

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

**Emergency Food Assistance:
Most of USAID's \$21 Million
Djibouti Inventory Was at Risk
of Not Being Usable and \$2.9
Million Had Already Spoiled**

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June 16, 2026

Inspection



Office of Audits, Inspections, and Evaluations



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

DATE: June 16, 2026

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

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

SUBJECT: Emergency Food Assistance: Most of USAID's \$21 Million Djibouti Inventory Was at Risk of Not Being Usable and \$2.9 Million Had Already Spoiled

This memorandum transmits the final report on our inspection of USAID's humanitarian assistance warehouses in Djibouti City, Djibouti. Our objectives were to examine the (1) characteristics of food aid in the warehouses and (2) food aid storage and inventory conditions. The scope of the inspection was food aid stored as of June 30, 2025.

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 findings and eight considerations for future foreign assistance for responsible officials at the Department of State, which is now managing the warehouses.

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

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Report in Brief

Why We Did This Inspection

USAID stored millions of dollars in food aid and emergency non-food items in warehouses around the world as part of its responsibility to lead and coordinate the U.S. government's disaster assistance efforts overseas. The food aid included shelf-stable items to prevent and treat malnutrition and to rapidly address crises around the world. According to USAID, the prepositioned warehouses decreased the amount of time it took to deliver food aid by an average of 3 months.

On January 20, 2025, the administration initiated a pause and review of all U.S. foreign assistance, including USAID programs. On March 28, 2025, the Department of State announced that USAID would cease operating as an independent agency. As of July 1, 2025, USAID food assistance programs transferred to the Department of State.

We conducted inspections of USAID warehouses storing food aid in three locations: Durban, South Africa; Djibouti City, Djibouti; and Houston, Texas, to determine the status of food commodities remaining. For this inspection of the Djibouti warehouses, we examined the (1) characteristics of food aid in the warehouses and (2) food aid storage and inventory conditions. We inspected food aid in the warehouses as of June 30, 2025.

What We Recommend

We suggest that responsible officials at the Department of State take eight actions to strengthen the U.S. government's management and storage of humanitarian food aid at the Djibouti warehouses.

What We Found

Of the \$21 million of food aid stored in Djibouti warehouses as of June 30, 2025, more than \$17 million was not allocated to an emergency food provider for distribution. This included \$10 million of food aid at risk of reaching its best-used-by date prior to arriving at its intended destination. Furthermore, at the time of our inspection, \$2.9 million of food aid had already spoiled due to significant packaging defects by the vendor. As of November 30, 2025, the spoiled food remained at the warehouses, incurring more than \$460,000 in storage costs since its initial arrival in January 2024.

USAID did not fully enforce contractual food aid storage and inventory requirements, contributing to \$1.5 million in infested food. For example, USAID did not enforce temperature control requirements, contributing to an estimated \$1.5 million in infested food, which required fumigation and resulted in additional costs. In addition, USAID did not ensure that warehouse inventory records had the correct best-used-by dates for food and did not track changes to warehouse ownership.

Figure 1. One of the Prepositioning Warehouses in Djibouti



Photo credit: OIG (June 2025).

Introduction

USAID stored millions of dollars in food aid and non-food items, like emergency shelter supplies, in warehouses around the world as part of its responsibility to lead and coordinate the U.S. government's disaster assistance efforts overseas. The food aid included shelf-stable items to prevent and treat malnutrition and to rapidly address crises around the world. According to USAID, the prepositioned warehouses decreased the amount of time it took to deliver food aid by an average of 3 months.

On January 20, 2025, the administration initiated a pause and review of all U.S. foreign assistance, including USAID programs.¹ On January 28, the Secretary of State issued a waiver for lifesaving humanitarian assistance, such as food aid. On March 28, the Department of State (State) announced that USAID would cease operating as an independent agency and certain functions and programs would transition to State by July 1, including lifesaving food assistance programs.

To examine the status of prepositioned food aid during this realignment, we conducted inspections of USAID warehouses in three locations: Djibouti City, Djibouti; Durban, South Africa; and Houston, Texas.² This inspection focused on the warehouses in Djibouti City. Our objectives were to examine the (1) characteristics of food aid in the warehouses and (2) food aid storage and inventory conditions. We inspected food aid stored in the Djibouti warehouses as of June 30, 2025.

