why We Did These Evaluations

The Federal Information Security Modernization Act of 2014 (FISMA) requires Federal agencies to develop, document, and implement an agency-wide information security program to protect their information and information systems. We conducted evaluations to determine whether USAID, MCC, IAF, and USADF each implemented an effective information security program for FY 2025.

What We Found

USAID had implemented an effective information security program as of April 14, 2025. We could not determine the effectiveness for the rest of FY 2025 due to a lack of documentation from the agency. Nonetheless, we determined that USAID did not perform risk assessments and security control assessments for two of the systems we selected. USAID also could not provide us with evidence that it had formalized cybersecurity duties, policies for maintaining data inventories, or mechanisms for network monitoring and enforcement. In addition, the Agency did not implement four of eight prior recommendations.

MCC implemented an effective information security program in FY 2025. However, we identified weaknesses related to supply chain policies and overdue security assessments for two of the four systems we reviewed. We also found that MCC implemented only two of four prior recommendations.

IAF: We could not determine the overall effectiveness of IAF’s information security program for FY 2025 because most of the Agency’s staff was placed on administrative leave for a portion of the evaluation period, preventing us from obtaining necessary information. Still, we determined that the Agency met requirements for certain areas and implemented two of four prior FISMA recommendations. However, IAF did not remediate all critical vulnerabilities, fully meet security logging requirements, or implement two related recommendations. IAF also did not maintain complete information for its software and hardware inventory, perform security control assessments on selected systems or identify the controls it assessed for selected systems, or develop and maintain a complete security plan for selected systems.

USADF: We could not determine the overall effectiveness of the USADF’s information security program for FY 2025 because nearly all of the Agency’s staff were placed on administrative leave during our fieldwork. We found that USADF did not patch vulnerabilities in a timely manner or finalize its enterprise management plan but could not determine the extent to which the Agency tailored security training for its workforce. We also found that USADF did not implement two of seven recommendations from our FY 2024 FISMA audit.

What We Recommended

USAID: We made five recommendations to USAID to address the deficiencies we identified and referenced four prior recommendations the Agency has not implemented.

MCC: We made two recommendations to improve MCC’s security assessments of its internal and external information systems. In addition, we identified two recommendations from our prior FISMA audits that the Agency has not yet addressed.

IAF: Our report included six recommendations to strengthen the effectiveness of IAF’s information security program and referenced two recommendations from our 2024 FISMA audit that the Agency has not yet implemented.

USADF: We made five recommendations to strengthen the effectiveness of USADF’s information security program and referenced two recommendations from our 2024 FISMA audit that the Agency has not yet implemented.

Agile Products

Non-Federal Audit Snapshots

USAID's 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.⁵ During this reporting period, we issued the following snapshots summarizing NFA activities in different regions:

- Asia Regional Office, January–June 2025
Report No. [5-000-26-001-A](#), December 30, 2025
- Middle East and Eastern Europe Regional Office, January–June 2025
Report No. [8-000-26-001-A](#), December 4, 2025
- Africa Regional Office, January–June 2025
Report No. [4-000-25-002-A](#), November 17, 2025

⁵ Learn more in the [NFA Primer](#).

Other Mission-Critical Activities

Outreach and External Engagement

OIG has extensive relationships with global oversight counterparts at the UN and with bilateral donors, international NGOs, and senior Federal officials. We also conduct outreach and engage regularly in 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:

Statement of Adam D. Kaplan, Associate Deputy Inspector General, U.S. House Foreign Affairs Subcommittee on Oversight and Intelligence Hearing on “Waste, Fraud, and Abuse in Foreign Assistance: Lessons Learned and Charting a Path Forward”

Testimony

Response to Subcommittee Questions for the Record

March 17, 2026

On March 17, OIG was invited to speak alongside GAO at the above-titled hearing. The testimony highlighted OIG’s decades of experience in conducting aggressive oversight of foreign assistance, along with challenges regarding UN cooperation, access to information, staffing, and transparency.

OIG Response to Joint Inspection Unit Report, “Review of Donor-led Assessments of United Nations System Organizations and Other Oversight-related Requests from Donors in the Context of Funding Agreements and the United Nations Single Audit Principle”

Special Report

December 15, 2025

In October 2025 the Joint Inspection Unit, the UN’s independent external oversight body, published a report titled “Review of Donor-Led Assessments of United Nations System Organizations and Other Oversight-related Requests from Donors in the Context of Funding Agreements and the United Nations Single Audit Principle.” This memorandum provides OIG’s responses to the report’s concerns.

