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Description of document: US Agency for International Development (USAID) Office of Inspector General (OIG) final report and closing memo for closed investigations on travel-related issues, 2006-2011

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USAID FOIA Office  
Bureau for Management  
Office of Management Services  
Information and Records Division  
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**USAID**  
FROM THE AMERICAN PEOPLE

OCT 15 2013

Sent via e-mail

**Re: FOIA Request No. F-00164-12**

The U.S. Agency for International Development (USAID) regrets the delay in responding to your Freedom of Information Act (FOIA) request. Unfortunately, USAID is experiencing a substantial backlog of FOIA requests. Please know that USAID management is very committed to providing responses to FOIA requests and remedying the FOIA backlog.

This is the final response to your FOIA request of March 4, 2012, in which you asked for each final report and closing memo for any closed Office of Inspector General (OIG) investigations on travel-related issues between January 1, 2006, and the present.

A search of USAID's OIG produced 124 pages responsive to your request. After careful review, we have determined that 124 pages are partially releasable pursuant to 5 U.S.C. § 552 (b)(6) and (b)(7)(C). More specifically, we withheld the names of Agency and contract staff, their specific titles, and signatures under FOIA Exemptions 6 and 7(C). We also withheld the case numbers pertaining to each record. OIG case numbers are not randomly generated and as such, if released, could possibly reveal information regarding the identity of the person being investigated and law enforcement personnel. The case numbers were also withheld based on FOIA Exemptions 6 and 7(C).

FOIA Exemption 6 exempts from disclosure information about individuals in personnel or medical files and similar files the release of which would cause a clearly unwarranted invasion of personal privacy. This requires a balancing of the public's right to disclosure against the individual's right to privacy. The privacy interests of the individuals in the records you have requested outweigh any minimal public interest in disclosure of the information. Any private interest you may have in that information does not factor into the aforementioned balancing test.

FOIA Exemption 7(C) protects records or information compiled for law enforcement purposes that could reasonably be expected to constitute an unwarranted invasion of personal privacy. This exemption takes particular note of the strong interests of individuals, whether they are suspects, witnesses, or investigators, in not being unwarrantably associated with alleged criminal activity. That interest extends to persons who are not only the subjects of the investigation, but to those who may have their privacy invaded by having their identities and

information about them revealed in connection with an investigation. Based upon the traditional recognition of strong privacy interest in law enforcement records, categorical withholding of information that identifies third parties in law enforcement records is ordinarily appropriate. As such, we have determined that the privacy interest in the identities of individuals in the records you have requested clearly outweigh any minimal public interest in disclosure of the information. Please note that any private interest you may have in that information does not factor into this determination.

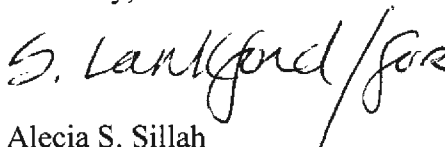
You have the right to appeal the above Exemptions. Your appeal must be received by USAID no later than 30 days from the date of this letter. In order for it to be considered an official appeal, your appeal must be addressed as follows and sent directly to the FOIA Appeals Officer:

Director, Office of Management Services  
U.S. Agency for International Development  
Room 2.12-010, Ronald Reagan Building  
1300 Pennsylvania Avenue, NW  
Washington, DC 20523

If you wish to fax your appeal, the fax number is (202) 216-3369. Both the appeal letter and envelope must be plainly marked "FOIA Appeal." Please include your tracking number, F-00164-12, in your letter.

There is no charge for this FOIA request. As this concludes the processing of your request, we are closing your case.

Sincerely,



Alecia S. Sillah  
Team Lead, Government Information Specialist  
Bureau for Management  
Office of Management Services  
Information and Records Division

Enclosure: Responsive Documents (124 pages)

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Complete  
**Period of Investigation:** 05/02/06 to 7/25/06 **OIG/I Office:** RIG/Cairo

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**Synopsis:**

An anonymous source reported that (b)(6),(b)(7)(C) USAID/Iraq (b)(6),(b)(7)(C) had falsified time and attendance documents and a travel voucher as a result of leave she took in conjunction with an official TDY trip to Washington, DC, covering the period February 11, 2006 through March 1, 2006. Additionally, the source reported that (b)(6),(b)(7)(C) pressured USAID employees to amend her travel authorization (TA) for the same official trip to Washington, allowing her to fly business class in violation of a USAID/Iraq Mission Order.

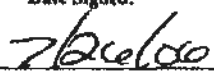

Based upon these allegations, the Office of Inspector General (OIG) opened an investigation. During the course of the investigation, the OIG found evidence which substantiated the allegations and resulted in the following major investigative findings:

- I. (b)(6),(b)(7)(C) failed to properly and timely inform her timekeeper of her decision to take annual leave during her official TDY trip, as required. As a result of her negligence, she caused two inaccurate Time and Attendance reports to be submitted and processed.

Specifically, the investigation determined that:

- (b)(6),(b)(7)(C) throughout the pre-trip planning, tried to keep her agenda free from scheduled meetings and other work on February 21, 2006 and February 22, 2006.
- (b)(6),(b)(7)(C) did not tell her timekeeper, the (b)(6),(b)(7)(C) the Mission's Executive Officer (EXO) or anyone else in the Iraq Mission that she had plans to take (or might take) annual leave during her TDY.
- (b)(6),(b)(7)(C) said she did not "definitely" decide to take leave until February 15, 2006 when she bought airline tickets to Miami.
- She began her leave late Friday afternoon, February 17, 2006, and concluded it the evening of February 22, 2006.

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|----------------------------|--|--|
| <b>REPORT MADE BY:</b>     | <b>Name:</b> (b)(6),(b)(7)(C)<br><b>Signature:</b> | <b>Date Signed:</b><br> |
| <b>APPROVING OFFICIAL:</b> | <b>Name:</b><br><b>Signature:</b>                  | <b>Date Signed:</b><br> |

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- (b)(6),(b)(7)  
(C) completed the rest of her TDY and returned to post on March 1, 2006. However, she never advised her timekeeper or anyone else in Iraq about the annual leave that she took until the OIG confronted her regarding the issue on May 17, 2006.

When questioned by the OIG (b)(6),(b)(7)  
(C) admitted her negligence in this matter. However, she stated that it was an oversight mostly due to the hectic schedule she had immediately upon her return to post as a result of the VIP visits of the USAID Deputy Administrator, who arrived at post the same day she did, and a congressional delegation lead by Senator John Kerry that arrived in Iraq right after the Deputy Administrator left.

- II. (b)(6),(b)(7)(C) failed to exercise the due diligence, expected and required of all USAID employees, in the review and submission of her travel voucher, which did not disclose the annual leave she took during her official TDY trip to Washington, DC. As a result of her negligence, she: (1) claimed lodging and per diem for the days she was on vacation; (2) signed the voucher certifying that it was true and accurate; and, (3) directly caused an inaccurate and inflated claim to be submitted to, and paid by, USAID.

Specifically, the investigation determined that:

- On March 19, 2006 (b)(6),(b)(7)  
(C) submitted a travel voucher seeking reimbursement from the USAID for the expenses she incurred as a result of her official TDY to Washington.
- The travel voucher claimed full lodging and per diem reimbursement for the days that (b)(6),(b)(7)  
(C) had been on annual leave and bore (b)(6),(b)(7)(C) signature certifying that the amounts claimed on the voucher were true and accurate.
- (b)(6),(b)(7)  
(C) did not actually prepare the travel voucher. It was prepared by her secretary (and timekeeper), whom (b)(6),(b)(7)  
(C) admitted she never told about the annual leave she took.
- (b)(6),(b)(7)  
(C) stated that her signing of the inaccurate voucher was mostly due to the very hectic schedule she had immediately upon her return to post as a result of the two back-to-back VIP visits from the USAID Deputy Administrator; and Senator John Kerry.
- (b)(6),(b)(7)  
(C) upon being confronted by the OIG in May 2006, admitted that she was negligent in her failure to exercise due diligence in her review of the voucher to ensure its accuracy before signing and submitting it to claim reimbursement.
- (b)(6),(b)(7)  
(C) thereafter, provided USAID/Iraq with a revised statement of her TDY claiming reimbursement for only 10 days—instead of 16 days, resulting in a determination that the inflated amount of (b)(6),(b)(7)  
(C) claim was \$1,065, and that it should be refunded in full.
- (b)(6),(b)(7)  
(C) made full restitution to USAID on June 1, 2006 in the amount of \$1,065.

- III. (b)(6),(b)(7)  
(C) knowingly violated both USAID Agency-wide travel policy and her own USAID/Iraq travel policy when she traveled via a round-trip business class ticket at USG expense. As a result of her willful pursuit and use of business class travel, she caused the USG to pay \$2,215 more than the "least cost option" price of her original ticket.

Specifically, the investigation determined that:

- On November 2, 2005, the USAID Administrator issued an Executive Message imposing restrictions on official travel and mandated that: *"Least cost options, such as a rest stop in lieu of business class travel **must** be selected for any required travel."*
- On February 2, 2006, in compliance with the Agency's new travel guidance mandating travel via "least cost options," the USAID/Iraq Mission issued (b)(6),(b)(7)(C) a Travel Authorization (TA) with a cost at \$1,550 for an unrestricted economy fare ticket.
- On February 6, 2006, (b)(6),(b)(7)(C) TA was amended to increase the funding level for her airline ticket from the "least cost option" unrestricted airfare price of \$1,550 to a full fare economy ticket price of \$2,680 (a \$1,130 increase over the "least cost option").
- On February 9, 2006, USAID/Iraq issued a Mission Order (No. (b)(6),(b)(7)(C)) signed by (b)(6),(b)(7)(C) as (b)(6),(b)(7)(C). It stated: *"In accordance with the attached Executive Message, USAID/Iraq employees will fly full fare economy fares to all destinations. Rest stops will be permitted for all travel longer than 14 hours. An employee may elect to upgrade to business class by using his/her frequent flyer miles or by paying the difference." (emphasis added)*
- On February 9, 2006, (b)(6),(b)(7)(C) began official TDY travel to Washington with the understanding that her round-trip full-fare economy ticket would be upgraded to business class at no extra cost to the government. However, a sandstorm closed down the Baghdad airport for two days.
- On February 11, 2006, when she arrived in Amman, Jordan, the travel agent told her that the delay had caused her to lose the "no cost" upgrade to business class.
- (b)(6),(b)(7)(C) then, instructed the travel agent to issue her a round-trip business class ticket.
- After receiving a subsequent verbal authorization to do so from (b)(6),(b)(7)(C) USAID (b)(6),(b)(7)(C) the travel agent complied with her request.
- The business class ticket cost \$1,085 more than the \$2,680 price of the full-fare economy ticket then approved on her TA. Accordingly, on February 12, 2006, based solely on the (b)(6),(b)(7)(C) request and a verbal okay from (b)(6),(b)(7)(C) USAID's travel agent in Amman issued the ticket.
- On March 7, 2006, six days after the completion of her TDY trip, an amendment to (b)(6),(b)(7)(C) TA was issued to cover the cost of the round-trip business class ticket by increasing the carrier cost to \$3,765. This new price was \$1,085 over the cost of the full-fare economy ticket, and \$2,215 above the "least cost option" price of her original unrestricted coach class ticket.
- The TA amendment did not state a valid justification for a business class upgrade to fly (one way) to the U.S., nor did it offer any rationale or specific justification for a round-trip business class ticket, as mandated by USAID regulations.
- (b)(6),(b)(7)(C) advised the OIG that she felt her TDY trip qualified for a business class ticket under existing ADS regulations because she could not take a rest stop and still make her Monday meetings, due to the delay caused by the sandstorm. She asserted this justification in spite of the clear intent and language of the Executive Message—and (b)(6),(b)(7)(C) Mission Order—which superseded the ADS regulations.
- (b)(6),(b)(7)(C) has yet to offer any rationale or explanation to justify why she requested, and was issued, a business class ticket at USG expense for the return-to-post leg of her trip.

- Under applicable USAID and Iraq Mission policy (b)(6), (b)(7)  
(C) was not entitled to a business class upgrade at government expense, and should have personally paid for the upgrades above “least cost options” as mandated by Agency and Mission policy.
- (b)(6), (b)(7)  
(C) has not reimbursed USAID for the extra cost of the round-trip business class ticket.

Based on the evidence collected, including her own admissions, (b)(6), (b)(7)  
(C) conduct violated:

- *3 FAM 4377-22 – Acts of negligence or carelessness in performance of official duty resulting in waste of public funds or inefficiency*, with respect to her negligent failure to properly and timely inform her timekeeper of her decision to take annual leave, which directly resulted in the submission of two inaccurate time and attendance reports, as well as the submission and payment of one inaccurate and inflated travel voucher.
- *5 CFR §2635.702 – Use of Public Office for Private Gain*, with respect to her knowing and willful violation of both Agency and Mission policy regarding business class travel by instructing subordinates and the USAID-contracted travel agent to issue her a round-trip business class ticket without a valid justification or rationale for the first leg of the trip to Washington, and no rationale or explanation for the business class upgrade for the return trip.

#### **Details of Investigation:**

An anonymous source reported that (b)(6), (b)(7)  
(C) USAID/Iraq (b)(6), (b)(7)  
(C) had falsified time and attendance documents and a travel voucher as a result of leave she took in conjunction with an official TDY trip to Washington, DC covering the period February 11 through March 1, 2006. Additionally, the source reported that (b)(6), (b)(7)  
(C) pressured USAID employees to amend her travel authorization (TA) for the same business trip to Washington, allowing her to fly business class in violation of a USAID/Iraq Mission Order. Based on these allegations, the OIG initiated an investigation.

#### **I. Time and Attendance Issue**

The OIG obtained copies of (b)(6), (b)(7)  
(C) bi-weekly Time and Attendance Reports for pay periods three (3) and four (4) in calendar year 2006. OIG review of these forms disclosed that they had been prepared and signed on (b)(6), (b)(7)  
(C) behalf in the employee signature line, and signed by (b)(6), (b)(7)  
(C) USAID/Iraq (b)(6), (b)(7)  
(C) the supervisor line. The reports were signed on February 12 and 28 respectively. No leave is listed for (b)(6), (b)(7)  
(C) for either pay period. (Attachment 1, Time & Attendance Report for (b)(6), (b)(7)  
(C) for pay period 3 of 2006, Attachment 2, Time & Attendance Report for (b)(6), (b)(7)  
(C) for pay period 4 of 2006)

The OIG obtained a copy of (b)(6), (b)(7)  
(C) agenda and schedule of meetings for the period February 13-28, 2006. OIG review of the document revealed that it was dated “as of” February 14, 2006 and that USAID employee (b)(6), (b)(7)  
(C) was listed as the point of contact in Washington. (Attachment 3, (b)(6), (b)(7)  
(C) TDY Schedule for February 13 to 28, 2006)

On May 2, 2006, the OIG telephonically interviewed (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) USAID, Washington, DC. (b)(6),(b)(7)(C) explained that she provided administrative assistance to (b)(6),(b)(7)(C) while she is in the USA. (b)(6),(b)(7)(C) confirmed that she maintained (b)(6),(b)(7)(C) schedule for her February trip to the USA. (b)(6),(b)(7)(C) stated that (b)(6),(b)(7)(C) was on annual leave from the afternoon of Friday, February 17, 2006 through and including Wednesday, February 22, 2006. (b)(6),(b)(7)(C) said that she is certain that (b)(6),(b)(7)(C) left Washington, DC and checked out of her hotel, as she had left her bags at the office and (b)(6),(b)(7)(C) obtained a taxi for (b)(6),(b)(7)(C) to go to the airport. (Attachment 4, Memorandum of Interview, (b)(6),(b)(7)(C) dated 5/2/2006)

OIG Agents interviewed former USAID/Iraq (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) stated that during the time (b)(6),(b)(7)(C) was in the U.S., he was serving as the (b)(6),(b)(7)(C) He confirmed to the OIG agents that it was his signature on (b)(6),(b)(7)(C) Time and Attendance Reports as supervisor/reviewer for pay periods three (3) and four (4) of 2006, dated February 13 and March 1, 2006 respectively. (b)(6),(b)(7)(C) stated that (b)(6),(b)(7)(C) never mentioned any plans to take annual leave during her February trip to Washington. (Attachment 5, Memorandum of Interview, (b)(6),(b)(7)(C) dated 5/14/06)

OIG Agents interviewed the current USAID/Iraq (b)(6),(b)(7)(C) The agents showed (b)(6),(b)(7)(C) a copy of (b)(6),(b)(7)(C) Travel Request Form for her February 2006 TDY to Washington. (b)(6),(b)(7)(C) confirmed his signature on the Travel Request Form. The Agents then asked him about the section called "Itinerary" and the instruction to list any periods of annual or special leave. (b)(6),(b)(7)(C) said that he was not aware of any leave plans (b)(6),(b)(7)(C) had either before or after her trip. (b)(6),(b)(7)(C) added that if someone plans to take leave in conjunction with a TDY, they are required by Mission policy to list the leave plans on the Travel Request Form. (Attachment 6, Memorandum of Interview (b)(6),(b)(7)(C) dated 05/15/2006)

On May 15, 2006, the OIG obtained the email account of former USAID/Iraq (b)(6),(b)(7)(C) during the time frame in question. During the OIG's review of the documents, several emails and Excel spreadsheets were found outlining (b)(6),(b)(7)(C) TDY schedule in February 2006. In each rendition of (b)(6),(b)(7)(C) schedule, there were no meetings scheduled on February 21 and 22. On an early version of the schedule, there was a notation of annual leave for those days. (Attachment 7, Records Review dated 5/15-23/2006.)