To answer our objectives, on June 29 and 30, 2025, we inspected eight USAID warehouses in Djibouti City. To determine food aid characteristics, we analyzed USAID's June 30, 2025, inventory report, which covered the dates of our inspection, and cross-checked them with physical inventory in the warehouses. We judgmentally sampled food aid from purchase orders that were identified in the inventory report as stored at the warehouses. In total, we inspected food aid from 14 of 22 purchase orders, averaging 3 purchase orders for each warehouse to verify that food aid packaging and storage conditions met requirements. We also compared this information with a third-party monitor's November 2025 inventory report to reconfirm the status of the food aid that was present at the time of our June 2025 inspection. To determine food aid storage and inventory conditions, we compared our observations with contract requirements and best practices, such as temperature regulation, pest control, and other conditions. We conducted our inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. Appendix A provides more detail on our scope and methodology.

¹ Executive Order 14169, "Reevaluating and Realigning United States Foreign Aid," January 20, 2025.

² USAID had an additional five warehouses that stored non-food items, which we excluded from our inspection. According to USAID, at least one of these warehouses stored high-energy biscuits.

Background

Overview of USAID Warehouses Storing Food Aid

To carry out its mission of providing aid during humanitarian crises, USAID prepositioned key humanitarian assistance in warehouses around the world for rapid response to emergencies. Figure 2 shows the three locations of the prepositioned food aid warehouses as of June 2025.

Figure 2. USAID Warehouses Storing Prepositioned Food Aid as of June 2025



Source: OIG generated.

At the time of our inspection, the USAID warehouses stored the following types of food aid, depending on location:

- **Corn Soy Blend Plus.** A premixed blend of cornmeal and soybeans used to prevent and treat moderate acute malnutrition in pregnant and breastfeeding women.
- **Milled Rice.** A rice rich in complex carbohydrates and B vitamins fortified with a vitamin-mineral premix.
- **Sorghum.** A grain that provides complex carbohydrates, iron, and B vitamins.
- **Super Cereal Plus.** A fortified blend of corn, soybeans, dried skim milk, sugar, soybean oil, and vitamin/mineral premix used to prevent moderate acute malnutrition and stunting in children aged 6–59 months.

- **Vegetable Oil.** A refined blend of various plant oils that provides plant-based fats and vitamins A and D. USAID used vegetable oil to increase caloric value, improve the taste of cooked food, and increase vitamin absorption.
- **Yellow Split Peas.** A legume rich in complex carbohydrates, plant-based protein, iron, zinc, potassium, and folate that USAID used to improve nutrition and meet local tastes and diet preferences.

USAID outsourced the management of its warehouses to contractors that were responsible for managing day-to-day activities. The contractors also maintained a biweekly warehouse inventory report, which included information such as the food aid in storage, best-used-by dates, and if food aid had been allocated for shipment.³ In addition to the warehouse contractor, USAID used a third party for monitoring. According to USAID officials, the third-party monitor was responsible for actions such as conducting regular inspections and monthly inventories at the warehouses.

USAID had separate contracts for each location—Djibouti City, Durban, and Houston. The contracts included requirements for warehouse conditions, reporting, pest control, security, sanitation, and other matters. They also stipulated certain requirements for the interior and structure of the warehouse as well as the frequency of warehouse and food aid inspections. Additionally, the contracts required adoption of *USAID Guidelines for Food Aid Storage and Warehouse Good Management Practices (2024)*, which outlined expectations to ensure the safety, effectiveness, and quality of food aid while also preventing food contamination, infestation, and waste.

Transfer of USAID’s Djibouti Warehouses to the Department of State

USAID awarded a \$20 million contract to Bahrain Maritime and Mercantile International (BMMI) to manage and provide warehousing and logistics services related to food aid inventory in Djibouti City through September 2026.⁴

As a result of the administration’s foreign assistance review, the operating status of the Djibouti warehouses changed temporarily. Specifically, USAID issued, rescinded, and reversed multiple decisions for the Djibouti warehouse contract between January and March 2025. USAID issued a stop work order on January 30 that paused its contract with BMMI, halting all fumigation, inspections, and food aid shipments. On February 7, USAID rescinded the stop work order. On February 26, USAID canceled the contract with BMMI, citing a shift in Agency priorities, but reversed the decision on March 4.