OIG's Response to Ranking Member Meeks and Vice Ranking Member Amo

Correspondence

December 4, 2025

OIG responded to a letter from House Foreign Affairs Committee Ranking Member Meeks and Vice Ranking Member Amo seeking information about the disposition of taxpayer-funded food commodities.

Congressional Engagements

We provided 30 congressional briefings on the following topics:

- **Gaza Oversight.** We discussed our ongoing investigations designed to prevent the recirculation of Hamas terrorists across Gaza, including those affiliated with UNRWA.
- **UN Accountability.** Drawing on our unique expertise, we provided numerous briefings on UN accountability and oversight mechanisms and provided technical assistance to Congress to support the development of associated legislation, including laws on enhancing partner-vetting policies for UN personnel working on U.S.-funded humanitarian and development assistance programs.
- **Transition of USAID Programming to the Department of State.** We discussed the challenges associated with the transition. We also provided initial observations on the new foreign assistance programs announced by the Department of State, including the \$2 billion contribution to UN Office for the Coordination of Humanitarian Affairs (OCHA).
- **U.S. African Development Foundation.** We discussed OIG's ongoing oversight of USADF, including our recent investigation into the Agency's Director of Financial Management for accepting gratuities from a USADF contractor and lying to Federal law enforcement officers.
- **Oversight of USAID-Funded Commodities in Warehouses.** In response to bipartisan congressional interest, we provided a briefing on the status of certain USAID-funded commodities at risk of loss or spoilage.
- **Fraud, Waste, and Abuse in Foreign Assistance.** We briefed the Chairman of the House Foreign Affairs Subcommittee on Oversight and Intelligence on the patterns of fraud, waste, and abuse we have observed in USAID programming implemented by contractors and NGOs.

- **Challenges to Government-to-Government Assistance.** We shared OIG’s previously identified challenges to providing effective oversight of government-to-government awards.
- **Continued Oversight of USAID.** We provided briefings on our continued oversight of USAID functions and operations, including concerns about staffing levels and the contract termination process.
- **Audit of Direct Budget Support to Ukraine.** In response to congressional interest, we provided a briefing on our recently released audit of \$26 billion in direct budget support to the government of Ukraine. The audit report revealed that USAID had a severely limited ability to ensure that the government of Ukraine could receive and use the funds as intended.

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

- **U.S. Mission to the United Nations.** We met with Ambassador Jeffrey Bartos in New York to discuss OIG’s longstanding work in identifying vulnerabilities within U.S. voluntary contributions to UN agencies.
- **World Food Programme (WFP).** We are in the process of finalizing a memorandum of understanding with WFP, designed to foster information sharing and cooperation on investigations involving U.S. funds.
- **United Nations Children’s Fund (UNICEF).** OIG virtually attended UNICEF’s Donor Integrity Briefing and also met with UNICEF personnel regarding the risk of recirculation of Hamas personnel.
- **UN Office of Internal Oversight Services (OIOS).** We engaged with OIOS through meetings and correspondence to obtain information regarding an investigation OIOS conducted on behalf of OCHA. We received a redacted report via formal channels. Conversations centered around information sharing in light of UN General Assembly resolution A/RES/59/272 but did not result in additional details being shared.
- **UN Office for the Coordination of Humanitarian Affairs (OCHA).** OIG met with OCHA personnel regarding the potential recirculation of Hamas personnel. We continued our attempts to obtain information regarding an investigation into fraud at OCHA, but OCHA declined to share it with us.

- **World Bank.** OIG attended a presentation on the World Bank’s Global Suspension and Debarment (S&D) Directory. A panel discussed the importance of S&D and compared the implications of self-disclosure versus wrongdoing uncovered through investigations.
- **United Nations Population Fund (UNFPA).** We met with UNFPA officials regarding the recirculation of Hamas personnel in Gaza. We discussed the continued need for OIG to provide effective oversight.
- **Independent Commission for Aid Impact (ICAI).** OIG established a relationship with ICAI and met with the Chief Commissioner. OIG and ICAI discussed a recent ICAI report on U.K. aid to Sudan as well as how the ICAI mission is parallel to OIG’s.
- **European Anti-Fraud Office (OLAF) InvestigAID Conference.** OIG senior leaders presented on adapting oversight in a rapidly changing environment.
- **National Grants Management Association Conference.** OIG senior leaders shared their insights into how timeliness, transparency, and cooperation are essential for Federal grant recipients engaging with OIG investigations, and how risk mitigation, strong documentation, and emerging technology are shaping the future of our work.