The OIG telephonically interviewed (b)(6),(b)(7)(C) former USAID/Iraq (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) confirmed that she regularly prepared (b)(6),(b)(7)(C) Time and Attendance reports and did so for the period that (b)(6),(b)(7)(C) was in travel status in February 2006. (b)(6),(b)(7)(C) said that (b)(6),(b)(7)(C) never mentioned anything to her about taking leave during her TDY trip to Washington, nor did (b)(6),(b)(7)(C) advise her that she had taken any leave when she returned to Baghdad. (Attachment 8, Memorandum of Interview, (b)(6),(b)(7)(C) dated 5/17/2006)

On May 23, 2006 USAID/Iraq (b)(6),(b)(7)(C) was interviewed. (b)(6),(b)(7)(C) said that she assisted in the preparation of (b)(6),(b)(7)(C) schedule. (b)(6),(b)(7)(C) reported that (b)(6),(b)(7)(C) had told her not to schedule anything during the period February 17 to 23 as (b)(6),(b)(7)(C) wanted to



take some personal time. (b)(6), (b)(7)(C) assumed that meant annual leave, but (b)(6), (b)(7)(C) never actually said that she would be taking annual leave. (Attachment 9, Memorandum of Interview, (b)(6), (b)(7)(C) dated 5/23/2006)

OIG Agents interviewed (b)(6), (b)(7)(C). During the interview, (b)(6), (b)(7)(C) admitted that she took annual leave starting Friday, February 17 through Wednesday, February 22. (b)(6), (b)(7)(C) said that she thought she had, but did not know for sure if she told her timekeeper, (b)(6), (b)(7)(C) about her leave. (b)(6), (b)(7)(C) said she did tell (b)(6), (b)(7)(C) that she was taking leave during her TDY. (Attachment 10, Memorandum of Interview, (b)(6), (b)(7)(C) dated 5/17/2006)

On June 21, 2006, (b)(6), (b)(7)(C) was interviewed by the OIG for a second time and provided an explanation as to why she specifically did not list annual leave on her TDY Travel Request Form or advise her timekeeper at the beginning of her TDY trip to Washington of her intent to take leave. (b)(6), (b)(7)(C) explained that she did not know for sure that she would be taking annual leave in conjunction with her TDY at the beginning of her trip—the time when the Travel Request Form was prepared. (b)(6), (b)(7)(C) explained that reservations for her personal trip to Miami, commencing on February 17, were not finalized until February 15, 2006. (b)(6), (b)(7)(C) also provided an explanation as to why she failed to promptly notify her timekeeper and voucher preparer of the annual leave at the conclusion of her Washington TDY. (b)(6), (b)(7)(C) explained that when she returned from Miami she had a series of non-stop meetings in Washington. These meetings were immediately followed by her trip back to Iraq with USAID (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) stated that she had to hit the ground running in Iraq and spent 100% of her focus on the (b)(6), (b)(7)(C) visit and not on administrative issues like her time reports and travel voucher. Soon after the (b)(6), (b)(7)(C) visit, (b)(6), (b)(7)(C) became fully engaged in a Congressional Delegation visit headed by Senator Kerry. (Attachment 11, Memorandum of Interview, (b)(6), (b)(7)(C) dated 6/21/2006)

On May 23, 2006, (b)(6), (b)(7)(C) instructed both the USAID/Iraq Controller and Supervisory EXO to amend both her travel voucher and her Time and Attendance Report to charge one (1) hour of annual leave on Friday, February 17, 2006 and eight (8) hours each on Tuesday, February 21, 2006 and Wednesday, February 22, 2006. (Attachment 12, Memorandum from (b)(6), (b)(7)(C) Amendment of Travel voucher dated 5/23/2006)

## II. Travel Voucher Issue

The OIG obtained a copy of (b)(6), (b)(7)(C) travel voucher for the period February 9 through March 1, 2006. A review of the voucher by the OIG revealed that along with claims for lodging and M&IE en-route to and from Washington, (b)(6), (b)(7)(C) claimed 16 days of lodging and M&IE for her TDY in Washington. (Attachment 13, (b)(6), (b)(7)(C) Travel voucher, dated 3/19/2006)

On May 2, 2006, the OIG interviewed (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) reported that she is certain that (b)(6), (b)(7)(C) left town and checked out of her hotel in Washington on Friday, February 17 as (b)(6), (b)(7)(C) had left her bags at her (b)(6), (b)(7)(C) office and she (b)(6), (b)(7)(C) later took the bags in a taxi to Capitol Hill in order to deliver them to (b)(6), (b)(7)(C) so that she would not miss an afternoon flight. (b)(6), (b)(7)(C) also recalls that (b)(6), (b)(7)(C) checked out of one hotel on Friday and checked into a different hotel on Wednesday night. (See Attachment 4)

(b)(6),(b)(7)(C) answered follow-up questions posed by the OIG via email. (b)(6),(b)(7)(C) said that she assisted (b)(6),(b)(7)(C) in making reservations to fly to Miami for the period February 17 through 23. (b)(6),(b)(7)(C) also provided an email showing the reservations for (b)(6),(b)(7)(C) trip to Miami being finalized on February 15, 2006. (Attachment 14, Email from (b)(6),(b)(7)(C) dated 5/22/2006)

The OIG telephonically interviewed (b)(6),(b)(7)(C) explained that she prepared (b)(6),(b)(7)(C) travel voucher for her TDY that concluded March 1, 2006. (b)(6),(b)(7)(C) said that (b)(6),(b)(7)(C) did not tell her about any leave taken in conjunction with her TDY in Washington. According to (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) is a very thorough person and reads everything that she signs. (b)(6),(b)(7)(C) added that (b)(6),(b)(7)(C) had the voucher for one or two days before she signed and returned it. (See Attachment 8)

Per her interview by the OIG on June 21, 2006, (b)(6),(b)(7)(C) verified her signature on the travel voucher claiming reimbursement for expenses incurred on her TDY trip in February/March 2006. (b)(6),(b)(7)(C) explained that she generally reviews the first page of the voucher, as she did in the case of the February/March 2006 travel voucher, and then signs it. (b)(6),(b)(7)(C) added that she does not normally review the subsequent pages of the travel voucher. Upon reviewing her February/March 2006 travel voucher, (b)(6),(b)(7)(C) admitted that she was not entitled to 16 days of lodging and per diem, but rather nine (9) or 10 days. She stated that she does not know what happened and added that she never noticed the discrepancy. She characterized the error as an honest mistake. She admitted she was in Miami at a family event from late February 17 to February 22. (See Attachment 10)

On June 21, 2006, (b)(6),(b)(7)(C) provided additional clarification and details surrounding her failure to notify her voucher preparer of the annual leave taken in conjunction with the Washington TDY, as well as her signing of the travel voucher. (b)(6),(b)(7)(C) stated that when she returned to Iraq from her TDY, she arrived with (b)(6),(b)(7)(C). (b)(6),(b)(7)(C) explained that as soon as she arrived back in Iraq 100% of her focus was on the (b)(6),(b)(7)(C) visit and not on administrative issues like the preparation of her travel voucher. Thus, she failed to notify her voucher preparer of her annual leave she took in conjunction with her TDY. (b)(6),(b)(7)(C) agreed with observations made by (b)(6),(b)(7)(C) that (b)(6),(b)(7)(C) normally carefully reads things she signs, but in this particular situation she stated that she was negligent. (See Attachment 11)

On May 23, 2006, (b)(6),(b)(7)(C) instructed both the USAID/Iraq Controller and Supervisory EXO to amend her travel voucher to reduce the number of days of Lodging and M&IE for the period February 17 through 21. (See Attachment 12)

On May 31, 2006 USAID/Iraq Supervisory EXO (b)(6),(b)(7)(C) and Controller (b)(6),(b)(7)(C) notified (b)(6),(b)(7)(C) of the recalculated travel expense for her travel voucher. The recalculated amount required (b)(6),(b)(7)(C) to refund the government \$1,064.50. (Attachment 15, Memorandum from EXO & Controller to (b)(6),(b)(7)(C) dated 5/31/2006)

On June 1, 2006, (b)(6),(b)(7)(C) paid \$1,065 to reimburse USAID/Iraq for the overcharged amount. (Attachments 16 and 17, General Receipt Numbers (b)(6),(b)(7)(C))

### III. Use of full fare economy and business class travel air tickets

On November 2, 2005, the USAID Administrator issued an Executive Message via a USAID/General Notice with a subject line of "Travel Guidance." (Attachment 18, USAID General Notice dated 11/2/2005)

The new guidance imposed restrictions on official travel in order to conserve Agency operational expense (OE) funds, and specifically stated that:

- "Least cost options, such as a rest stop in lieu of business class travel **must** be selected for any required travel." (emphasis added)
- "This guidance is effective immediately and is applicable until further notice."

On February 2, 2006, (b)(6),(b)(7)(C) was issued TA # (b)(6),(b)(7)(C). This TA authorized her to travel on TDY to Washington, DC from Baghdad covering the period February 9 through March 2, 2006. OIG review of the TA revealed that it authorized "full-fare economy class" as the mode of travel, and that it listed the estimated carrier cost (air fare) at \$1550. (Attachment 19, TA # (b)(6),(b)(7)(C) dated 2/2/2006)

On February 6, 2006 TA # (b)(6),(b)(7)(C) was amended "to cover the cost of a full-fare economy class ticket" and, as a result, added \$1,130 to the TA bringing the total amount of the carrier cost to \$2,680. An attached email referenced in the amendment could not be located. Additionally, there was an amendment 2 to the TA, which is an exact duplicate of amendment 1. (Attachment 20, Amendment #1 and #2 to TA # (b)(6),(b)(7)(C) dated 2/6/2006)

On February 9, 2006, USAID/Iraq issued Mission Order (b)(6),(b)(7)(C) entitled "Business Class" which referenced and attached the USAID General Notice of November 2, 2005. (Attachment 21, USAID/Iraq Mission Order dated 2/9/2006)

OIG review of the USAID/Iraq Mission Order disclosed that it was signed by (b)(6),(b)(7)(C) and that it did not reference or include the General Notice's agency-wide requirement that "least cost options" must be used. Instead, it contained the following statements:

- USAID/Iraq employees will fly full fare economy fares to all destinations.
- Rest stop will be permitted for all travel longer than 14 hours.
- An employee may elect to upgrade to business class by using his/her frequent flyer miles or by paying the difference.

The OIG found no evidence that the USAID/Iraq Mission or (b)(6),(b)(7)(C) had sought or received any waivers from USAID/Washington exempting the Iraq Mission from the USAID-wide travel policy announced in the Executive Message (General Notice) of November 2, 2005.

On February 11, 2006, USAID-contracted travel agent (b)(6),(b)(7)(C) notified USAID/Iraq (b)(6),(b)(7)(C) that (b)(6),(b)(7)(C) had missed her connecting flight in Amman due to an airport closure in Baghdad the day before. (b)(6),(b)(7)(C) also notified (b)(6),(b)(7)(C) that he

had booked (b)(6),(b)(7)  
(C) on a business class seat to Washington, DC. On February 12, 2006 (b)(6),(b)(7)  
(C) instructed USAID/Iraq travel specialist (b)(6),(b)(7)(C) to amend "the Director's TA to authorize business class." (b)(6),(b)(7)(C) email did not contain a justification for his instruction to amend (b)(6),(b)(7)(C) TA. (Attachment 22, Email exchange between (b)(6),(b)(7)(C) dated 2/11/2006 and 2/12/2006)

On February 12, 2006 USAID/Iraq (b)(6),(b)(7)(C) contacted (b)(6),(b)(7)(C) via email to ascertain whether economy seats were available on the flight that (b)(6),(b)(7)(C) took to Washington, DC. (Attachment 23, Email Exchange, (b)(6),(b)(7)(C) dated 2/12/2006)

OIG review of the (b)(6),(b)(7)(C) email exchange revealed that:

- (b)(6),(b)(7)(C) stated that there were economy seats available, but explained that even though economy seats were available (b)(6),(b)(7)(C) was very upset and told him to book her a business class seat and that she would pay the difference.
- (b)(6),(b)(7)(C) then asked whether (b)(6),(b)(7)(C) actually paid the difference in the ticket price.
- (b)(6),(b)(7)(C) responded that (b)(6),(b)(7)(C) did not pay the difference in cost between economy and business class.

On March 7, 2006, an amendment to (b)(6),(b)(7)(C) TA (# (b)(6),(b)(7)(C)) was issued by the Mission to pay for the increased cost of (b)(6),(b)(7)(C) round-trip business class ticket. (Attachment 24, Amendment # 3 to TA (b)(6),(b)(7)(C) dated 3/7/2006)

OIG review of this amendment disclosed that it does not contain any language or rationale justifying the Mission's approval of an upgrade to business class travel, as required by the applicable USAID regulation--*Agency Policy on Premium Class Air Travel*, paragraph D, which specifically addresses the "14-Hour Rule," and begins with the statement that: "There is no entitlement to business class accommodation for overseas trips in excess of 14 hours." Paragraph D ends with the statement that: "If business class travel is approved, the rationale must be documented on the travel authorization (TA)." (emphasis added)

In spite of the mandated requirement by USAID that a justification or rationale be documented in all TAs approving business class travel, (b)(6),(b)(7)(C) TA amendment contains the only following substantive statements:

- "Additional funds are required to cover the cost of a roundtrip Business Class ticket . . ."
- "Authorization approved by the Supervisory Executive Officer."
- "Additional funds are required to bring the carrier cost amount to \$3,765."
- "All other provisions in the original TA remain in full effect and unchanged."

None of which meet the mandatory requirement established by USAID.

When questioned by the OIG about the absence from her TA amendment of the required justification or rationale for approving business class travel, (b)(6),(b)(7)(C) stated that:

- She told (b)(6),(b)(7)(C) (the (b)(6),(b)(7)(C) and approving official for business class travel) that she would write a memorandum providing the required justification. However, she stated that she never did it.
- She recalled that (b)(6),(b)(7)(C) told her that it would be done, but she never followed up with him.
- She is annoyed by this administrative issue and that if the upgrade to business class had been disallowed she would have paid the difference. But, the authorizing official at post for business class travel is the (b)(6),(b)(7)(C) and he agreed with her assessment that a round-trip business class upgrade was appropriate under the circumstances given her need to get to Washington without being able to take a rest stop. (See Attachment 10)

Moreover, (b)(6),(b)(7)(C) did not offer the OIG an explanation or rationale as to why she instructed the travel agent to issue her a "round-trip" business class ticket at USG expense, as opposed to a one-way business class upgrade (to Washington) with a coach class return ticket, given that her stated position was that she could not take a rest stop en route to Washington and still make her scheduled meetings Monday morning.

On May 15, 2006 USAID/Iraq (b)(6),(b)(7)(C) was interviewed. (b)(6),(b)(7)(C) explained that back in February 2006 when he was still the EXO, he drafted the Mission Order (b)(6),(b)(7)(C) dated February 9, 2006, to bring USAID/Iraq in line with the USAID General Notice of November 2005 concerning the required use "least cost alternatives" for air travel. (b)(6),(b)(7)(C) said that Mission management decided to incorporate the use of full fare economy due to the regularity of disruptions of employee travel from Baghdad. (b)(6),(b)(7)(C) then explained that the first amendment to (b)(6),(b)(7)(C) TA (# (b)(6),(b)(7)(C) was to increase the funding to be consistent with the original TA language authorizing full fare economy. (b)(6),(b)(7)(C) further confirmed that he was contacted by USAID/Iraq contracted travel agent (b)(6),(b)(7)(C) requesting authority to issue (b)(6),(b)(7)(C) a business class ticket. (b)(6),(b)(7)(C) confirmed that he verbally authorized (b)(6),(b)(7)(C) to issue (b)(6),(b)(7)(C) a business class ticket to Washington and instructed USAID/Iraq (b)(6),(b)(7)(C) to amend (b)(6),(b)(7)(C) TA to include use of business class. (b)(6),(b)(7)(C) declared that he had warned (b)(6),(b)(7)(C) in the past about being careful with her travel. (See Attachment 6)

On June 21, 2006 (b)(6),(b)(7)(C) was re-interviewed by the OIG to clarify his position. (Attachment 25, Memorandum of Interview (b)(6),(b)(7)(C) 6/21/2006)

He advised that:

- His first personal involvement with (b)(6),(b)(7)(C) TDY occurred when he found out that she and several other USAID travelers were stranded at the Baghdad airport due to a sandstorm.
- He was first alerted about the storm's ramifications on (b)(6),(b)(7)(C) travel by either (b)(6),(b)(7)(C) or (b)(6),(b)(7)(C)
- At some point, the travel people and/or (b)(6),(b)(7)(C) asked him if (b)(6),(b)(7)(C) could fly business class at government expense because the storm delay had been so long that she could not perform a rest stop and make her first scheduled meetings in Washington.

- He did not speak to (b)(6),(b)(7)(C) about amending her TA to authorize business class when she was in Baghdad at the airport, and had no discussion with her at all while she was in Jordan.
  - He declared that (b)(6),(b)(7)(C) did not ask to get her business class ticket at government expense.
  - He made his decision to approve an upgrade for (b)(6),(b)(7)(C) based on his discussions with (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) which focused on the fact that she needed to get to Washington and could not perform a rest-stop and still make her meetings.
  - He made the decision to authorize business class for (b)(6),(b)(7)(C) before he received an email from (b)(6),(b)(7)(C) at Union Travel.
- (Attachment 25, Memorandum of Interview, (b)(6),(b)(7)(C) 6/21/2006)

The OIG interviewed USAID/Iraq contracted travel agent (b)(6),(b)(7)(C) (Attachment 26, Memorandum of Interview, (b)(6),(b)(7)(C) dated 5/21/2006)

(b)(6),(b)(7)(C) advised that:

- (b)(6),(b)(7)(C) instructed him to upgrade her to a business class ticket.
- (b)(6),(b)(7)(C) always flew business class prior to this trip, so he did not see this as unusual—except that this time she was very upset.
- Since (b)(6),(b)(7)(C) TA for this trip only authorized full fare economy, he contacted (b)(6),(b)(7)(C) to ensure that the government would reimburse him for a business class ticket.
- (b)(6),(b)(7)(C) gave him a verbal authorization to issue the business class ticket.
- The \$1,550 fare listed in (b)(6),(b)(7)(C) original TA was probably the lowest unrestricted economy fare.
- (b)(6),(b)(7)(C) had recently flew business class on a prior trip to Washington, but personally paid the difference between full-fare economy and business class, as do many of the USAID travelers.

Per her interview on May 17, 2006, (b)(6),(b)(7)(C) advised the OIG that her original TDY itinerary included a “no cost” upgrade to business class because she was on a full fare economy ticket. However, a delay at the Baghdad airport caused her to miss her original flight to Amman, and as a result, the “no cost” upgrade to business class was no longer available. (b)(6),(b)(7)(C) acknowledged instructing (b)(6),(b)(7)(C) to upgrade her to business class. (b)(6),(b)(7)(C) felt, under the circumstances, her upgrade to business class was justified under existing ADS rules, despite the November 2005 directive from Washington, and because she could not take a rest stop and make her first meetings in Washington. She stated that (b)(6),(b)(7)(C) agreed with her assessment of the rules. (See Attachment 11)

(b)(6),(b)(7)(C) Finally, OIG inquiry with the USAID/Iraq Mission confirmed that as of July 24, 2006 had not taken any steps to reimburse the USAID/Iraq Mission for the extra cost of her round-trip business class ticket—as mandated by her own Mission Order (No. (b)(6),(b)(7)(C) which she issued on February 9, 2006, and which specifically requires employees who elect to upgrade to business class do so by using their frequent flyer miles or by personally paying the difference in price. (See Attachment 21)

On July 25, 2006 the OIG interviewed USAID/Iraq (b)(6),(b)(7)(C) stated that upon (b)(6),(b)(7)(C) return from TDY she (b)(6),(b)(7)(C) was called to a meeting with (b)(6),(b)(7)(C) that was also attended by (b)(6),(b)(7)(C). During the meeting (b)(6),(b)(7)(C) questioned why members of (b)(6),(b)(7)(C) staff were checking on (b)(6),(b)(7)(C) travel behind (b)(6),(b)(7)(C) back rather than coming to (b)(6),(b)(7)(C) directly. This was in reference to (b)(6),(b)(7)(C) checking on the availability of coach class seats for (b)(6),(b)(7)(C) trip to Washington. (b)(6),(b)(7)(C) indicated that the discussion was about her overall management style and her staff having a "gotcha" mentality. (b)(6),(b)(7)(C) said that there have been no incidents and no repercussions since their meeting and she considers it a "dead issue." (Attachment 27, Memorandum of Interview, (b)(6),(b)(7)(C) dated 7/25/06)

**Subject:** (b)(6),(b)(7)(C)  
USAID/Iraq

**Undeveloped Leads:** None

**Disposition of Evidence, Contraband or Personal Property:** None

**Judicial and Administrative Actions:**

- This matter will be referred to USAID/M/HR for administrative disciplinary consideration.