From May to July 2025, USAID took several actions to transfer management of the Djibouti warehouses to State. On May 1, USAID and State established a memorandum of agreement. According to State, this memorandum gave it the authority to perform certain functions, such

³ According to the U.S. Department of Agriculture, “Food Product Dating” (April 2025), a best-used-by date marks when food will be of the best quality or flavor. For this inspection, we considered food aid to be allocated when USAID assigned it to a specific country and a food aid provider (e.g., World Food Programme).

⁴ USAID’s contract for the warehouses in Djibouti City was for a base period of 2 years and three 1-year options for a total of 5 years.

as hiring and maintaining USAID employees and administering approved foreign assistance programming and awards on USAID's behalf until December 31, 2025, or until an alternate arrangement was made. On June 5, USAID modified its contract with BMMI, extending performance from September 2025 to September 2026 and adding \$4.5 million in funding. On June 6, a USAID official said a transition team was in place at State to transfer the warehouse contracts and was preparing the necessary systems, business processes, and clearance procedures to receive them. On July 1, the management of USAID's warehouses officially transferred to State and on July 8, BMMI had an introductory meeting with USAID and State to discuss contract details, warehouse operations, and inventory status.

Prior OIG Work

We have previously identified issues with USAID's management of its warehouses storing prepositioned humanitarian assistance. For example, in March 2026, we reported that USAID did not use quality inventory information to make decisions about humanitarian assistance supplies at its Dubai warehouse.⁵ In addition, we found that USAID did not enforce certain oversight requirements outlined in contracts for the Dubai warehouse, including pest and temperature control. Accordingly, we recommended that USAID or other U.S. government officials responsible for the administration and oversight of the Dubai warehouse (1) update the warehouse contract to clarify requirements for temperature and humidity control, maintaining mechanical equipment, and inspecting commodities in the warehouse; and (2) update the statement of work for third-party inspections to clarify quarterly inspection requirements of Dubai warehouse conditions, such as pest and temperature control. The Department of State agreed with the recommendations and provided an action plan for implementation.

We also suggested that USAID or other U.S. government officials responsible for the administration and oversight of the Dubai warehouse regularly verify warehouse inventory accuracy for humanitarian assistance; incorporate this data into procurement planning; and develop and implement policies for managing aged and unused non-food items, including clear processes for dispatch or disposal.

Most of the \$21 Million of Food Aid Stored in Djibouti Was Not Allocated, Increasing Its Risk of Waste, and Nearly \$2.9 Million of Food Aid Had Spoiled

At the time of our June 2025 inspection, USAID had not allocated over \$17 million (80 percent) of the \$21 million in food aid stored at the Djibouti warehouses to an emergency food aid provider for distribution. Of that \$17 million, more than \$10 million's worth would reach the best-used-by date in less than 1 year, increasing its risk of waste. Further, nearly \$2.9 million of super cereal plus had already spoiled. As of November 30, 2025, the spoiled super cereal plus had remained in warehouses since its initial arrival in January 2024, incurring an estimated \$460,000 in storage costs.

⁵ USAID OIG, [Humanitarian Assistance: Actions Needed to Strengthen Inventory Management and Oversight at the Dubai Warehouse](#) (8-000-26-001-P), March 3, 2026.

USAID Had Not Allocated More Than \$17 Million in Food Aid, and More Than \$10 Million Had a Best-Used-By Date of Under 12 Months, Increasing the Risk of Waste

Of the \$21 million in food aid stored in the Djibouti warehouses, more than \$17 million (80 percent) was unallocated, or had not been assigned to an emergency food aid provider to distribute food in a specific country. As of June 30, 2025, USAID had allocated about \$4 million (20 percent) of food aid stored at the Djibouti warehouses to an emergency food aid provider for distribution in countries, such as Ethiopia or South Sudan. Table I shows the allocated and unallocated food aid stored at the Djibouti warehouses as of June 30, 2025, by value and weight.

Table I. Allocated and Unallocated Food Aid Stored in Djibouti Warehouses as of June 30, 2025

Food Aid Type	Allocated		Unallocated		Total Food Aid	
	Value (\$)	Weight (lbs.)	Value (\$)	Weight (lbs.)	Value (\$)	Weight (lbs.)
Super Cereal Plus	\$3,019,968	3,170,424	\$5,659,889	5,941,877	\$8,679,857	9,112,302
Vegetable Oil	\$6,422	8,223	\$7,538,028	9,656,315	\$7,544,451	9,664,538
Yellow Split Peas	\$25,280	69,667	\$3,525,600	9,715,772	\$3,550,880	9,785,439
Sorghum	\$1,126,200	6,620,924	\$380,475	2,236,810	\$1,506,675	8,857,734
Total	\$4,177,870	9,869,238	\$17,103,992	27,550,755	\$21,281,862	37,420,013

Note: Values and weights have been rounded to the nearest whole number.