Peer Reviews

Peer Reviews Conducted of OIG as of March 31, 2026

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, Inspections, and Evaluations

This Office of Audits, Inspections, and Evaluations did not undergo a peer review in this reporting period. In peer reviews of [the audit function](#), conducted by the Department of Interior OIG in 2022, and of [the inspection and evaluation function](#), conducted by the Farm Credit Administration OIG in 2024, USAID OIG received External Peer Review ratings of “pass.”

Investigations

A peer review of the Office of Investigations was last conducted by the Special Inspector General for Afghanistan Reconstruction in March 2023.

Peer Reviews Conducted by OIG as of March 31, 2026

We conducted peer reviews of the inspections and evaluations function at the Architect of the Capitol OIG for the period ending March 31, 2025; the Pension Benefit Guaranty Corporation OIG’s Office of Investigations for the period ending September 30, 2024; and the General Services Administration OIG’s Office of Audit for the period ending March 31, 2024. We had no recommendations, and all three organizations 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 March 31, 2026, OIG was conducting full investigations into 21 whistleblower complaints around the world. During the reporting period of October 1, 2025, through March 31, 2026, OIG received and reviewed 15 new complaints, 4 of which warranted preliminary investigation.

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 U.S.-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

The following page references information throughout the report as required by the Inspector General Act of 1978, as amended, and other requirements, for the reporting period October 1, 2025, through March 31, 2026. Requirements for which we have nothing to report this period are also noted in the table below.

Additional information regarding activity during the current period for reports and recommendations can be found in separate appendixes to this document. These appendixes are available on our website under <https://oig.usaid.gov/our-work/semiannual-report>. The appendixes provide information on audits, inspections, evaluations, and agile products (AIEA) and on non-Federal audits (NFA).

Appendixes

- A. AIEA Reports and Recommendations Issued During Reporting Period (Including Management Decision Status)
- B. NFA Reports and Recommendations Issued During Reporting Period (Including Management Decision Status)
- C. AIEA Reports and Recommendations Issued Before Reporting Period Without Final Action (Including the Potential Costs Savings), as of March 31, 2026
- D. NFA Reports and Recommendations Issued Before Reporting Period Without Final Action (Including the Potential Costs Savings), as of March 31, 2026
- E. AIEA Reports and Recommendations Issued Before Reporting Period (With Management Decision During Reporting Period), as of March 31, 2026
- F. NFA Reports and Recommendations Issued Before Reporting Period (With Management Decision During Reporting Period), as of March 31, 2026

Summary of Investigative Activities

October 1, 2025–March 31, 2026

Table 1. Investigative Workload

Action	Number
Investigations Opened	5
Investigations Closed	11
Investigative Reports Issued ¹	11

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	3
Persons Referred to State or Local Prosecutors ²	15
Criminal Indictments / Informations ³	26
Arrests	10
No-Knock Warrants Served or No-Knock Entries Made ⁴	0
Convictions	5

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	9
Personnel Resignation, Curtailment, Removal, Suspension, or Termination ²	4
Award or Contract Suspension or Termination ³	0
New Rule, Policy, or Procedure Based on Investigative Findings ⁴	0

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	\$2,569,650
Civil Fines, Restitutions, Recoveries, Penalties, Damages, or Forfeitures	\$0
Non-Judicial Restitutions, Recoveries, Forfeitures, Revocations, Seizures, or Settlements ¹	\$0
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.

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. 6–9 USADF: pp. 6–7 MCC, IAF: Nothing to report
§5(a)(4)	Number of convictions	pp. 1, 33
§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. 30
§5(a)(9)	Peer review recommendations	p. 30

Section	Action	Page in Report
§5(a)(10)	Peer reviews conducted by USAID OIG	p. 30
§5(a)(11)	Statistical table of investigative reports and referrals	pp. 33–35
§5(a)(12)	Audit and investigative reporting metrics	pp. 38–39
§5(a)(13)	Substantiated misconduct of senior government employees	pp. 6–7
§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.	p. 21–24

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 33–35, 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.



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