**Attachments:**

1. Time & Attendance Report for (b)(6),(b)(7)(C) for pay period 3 of 2006
2. Time & Attendance Report for (b)(6),(b)(7)(C) for pay period 4 of 2006
3. (b)(6),(b)(7)(C) TDY Schedule for February 13 to 28, 2006
4. Memorandum of Interview, (b)(6),(b)(7)(C) dated 5/2/2006
5. Memorandum of Interview (b)(6),(b)(7)(C) dated 5/14/06
6. Memorandum of Interview (b)(6),(b)(7)(C) dated 05/15/2006
7. Records Review, dated 5/15-23/2006
8. Memorandum of Interview, (b)(6),(b)(7)(C) dated 5/17/2006
9. Memorandum of Interview, (b)(6),(b)(7)(C) dated 5/23/2006
10. Memorandum of Interview (b)(6),(b)(7)(C) dated 5/17/2006
11. Memorandum of Interview (b)(6),(b)(7)(C) dated 6/21/2006
12. Memorandum from (b)(6),(b)(7)(C) Amendment of Travel Voucher, dated 5/23/2006
13. (b)(6),(b)(7)(C) Travel Voucher, dated 3/19/2006
14. Email from (b)(6),(b)(7)(C) dated 5/22/06
15. Memorandum from EXO/ (b)(6),(b)(7)(C) to (b)(6),(b)(7)(C) dated 5/31/2006
16. General Receipt (b)(6),(b)(7)(C) in the amount of \$1,061 from (b)(6),(b)(7)(C) dated 6/11/2006
17. General Receipt (b)(6),(b)(7)(C) in the amount of \$4 from (b)(6),(b)(7)(C) dated 6/11/2006
18. USAID General Notice, dated 11/02/2005
19. Travel Authorization # (b)(6),(b)(7)(C) dated 2/2/2006

(b)(6),(b)(7)  
(C)

20. Amendment # 1 to TA # (b)(6),(b)(7)(C) dated 2/5/2006
21. USAID/Iraq Mission Order, dated 2/9/2006
22. Email exchange between (b)(6),(b)(7)(C) dated 2/11/2006  
and 2/12/2006
23. Email exchange between (b)(6),(b)(7)(C) dated 2/12/2006
24. Amendment # 3 to TA (b)(6),(b)(7)(C) dated 3/7/2006
25. Memorandum of Interview, (b)(6),(b)(7)(C) date 6/21/2006
26. Memorandum of Interview, (b)(6),(b)(7)(C) dated 5/21/2006
27. Memorandum of Interview (b)(6),(b)(7)(C) dated 7/25/06





**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6), (b)(7)(C)

**Case Number:** (b)(6), (b)(7)(C)

**Status:** Closed

(b)(6), (b)(7)(C)

**Period of Investigation:** 01/13/08 to 01/14/08

**Office:** RIG/Cairo

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**Predication:** The Reporting Agent (RA) received information from (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) USAID/Cairo, regarding possible travel voucher fraud by (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) USAID/Cairo. (b)(6), (b)(7)(C) reported that employees from the (b)(6), (b)(7)(C) informed her that (b)(6), (b)(7)(C) did not attend an Economic Growth Workshop that he was scheduled to attend. (b)(6), (b)(7)(C) submitted a travel voucher claiming hotel expenses and per diem for attendance at a workshop that he did not attend.

**Synopsis:** The results of the investigation were that the allegations were substantiated. (b)(6), (b)(7)(C) submitted a travel voucher claiming hotel expenses and per diem while attending the workshop. At the request of (b)(6), (b)(7)(C) further certified that he incurred lodging costs while attending the workshop. (b)(6), (b)(7)(C) subsequently admitted that he did not attend the workshop due to illness of family members. (b)(6), (b)(7)(C) also admits that he stayed with friends while in Washington and did not incur lodging expenses. (b)(6), (b)(7)(C) claims he made a mistake and forgot that he had not stayed in a hotel during the trip in question. He claims he confused the trip in October with another trip he made in July 2007. (b)(6), (b)(7)(C) claims that he approached (b)(6), (b)(7)(C) and advised her that he erroneously claimed lodging costs and was waiting for her to contact him. He further admitted, however, that he did not submit an amended travel voucher nor did he attempt to contact (b)(6), (b)(7)(C) to follow up on the situation.

During the course of the investigation it was also determined that (b)(6), (b)(7)(C) time and attendance (T&A) reports did not accurately reflect his work status while in the United States. (b)(6), (b)(7)(C) submitted an SF-71 for 40 hours of leave although he was originally supposed to be in rest and recuperation (R&R) status for at least 80 hours. (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) supervisor, was aware that he was in the United States but relied on the timekeeper to account for (b)(6), (b)(7)(C) hours. In his interview with OIG agents, (b)(6), (b)(7)(C) was unsure why his T&A did not accurately reflect his annual leave and claims he submitted an SF-71 for the entire period he intended to be on leave. He does not have a copy of the SF-71 to substantiate his claim nor does the timekeeper.

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|                            |                      |                         |              |
|----------------------------|----------------------|-------------------------|--------------|
| <b>REPORT MADE BY:</b>     | Name: (b)(7)(C)      | Special Agent           | Date Signed: |
|                            | Signature: (b)(7)(C) |                         | 01/14/2008   |
| <b>APPROVING OFFICIAL:</b> | Name: (b)(7)(C)      | Special Agent in Charge | Date Signed: |
|                            | Signature:           |                         |              |

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01/13/08 – 01/14/08

(b)(6),(b)(7)(C) said he failed to attend a scheduled workshop or consultations due to the illness of his children but did not contact anyone to advise them of his situation. He was contacted by (b)(6),(b)(7)(C) via e-mail and responded more than a week later. After returning to Cairo he did not file an amended SF-71 for sick leave or family leave act for the time he was taking care of his children. His reason for not filing the SF-71 was because he “did not think to do it.”

This matter will be referred to USAID Human Resources for administrative action. No further investigative activity is required and this case is closed.

### Details of Investigation:

01/10/08: The RA was contacted by (b)(6),(b)(7)(C) regarding (b)(6),(b)(7)(C) voucher. An information report was prepared and a case opened. (b)(6),(b)(7)(C) provided a copy of (b)(6),(b)(7)(C) travel voucher dated 11/18/07. (b)(6),(b)(7)(C) said that subsequent to her request for more specificity on the voucher (b)(6),(b)(7)(C) approached her and said that he “may have made a mistake on his voucher” by including lodging costs. (b)(6),(b)(7)(C) said that (b)(6) told her that he did not incur lodging costs, but stayed with friends. He said that the hotel costs were incurred on a different trip for which he had not yet submitted a voucher. (b)(6),(b)(7)(C) informed (b)(6),(b)(7)(C) that he would need to determine the dates in which he incurred lodging costs and resubmit his voucher(s) as well as reimburse USAID for any claimed costs that he was paid for that he did not in fact incur. To date (b)(6),(b)(7)(C) has not submitted any new or revised vouchers or attempted to reimburse USAID. (*Attachment #1, Information Report*)

01/13/08: The RA and Special Agent (b)(7)(C) interviewed (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) USAID/Cairo (b)(6),(b)(7)(C) said she is the timekeeper for (b)(6),(b)(7)(C) office and that the timekeeping system has remained unchanged for many years. (b)(6),(b)(7)(C) reviewed the timesheets for (b)(6),(b)(7)(C) for pay periods #20-22 with the agents. (b)(6),(b)(7)(C) reviewed the timesheets and agreed that (b)(6),(b)(7)(C) is only shown as taking 40 hours of leave during payer period #22. She recalled that he had been in the United States to attend a workshop. She agreed that the time sheets did not accurately reflect (b)(6),(b)(7)(C) actual time and attendance. (b)(6),(b)(7)(C) said that she never received any information about (b)(6),(b)(7)(C) being on R&R travel and did not receive any SF-71s for any other leave during that period. (b)(6),(b)(7)(C) said that (b)(6),(b)(7)(C) has repeatedly been untimely with his SF-71 submissions. (*Attachment #2, MOI of (b)(6),(b)(7)(C)*)

01/13/08: The RA interviewed (b)(6),(b)(7)(C) Voucher Examiner, USAID/Cairo. (b)(6),(b)(7)(C) provided the RA with copies of (b)(6),(b)(7)(C) T&A for the entire year. (b)(6),(b)(7)(C) specifically reviewed pay period #20-22 and stated that (b)(6),(b)(7)(C) took a total of 4 hours of sick leave and 40 hours of annual leave. (b)(6),(b)(7)(C) also noted that there

01/13/08 – 01/14/08

have been no amendments made to the T&A after the initial submission. (*Attachment #3, MOI of* (b)(6),(b)(7)(C))

**01/14/08:** The RA and Assistant Special Agent in Charge (b)(6),(b)(7)(C) interviewed (b)(6),(b)(7)(C). He recalled that (b)(6),(b)(7)(C) went to Washington D.C. to attend an economic workshop in conjunction with R&R but could not remember the exact date, but it was sometime in October 2007. He heard from someone in the office that (b)(6),(b)(7)(C) did not show up at the economic workshop. (b)(6),(b)(7)(C) said he did not obtain a telephone contact for (b)(6),(b)(7)(C) while he was in the United States, however, he sent (b)(6),(b)(7)(C) an e-mail to the personal account address that he left. Approximately one week later (b)(6),(b)(7)(C) received a response from (b)(6),(b)(7)(C) that he or his family members had been sick and he was unable to attend the workshop. He said he did not receive any phone call from (b)(6),(b)(7)(C) prior to the e-mail and does not believe that (b)(6),(b)(7)(C) contacted anyone in the office to report that he was taking medical leave or to advise that he was not attending the workshop. (*Attachment #4, MOI of* (b)(6),(b)(7)(C))

**01/14/08:** The RA and Assistant Special Agent in Charge (b)(6),(b)(7)(C) interviewed (b)(6),(b)(7)(C). He confirmed that he departed Egypt on October 10<sup>th</sup> or 11<sup>th</sup>, 2007 to attend an Economic Growth Workshop in Washington, D.C. in conjunction with his scheduled R&R travel. He said his family departed post with him and that they stayed at a friend's house in Reston, Virginia. After submitting his voucher (b)(6),(b)(7)(C) contacted (b)(6),(b)(7)(C) and reported that he mistakenly put down hotel expenses on his voucher when he had stayed at a friend's house. (b)(6),(b)(7)(C) said that (b)(6),(b)(7)(C) was supposed to get back to him and advise what he should do. To date, he has not heard from (b)(6),(b)(7)(C) and has not attempted to contact her. (b)(6),(b)(7)(C) claimed five days of lodging expenses and said he confused this trip with a previous trip to Washington D.C. in July 2007 in which he did claim lodging expenses and per diem. (b)(6),(b)(7)(C) claims he submitted an SF-71 for annual leave during the time he was to be on R&R status. He did not submit an SF-71 for sick leave or family leave act after returning to Cairo for the time he was caring for his ill children. He said he did not think to do it. (*Attachment #5, MOI of* (b)(6),(b)(7)(C))

**Defendants/Suspects:**

(b)(6),(b)(7)(C)

USAID/Cairo

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

There are no items in evidence

**Judicial and Administrative Actions:**

This matter will be referred to USAID Human Resources for appropriate administrative action.

**Attachments:**

1. 01/13/08, Information Report by SA (b)(7)(C) (Serial #5)
2. 01/13/08, MOI of (b)(6),(b)(7)(C) by SA (b)(7)(C) Serial #2)
3. 01/13/08, MOI of (b)(6),(b)(7)(C) by SA (b)(7)(C) (Serial #1)
4. 01/14/08, MOI of (b)(6),(b)(7)(C) by SA (b)(7)(C) (Serial #3)
5. 01/14/08, MOI of (b)(6),(b)(7)(C) by SA (b)(7)(C) (Serial #4)



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)  
**Status:** Closed **Office:** RIG/Cairo  
**Period of Investigation:** Amended 05/17/10

NR

**Synopsis:**

This is an amendment to the Report of Investigation (ROI) for the period 01/13/08 to 01/14/08. See referenced ROI for "Synopsis."

Since the last ROI, this case was presented to (b)(6),(b)(7)(C) Assistant United States Attorney (AUSA), U.S. Attorney's Office (USAO) in Washington, D.C., for criminal prosecution. AUSA (b)(6),(b)(7)(C) reviewed the facts of the case and declined criminal prosecution since administrative action had already been taken against (b)(6),(b)(7)(C) former (b)(6),(b)(7)(C) USAID/Cairo, and restitution was made by (b)(6),(b)(7)(C) to USAID in the amount of \$1,125.00.

NR

No further investigative activity is required and this case remains closed.

**Details of Investigation:**

05/17/10: The reporting agent presented the case to AUSA (b)(6),(b)(7)(C) which he declined for criminal prosecution. (Attachment #1, email from AUSA (b)(6),(b)(7)(C) declining prosecution)

**Defendants/Suspects:**  
(b)(6),(b)(7)(C) USAID/Cairo.

NR

**Undeveloped Leads:**  
None.

**Disposition of Evidence, Contraband or Personal Property:**  
There are no items in evidence.

**REPORT MADE BY:** Name: (b)(6),(b)(7)(C) Special Agent Date Signed: 05/17/2010  
Signature: (b)(6),(b)(7)(C)

**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) Special Agent-in-Charge Date Signed: 5/25/10  
Signature: (b)(6),(b)(7)(C)

NR

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(b)(6),(b)(7)(C)

Amended 05/17/10

**Judicial and Administrative Actions:**

1. (b)(6),(b)(7)(C) received a 45-day suspension effective May 7, 2009 from the USAID Office of Human Resources.
2. Restitution was made by (b)(6),(b)(7)(C) to USAID in the amount of \$1,325.00.

**Attachments:**

1. 05/17/10 email from AUSA (b)(6),(b)(7)(C) declining prosecution.





**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Completed  
**Period of Investigation:** 06/09/11 to 9/07/11 **OIG/I Office:** Baghdad, Iraq

**Synopsis:**

On June 9, 2011, (b)(6),(b)(7)(C) USAID (b)(6),(b)(7)(C) USAID/Iraq (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) USAID/Iraq (b)(6) met with the Reporting Agent (RA) to report allegations of voucher fraud against (b)(6),(b)(7)(C) USAID/Iraq (b)(6),(b)(7)(C). They reported that (b)(6),(b)(7)(C) overcharged USAID/Iraq for medicine prescriptions and a cardiac test that he claimed on a voucher dated May 16, 2011. To verify (b)(6),(b)(7)(C) medical claims (b)(6),(b)(7)(C) instructed one of his Iraqi staff to call a pharmacy where (b)(6),(b)(7)(C) claimed he bought his medicines and the medical center where he claimed he had a cardiac test. (b)(6),(b)(7)(C) vouchered medical charges were higher than actual.

The U.S. Department of State, Regional Security Office (RSO) in the U.S. Embassy in Baghdad joined the investigation. A Foreign Service National (FSN) translator assigned to the RSO's office telephoned the (b)(6),(b)(7)(C) Pharmacy at the telephone number listed on the invoice submitted by (b)(6),(b)(7)(C) but there was a recording stating it is a non-working number. The translator then checked some prices claimed by (b)(6),(b)(7)(C) with another pharmacy (b)(6),(b)(7)(C) Pharmacy, in the International Zone, and found the charges claimed by (b)(6),(b)(7)(C) on the voucher were higher. A comparison of charges claimed by (b)(6),(b)(7)(C) against prices obtained from pharmacies in Baghdad revealed that (b)(6),(b)(7)(C) overcharged USAID/Iraq approximately \$2,385.

Based on evidence obtained during this investigation, the RSO decided to revoke (b)(6),(b)(7)(C) security clearance and have him escorted from the U.S. Embassy. According to a U.S. Department of Justice's policy at the U.S. Embassy in Baghdad, law enforcement officers cannot interview FSN Iraqis unless the Iraqi government is notified through a diplomatic note. Because of this policy, the RSO decided not to interview (b)(6),(b)(7)(C) because it would delay his interview and could risk his life if people outside the embassy knew that he works for the U.S. government. On August 11, 2011, (b)(6),(b)(7)(C) security clearance was revoked and he was escorted from the embassy.

**REPORT MADE BY:** (b)(7)(C) **Date Signed:** 11/17/11  
**Signature:** (b)(7)(C)  
**APPROVING OFFICIAL:** **Name:** **Date Signed:** 11/25/2011  
**Signature:**

Period: 06/09/11 to 9/07/11

An inspection and review of (b)(6),(b)(7)(C) work area, computer hard drive and e-mail account disclosed no indication of (b)(6),(b)(7)(C) creating pharmacy receipts.

On September 6, 2011, (b)(6),(b)(7)(C) reported that (b)(6),(b)(7)(C) submitted a voucher in May 2011 for reimbursement of \$925 in orthodontic expenses for his son. (b)(6),(b)(7)(C) contacted (b)(6),(b)(7)(C) to advise him that USAID will issue a bill for collection for the \$925 paid because his son was not living with him but with his ex-wife. Therefore (b)(6),(b)(7)(C) was not entitled to this payment.