Source: OIG analysis based on USAID's June 30, 2025, Djibouti City warehouse inventory report.

Based on USAID's June 30, 2025, inventory report, over \$10 million (62 percent) of the unallocated food aid stored at the Djibouti warehouses would reach its best-used-by date within 12 months, or by June 30, 2026, increasing the risk of waste. For example, all \$7.5 million of the unallocated vegetable oil would reach its best-used-by date by April 2026, and more than \$3 million in unallocated super cereal plus would reach its best-used-by date by June 2026. According to USAID officials, many countries do not accept food items that are less than 12 months from their best-used-by date. As a result, food aid may end up being used as animal feed or destroyed outright, resulting in waste.

The remaining \$6.4 million (38 percent) of unallocated food aid will reach its best-used-by date after June 2026. For example, more than \$1.7 million in super cereal plus will reach its best-used-by date by July 2026, and all of the unallocated sorghum will reach its best-used-by date in October 2027. Table 2 shows the unallocated food aid that will reach its best-used-by date within or after 12 months.

Table 2. Best-Used-By Dates for Unallocated Food Aid Stored in Djibouti Warehouses as of June 30, 2025

Best-Used-By Dates Reached	Estimated Value (\$)	Weight (lbs.)	Percent of Total Value (%)
Within 12 Months (July 2025–June 2026)	\$10,687,524	12,962,716	62 percent
More than 12 Months (July 2026–October 2027)	\$6,416,468	14,588,046	38 percent
TOTAL	\$17,103,992	27,550,762	100 percent

Note: Values and weights have been rounded to the nearest whole number.
 Source: OIG analysis based on USAID June 30, 2025, inventory report.

By November 2025, the amount of food aid stored in the Djibouti warehouses had decreased from \$21 million to about \$14 million according to our review of an inventory report from USAID’s third-party monitor, which continued to provide oversight services. This consisted of over \$13 million in super cereal plus (including about \$5 million that arrived at the warehouses after June 30, 2025), about \$400,000 in yellow split peas, and \$200 in vegetable oil. According to the November inventory report, more than \$9 million in super cereal plus would reach its best-used-by date by December 2026, and an additional \$1.8 million would reach its best-used-by date in January 2027—nearing the 12-month window. The remaining \$2.9 million in super cereal plus had already spoiled and surpassed its best-used-by date, as discussed below.

Over \$8 million in super cereal plus remained in the Djibouti warehouses, as of November 30, 2025, and was within 1 year of reaching its best-used-by date. This critical food aid would not be used for its intended purpose to fight poverty and hunger, if not allocated to emergency food providers in a timely manner—resulting in a waste of foreign assistance funds—and jeopardize the timely delivery of food assistance to vulnerable populations during humanitarian crises.

Nearly \$2.9 Million of Spoiled Super Cereal Plus Remained in the Djibouti Warehouses for About 2 Years With an Estimated Storage Cost of \$460,000

Over 3 million pounds or about \$2.9 million of super cereal plus stored in the Djibouti warehouses spoiled due to significant packaging defects by the vendor that contributed to quality and rancidity issues. Additionally, the packaging’s opened seals attracted insects, which led to widespread infestation. As of November 30, 2025, nearly 2 years after initial delivery, the spoiled super cereal plus remained stored in two warehouses.

USAID’s contract with BMMI stipulated that the contractor inspect and immediately notify the Agency in writing if any visible defect existed before unloading food aid. However, the inspection requirements did not specifically state that the contractor must inspect the packaged

contents inside of shipped boxes. As a result, BMMI did not identify the defective packaging or communicate the deficiency to USAID when the first shipment arrived in January 2024. The contractor accepted three more shipments of super cereal plus with defective packaging from the same vendor. Upon arrival, USAID allocated these shipments of super cereal plus to the World Food Programme (WFP) in Ethiopia and Djibouti.

In September 2024, the WFP Ethiopia Country Office alerted USAID of its intent to reject the super cereal plus due to finding that it was “badly infested.” Subsequently, in December 2024, BMMI, a WFP liaison, and USAID’s third-party monitor identified the root cause of the spoiled super cereal plus as the vendor’s defective packaging.