#### Details of Investigation:

On June 9, 2011, (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) met with the RA to report allegations of voucher fraud against (b)(6),(b)(7)(C) for overcharging USAID/Iraq for medicine prescriptions and a cardiac test that he claimed on a voucher dated May 16, 2011. To verify (b)(6),(b)(7)(C) medical claims, (b)(6),(b)(7)(C) instructed one of his local staff to call a pharmacy where (b)(6),(b)(7)(C) claimed he bought his medicines and the medical center where he claimed he had a cardiac test. It was determined that the facilities charged less than (b)(6),(b)(7)(C) claimed on his voucher. *(Attachment 1 – Memorandum of Interview – (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C))*

On June 20, 2011, (b)(6),(b)(7)(C) an FSN translator assigned to the RSO, telephoned the (b)(6),(b)(7)(C) Pharmacy where (b)(6),(b)(7)(C) claimed he bought medicines but the telephone number listed on the invoice submitted by him had a recording stating it is a non-working number. (b)(6),(b)(7)(C) then checked some prices claimed by (b)(6),(b)(7)(C) with another pharmacy, (b)(6),(b)(7)(C) Pharmacy, in the International Zone, and found the charges claimed by (b)(6),(b)(7)(C) on the voucher were much higher. *(Attachment 2 – E-Mail from (b)(6),(b)(7)(C) & Attachment)*

On July 11, 2011, the RA prepared a chart comparing the medical charges claimed by (b)(6),(b)(7)(C) and the prices obtained from local Iraqi pharmacies. (b)(6),(b)(7)(C) overcharged USAID/Iraq approximately \$2,385. *(Attachment 3- Chart Comparing (b)(6),(b)(7)(C) Medical Claims with Prices Obtain from Iraqi Pharmacies)*

On August 11, 2011, (b)(6),(b)(7)(C) security clearance was revoked by the RSO pursuant to his provision of fraudulent medical vouchers to USAID/Iraq. (b)(6),(b)(7)(C) Assistant RSO, escorted (b)(6),(b)(7)(C) outside the U.S. Embassy. *(Attachment 4- Memorandum of Activity – Escorting (b)(6),(b)(7)(C) Out of the U.S. Embassy)*

On August 11, 2011, the RA and (b)(6),(b)(7)(C) conducted an inspection of (b)(6),(b)(7)(C) work area. No indication of pharmacy receipts created by (b)(6),(b)(7)(C) was found. On August 14, 2011, the RA reviewed and inspected (b)(6),(b)(7)(C) work computer hard drive and e-mail account. No indication of pharmacy receipts created by (b)(6),(b)(7)(C) was found.

On September 6, 2011, (b)(6),(b)(7)(C) reported that (b)(6),(b)(7)(C) submitted a voucher in May 2011 for reimbursement of \$925 in orthodontic expenses for his son. (b)(6),(b)(7)(C) contacted (b)(6),(b)(7)(C) to advise him that USAID would issue a bill for collection for the \$925 because his son was not

(b)(6),(b)(7)(C)

Period: 06/09/11 to 9/07/11

living with him but with his ex-wife. Therefore, (b)(6),(b)(7)(C) was not entitled to this payment.  
(Attachment 5- Memorandum of Interview - (b)(6),(b)(7)(C)

**Subject/Defendant/Suspect:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

N/A

**Judicial and Administrative Actions:**

On August 11, 2011, the RSO revoked (b)(6),(b)(7)(C) security clearance.

**Attachments:**

- (1) Memorandum of Interview - (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) dated 6/9/11
- (2) E-Mail from (b)(6),(b)(7)(C) & Attachment, dated 6/20/11
- (3) Chart Comparing (b)(6),(b)(7)(C) Medical Claims with Prices Obtain from Iraqi Pharmacies, dated 7/11/11
- (4) Memorandum of Activity - Escorting (b)(6),(b)(7)(C) Out of the U.S. Embassy, dated 8/11/11
- (5) Memorandum of Interview - (b)(6),(b)(7)(C) dated 9/6/11



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Complete  
**Period of Investigation:** 06/26/09 to 9/27/09 **OIG/I Office:** RIG/Cairo

**Synopsis:**

On June 25, 2009, USAID/Sudan (b)(6),(b)(7)(C) reported that USAID/Sudan (b)(6),(b)(7)(C) may have submitted a fraudulent travel voucher by falsely claiming lodging costs at the (b)(6),(b)(7)(C) Hotel and Suites in Nairobi, Kenya. (b)(6),(b)(7)(C) stated that while he was reviewing (b)(6),(b)(7)(C) travel voucher dated February 28, 2009, he noticed that (b)(6),(b)(7)(C) had attached two receipts from the (b)(6),(b)(7)(C) Hotel & Suites to the voucher. The receipts were for 393,750 Kenyan shillings (valued at approximately \$5,180.92 USD) indicating that (b)(6),(b)(7)(C) incurred lodging costs from October 9, 2008 through November 2, 2008. According to (b)(6),(b)(7)(C), since (b)(6),(b)(7)(C) wife and children were living in USAID-paid housing in Nairobi and if he resided with them while detailed to Nairobi, he would not be entitled to reimbursement for lodging.

The investigation uncovered evidence that (b)(6),(b)(7)(C) submitted fictitious lodging receipts (valued at \$4,378.00 USD) in support of a fraudulent travel voucher dated February 28, 2009.

Specifically, the investigation revealed that from January 2006 through September 2008, (b)(6),(b)(7)(C) served as a (b)(6),(b)(7)(C) assigned to USAID in Juba, Sudan. His family lived in USAID-paid housing in Nairobi, Kenya during his assignment. On September 14, 2008, his employment status changed from Fellow to US direct hire but his duty station was still in Juba, Sudan. He was sent to Washington, DC in a temporary duty status for consultations and swearing in. However, his family remained in the same residence in Nairobi through November 2008. Upon completion of his travels to Washington, he was detailed to Nairobi from October 8, 2008 through October 31, 2008, to await his National Security Decision Directive - 38 approval. During his detail, he lived in the USAID-paid housing with his family. (b)(6),(b)(7)(C) later submitted the aforementioned travel voucher, which included the un-incurred lodging costs, to USAID/Sudan for payment.

**REPORT MADE BY:** Name: (b)(6),(b)(7)(C) Signature: (b)(6),(b)(7)(C) Date Signed: 09/29/09  
**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) Signature: (b)(6),(b)(7)(C) Date Signed: 10/01/09

(b)(6), (b)(7)(C)

Period: 06/26/09 to 9/27/09

During his interview with the OIG, (b)(6), (b)(7)(C) verified that the signature on the voucher dated 02/28/09 was his. He said that originally he did not attach lodging receipts, but (b)(6), (b)(7)(C) told him that he had to provide documentation for housing in order to claim lodging. He talked to his wife and told her that they needed to have a receipt for lodging. (b)(6), (b)(7)(C) stated that he instructed his wife to create a fake receipt from (b)(6), (b)(7)(C) Hotel and Suites (a lodging location where he and his family previously stayed when they first arrived in Kenya in 2005) which he submitted with his voucher. He acknowledged that what he did was wrong and stated that he "really screwed up".

The case was presented to the United States Attorney's Office in the District of Columbia and was accepted for prosecution.

#### Details of Investigation:

On June 25, 2009, (b)(6), (b)(7)(C) reported that (b)(6), (b)(7)(C) may have submitted a fraudulent travel voucher. He estimated that (b)(6), (b)(7)(C) claimed approximately \$5,180.92 in lodging from October 9, 2008 through October 31, 2008 while on TDY in Nairobi, Kenya. (b)(6), (b)(7)(C) stated that during the aforementioned dates, USAID was paying for housing for (b)(6), (b)(7)(C) wife and children in Nairobi. (*Attachment 1 – E-Mail, (b)(6), (b)(7)(C) dated 06/25/09*)

On June 26, 2009, the RA interviewed (b)(6), (b)(7)(C) who stated that (b)(6), (b)(7)(C) may have submitted a fraudulent voucher. According to (b)(6), (b)(7)(C) claimed lodging for a hotel in Nairobi that did not exist. In addition, USAID was paying for safe haven housing for (b)(6), (b)(7)(C) wife and children in Nairobi. (*Attachment 2 – Memorandum of Interview, (b)(6), (b)(7)(C) dated 06/26/09*)

On June 27, 2009, the RA reviewed (b)(6), (b)(7)(C) travel voucher dated February 28, 2009 and its attachments. The review revealed that (b)(6), (b)(7)(C) claimed \$4,378.00 in lodging expenses for official travel to Nairobi, Kenya from October 9 through October 31, 2008. However, he attached two receipts dated October 9 through November 2, 2008 and November 5 through November 10, 2008, respectively, from (b)(6), (b)(7)(C) Hotel & Suites. The RA researched the hotel on the internet, but was not able to find a (b)(6), (b)(7)(C) Hotel & Suites in Nairobi. However, the RA located a (b)(6), (b)(7)(C) Apartments with a different address than the one on the lodging receipts that (b)(6), (b)(7)(C) submitted with his travel voucher. (*Attachment 3– Memorandum of Records Review for Travel Voucher, Attachments, and internet research dated 06/27/09*)

On July 13, 2009, the RA interviewed (b)(6), (b)(7)(C) the (b)(6), (b)(7)(C) Apartments (b)(6), (b)(7)(C) who confirmed that the receipts (b)(6), (b)(7)(C) attached and submitted with his travel voucher were not issued by (b)(6), (b)(7)(C) Apartments. (*Attachment 4- Memorandum of Interview, (b)(6), (b)(7)(C) dated 07/13/09*)

On July 14, 2009, the RA interviewed (b)(6), (b)(7)(C) General Services Office (GSO) (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) who stated that USAID paid for safe haven housing for (b)(6), (b)(7)(C) family through September 30, 2008. The GSO made arrangements to allow (b)(6), (b)(7)(C) and his family to live in the house until October 31, 2009

Period: 06/26/09 to 9/27/09

without having to pay rent for October 2008. (*Attachment 5- Memorandum of Interview*,  
(b)(6),(b)(7)(C) dated 07/14/09)

On July 14, 2009, the RA interviewed USAID/Kenya (b)(6) who stated that beginning in January 2006, USAID made payments to (b)(6),(b)(7)(C) for the housing for his wife and children. However, beginning in January 2008, USAID paid GSO who then paid the rent to the Landlord. (*Attachment 6- Memorandum of Interview*, (b)(6),(b)(7)(C) dated 07/14/09)

On July 28, 2009, (b)(6),(b)(7)(C) confirmed that from October 9 through November 2, 2008, and from November 5 through November 10, 2008, (b)(6),(b)(7)(C) was not a tenant of (b)(6),(b)(7)(C) Apartments. (*Attachment 7- E-Mail from* (b)(6),(b)(7)(C) dated 7/28/09)

On August 17, 2009, the RA received a copy of (b)(6),(b)(7)(C) criminal history records from OIG (b)(6),(b)(7)(C) (b)(6),(b)(7)(C). The records revealed that on two occasions, (b)(6),(b)(7)(C) plead guilty to misdemeanor theft charges. (*Attachment 8- (b)(6),(b)(7)(C) Criminal History from* (b)(6),(b)(7)(C) dated 08/17/09)

On September 18, 2009, the RA, interviewed (b)(6),(b)(7)(C) verified his signature on a travel voucher dated February 28, 2009, which the RA showed to him. He admitted that he instructed his wife to make a fake hotel receipt, because he was told that he had to submit "something" to get paid lodging. He acknowledged that what he did was wrong and stated that he "really screwed up". He stated that he did not want to defraud the U.S. Government. (b)(6),(b)(7)(C) voluntarily provided a signed written statement. (*Attachment 9- Memorandum of Interview*, (b)(6),(b)(7)(C) dated 09/18/09)

On September 18, 2009, (b)(6),(b)(7)(C) voluntarily provided a written statement whereby he admitted that he did not stay in a hotel why on TDY to Nairobi. He said that when he was "asked for an invoice against my time in Nairobi, I produced an invoice that was not for the housing we used, but something my wife made". (*Attachment 10 - Written Statement*, (b)(6),(b)(7)(C) dated 09/18/09)

On September 18, 2009, Special Agent in Charge (b)(6),(b)(7)(C) contacted AUSA (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) for an oral presentation of the case involving (b)(6),(b)(7)(C) SAC (b)(6),(b)(7)(C). (b)(6),(b)(7)(C) explained that the OIG initiated an investigation that uncovered evidence that USAID employee (b)(6),(b)(7)(C) submitted fictitious lodging receipts (valued at \$4,378.00 USD) in support of a fraudulent travel voucher dated February 28, 2009. (b)(6),(b)(7)(C) evaluated the facts provided to him and accepted the case for federal criminal prosecution. (*Attachment 11 - Memorandum of Conversation*, (b)(6),(b)(7)(C) dated 09/18/09)

#### Defendants/Suspects:

(b)(6),(b)(7)(C)

USAID/Sudan (b)(6),(b)(7)(C)  
Juba, Sudan



Period: 06/26/09 to 9/27/09

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

N/A

**Judicial and Administrative Actions:**

On September 18, 2009, the case was referred to and accepted for federal prosecution by the Department of Justice (DOJ) in the District of Columbia.

On September 29, 2009, the DOJ "May West" letter was provided to the Office of Security.

The case will be referred to the Office of Human Resources.

**Attachments:**

- (1) E-Mail from (b)(6),(b)(7)(C) dated 7/25/09
- (2) Memorandum of Interview - (b)(6),(b)(7)(C) dated 7/26/09
- (3) Memorandum of Records Review – Travel Voucher, Attachments and internet research on (b)(6),(b)(7)(C) Hotel & Suites dated 6/27/09
- (4) Memorandum of Interview - (b)(6),(b)(7)(C) dated 7/13/09
- (5) Memorandum of Interview - (b)(6),(b)(7)(C) dated 7/14/09
- (6) Memorandum of Interview - (b)(6),(b)(7)(C) dated 7/14/09
- (7) E-Mail from (b)(6),(b)(7)(C) dated 7/28/09
- (8) (b)(6),(b)(7)(C) criminal history from (b)(6),(b)(7)(C) dated 8/17/09
- (9) Memorandum of Interview - (b)(6),(b)(7)(C) dated 9/18/09
- (10) Written Statement - (b)(6),(b)(7)(C) dated 09/18/09
- (11) Memorandum of Conversation - (b)(6),(b)(7)(C) dated 9/18/09



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Closed (Amended)  
**Period of Investigation:** 09/28/09 to 9/14/10 **OIG/I Office:** RIG/Cairo

**Synopsis:**

This is an amendment to the last Report of Investigation for the period 6/26/09 to 9/27/09.

On December 14, 2009, an employee for the U.S. Embassy in Kenya was terminated as a result of the OIG investigation. On April 7, 2010, (b)(6),(b)(7)(C) former (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) USAID/Sudan, pleaded guilty to one count of making a false statement on official certificates or writings in violation of Title 18 USC §1018. On July 29, 2010, (b)(6),(b)(7)(C) was sentenced to one-year probation. This case is closed.

**Details of Investigation:**

On September 29, 2009, a referral letter with an attached copy of a U.S. Department of Justice (DOJ) reverse-proffer letter (aka, "Mae West" letter) to (b)(6),(b)(7)(C) was provided to the USAID Office of Security (SEC). (*Attachment 1 – Referral Letter to USAID/SEC*)

On September 30, 2009, SEC immediately suspended (b)(6),(b)(7)(C) security clearance until the allegations of submitting a fraudulent travel voucher containing fictitious lodging receipts was resolved sufficiently. (*Attachment 2 – SEC Security Clearance Suspension Letter to (b)(6),(b)(7)(C)*)

On October 21, 2009, in response to the "Mae West" letter, the RA, Assistant United States Attorney (AUSA) (b)(6),(b)(7)(C) of the U.S. Attorney's Office (USAO), District of Columbia (DC), (b)(6),(b)(7)(C) and his defense attorney, (b)(6),(b)(7)(C) met to discuss possible criminal charges against (b)(6),(b)(7)(C). During the meeting, (b)(6),(b)(7)(C) admitted to submitting a fraudulent travel voucher containing fictitious lodging receipts. (b)(6),(b)(7)(C) justified his action by stating that he knew that eventually USAID would send him a Bill for Collection (BFC) for the house rent in Nairobi from October 1, 2008 through November 15, 2008. (b)(6),(b)(7)(C) provided AUSA (b)(6),(b)(7)(C) and the RA with a copy of a BFC with attached documents indicating that (b)(6),(b)(7)(C) owed 300,000 Kenyan Schillings (approximately \$3,712.87) for the house rent in Nairobi from October 1, 2008 to November 15, 2008. The BFC was issued by the Department of State (DOS)

**REPORT MADE BY:** Name: (b)(6),(b)(7)(C) Special Agent Date Signed: 9/24/10  
Signature: (b)(6),(b)(7)(C)  
**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) Special Agent-in-Charge Date Signed: 9/24/10  
Signature: (b)(6),(b)(7)(C)

Period: 09/28/09 to 9/14/10

and the billing official was listed as (b)(6), (b)(7)(C) (*Attachment 3 – Memorandum of Meeting in Response to “Mae West” Letter*)

On October 22, 2009, (b)(6), (b)(7)(C) USAID Foreign Service Personnel, issued a job termination letter to (b)(6), (b)(7)(C) effective November 22, 2009. (*Attachment 4 – Job Termination letter for (b)(6), (b)(7)(C)*)

On November 30, 2009, the RA interviewed (b)(6), (b)(7)(C) USAID/Kenya (b)(6), (b)(7)(C) who stated that he allowed (b)(6), (b)(7)(C) and his family to stay in the USAID-paid house until the end of October 2008 and that he did not have any intentions to make (b)(6), (b)(7)(C) to pay for the October 2008 rent. (b)(6), (b)(7)(C) further stated that by allowing (b)(6), (b)(7)(C) to live in the aforementioned house, the U.S. Government would not lose any funds because it was already paid one year in advance. (b)(6), (b)(7)(C) stated this was a judgment decision and made reference to 15 FAM 247, “Surrender of Residential Quarters.” (b)(6), (b)(7)(C) also stated the BFC did not look right to him because there were USAID funds involved and he is the only USAID representative who would sign BFCs for the agency. (*Attachment 5 – Memorandum of Interview for (b)(6), (b)(7)(C)*)

On November 30, 2009, the RA interviewed (b)(6), (b)(7)(C) DOS, who stated that (b)(6), (b)(7)(C) did not have the authority to issue a BFC. (b)(6), (b)(7)(C) further stated that he would review the BFC and would provide the RA with a written report of his conclusions. (*Attachment 6 – Memorandum of Interview for (b)(6), (b)(7)(C)*)

On December 2, 2009, the RA interviewed (b)(6), (b)(7)(C) DOS/GSO, who stated that (b)(6), (b)(7)(C) asked her to type the aforementioned BFC. According to (b)(6), (b)(7)(C) she was suspicious about (b)(6), (b)(7)(C) and the BFC but she did not report it to (b)(6), (b)(7)(C) because she was very concerned about losing her job. (b)(6), (b)(7)(C) stated that she would forward emails from (b)(6), (b)(7)(C) related to the BFC. (*Attachment 7 – Memorandum of Interview for (b)(6), (b)(7)(C)*)

On December 2, 2009, the RA received a written report from (b)(6), (b)(7)(C) where he concluded that (b)(6), (b)(7)(C) did not have the authority to authorize the aforementioned BFC. (b)(6), (b)(7)(C) further concluded that the BFC was falsified and not on file with GSO, Financial Management Office, USAID or DOS cashiers. In addition, (b)(6), (b)(7)(C) reported that the lease for the USAID-paid house was paid in advance for a full year by the U.S. Government at the time in question. (*Attachment 8 – Written Report by (b)(6), (b)(7)(C)*)

On December 2, 2009, the RA interviewed (b)(6), (b)(7)(C) SA (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was present during the interview. (b)(6), (b)(7)(C) first stated that he had the authority to produce the BFC but after being confronted by the RA, he then admitted that he had no such authority and that (b)(6), (b)(7)(C) asked for his help to get him out of trouble. (b)(6), (b)(7)(C) further stated that (b)(6), (b)(7)(C) provided him with copies of expenditures to be included in the BFC. When the interview was over, SA (b)(6), (b)(7)(C) advised (b)(6), (b)(7)(C) that his security certification had been revoked by his office because he knowingly falsified the BFC in an attempt to conceal a matter being investigated by a U.S. Government Federal agency. SA (b)(6), (b)(7)(C) and the RA proceeded

Period: 09/28/09 to 9/14/10

to escort (b)(6),(b)(7)(C) outside the U.S. Embassy. (*Attachment 9 – Memorandum of Interview and Written Statement* (b)(6),(b)(7)(C))

On December 2, 2009, (b)(6),(b)(7)(C) forwarded to the RA an email from (b)(6),(b)(7)(C) which included another email where (b)(6),(b)(7)(C) instructed (b)(6),(b)(7)(C) what information to write on the BFC. (*Attachment 10 – Email from* (b)(6),(b)(7)(C))

On December 14, 2009, the U.S. Embassy in Kenya terminated (b)(6),(b)(7)(C) employment because his security certification was revoked by the RSO and for unsatisfactory job performance as a result of false statements and misrepresentation. (*Attachment 11 – Notice of Termination of Employment for* (b)(6),(b)(7)(C))

On January 15, 2010, AUSA (b)(6),(b)(7)(C) extended a plea agreement to (b)(6),(b)(7)(C) (*Attachment 12 – Plea Agreement for* (b)(6),(b)(7)(C))

On March 15, 2010, AUSA (b)(6),(b)(7)(C) filed a criminal Information charging (b)(6),(b)(7)(C) for one count of making a false statement on official certificates or writings in violation of Title 18 USC §1018. On March 24, 2010, (b)(6),(b)(7)(C) pleaded guilty to the charge. (*Attachment 13 – Information filed by AUSA* (b)(6),(b)(7)(C))

On April 17, 2010, a referral was forwarded to the USAID Office of Acquisition and Assistance (OAA) informing them of (b)(6),(b)(7)(C) plea. (*Attachment 14 – Referral to OAA*)

On July 29, 2010, (b)(6),(b)(7)(C) was sentenced to one-year probation. (*Attachment 15 –* (b)(6),(b)(7)(C) *Sentencing*)

#### Defendants/Suspects:

(b)(6),(b)(7)(C)

USAID/Sudan (b)(6),(b)(7)(C)  
Juba, Sudan

#### Undeveloped Leads:

None.

#### Disposition of Evidence, Contraband or Personal Property:

N/A

#### Judicial and Administrative Actions:

1. On December 14, 2009, (b)(6),(b)(7)(C) an employee for the U.S. Embassy in Kenya was terminated as a result of the OIG investigation.

Period: 09/28/09 to 9/14/10

2. On October 22, 2009, (b)(6),(b)(7)(C) received a Job Termination letter effective November 22, 2009.
3. On March 24, 2010, (b)(6),(b)(7)(C) pleaded guilty to one count of making a false statement on official certificates or writings in violation of Title 18 USC §1018 as filed by DOJ in a criminal Information.
4. On July 29, 2010, (b)(6),(b)(7)(C) was sentenced to one-year probation.

**Attachments:**

1. Referral Letter to USAID/SEC.
2. SEC Security Clearance Suspension Letter to (b)(6),(b)(7)(C)
3. Memorandum of Meeting in Response to "Mac West" Letter.
4. Job Termination letter for (b)(6),(b)(7)(C)
5. Memorandum of Interview for (b)(6),(b)(7)(C)
6. Memorandum of Interview for (b)(6),(b)(7)(C)
7. Memorandum of Interview for (b)(6),(b)(7)(C)
8. Written Report by (b)(6),(b)(7)(C)
9. Memorandum of Interview and Written Statement (b)(6),(b)(7)(C)
10. Email from (b)(6),(b)(7)(C)
11. Notice of Termination of Employment for (b)(6),(b)(7)(C)
12. Plea Agreement for (b)(6),(b)(7)(C)
13. Information filed by AUSA (b)(6),(b)(7)(C)
14. Referral to OAA.
- 15 (b)(6),(b)(7)(C) Sentencing.



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** (b)(6), (b)(7)(C) **Case Number:** (b)(6), (b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 11/22/09 to 6/9/10 **OIG/I Office:** RIG/Cairo

**Synopsis:**

On 11/22/09, (b)(6), (b)(7)(C) USAID/Egypt Office of Financial Management (OFM), informed the reporting Agent (RA) that (b)(6), (b)(7)(C) USAID/Egypt (b)(6), (b)(7)(C) might have submitted a fraudulent travel voucher. According to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) used a (b)(6), (b)(7)(C) Motel business card as a lodging receipt to claim two nights lodging at \$80 per night for a total of \$160. The back of the aforementioned card read, "Received tow over nite for \$160." It was also dated October 4, 2009, and signed. (b)(6), (b)(7)(C) added that USAID/Egypt/OFM was unable to verify whether or not (b)(6), (b)(7)(C) actually stayed at the (b)(6), (b)(7)(C) Hotel.

During his interview (b)(6), (b)(7)(C) denied the allegation and insisted that he paid \$160 in cash for two nights at the (b)(6), (b)(7)(C) Motel in New York but was unable to obtain a cash receipt. Several attempts by the RA to verify whether or not (b)(6), (b)(7)(C) stayed at the (b)(6), (b)(7)(C) Motel, via the business card telephone number, were unsuccessful. (b)(6), (b)(7)(C) USAID/Egypt (b)(6), (b)(7)(C) was also unable to verify whether or not (b)(6), (b)(7)(C) stayed at the (b)(6), (b)(7)(C) Hotel and disallowed the use of the business card as a lodging receipt with OFM's concurrence.

This case is closed.

**Details of Investigation:**

On 11/22/09 (b)(6), (b)(7)(C) reported that (b)(6), (b)(7)(C) might have submitted a fraudulent travel voucher when he submitted a (b)(6), (b)(7)(C) Motel business card as a lodging receipt. (b)(6), (b)(7)(C) stated that (b)(6), (b)(7)(C) USAID/Egypt/FM, called the (b)(6), (b)(7)(C) Motel and although no specific information on (b)(6), (b)(7)(C) was given, she was told that (b)(6), (b)(7)(C) might not

**REPORT MADE BY:** Name: (b)(6), (b)(7)(C) Special Agent Date Signed: 6/16/10  
Signature: (b)(6), (b)(7)(C)  
**APPROVING OFFICIAL:** Name: (b)(6), (b)(7)(C) Assistant Special Agent-in-Charge Date Signed:  
Signature: (b)(6), (b)(7)(C) 6/23/10



Period: 11/22/09 to 6/09/10

have stayed at their motel because they would never issue a business card as a lodging receipt. **(Attachment 1 – Memorandum of Interview for (b)(6), (b)(7)(C))**

On 11/22/09, the RA interviewed (b)(6), (b)(7)(C) Voucher Examiner, USAID/Egypt/OFM, who stated that (b)(6), (b)(7)(C) requested his assistance to fill out his travel voucher covering the period, 10/2/09 through 10/17/09, when he attended a defensive driver training program in Washington, D.C., and in Richmond, Virginia. According to (b)(6), (b)(7)(C) claimed two nights for rest stops in Queens Village, New York. (b)(6), (b)(7)(C) advised (b)(6), (b)(7)(C) that he could only claim one night. In addition, (b)(6), (b)(7)(C) submitted the (b)(6), (b)(7)(C) Motel business card as a lodging receipt. (b)(6), (b)(7)(C) claimed that he paid \$160 in cash for two nights at the aforementioned motel and that he could not obtain a lodging receipt because it was too early in the morning when he left. **(Attachment 2 – Memorandum of Interview for (b)(6), (b)(7)(C))**

On 11/22/09, the RA interviewed (b)(6), (b)(7)(C) who stated that she contacted the (b)(6), (b)(7)(C) Motel and was told that no information about their guests could be given. However, after (b)(6), (b)(7)(C) explained about (b)(6), (b)(7)(C) using their business card as a lodging receipt, she was told that they would never use a business card as a lodging receipt and therefore, (b)(6), (b)(7)(C) might not have stayed at their motel. **(Attachment 3 – Memorandum of Interview for (b)(6), (b)(7)(C))**

On 12/14/09, the RA contacted the (b)(6), (b)(7)(C) Motel via telephone and asked to speak with a supervisor but the request was denied by the employee who did not want to identify herself. The employee further stated that she could not give any information concerning their guests via telephone and suggested that the request for information be mailed to the motel. **(Attachment 4 – Memorandum of Interview for (b)(6), (b)(7)(C) Motel)**

On 12/28/09, the RA and Special Agent (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C) who denied the allegation and insisted that he paid \$160 in cash for two nights at the (b)(6), (b)(7)(C) Motel. According to (b)(6), (b)(7)(C) the front desk employee gave him a business card indicating the \$160 in cash paid for two nights with the date, 10/4/09, stamped on it with the employee's signature. (b)(6), (b)(7)(C) further stated that when he asked for a lodging receipt he was told that he had to wait until mid-day but he would have missed his flight. **(Attachment 5 – Memorandum of Interview for (b)(6), (b)(7)(C))**

On 1/19/10, (b)(6), (b)(7)(C) sent a letter to the (b)(6), (b)(7)(C) Motel to corroborate (b)(6), (b)(7)(C) use of a business card as a lodging receipt. **(Attachment 6 – Letter from (b)(6), (b)(7)(C) to (b)(6), (b)(7)(C) Motel)**

On 6/9/10, the RA received an e-mail from (b)(6), (b)(7)(C) stating that as of this date, the (b)(6), (b)(7)(C) Motel never responded to his letter. (b)(6), (b)(7)(C) further stated that he disallowed (b)(6), (b)(7)(C) use of the business card as a lodging receipt with OFM's concurrence. According to (b)(6), (b)(7)(C) training was provided to all motorpool staff on the proper submission of travel receipts and vouchers. **(Attachment 7 – Follow-up email from (b)(6), (b)(7)(C))**

**Defendants/Suspects:**

(b)(6),(b)(7)(C) USAID/Egypt (b)(6),(b)(7)(C)

**Undeveloped Leads:**

None.

**Disposition of Evidence, Contraband or Personal Property:**

N/A

**Judicial and Administrative Actions:**

USAID/Egypt disallowed (b)(6),(b)(7)(C) use of a business card as a lodging receipt.

**Attachments:**

- (1) Memorandum of Interview (MOI) with attachment – (b)(6),(b)(7)(C) dated 11/22/09.
- (2) MOI with attachment (b)(6),(b)(7)(C) dated 11/22/09.
- (3) MOI with attachment (b)(6),(b)(7)(C) dated 11/22/09.
- (4) MOI with attachment – Telephone call to (b)(6),(b)(7)(C) Motel, dated 12/14/09.
- (5) MOI (b)(6),(b)(7)(C) dated 12/28/09.
- (6) Letter from (b)(6),(b)(7)(C) to (b)(6),(b)(7)(C) Motel, dated 1/19/10.
- (7) Follow-up email from (b)(6),(b)(7)(C) dated 6/9/10.



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** Equal Access **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Completed  
**Period of Investigation:** 09/28/2011 to 11/30/2011 **OIG/I Office:** Pretoria

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**Synopsis:**

On September 28, 2011, USAID/OIG/Investigations received two allegations from AED. The first pertained to AED's contract with Africare to build solar powered radio stations throughout Niger. When the US government stopped funding to Niger, AED determined that none of the radio stations could operate at full capacity. AED determined that most of the issues were technical in nature. AED then funded, without requesting USAID reimbursement, the radio stations' start up and running. As AED did not allege fraud with this subcontractor and the issue is technical in nature, no further investigation is necessary.

The second allegation pertained to issues involving another of its subcontractors in Niger, Equal Access. AED had originally reported this issue in December 2010 (see case (b)(6),(b)(7)(C) but now provided more details. The complainant reported two issues. First, AED reported that an Equal Access employee falsified lodging expenses, and engaged in business activities with vendors which created a conflict of interest by receiving inappropriate benefits from such vendors. The employee, as well as two others who were allegedly also involved, have since been fired from Equal Access. Second, AED reported that two trainers were given six days of per diem to distribute to ten participants and they only distributed five days' worth. One trainer confessed and was fired. The other trainer did not confess and is still working at Equal Access; however, he has restrictions on financial transactions. AED assured the OIG that the amounts obtained through fraudulent manners have not been charged to USAID.

This matter shall be referred to USAID/OAA for consideration of administrative action.

**Details of Investigation:**

On October 6, 2011, the OIG contacted (b)(6),(b)(7)(C) AED, for the documents to support the firing of the four employees. She provided the Price-WaterhouseCoopers (PWC) Agreed Upon Procedures Report, the AED Internal Audit

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**REPORT MADE BY:** Name: (b)(6),(b)(7)(C) Date Signed: 11/30/11  
Signature: (b)(6),(b)(7)(C)

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**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) Date Signed:  
Signature: (b)(6),(b)(7)(C) 2/3/12

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09/28/11 – 11/30/11

Report, (b)(6),(b)(7)(C) response to the allegations, (b)(6),(b)(7)(C) interview transcript, (b)(6),(b)(7)(C) response to the allegations, and (b)(6),(b)(7)(C) confession. (Attachment 1, Email from (b)(6),(b)(7)(C) dated 10/6/2011)

The AED internal report stated that (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) colluded with (b)(6),(b)(7)(C) to forge receipts, provide bids from phantom vendors to give the appearance of competitive bidding, and secure inflated prices for materials. The report detailed some of the verification steps taken to determine the validity of invoices. The total amount lost due to fraud was determined to be approximately \$33,000. All three individuals were fired. (Attachment 2, AED Internal Audit Report, dated 5/23/2011)

The PWC report stated that they obtained suspect hotel invoices and contacted the hotels to verify the authenticity of the invoices. In at least three separate cases with three different hotels, the hotels denied that the invoice was theirs. PWC also found blank hotel letterhead in the desk of (b)(6),(b)(7)(C) (Attachment 3, PriceWaterhouseCoopers Agreed Upon Procedures Report, dated 3/4/2011)

(b)(6),(b)(7)(C) stated with regard to the blank hotel letterhead, that some hotels are service providers and do not have the capacity to prepare administrative or financial documents. She stated that (b)(6),(b)(7)(C) told her that he created the fake receipts with the help of (b)(6),(b)(7)(C) (Attachment 4, (b)(6),(b)(7)(C) response to the allegations, dated 12/27/2010)

(b)(6),(b)(7)(C) stated that the logistics surrounding a suspect hotel bill were arranged by (b)(6),(b)(7)(C). He stated that (b)(6),(b)(7)(C) told him, with regard to paying for food at a meeting, that she gave a friend of hers who does catering 100,000Fcfa. Since the food budget is 305,000Fcfa, (b)(6),(b)(7)(C) needed to give the woman 200,000Fcfa and withhold the 100,000Fcfa. He was to give the 100,000Fcfa to (b)(6),(b)(7)(C) brother. (b)(6),(b)(7)(C) stated he did just what (b)(6),(b)(7)(C) told him to do. He then went to the Hotel (b)(6),(b)(7)(C) where he paid 5 000Fcfa to obtain a bill justifying the expense in the total of 305,000Fcfa. He then admitted to forging the signature of the hotel's representative. He stated that he did this another time, again at the direction of (b)(6),(b)(7)(C) (Attachment 5, (b)(6),(b)(7)(C) interview transcript, dated 12/2010)

(b)(6),(b)(7)(C) stated, regarding the rental of a generator, that he was present during conversations surrounding the rental. He stated that (b)(6),(b)(7)(C) purchased a generator for 50,000Fcfa and rented it to Equal Access for a training conference for five days at 10,000Fcfa per day, effectively paying for the generator, but he kept the generator himself. The receipt was created by an electrical parts seller in his presence. (Attachment 6, (b)(6),(b)(7)(C) response to the allegations, dated 1/14/2011)

(b)(6),(b)(7)(C)

09/28/11 – 11/30/11

(b)(6),(b)(7)(C) confession regarding per diem and transportation payments stated that he and another committed fraud. He stated that instead of giving six days per diem to participants in the training, they gave five days and they shared the rest of the money. He stated that he acknowledged having made a very serious mistake. (Attachment 7, (b)(6),(b)(7)(C) confession, dated 6/1/2011)

**Subjects/Defendants/Suspects:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

There are no items in evidence or seized contraband.

**Judicial and Administrative Actions:**

Referred to USAID/OAA for suspension or debarment

**Attachments:**

1. Email from (b)(6),(b)(7)(C) dated 10/6/2011
2. AED Internal Audit Report, dated 5/23/2011
3. PriceWaterhouseCoopers Agreed Upon Procedures Report, dated 3/4/2011
4. (b)(6),(b)(7)(C) response to the allegations, dated 12/27/2010
5. (b)(6),(b)(7)(C) interview transcript, dated 12/2010
6. (b)(6),(b)(7)(C) response to the allegations, dated 1/14/2011
7. (b)(6),(b)(7)(C) confession, dated 6/1/2011



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** Travel Management Services      **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 03/05/2008-08/10/2010      **OIG/I Office:** Washington, DC

**Synopsis:**

On 02/28/08, an anonymous complainant told Special Agent in Charge (SAC) (b)(6),(b)(7)(C) that the USAID travel management vendor was charging unnecessary and excessive fees for passport processing and airline tickets for contract carriers to city pairs locations. Based on the allegations, the Office of Inspector General (OIG) initiated an investigation.