On May 29, 2025, USAID approved BMMI to donate the spoiled super cereal plus to the Djibouti Ministry of Agriculture for use as animal feed. According to the contract, BMMI was responsible for disposing food unfit for human consumption. USAID acknowledged that it would not recover any value from the loss. Table 3 provides additional detail about the spoiled super cereal plus that arrived at the Djibouti warehouses.

Table 3. Spoiled Food Aid USAID Approved for Disposition That Remained in Djibouti Warehouses as of November 30, 2025

Date Arrived at Warehouses	Estimated \$ Value	Weight (lbs.)
January 2024	\$1,377,842	1,446,486
Mar/April 2024	\$678,699	712,512
April/May 2024	\$464,373	487,508
June 2024	\$340,295	357,248
TOTAL	\$2,861,208	3,003,754

Note: Values and weights have been rounded to the nearest whole number.

Source: OIG analysis based on USAID’s June 30, 2025, and November 30, 2025, inventory reports.

We could not determine why USAID did not ensure that BMMI disposed of the spoiled super cereal plus due to the Agency’s operating status during our inspection. Further, we could not determine why USAID did not hold the vendor accountable for the defective packaging. Consequently, over 3 million pounds in spoiled super cereal plus valued at almost \$2.9 million could not be used to support humanitarian assistance responses, and USAID may have incurred more than \$460,000 in storage costs to keep the spoiled super cereal plus in the Djibouti warehouses for nearly 2 years.⁶ The Department of State, which is now administering the warehouse contract, may continue to accrue storage costs until appropriate disposition actions are completed.

⁶ Our calculation of USAID’s estimated incurred cost is based on the per pallet (i.e., a stack of boxes) per day storage rate set in the contract. We were unable to verify whether USAID paid BMMI for storing the spoiled super cereal plus due to the Agency’s July 1, 2025, reduction in force and transfer of the contract to State.

USAID Did Not Fully Enforce Contractual Food Aid Storage and Inventory Requirements, Contributing to \$1.5 Million in Infested Food

Our inspection found that USAID did not fully enforce contractual requirements related to temperature control, sanitation, and pest control at the Djibouti warehouses, which contributed to infested food aid. In addition, USAID did not ensure that inventory records had the correct best-used-by date and did not track changes to warehouse ownership.

Food Aid Conditions at the Djibouti Warehouses Did Not Fully Comply With Contractual Requirements, Contributing to Infestation

During our June 2025 inspection of the Djibouti warehouses, we found that BMMI met certain storage and warehouse condition requirements but did not meet others because the Agency did not enforce contract requirements. For example, the food aid we observed was stored away from non-food items, as recommended. However, we observed noncompliance with USAID's warehouse and logistics contract and the *USAID Guidelines for Food Aid Storage and Warehouses Good Management Practices (2024)*. The contract and guidelines required BMMI to adequately protect and store food packaging in a sanitary manner; maintain warehouses free from pests, mold, and other harmful conditions; and promptly detect any deterioration. Additionally, the guidelines required BMMI to conduct and record pest control inspections.

During our onsite inspection, we identified the following noncompliance issues, which varied by warehouse, resulting from USAID not enforcing requirements.

- **Inadequate Temperature Control and Infestation.** During our onsite inspection, we observed that one warehouse had an internal temperature of 109.4°F, which contributed to the infestation of an estimated \$1.5 million in sorghum, which needed to be fumigated, resulting in additional costs. The warehouse's internal temperature exceeded USAID's requirement to maintain dry goods, such as sorghum, between 50°F and 70°F and, in climates where temperatures cannot be maintained, to install air conditioning to keep temperatures from rising above 70°F. Despite Djibouti's extreme climate, none of the warehouses had air-conditioning, and existing fans failed to reduce internal temperatures to acceptable levels. Further, pre-fumigation reports dated February 2025 and May 2025 noted that hot and humid environmental conditions are highly conducive to rapid pest reproduction and increased grain damage. The reports also noted that sorghum stored in two warehouses, including the same warehouses that stored \$1.5 million in infested sorghum during our onsite inspection, were infested and required fumigation.
- **Unsanitary Packaging.** Food aid stored in three of the eight warehouses had packaging that was covered in dust or dirt, affecting all four food aid types stored in the Djibouti warehouses. Further, three warehouses had food aid with torn or punctured packaging,

causing spillage of sorghum and yellow split peas.⁷ In one warehouse, we observed ceiling damage and signs of potential mold from water intrusion, where food was stacked high to the ceiling, increasing the risk of contamination. Figure 3 shows several of these observed conditions.