(b)(6),(b)(7)(C) was the prime contractor for USAID's Travel Management Services (TMS), and (b)(6),(b)(7)(C) subcontracted the passport and visa processing portion of the work to (b)(6),(b)(7)(C). (b)(6),(b)(7)(C) SAC (b)(6),(b)(7)(C) visited the (b)(6),(b)(7)(C) desk located in the Ronald Reagan Building. On 03/05/08 SAC (b)(6),(b)(7)(C) was informed by (b)(6),(b)(7)(C) employee (b)(6),(b)(7)(C) that the regular passport processing fee was \$59.81 with an estimated delivery time of four to six weeks. Furthermore, the rush passport processing fee was \$80.25 with an estimated delivery time of two weeks. On 03/12/08, SAC (b)(6),(b)(7)(C) went to (b)(6),(b)(7)(C) desk and learned from (b)(6),(b)(7)(C) employee (b)(6),(b)(7)(C) that regular passport processing takes four to six weeks. (b)(6),(b)(7)(C) further said that expedited service takes two weeks. The RA requested a copy of the (b)(6),(b)(7)(C) negotiated fee schedule. (b)(6),(b)(7)(C) told her that the fee schedule taped to the desk could be copied.

On 03/12/08 SAC (b)(6),(b)(7)(C) received a different copy of the schedule of prices from (b)(6),(b)(7)(C) USAID's (b)(6),(b)(7)(C). The schedule provided by (b)(6),(b)(7)(C) indicates that a rush fee yields a processed passport within 24 hours.

SAC (b)(6),(b)(7)(C) compared the copy of the negotiated fee schedule obtained from (b)(6),(b)(7)(C) to the copy obtained from (b)(6),(b)(7)(C). (b)(6),(b)(7)(C) copy was clean, free of handwritten notes, and contained "(24) hours" next to rush passport processing. (b)(6),(b)(7)(C) copy had "4-8" (handwritten) next to regular passport processing and "2 weeks" (handwritten and blurred) next to rush passport processing.

After a review of several boxes of original documents requested from (b)(6),(b)(7)(C) and reviewed by the Reporting Agent (RA), the RA determined that in 121 cases (b)(6),(b)(7)(C) charged a traveler a rush passport fee when the turnaround time for receipt of the passport was greater than 24 hours. As a result, the RA calculated that, according to the fee schedule

**REPORT MADE BY:** Name: (b)(6),(b)(7)(C)      Date Signed: 09/23/2010  
Signature: (b)(6),(b)(7)(C)

**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C)      Date Signed: 3/8/11  
Signature: (b)(6),(b)(7)(C)



03/13/2008-08/10/2010

provided by (b)(6),(b)(7)(C) overcharged the government \$2,412.09 for passport processing fees.

After discussion with OIG/Audit, SAC (b)(6),(b)(7)(C) made a formal referral to OIG/A for the city pairs and E2 Solutions portion of this investigation. The RA contacted (b)(6),(b)(7)(C) Chief of the Fraud and Public Corruption Section, U.S. Attorney's Office, Washington, DC regarding the passport fee portion of the case. (b)(6),(b)(7)(C) declined prosecution of the case.

#### Details of Investigation:

On 04/24/2008 SAC (b)(6),(b)(7)(C) received four boxes from (b)(6),(b)(7)(C) of (b)(6),(b)(7)(C) containing original documents related to (b)(6),(b)(7)(C) work for TMS. The documents cover the time period July 2006 to April 2008. The documents were given to (b)(6),(b)(7)(C) for review. (b)(6),(b)(7)(C) generated a spreadsheet detailing information for applications for passports, including the date a customer requested a passport, the date (b)(6),(b)(7)(C) called the customer to pick-up the passport, whether the customer was charged an expedited fee, and the amount charged on the receipt.

The RA reviewed (b)(6),(b)(7)(C) spreadsheet and found that in 105 cases (b)(6),(b)(7)(C) charged a customer a \$80.25 passport fee. In five cases (b)(6),(b)(7)(C) charge a \$79.57 passport fee. In eleven cases (b)(6),(b)(7)(C) charged a \$75 passport fee. In all of these cases the passport turnaround time was greater than 24 hours, and the customer should have been charged \$59.81. As a result, the RA calculated that (b)(6),(b)(7)(C) overcharged \$2,412.09 for passport processing fees according to (b)(6),(b)(7)(C) copy of the fee schedule. (*Attachment 1, Memorandum of Records Review, dated 11/09/2009*).

On 01/21/2010, the RA interviewed (b)(6),(b)(7)(C) the former Manager of (b)(6),(b)(7)(C). According to (b)(6),(b)(7)(C) State Department's guidelines for rush passport processing was two weeks. According to (b)(6),(b)(7)(C) the "(24 hour)" typed next to "Rush Passport Processing" on (b)(6),(b)(7)(C) copy of the (b)(6),(b)(7)(C) fee schedule should not be there because it did not reflect the actual processing time (b)(6),(b)(7)(C) dealt with for rush passports. Furthermore (b)(6),(b)(7)(C) stated that (b)(6),(b)(7)(C) told (b)(6),(b)(7)(C) what to charge customers for various services and that the fee schedule had been developed in conjunction with (b)(6),(b)(7)(C) Contracting Officer's Technical Representative at USAID. According to (b)(6),(b)(7)(C) the passport processing times of two weeks and four to eight weeks were reflective of actual processing times. (*Attachment 2, Memorandum of Interview—Smith, dated 01/21/2010*).

On 08/10/2010, SA (b)(6),(b)(7)(C) contacted Assistant U.S. Attorney (b)(6),(b)(7)(C) Chief of the Fraud and Public Corruption Section at the U.S. Attorney's Office in Washington, DC.

03/13/2008-08/10/2010

After discussing the facts of the investigation, (b)(6),(b)(7)(C) declined to prosecute the matter. (Attachment 3, Declination, dated 08/10/2010).

**Undeveloped Leads:**

There are no other investigative issues remaining.

**Disposition of Evidence, Contraband or Personal Property:**

The boxes of original (b)(6),(b)(7)(C) documents will be returned to (b)(6),(b)(7)(C)

**Judicial and Administrative Actions:**

This matter was declined for prosecution by AUSA (b)(6),(b)(7)(C). The case will be referred to the Office of Acquisition and Assistance for any action it may deem necessary.

**Attachments:**

1. Attachment 1, Memorandum of Records Review, dated 11/09/2009
2. Attachment 2, Memorandum of Interview—(b)(6),(b)(7)(C) dated 01/21/2010
3. Attachment 3, Declination, dated 08/10/2010



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 10/6/2008 – 8/18/2009 **OIG/I Office:** Washington, D.C.

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**Synopsis:**

On 10/06/2008 the USAID/Washington travel office reported that USAID direct hire, (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) may have submitted fraudulent vouchers in relation to lodging and dry cleaning expenses. At the time, (b)(6),(b)(7)(C) post of duty was Nairobi, Kenya and she had traveled to the Washington, D.C. area on January 3, 2008 under the scope of her employment to participate in long-term foreign language development courses. (b)(6),(b)(7)(C) remained in the Washington, D.C. area under travel status until September 2008. The USAID travel office also reported that (b)(6),(b)(7)(C) submitted duplicate dry cleaning expenses in one of her travel vouchers. Based on these allegations, the Office of Inspector General initiated an investigation.

The investigation did not substantiate the allegations regarding the submission of excessive lodging expenses. (b)(6),(b)(7)(C) landlord confirmed that she had rented an apartment owned by him and that she had paid him rent on a sliding-scale basis. The total amount of rent claimed matched the total amount in lodging (b)(6),(b)(7)(C) claimed on her voucher. The investigation did reveal that (b)(6),(b)(7)(C) submitted one duplicate dry cleaning receipt for reimbursement to the USAID travel office. (b)(6),(b)(7)(C) stated that the duplicate dry cleaning receipt submission occurred in error. It is noted that the USAID travel office noticed the double submission and did not pay the claim.

This case is closed.

**Details of Investigation:**

On 10/6/08, SA (b)(6),(b)(7)(C) contacted (b)(6),(b)(7)(C) USAID travel office, with regards to a previous report by (b)(6),(b)(7)(C) concerning possible fraudulent activity in travel vouchers submitted by (b)(6),(b)(7)(C) explained that during the early part of 2008, (b)(6),(b)(7)(C) had traveled from her post of duty in Nairobi to Washington, D.C. in order to participate in a long-term language development course offered by USAID. While residing in the Washington, D.C.

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|----------------------------|--|---------------------|
| <b>REPORT MADE BY:</b>     | <b>Name:</b> /s/ SA (b)(6),(b)(7)(C)   | <b>Date Signed:</b> |
|                            | <b>Signature:</b> (b)(6),(b)(7)(C)     | 8/18/2009           |
| <b>APPROVING OFFICIAL:</b> | <b>Name:</b> /s/ ASAC (b)(6),(b)(7)(C) | <b>Date Signed:</b> |
|                            | <b>Signature:</b> (b)(6),(b)(7)(C)     | 8/21/2009           |

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area to participate in the language development course, (b)(6),(b)(7)(C) stayed at a non-commercial place of residence and received lodging expenses as well as meals and incidental expenses (M&IE).

Although (b)(6),(b)(7)(C) reported staying at the same residential address, she claimed the maximum allowable amount for lodging expenses for several months despite the fact that (b)(6),(b)(7)(C) allowable lodging allowance decreased in percentage on a monthly basis. In addition (b)(6),(b)(7)(C) may have submitted duplicate dry cleaning expenses and attempted to claim the expenses separately on her travel vouchers. (*Attachment 1* - (b)(6),(b)(7)(C) *MOI*)

On 10/7/08, SA (b)(6),(b)(7)(C) and the reporting agent (RA) interviewed (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) USAID-contracted employee. (b)(6),(b)(7)(C) explained that (b)(6),(b)(7)(C) received the maximum lodging allowance for the first 30 days of her temporary duty assignment (TDY) and the maximum M&IE allowances for that same time period (i.e., \$201.00 and \$64.00, respectively). After the 30-day period, (b)(6),(b)(7)(C) lodging and M&IE allowances reduced to half for the next 90-day period. After 120 days, (b)(6),(b)(7)(C) lodging and M&IE allowances reduced to a quarter of the full amount.

According to (b)(6),(b)(7)(C) although (b)(6),(b)(7)(C) reported staying at the same residential address throughout her TDY in Washington, D.C., she claimed the maximum allowable amount for lodging expenses each month despite the fact that (b)(6),(b)(7)(C) allowable lodging allowance decreased in percentage during her TDY assignment. In addition (b)(6),(b)(7)(C) submitted duplicate dry cleaning expenses and attempted to claim the expenses separately on one of her vouchers. When (b)(6),(b)(7)(C) was questioned by personnel from the USAID travel office regarding the dry cleaning claims, (b)(6),(b)(7)(C) replied that she "did not realize it." (b)(6),(b)(7)(C) provided (b)(6),(b)(7)(C) original travel file to the RA. (*Attachment 2* - (b)(6),(b)(7)(C) *MOI*)

On 10/29/08, the RA re-interviewed (b)(6),(b)(7)(C) USAID travel office, was also present. The RA also reviewed (b)(6),(b)(7)(C) travel file with (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) alleged that (b)(6),(b)(7)(C) had submitted duplicate dry cleaning receipts in an effort to be compensated twice for the same expenses. At that time, neither (b)(6),(b)(7)(C) nor (b)(6),(b)(7)(C) could locate or produce any copies of duplicate dry cleaning receipts in (b)(6),(b)(7)(C) travel file. (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) explained that the duplicate dry cleaning receipts that were previously found were denied as legitimate charges and not paid. It is noted that after a subsequent file review, the RA found the duplicate receipt entries. (*Attachment 3* - (b)(6),(b)(7)(C) *MOI*)

The RA reviewed areas of (b)(6),(b)(7)(C) travel file that appeared questionable with (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C). Specifically, the RA reviewed (b)(6),(b)(7)(C) travel voucher for the period between 2/1/08 to 2/29/08, signed by (b)(6),(b)(7)(C) on 3/12/08, in the amount of \$4,379.03. In that travel voucher, (b)(6),(b)(7)(C) reported dry cleaning expenses in the total amount of \$751.92. (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) stated that (b)(6),(b)(7)(C) was questioned regarding the amount of said dry cleaning expenses and that (b)(6),(b)(7)(C) reported that her dry cleaning expenses were high during that period as she had just returned

from a long-term overseas assignment and that much of her clothing needed dry cleaning and repair due to the mold and odors that they were exposed to while in storage and transit.

(b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) stated that (b)(6),(b)(7)(C) provided dry cleaning receipts for her expenses that were approved and paid by the USAID travel office. (*Attachment 4 - 3/12/08 travel voucher*)

The RA then reviewed (b)(6),(b)(7)(C) lodging receipts dated January 2008 thru June 2008. (b)(6),(b)(7)(C) concerns revolved around the fact that (b)(6),(b)(7)(C) always claimed the maximum allowable lodging expenses each month while living at the same residential address throughout her TDY in Washington, D.C. (b)(6),(b)(7)(C) further noted that (b)(6),(b)(7)(C) allowable lodging expenses decreased on a monthly basis. (b)(6),(b)(7)(C) also noted that she was concerned with the appearance of (b)(6),(b)(7)(C) submitted lodging receipts as they appeared to have been created by a simple computer program. The following is a list of (b)(6),(b)(7)(C) submitted lodging expenses for the corresponding months:

- January 2008: \$6,231.00
- February 2008: \$3,618.00
- March 2008: \$3,115.00
- April 2008: \$3,035.00
- May 2008: \$1,500.00
- June 2008: \$ 433.00

Subsequently, it was learned that (b)(6),(b)(7)(C) also resided at the (b)(6),(b)(7)(C) address thru the month of July 2008, but did not pay rent that month as it was already covered in previous payments. The total amount of lodging expenses submitted by (b)(6),(b)(7)(C) over a seven month period was \$17,932.00 or \$2,561.71 monthly. (*Attachment 5 - lodging receipts*)

On 11/14/08, SA (b)(6),(b)(7)(C) and the RA interviewed (b)(6),(b)(7)(C) landlord, (b)(6),(b)(7)(C) who confirmed that (b)(6),(b)(7)(C) had been a tenant of his and had occupied a unit owned by him located at (b)(6),(b)(7)(C). He further confirmed that (b)(6),(b)(7)(C) moved into said address in January 2008 and had occupied that address thru July of 2008. (b)(6),(b)(7)(C) further reported that he was aware that (b)(6),(b)(7)(C) was a government employee when preparing the leasing agreement and added he often rented his apartment units to government employees. (b)(6),(b)(7)(C) was then shown a copy of (b)(6),(b)(7)(C) submitted lodging receipt for the period January 1, 2008 to January 31, 2008, in the amount of \$6,231.00. (b)(6),(b)(7)(C) confirmed that he did sign the receipt and received the reported amount in rent from (b)(6),(b)(7)(C) for the month of January 2008. He said that the hand-writing on the receipt was his. He further explained that he has dealt with numerous government employees in the past and understands that the allowable per diem lodging expense rates set by the government decreases over time. Therefore, he accepted a "sliding pay scale" method of payment from (b)(6),(b)(7)(C) knowing that he would receive more than the rent amount at first, but that would decrease each month eventually and average itself out.

(b)(6),(b)(7)(C) was then shown a copy of (b)(6),(b)(7)(C) submitted lodging receipt for the month of February 2008 in the amount of \$3,618.00. He stated the receipt bore his signature but that the hand-writing on the receipt was not his. (b)(6),(b)(7)(C) explained that after completing (b)(6),(b)(7)(C) January 2008 lodging receipt, he gave (b)(6),(b)(7)(C) several blank lodging receipts that he signed in advance. There was an understanding that (b)(6),(b)(7)(C) would fill out the receipts according to her lodging expenses and turn them in to the government for payment of claim. (b)(6),(b)(7)(C) was then shown a copy of (b)(6),(b)(7)(C) submitted lodging receipts for March 2008 thru June 2008. He stated that the receipts bore his signature but that the hand-writing on the receipts was not his and indicated he typically received approximately \$2,500.00 a month in rent from his tenants with a \$300.00 up-or-down swing for the unit that (b)(6),(b)(7)(C) had rented. He further reported that if his tenants obtain parking from him he charges an additional \$300.00 per month in addition to the rent amount. (b)(6),(b)(7)(C) further pointed out that (b)(6),(b)(7)(C) did obtain, and was charged, for parking. (*Attachment 6 - (b)(6),(b)(7)(C) MOI*)

On 01/30/2009, SA (b)(6),(b)(7)(C) and the RA telephonically interviewed (b)(6),(b)(7)(C) who was then at the U.S. Embassy, Djibouti. Djibouti (b)(6),(b)(7)(C) was also present for the interview. The RA read the Kalkines warnings to (b)(6),(b)(7)(C). She acknowledged that she understood the warnings and agreed to answer questions (b)(6),(b)(7)(C) signed a copy of the Kalkines warnings that was later forwarded to the RA. (*Attachment 7 - Kalkines warnings*)

(b)(6),(b)(7)(C) began employment with USAID in 1988 as a (b)(6),(b)(7)(C). At the time of the allegation, she was a USAID (b)(6),(b)(7)(C) in Sudan participating in long-term language training in Washington, D.C., which she began on 01/22/2008. (b)(6),(b)(7)(C) had previously secured lodging at (b)(6),(b)(7)(C). She entered into an agreement with (b)(6),(b)(7)(C) to pay him on a sliding scale in accordance with her per diem. (b)(6),(b)(7)(C) paid (b)(6),(b)(7)(C) on a monthly basis. She paid (b)(6),(b)(7)(C) \$6,231.00 for the month of January. (b)(6),(b)(7)(C) created, completed and signed the receipt that he later provided to (b)(6),(b)(7)(C) for that month. (b)(6),(b)(7)(C) signed the receipt and submitted it attached to her voucher to the USAID travel office for re-imbusement. Subsequently (b)(6),(b)(7)(C) provided her with several blank receipts that bore his signature for (b)(6),(b)(7)(C) to fill in herself.

(b)(6),(b)(7)(C) signed and completed each rent receipt for each subsequent month that she resided at (b)(6),(b)(7)(C) and submitted all of the receipts to the USAID travel office. (b)(6),(b)(7)(C) stayed in the apartment from January 2008 thru July 2008. She did not make a payment in July 2008 as that payment had been covered by the above reported payments. Included in her rent payment to (b)(6),(b)(7)(C) were utilities in the monthly amount of \$120.00 as well as housekeeping services and parking expenses.

(b)(6),(b)(7)(C) stated that in her travel vouchers to the USAID travel office, she made an error when submitting duplicate dry cleaning expenses. She explained that she submitted the dry cleaning receipts that she was handed by the dry cleaners at the time when she dropped off her dry

cleaning. She then submitted her credit card receipt encompassing the same dry cleaning expenses. Specifically, she submitted two dry cleaning receipts both dated 02/01/2008 in the amounts of \$175.67 and \$143.15 for a total of \$318.82. She also submitted a credit card receipt in the amount of \$318.38 (date illegible) to the USAID travel office for reimbursement. The USAID travel office noticed the double submission and disallowed the overcharged expense.