Figure 3. Djibouti Warehouse Conditions Observed During June 2025 Inspection



Top row: Bags of sorghum are covered in dirt and dust. Bottom left: Bags of yellow split peas show holes and tears, causing spillage. Bottom right: Food aid is stacked high to the water-damaged ceiling.
Photo credit: OIG (June 2025, Djibouti City, Djibouti).

- **Lack of Pest Control and Missing Inspection Reports.** During our onsite inspection, we observed that one of the eight warehouses lacked pest and rodent traps as the contract required. Additionally, two warehouses had pest issues. For example, we observed a dead mouse on the warehouse floor that lacked pest and rodent traps. Further, we found that food aid stored in two warehouses was not stowed away from infested commodities,

⁷ Two of the three warehouses that stored food aid with torn or punctured packaging were the same warehouses that stored food aid covered in dust or dirt.

increasing the risk of contamination. In addition, in response to our request for pest control inspections, BMMI did not provide reports for one of the warehouses.

We could not determine why USAID did not enforce contract requirements for sanitation and pest control due to limited communication with staff after the Agency's July 1, 2025, reduction in force and transfer of the contract to State. However, USAID officials reported that they did not typically enforce warehouse temperature control requirements because most warehouses did not have the capacity for climate control, making the requirement difficult to comply with. Despite this, USAID did not modify or remove the requirement.

While most of the food we inspected was in good condition and usable for human consumption, the presence of dust, dirt, damaged packaging, possible mold, pest activity, and internal warehouse temperatures that exceeded 70°F compromised the safety and quality of food aid, which could lead to waste. In addition, high internal temperatures inside warehouses increased the need for recurring fumigation of infested food, resulting in additional costs and delaying the availability of critical food aid during emergency humanitarian responses.

USAID Did Not Ensure Warehouse Inventory Records Had the Correct Best-Used-By Dates and Did Not Track Changes to Warehouse Ownership

We found inconsistent information in Djibouti warehouse inventory records related to the food aid's best-used-by dates. The Federal Acquisition Regulation provides guidance on contract administration offices' responsibility for reviewing and verifying the accuracy of contractor reports and advising the contracting officer of any required action.⁸ Specifically, we found that the best-used-by date printed on food aid packaging did not consistently match the date recorded on the June 30, 2025, inventory report for 7 of 14 purchase orders we inspected.⁹ For example, we found that:

- One pallet of super cereal plus listed under one purchase order displayed a best-used-by date of June 2025, but the inventory report showed July 2026.
- Four of eight pallets of vegetable oil under one purchase order showed a best-used-by date of March 2026, while the inventory listed February 2026.
- Bags of yellow split peas under one purchase order showed a best-used-by date of July 2026, while the inventory listed August 2026.

Additionally, USAID did not gather pertinent information on the ownership and operation of newly added warehouses, as the contract required. For example, on October 18, 2024, BMMI requested to use warehouses located in the Djibouti International Free Trade Zone to store food aid due to warehouse capacity issues and heavy congestion in the Djibouti Free Zone.¹⁰ BMMI reported that the warehouses in the Djibouti International Free Trade Zone were under its full control and support with no intervention from any third-party entity. However, the Djibouti International Free Trade Zone is partially supported by the Government of China and

⁸ Federal Acquisition Regulation, 42.1106, "Reporting Requirements."

⁹ One of the 14 purchase orders we tested was for sorghum, which does not have a best-use-by date.

¹⁰ The Djibouti Free Zone is a separate free trade zone from the Djibouti International Free Trade Zone.

is an important part of China's Belt and Road Initiative.¹¹ BMMI did not disclose China's role to USAID, and the Agency did not document any knowledge of potential Chinese intervention in its approval for the contractor to use the warehouses.

The inconsistencies in critical information compromised the accuracy and reliability of warehouse inventory records. They also increased the risk that BMMI staff and USAID personnel could mismanage aid distribution by overlooking expiring goods or dispatching commodities past their best-used-by date. Further, gaps in information pertaining to warehouse ownership undermined USAID's ability to protect Agency-funded food aid and mitigate risks when these commodities were not stored at the preferred locations identified in the contract.