(b)(6),(b)(7)(C) stated that this was a one-time mistake. (*Attachment 8 – duplicate dry cleaning receipts*)

(b)(6),(b)(7)(C) claimed the following dry cleaning expenses in her vouchers to the USAID travel office for re-imbursement: (*Attachments 9 thru 16 – travel vouchers/dry cleaning expenses*)

|                  |   |
|------------------|---|
| - January 2008:  | \$230.68  |
| - February 2008: | \$751.92 (\$318.82 disallowed as double submission as detailed above). Total after disallowance: \$433.10 |
| - March 2008:    | \$ 98.35  |
| - April 2008:    | \$194.49  |
| - May 2008:      | \$146.39  |
| - June 2008:     | \$285.03  |
| - July 2008:     | \$404.85  |
| - August 2008:   | \$147.95  |

(b)(6),(b)(7)(C) explained that she had been posted overseas for many years and that much of her clothing required dry cleaning as they smelled of mold and mildew after being left in storage before being shipped to Washington, D.C. in January 2008. All of her dry cleaning expenses, except the double submission, was approved and paid by the USAID travel office. (*Attachment 17 – dry cleaning receipts*) and (*Attachment 18 – (b)(6),(b)(7)(C) MOI*)

#### Defendants/Suspects:

(b)(6),(b)(7)(C)

USAID direct hire (b)(6),(b)(7)(C)  
Nairobi, Kenya

(b)(6),(b)(7)(C)

#### Undeveloped Leads:

None

#### Disposition of Evidence, Contraband or Personal Property:

None



**Judicial and Administrative Actions:**

None

**Attachments:**

1. (b)(6),(b)(7)(C) MOI, dated 10/6/2008
2. (b)(6),(b)(7)(C) MOI, dated 10/7/2008
3. (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) MOI, dated 10/29/2008
4. 3/12/08 travel voucher
5. Lodging receipts, dated January thru June 2008
6. (b)(6),(b)(7)(C) MOI, dated 11/14/2008
7. Kalkines warnings, dated 1/30/2009
8. Duplicate dry cleaning receipts, 2/1/2008
- 9-16. January 2008 thru August 2008 travel vouchers/dry cleaning expenses, respectively
17. Dry cleaning receipts, dated 1/17/2008 and 2/1/2008
18. (b)(6),(b)(7)(C) MOI, dated 1/30/2009



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C)                      **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 9/23/2009 – 10/28/2009    **OIG/I Office:** Washington, D.C.

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**Synopsis:**

On August 21, 2009, USAID Office of Security (SEC) advised OIG/I that from February 2008 to December 2008, U.S. direct-hire (b)(6),(b)(7)(C) USAID/SEC, had misused her government-issued travel card to make several thousands of dollars in personal cash advances. Subsequently, OIG/I conducted an investigation that substantiated that (b)(6),(b)(7)(C) misused her government-issued travel card for approximately \$6,000 (b)(6),(b)(7)(C) made \$3,000 in payments to the account, leaving a balance of approximately \$3,000. The remaining \$3,000 balance went past due and was sent to a collection agency. On August 27, 2009 (b)(6),(b)(7)(C) paid the balance in its entirety to the collection agency. The U.S. Attorney's Office in the District of Columbia declined criminal prosecution. This case is closed.

**Details of Investigation:**

On August 31, 2009 the reporting agent (RA) interviewed (b)(6),(b)(7)(C) USAID/SEC. (b)(6),(b)(7)(C) indicated that on or about February 2008 to December 2008 (b)(6),(b)(7)(C) misused her government-issued travel card to make several personal cash advances and the \$3,000 balance was reported to a collection agency. (b)(6),(b)(7)(C) learned of (b)(6),(b)(7)(C) government travel card misuse in January 2009 when her division was notified by USAID (b)(6),(b)(7)(C) that (b)(6),(b)(7)(C) government travel card was past due. (b)(6),(b)(7)(C) asked Calvin Revelle, Security Specialist, USAID/SEC, who handles special investigations to initiate a preliminary investigation into the allegations against (b)(6),(b)(7)(C). During the preliminary investigation (b)(6),(b)(7)(C) government travel card statements for the period in question were obtained.

According to (b)(6),(b)(7)(C) Special Agent (SA) (b)(6),(b)(7)(C) USAID/SEC, was assigned to the investigation and interviewed (b)(6),(b)(7)(C) on January 27, 2009. (b)(6),(b)(7)(C) admitted that from approximately February 2008 to December 2008, she misused her government travel card to make numerous personal cash advances. SA (b)(6),(b)(7)(C) obtained a written admission from (b)(6),(b)(7)(C) and completed a

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**REPORT MADE BY:** Name: (b)(6),(b)(7)(C) /s/ SA                      Date Signed: 10/28/2009  
Signature: (b)(6),(b)(7)(C)

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**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) /s/ SAC                      Date Signed: 10/28/09  
Signature: (b)(6),(b)(7)(C)

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Report of Investigation (ROI). (*Attachment 1, Memorandum of Interview - (b)(6),(b)(7)(C) dated 8/31/09*).

On September 14, 2009, the RA interviewed (b)(6),(b)(7)(C). According to (b)(6),(b)(7)(C) she was issued a government travel card in August 2007 to attend a government-sponsored conference in Memphis, TN. She used her government-issued travel card on the trip to pay for lodging and other related expenses in accordance with governmental travel policy. (b)(6),(b)(7)(C) admitted to falling behind on her car loan and credit card bills and owing thousands of dollars to the U.S. Internal Revenue Service. (b)(6),(b)(7)(C) further admitted to using her government-issued travel card for personal use in early 2008 to pay past due bills, knowing that personal use of her government-issued travel card was not authorized. She planned to pay off the balance on her government-issued travel card but could not keep up with her other outstanding debts. (b)(6),(b)(7)(C) added that she did make payments on her government travel account and tried to continue the payments on a monthly basis.

(b)(6),(b)(7)(C) then stated that she entered into a payment plan of \$400 per month with the collection agency but stopped making payments because she could no longer afford them. She explained that although she had one government-issued travel card, she had two government accounts that were past due in the amount of approximately \$600 and \$1,900. Her first government-issued travel card was replaced sometime in 2008 and the balances on each card never merged.

The RA reviewed each charge on (b)(6),(b)(7)(C) government-issued travel card statements from February 26, 2008 to December 24, 2008 with her. (b)(6),(b)(7)(C) stated that every debit made on those statements, except for a debit of \$179.67 made on August 13, 2008, was for personal use and not for official government business. She stated that she mainly made cash advances in order to pay off her personal credit cards. (b)(6),(b)(7)(C) then indicated that she has paid off the account balance on her government-issued travel card in full to the collection agency. In addition (b)(6),(b)(7)(C) provided a sworn affidavit. (*Attachment 2, Memorandum of Interview (b)(6),(b)(7)(C) dated 9/14/09 with Advice of Rights Form and Sworn Affidavit*).

On September 18, 2009, the RA presented the facts of the case to Assistant U.S. Attorney (AUSA) (b)(6),(b)(7)(C) District of Columbia. AUSA (b)(6),(b)(7)(C) declined prosecution of the case based on a lack of federal interest, no monetary loss to the government and in lieu of agency administrative action. (*Attachment 3, Memorandum of Activity - (b)(6),(b)(7)(C) dated 9/18/09*).

On September 21, 2009 the RA telephonically interviewed (b)(6),(b)(7)(C) Client Services Inc., (the collection agency that handled (b)(6),(b)(7)(C) two government Citibank accounts). (b)(6),(b)(7)(C) verified that on August 27, 2009 (b)(6),(b)(7)(C) paid-off both government Citibank accounts in their entirety. The accounts had balances of \$1,762.48 and \$648.12, respectively. Client Services reported the pay-off to Citibank that same date. (*Attachment 4, Memorandum of Interview - (b)(6),(b)(7)(C) dated 9/21/09*).

On September 21, 2009, AUSA (b)(6),(b)(7)(C) provided an email declining prosecution of the case. (*Attachment 5, AUSA (b)(6),(b)(7)(C) Declination Email dated 9/21/09*).

On September 23, 2009 the RA completed his review of the following relevant documents provided by (b)(6),(b)(7)(C)

- a) An email forwarded from USAID (b)(6),(b)(7)(C) to USAID Security Specialist Calvin Revelle dated January 13, 2009. In the email (b)(6),(b)(7)(C) stated that all of her purchases on her government-issued travel card, with the exception of the (b)(6),(b)(7)(C) Hotel charge of \$179.67, were made for personal use and not for official business. (b)(6),(b)(7)(C) explained that she also made charges to her other government-issued travel card which had been replaced and destroyed when she received her new government-issued travel card.
- h) ROI by SA (b)(6),(b)(7)(C) which documented (b)(6),(b)(7)(C) admitting and providing a written statement detailing her misuse of her government-issued travel card.
- c) (b)(6),(b)(7)(C) government credit card statements from February thru December 2008 showing personal charges in the amount of \$6,089.85 to her government issued-travel card. The statements also indicated payments made to the account in the amount of \$3,063.47, leaving a balance of \$3,026.38.
- d) Email from (b)(6),(b)(7)(C) to Revelle dated February 24, 2009, notifying SEC of (b)(6),(b)(7)(C) past due account.
- e) Memo from (b)(6),(b)(7)(C) to Citibank dated March 23, 2009, addressing (b)(6),(b)(7)(C) plans to pay off her government travel card balance.
- f) Payment schedule sent from (b)(6),(b)(7)(C) to Revelle, (b)(6),(b)(7)(C) and USAID (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) reporting her schedule to make four separate payments in the amount of \$400 in May, June, July and August 2009.
- g) Statement from Citibank dated December 25, 2008 showing an overdue balance of \$1,975.74 with a total balance of \$2,325.09 on (b)(6),(b)(7)(C) government credit card. (*Attachment 6, Records Review dated 9/23/09*).

#### Defendants/Suspects:

Connie Hall

USAID/SEC (b)(6),(b)(7)(C)

Washington, D.C.

Email: (b)(6),(b)(7)(C)

Telephone: (b)(6),(b)(7)(C)

#### Undeveloped Leads:

None

**Disposition of Evidence, Contraband or Personal Property:**

None.

**Judicial and Administrative Actions:**

None.

**Attachments:**

1. Memorandum of Interview - (b)(6),(b)(7)(C) dated 8/31/09.
2. Memorandum of Interview (b)(6),(b)(7)(C) dated 9/14/09 with advice of rights form and Sworn Affidavit.
3. Memorandum of Activity - (b)(6),(b)(7)(C) dated 9/18/09.
4. Memorandum of Interview (b)(6),(b)(7)(C) dated 9/21/09.
5. AUSA (b)(6),(b)(7)(C) declination email dated 9/21/09.
6. Records Review dated 9/23/09.



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Complete  
**Period of Investigation:** 05/24/10- 07/14/10 **OIG/I Office:** Washington, D.C

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**Synopsis:**

On April 08, 2010, (b)(6),(b)(7)(C) of Management Sciences for Health (MSH) contacted the OIG hotline. MSH is a prime contractor that was awarded a task order on a contract (GHH-I-01-07-00068-00) to provide critical HIV/AIDS services to countries worldwide.

(b)(6),(b)(7)(C) provided documentation to support his allegations that USAID Employee (b)(6),(b)(7)(C) for the task order, violated the Procurement Integrity Act by: 1. attempting to remove a key personnel from MSH's proposal before the actual issuance of the contract. 2. directing the contractor to communicate directly with him and not the USAID Contracting Officer, and 3. traveling to a USAID sub-contractor's place of residence while the company was part of a USAID active bid in which (b)(6),(b)(7)(C) was part of the (b)(6),(b)(7)(C) stated he wish to remain confidential.

Reporting Agent (RA) (b)(6),(b)(7)(C) initiated an investigation to determine the facts surrounding the allegations. The RA interviewed the complainant, (b)(6),(b)(7)(C) and other witnesses. The RA also reviewed the contract file and other documents including (b)(6),(b)(7)(C) travel voucher for a TDY from 9/13/2008 to 10/15/2008. The investigation did not uncover any evidence to substantiate (b)(6),(b)(7)(C) allegations. However, RA discovered that (b)(6),(b)(7)(C) submitted a false claim of \$322.00 when he claimed a lodging expense on a travel voucher when he did not actually incur a lodging expense. (b)(6),(b)(7)(C) admitted to the false claim explaining he traveled under an all-inclusive per diem, and claimed he was not aware he committed a wrong-doing. (Attachment 1, Memorandum of Interview (b)(6),(b)(7)(C) dated 07/14/10)

**Details of Investigation:**

On 05/27/10, the RA interviewed the complainant (b)(6),(b)(7)(C) provided additional information regarding the allegations against (b)(6),(b)(7)(C). He also stated that while (b)(6),(b)(7)(C) was on a temporary duty assignment in the United Kingdom, he spent the night at the home of an

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|                            |   |                                |
|----------------------------|---|--------------------------------|
| <b>REPORT MADE BY:</b>     | <b>Name:</b> (b)(6),(b)(7)(C)<br><b>Signature:</b> (b)(6),(b)(7)(C) | <b>Date Signed:</b><br>7/29/10 |
| <b>APPROVING OFFICIAL:</b> | <b>N:</b> (b)(6),(b)(7)(C)<br><b>S:</b>                             | <b>Date Signed:</b><br>7/29/10 |

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(b)(6),(b)(7)(C) employee of a subcontractor who was listed as a key personnel on MHS' proposal. At the time (b)(6),(b)(7)(C) spent the night, proposal had not yet been awarded. According to (b)(6),(b)(7)(C) served as a member of the (b)(6),(b)(7)(C) for the proposal. (*Attachment 2, Memorandum of Interview - (b)(6),(b)(7)(C) dated 05/27/10*)

On 06/09/10, the RA reviewed (b)(6),(b)(7)(C) travel voucher for a temporary duty assignment to London, England. According to the voucher, (b)(6),(b)(7)(C) claimed lodging costs from 10/10/08 to 10/15/08. He was authorized "flat rate" per diem and hotel receipts were not required. (*Attachment 3, Memorandum of Records Review -- Travel Voucher, dated 06/09/10*)

On 6/10/2010, RA conducted a record review of USAID's Automated Directive System (ADS) 522.5.19c (All-Inclusive/Flat Rate Per Diem Reimbursement Basis). Paragraph 3 of E522.5.19c states, "If no lodging expenses were incurred, and the time in travel status is 12 hours or more, then ¾ the locality M&IE rate will be paid. The traveler must include the following statement on the travel voucher: No lodging costs were incurred for the dates specified on this voucher." (*Attachment 4, ADS 522.5.19c, dated 8/16/2005*)

On 06/10/10, the RA contacted Assistant United States Attorney (b)(6),(b)(7)(C) Fraud and Public Corruption Section. The RA presented the case to (b)(6),(b)(7)(C) who evaluated the matter for prosecutorial potential. On 06/23/10, (b)(6),(b)(7)(C) declined the case for criminal prosecution. (*Attachment 5, AUSA Declination - (b)(6) dated 06/23/10*)

**Defendants/Suspects:**

(b)(6),(b)(7)(C)

USAID/Washington

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

There are no items in evidence or seized contraband.

**Judicial and Administrative Actions:**

On 7/28/10, the case was referred to the Office of Human Resources for administrative action.

**Attachments:**

1. Memorandum of Interview - (b)(6),(b)(7)(C) dated 07/17/10
2. Memorandum of Interview - (b)(6),(b)(7)(C) dated 05/27/10
3. Memorandum of Records Review – Travel Voucher, dated 06/09/10
4. Memorandum of Records Review, ADS 522.5.19c- dated 8/16/2005
5. AUSA Declination – dated 06/23/10



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Completed **RIG/ Office:** Cairo  
**Period of Investigation:** March 16, 2011 to December 27, 2011

**Synopsis:**

In March 2011, USAID OIG received a complaint concerning the travel vouchers of (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) is an (b)(6),(b)(7)(C) at USAID/Mozambique. From September 2010 to February 2011, (b)(6),(b)(7)(C) was assigned to Washington, DC, where he was enrolled in language training at the Foreign Service Institute. He was also accompanied by his wife and three children. During this time (b)(6),(b)(7)(C) and his dependents were entitled to a "sliding-scale" per diem reimbursement for their actual lodging expenses. For the first 60 days of his temporary duty assignment (TDY), (b)(6),(b)(7)(C) was entitled to 100% of the lodging rate, 50% of the lodging rate for the subsequent 60 days, and 25% of the lodging rate for any period after this. For the first 30 days of his TDY, his spouse was entitled to 75% of the lodging rate, while each of his three dependents was entitled to 50% of the lodging rate. During his training, (b)(6),(b)(7)(C) rented an apartment in Arlington, VA, through a company called (b)(6),(b)(7)(C) (b)(6),(b)(7)(C)

It was alleged that (b)(6),(b)(7)(C) lodging receipts were not accurate, as (b)(6),(b)(7)(C) submitted lodging receipts for \$17,800, \$10,000, \$3,167.50, \$2,805.50, and \$1,583.75 for rent for the months of September 2010 through January 2011, respectively.

Based on the allegations, USAID OIG initiated an investigation. Witness interviews, original receipts, and other documents revealed that (b)(6),(b)(7)(C) requested that (b)(6),(b)(7)(C) create a false receipt, which he later submitted to USAID for reimbursement. (b)(6),(b)(7)(C) also admitted to using his personal credit card for his lodging expenses. These acts were in violation of:

- 18 United States Code Section 1001 – statements or entries generally
- USAID Automated Directives System 633.3.3 – Government-Sponsored Travel Card

(b)(6),(b)(7)(C) submitted a lodging receipt to USAID showing that he paid \$3,167.50 for November 2010 rent. According to a credit card sales draft, only \$2,556.50 was charged to (b)(6),(b)(7)(C) credit card for November 2010 rent. (b)(6),(b)(7)(C) the (b)(6),(b)(7)(C) acknowledged that for October 2010 (b)(6),(b)(7)(C) had anticipated his lodging allowance to be \$10,000, but the allowance

**REPORT MADE BY:** Name: (b)(6),(b)(7)(C) Date Signed: 1/16/2012  
Signature: (b)(6),(b)(7)(C)  
**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) Date Signed: 1/31/12  
Signature: (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

Period: March 16, 2011 to November 29, 2011

actually decreased by about \$600. To make up for the difference (b)(6),(b)(7)(C) asked (b)(6),(b)(7)(C) to create a receipt showing that \$3,167.50 was paid for November 2010 rent, even though he actually only paid \$2,556.50 for rent that month.