Conclusion

USAID's humanitarian assistance warehouses helped the U.S. government provide millions of dollars of timely, lifesaving emergency food aid in response to crises around the world. Accordingly, it is imperative that food aid at the Djibouti warehouses is allocated to emergency providers in a timely manner and stored in required conditions to appropriately mitigate risks of increased costs, spoilage, or other waste. Further, ensuring that warehouse inventory and ownership information are accurate would better position decision makers to efficiently manage and protect U.S. taxpayer-funded food aid.

Considerations for Future Foreign Assistance

As the Department of State continues to implement humanitarian assistance programs formerly administered by USAID, including managing the Djibouti warehouses, we suggest the responsible officials consider the following actions:

1. Allocate and transport food aid to emergency providers in a timely manner to maximize impact and reduce waste due to spoilage.
2. Determine whether inspection requirements in the warehouse contract would reasonably enable the contractor to detect interior packaging defects.
3. Dispose of the spoiled super cereal plus in the Djibouti warehouses to reduce prolonged warehousing costs.
4. Determine the allowability of \$2.9 million of lost food due to the vendor's defective packaging and the warehouse contractor's untimely detection.
5. Enforce contract requirements for food aid storage, including temperature control, sanitary packaging, and pest control.

¹¹ According to the U.S. Government Accountability Office, the Belt and Road Initiative is the People's Republic of China's signature foreign policy initiative that aims to strengthen its global standing and influence. This initiative seeks to expand the foreign presence of Chinese state firms, create new markets for PRC goods, and secure access to strategic commodities for the PRC's economic development. The initiative is considered by some observers to pose a significant challenge to U.S. economic, political, and security interests around the world. U.S. Government Accountability Office, *International Infrastructure Projects: China's Investments Significantly Outpace the U.S., and Experts Suggest Potential Improvements to the U.S. Approach* (GAO-24-106866), September 12, 2024.

6. Ensure that warehouse contractors maintain accurate and up-to-date inventory information.
7. Provide relevant Department of State officials with up-to-date information on warehouse owners and operators.
8. Ensure that the Djibouti warehouse contractor provides information on owners and operators, including affiliation with foreign governments, when approving new warehouses.

OIG Response to Agency Comments

We provided our draft report to USAID on May 5, 2026. As of June 4, 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.

Appendix A. Scope and Methodology

We conducted our inspection in Washington, DC, from May 2025 through June 2026 in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

This inspection focused on warehouses in Djibouti City, Djibouti. Our objectives were to examine the (1) characteristics of food aid in the warehouses and (2) food aid storage and inventory conditions.

The scope of our inspection was the eight Djibouti City warehouses storing food aid for USAID as of June 30, 2025.

To answer our objectives, on June 29 and 30, 2025, we inspected the eight warehouses.

To answer the first objective, we reviewed the June 30, 2025, inventory report BMMI provided to determine the type, value, best-used-by dates, and allocation status of the food aid stored in the Djibouti warehouses. In addition, we analyzed the inventory report to determine the remaining best-used-by date of food aid and prepared an aging schedule. We also reviewed the third-party monitor's November 2025 inventory report and compared it to the warehouse contractor's June 2025 inventory report to identify any changes to the characteristics of food aid since our physical inspection.

To answer the second objective, we reviewed USAID's contract with BMMI and the *USAID Guidelines for Food Aid Storage and Warehouse Good Management Practices (2024)* to obtain an understanding of the storage and warehouse requirements. From this review, we developed warehouse data collection instruments to guide our physical inspections of food aid storage and inventory conditions. We interviewed USAID officials responsible for managing the contract, BMMI staff, and third-party monitor staff regarding the food aid handling practices and warehouse processes and procedures, including storage conditions and pest control inspections, inventory records, and the contractor's reporting process to USAID.

In addition, we judgmentally sampled food aid from purchase orders for each of the eight warehouses, selecting what we could examine within the allotted time, and verified the accuracy of key packaging information, such as the best-used-by date, compared to the June 30, 2025, inventory report. In total, we tested food aid from 14 of 22 purchase orders, averaging three purchase orders for each warehouse. During the spot-check inspection, we also used our data collection instrument to verify compliance requirements, such as type of packaging used to protect food aid and whether the packaging was clean and free from dirt and dust. Our findings cannot be used to make inferences about the overall quality of food aid storage and inventory conditions in the warehouses. However, we believe our findings provide valuable insights into USAID's food aid storage and warehouse conditions in Djibouti.



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