When questioned in an interview (b)(6),(b)(7)(C) explained that he paid \$10,000 for October 2010 rent, but later found out that the lodging allowances for that period had decreased by \$610.50. After having paid \$10,000 for the October 2010 rent (b)(6),(b)(7)(C) proposed amending the lease schedule, reducing the October 2010 rent from \$10,000 to \$9,389.50, and increasing the November rent from \$2,556.50 to \$3,170.50. For November 2010 rent, (b)(6),(b)(7)(C) paid \$2,556.50, as shown by a credit card sales draft. The \$610.50 "overage" for October 2010 rent was reapplied to his November rent payment, which resulted in a rent receipt showing that he paid \$3,167.50. He also admitted to using his personal credit card because he had reached the credit limit on his government travel card, which was \$15,000.

This investigation is completed.

#### Details of Investigation:

On March 16, 2011, (b)(6),(b)(7)(C) of the (b)(6),(b)(7)(C) was interviewed. (b)(6),(b)(7)(C) provided documentation related to the travel expenses of (b)(6),(b)(7)(C) showing that (b)(6),(b)(7)(C) submitted lodging receipts for reimbursement of \$17,800, \$10,000, \$3,167.50, \$2,805.50, and \$1,583.75 for lodging expenses in Washington, DC between September 7, 2010, and January 31, 2011. (b)(6),(b)(7)(C) was assigned to temporary duty in Washington for language training. His travel authorization included lodging for his spouse and three children. (b)(6),(b)(7)(C) advised that per ADS 522, (b)(6),(b)(7)(C) was entitled to decreasing monthly lodging allowances, as well as meals and incidental expenses, but that lodging receipts were required for the reimbursement of his actual lodging expenses. (b)(6),(b)(7)(C) thought that \$17,800 was a large amount for 24 days of lodging and that it was unusual for rent payments to decrease substantially over several months, as indicated by the receipts. (b)(6),(b)(7)(C) advised that these vouchers had been paid in full. (Attachment 1)

On March 21, 2011, the facts of the case were presented to Assistant United States Attorney (AUSA) (b)(6),(b)(7)(C) of the Fraud and Public Corruption Division of the US Attorney's Office for the District of Columbia. AUSA (b)(6),(b)(7)(C) indicated that more investigative work needed to be completed before he would decide whether or not to accept the case for prosecution. (Attachment 2)

On March 23, 2011, (b)(6),(b)(7)(C) was interviewed. (b)(6),(b)(7)(C) works for a business that is owned by (b)(6),(b)(7)(C) the parent company of (b)(6),(b)(7)(C). He advised that (b)(6),(b)(7)(C) was the (b)(6),(b)(7)(C) of (b)(6),(b)(7)(C) provided several documents related to (b)(6),(b)(7)(C) rental. (Attachment 3)

**Period: March 16, 2011 to November 29, 2011**

On March 24, 2011, a record review was conducted of (b)(6),(b)(7)(C) travel vouchers. The vouchers contained copies of lodging receipts submitted by (b)(6),(b)(7)(C) for reimbursement in the amounts of \$17,800, \$10,000, \$3,167.50, \$2,805.50, and \$1,583.75, for the months of September 2010 through January 2011, respectively. (Attachment 4)

On March 24, 2011, a record review was conducted of the documents provided by (b)(6),(b)(7)(C). The documents contained original lodging receipts submitted by (b)(6),(b)(7)(C) for reimbursement in the amounts of \$17,800, \$10,000, \$3,167.50, \$2,805.50, and \$1,583.75, for September 2010 through January 2011, respectively. There were also credit card transaction receipts that verified that (b)(6),(b)(7)(C) was charged \$15,000 and \$2,800 on October 6, 2010. An addendum to (b)(6),(b)(7)(C) lease agreement lists a payment schedule of \$17,800, \$10,000, \$3,700, \$3,000, \$1,800, and \$900 for the months of September through February. (Attachment 5)

On March 24, 2011, (b)(6),(b)(7)(C) advised that if an employee's lodging receipts are real, and if an actual monetary transaction took place to generate such receipts, then the government would have to reimburse the traveler. (b)(6),(b)(7)(C) was not aware of any rules or regulations that would be broken if an employee entered into a lease agreement with declining monthly rental payments, and then submitted rental receipts to the government for reimbursement. (Attachment 6)

On April 11, 2011, (b)(6),(b)(7)(C) was interviewed. He advised that (b)(6),(b)(7)(C) had anticipated an October 2010 lodging allowance of \$10,000, but the allowance then decreased by about \$600. To cover the difference (b)(6),(b)(7)(C) asked him to create a receipt for November rent that showed an amount about \$600 above what (b)(6),(b)(7)(C) actually paid for November rent. He made a receipt showing that \$3,167.50 was paid for November rent, even though (b)(6),(b)(7)(C) only paid \$2,556.50 for rent that month. (Attachment 7)

On October 11, 2011, (b)(6),(b)(7)(C) was interviewed. He advised that he had sought advice from others at USAID/Uganda, where he had previously been posted, who told him about renting lodging on a sliding-scale payment schedule. He paid \$10,000 for October rent, but later found out that the lodging allowances had decreased. He then agreed with his landlord to amend the lease schedule, reducing the October rent from \$10,000 to \$9,389.50, and increasing the November rent from \$2,556.50 to \$3,167.50. As shown by a credit card sales draft, he actually paid \$2,556.50 for November rent. The \$610.50 "overage" for October rent was reapplied to his November rent payment, which resulted in a rent receipt showing that he paid \$3,167.50. He communicated to (b)(6),(b)(7)(C) that he had changed the schedule of his rent payments. He also admitted to using his personal credit card because he had reached the credit limit on his government travel card, which was \$15,000. (Attachment 8)

On November 29, 2011, a record review was conducted of an email (b)(6),(b)(7)(C) sent to (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C). In the e-mail (b)(6) advises that he modified his October 2010 rent to \$9,389.50. There is no mention of the fact that he also asked (b)(6),(b)(7)(C) to increase his November 2010 receipt so that he could recoup USAID reimbursement funds not received in October. (Attachment 9)

Period: March 16, 2011 to November 29, 2011

On December 13, 2011, a record review was conducted of ADS regulations 522.3.12.1 and 633.3.3. ADS 522.3.12.1 states that for each day of a TDY, a traveler is entitled to receive the actual amount of lodging expenses up to the maximum allowance established for the TDY location. ADS 633.3.3 states that travelers must use their government-sponsored travel card for lodging and other travel expenses; if the card is not used for these expenses, the traveler must provide an explanation on their voucher. (Attachment 10)

On December 27, 2011, a record review was conducted of Federal Travel Regulation (FTR) 301.11-14. This regulation states that when an employee obtains lodging on a long-term basis, the lodging rate is determined by dividing the total lodging cost by the number of days of occupancy for which the traveler is entitled to per diem. (Attachment 11)

On January 13, 2012, AUSA (b)(6),(b)(7)(C) declined the case for prosecution. (Attachment 12)

**Subjects/Defendants/Suspects:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

None

**Judicial and Administrative Actions:**

None

**Attachments:**

1. Memorandum of Interview (MOI) (b)(6),(b)(7)(C) March 16, 2011
2. MOI (b)(6),(b)(7)(C) March 21, 2011
3. MOI (b)(6),(b)(7)(C) March 23, 2011
4. Record Review (RR) (b)(6),(b)(7)(C) vouchers, March 24, 2011
5. RR: (b)(6),(b)(7)(C) documents, March 24, 2011
6. MOI (b)(6),(b)(7)(C) March 24, 2011
7. MOI (b)(6),(b)(7)(C) April 11, 2011
8. MOI (b)(6),(b)(7)(C) October 11, 2011
9. RR: (b)(6),(b)(7)(C) email, November 29, 2011
10. RR: ADS 522.3.12.1 and 633.3.3, December 13, 2011
11. RR: FTR 301.11-14, December 27, 2011
12. Memorandum of Conversation: (b)(6),(b)(7)(C) January 13, 2012





**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** Reduced M&IE Policy      **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Complete  
**Period of Investigation:** April 2011- August 2011      **OIG/I Office:** Port-au-Prince

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**Synopsis:**

This investigation was predicated on information provided to the OIG concerning allegations of non-compliance with a USAID/Haiti mission notice in which the Meals and Incidental Expenses (M&IE) reimbursement rate had been reduced for visiting Temporary Duty (TDY) personnel. The executive officer (EXO) at USAID/Haiti, in conjunction with the mission's controller, decided that due to the large number of TDY personnel arriving at post for lengthy stays, it was appropriate to control costs by reducing the maximum M&IE rate.

Effective March 1, 2011, (b)(6),(b)(7)(C) implemented EXO Notice 2011-001, in which TDY personnel who were "provided lodging in TDY quarters with facilities to prepare meals" were only entitled to a daily M&IE rate of \$60, less than half the allowable rate of \$122. EXO Notice 2011-001 indicated that it relied on Volume 14, Foreign Affairs Manual, Section 573.3-1(a) (14 FAM 573.3-1(a)).

A subsequent USAID Staff Notice, dated February 25, 2011, further explained the provisions of EXO Notice 2011-001 and referenced Department of State (DOS) Administrative Announcement 282-2010 (DOS AA 282-2010). DOS AA 282-2010 relied on the provisions of DOS, Standardized Regulations, Section 120 (DSSR 120).

The investigation determined that 14 FAM 573.3-1(a) is a nonexistent FAM citation. 14 FAM 572.3-1 appears to be the intended reference citation for EXO Notice 2011-001. 14 FAM 572.3-1 allows for a reduced per diem rate "such as when meals are provided at no cost or at nominal cost by the US Government". The provisions in DOS AA 282-2010 and DSSR 120 do not apply to TDY personnel.

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|----------------------------|---|-------------------------------------|
| <b>REPORT MADE BY:</b>     | <b>Name:</b> (b)(6),(b)(7)(C)<br><b>Signature:</b> (b)(6),(b)(7)(C) | <b>Date Signed:</b> August 10, 2011 |
| <b>APPROVING OFFICIAL:</b> | <b>Name:</b> (b)(6),(b)(7)(C)<br><b>Signature:</b> (b)(6),(b)(7)(C) | <b>Date Signed:</b><br>8/22/11      |

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None of the relevant officers at USAID/Haiti, including (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) were able to provide the OIG with a citation from the FAM, DSSR, or any other authority that specifically allowed a reduced M&IE rate for TDY personnel based on the fact they were provided with lodging facilities that included facilities to prepare meals.

**Details of Investigation:**

In April 2011, Special Agent (b)(6),(b)(7)(C) received information that some USAID personnel in Haiti on TDY status were not complying with a USAID/Haiti policy in which the daily M&IE rate had been reduced (**Attachment 1**).

Investigation determined that on December 7, 2010, the DOS, Port-au-Prince, Haiti, issued DOS AA 282-2010, entitled Temporary Quarters Subsistence Allowance (TQSA) (**attachment 2**). The intent of DOS AA 282-2010 was to assist permanently assigned DOS employees, housed in temporary lodging, with the reasonable cost of meals and laundry expenses. For a period not to exceed 90 days from the date of arrival at post, employees were entitled to reimbursement not to exceed one half of the daily Port-au-Prince M&IE rate. The announcement references DSSR 120 as the post's policy guidance (**attachment 3**).

On January 31, 2011, (b)(6),(b)(7)(C) issued EXO Notice 2011-001, entitled Reduced M&IE Rates (**attachment 4**). The notice implemented a policy, effective March 1, 2011, in which certain TDY USAID personnel would only be entitled to M&IE reimbursement at a reduced rate. Pursuant to the notice, all TDY personnel arriving in Haiti on or after the date of the notice, were limited to reimbursement of \$60.00 per day if they had been provided with temporary lodging quarters equipped with facilities to prepare meals. According to the notice, the current M&IE rate for Port-au-Prince was \$122.00 per day.

EXO notice 2011-001 referenced 14 FAM 573.3-1(a) as the policy guidance however, the OIG determined the reference is incorrect as 14 FAM 573.3-1(a) is not a part of the FAM. The closest numerical FAM citation is 14 FAM 573.3 which concerns travel in conjunction with crossing the International Date Line (**attachment 5**). It appears that a possible intended reference is located at 14 FAM 572.3-1, Reduced Rate Per Diem (**attachment 6**). This reference provides for a reduced M&IE rate "such as when meals are provided to the employee at no cost or at nominal cost by the U.S. Government". 14 FAM 572.3-1 requires that the reduced rate "must be stated on the travel authorization before travel begins and may not be changed after travel is underway or completed". TDY personnel subject to EXO Notice 2011-001 were not provided with meals at no cost or at nominal cost. TDY personnel staying in TDY group guest houses had access to full kitchen facilities. TDY personnel staying at the Handal Vilaj housing had access to a small microwave oven, compact refrigerator and a sink (**attachment 7**).

On February 25, 2011, (b)(6),(b)(7)(C) USAID/Haiti, issued a joint USAID/Haiti EXO and Office of Financial Management (OFM) Staff Notice that referenced EXO Notice 2011-001 and DOS AA 282-2010 (attachment 8). The Staff Notice appears to have amended EXO Notice 2011-001 in that it stated the reduced M&IE policy applied to all TDY personnel regardless of the date of their arrival in Haiti and identified the allowable M&IE rate as \$61.00.

On June 10, 2011, an interview of (b)(6),(b)(7)(C) was conducted in which (b)(6),(b)(7)(C) was not able to provide specific, accurate reference(s) that allowed for a reduction of the M&IE rate when TDY personnel were provided with lodging that included some type of cooking facilities (attachment 9).

On July 18, 2011, an interview of (b)(6),(b)(7)(C) was conducted in which (b)(6),(b)(7)(C) was not able to provide specific, accurate reference(s) that allowed for a reduction of the M&IE rate when TDY personnel were provided with lodging that included some type of cooking facilities (attachment 10).

On August 9, 2011, an interview of (b)(6),(b)(7)(C) was conducted in which (b)(6),(b)(7)(C) relied on 14 FAM 572.3-1 as the authority to reduce the M&IE rate. (b)(6),(b)(7)(C) stated that due to the large number of TDY personnel arriving at post for lengthy stays, a decision was made by the offices of the EXO and Controller to control costs by cutting the maximum M&IE rate by half. (b)(6),(b)(7)(C) stated he did not believe that all travel authorizations issued to TDY personnel reflected the reduced M&IE rate as required by 14 FAM 572.3-1 (attachment 11).

Based on a review of Travel Authorizations (TAs) and Travel Vouchers (TV) available from USAID/Haiti, Financial Management, the reporting agent determined that the TAs and TVs all contained an indicated M&IE rate of \$122.00. Some also contained a notation that the rate was reduced to \$60.00, and in some cases, \$61.00. The TVs reflect M&IE claims of \$122, \$61.00 and \$60.00 (attachment 12).

At the time of this report, EXO Notice 2011-001 remains in effect.

**Undeveloped Leads:**

N/A

**Disposition of Evidence, Contraband or Personal Property:**

N/A

**Judicial and Administrative Actions:**

Refer to USAID/Haiti for administrative action

**Attachments:**

1. MOI: (b)(6),(b)(7)(C) 4/25/11
2. Department of State, Administrative Announcement 282-2010 (DOS AA 282-2010)
3. Department of State Standardized Regulations, Section 120 (DSSR 120)
4. EXO Notice 2011-001
5. 14 FAM 573.3
6. 14 FAM 572.3-1
7. Memo to File
8. USAID/Haiti Joint Staff Notice
9. MOI: (b)(6),(b)(7)(C) 6/10/11
10. MOI: (b)(6),(b)(7)(C) 7/18/11
11. MOI: 8/9/11
12. RR: Travel Authorizations, 8/10/11



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C)

**Case Number:** (b)(6),(b)(7)(C)

**Status:** Closed

**Period of Investigation:** May 24, 2011 to September 26, 2011

**RIG/I Office:** Cairo

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**Synopsis:**

In May 2011, the USAID OIG Hotline received an anonymous complaint containing several allegations against (b)(6). These included his alleged submission of fraudulent lodging receipts to USAID for reimbursement. His time and attendance records were also described by the complainant as "inaccurate" and insurance vouchers that he submitted for reimbursement increased significantly, and were "in question."

(b)(6),(b)(7)(C) is a GS-14 equivalent personal services contractor, working at USAID/Kigali as a (b)(6),(b)(7)(C) and his wife, (b)(6),(b)(7)(C) were medically evacuated to the United States in October 2010 for (b)(6),(b)(7)(C) to give birth. The two remained in the United States until mid-March 2011. From October 30, 2010 to March 15, 2011, they stayed in the (b)(6),(b)(7)(C) in (b)(6),(b)(7)(C) which is an apartment building managed by Bozzuto Management.

Based on the complaint, USAID OIG initiated an investigation. The investigation revealed that (b)(6),(b)(7)(C) submitted fraudulent lodging receipts for reimbursement of his travel expenses, in violation of:

- 18 United States Code (USC) Section 1001 – Statements or entries generally
- 18 USC Section 287 – False, fictitious or fraudulent claims
- 3 Foreign Affairs Manual 4138 (10) – Standards of Conduct

(b)(6),(b)(7)(C) submitted lodging receipts for reimbursement indicating that he paid a total of \$24,797 for lodging from October 30, 2010 to March 15, 2011. (b)(6),(b)(7)(C) admitted that his actual lodging expenses were less than this amount. Records from the apartment management company where he stayed and copies of checks indicate that (b)(6),(b)(7)(C) paid \$14,196.68 for the apartment.

When questioned in an interview, (b)(6),(b)(7)(C) first said that it was his wife that asked for the inflated receipts, claiming miscommunication. Later in the interview, he claimed that he asked for the

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|----------------------------|---|--------------------------------|
| <b>REPORT MADE BY:</b>     | <b>Name:</b> (b)(6),(b)(7)(C)<br><b>Signature:</b> (b)(6),(b)(7)(C) | <b>Date Signed:</b> 09/26/2011 |
| <b>APPROVING OFFICIAL:</b> | <b>Name:</b> (b)(6),(b)(7)(C)<br><b>Signature:</b> (b)(6),(b)(7)(C) | <b>Date Signed:</b> 9/27/11    |

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(b)(6),(b)(7)(C)

Period: May 24, 2011 to September 26, 2011

inflated receipts. He said that he paid separately for utilities, cable television, and internet service, which he did not pay to the apartment management company, though these items appeared on his lodging invoices. He admitted that he asked someone at the apartment management company to create a false invoice, which he later submitted to USAID.

(b)(6),(b)(7)(C) provided a written statement. He wrote that he "willfully asked the (b)(6),(b)(7)(C) to inflate the invoice to be based on the per diem for Washington DC." He explained that he did this to avoid the complexity of vouchering for things such as insurance, cable, internet, and electricity - amenities he would have received had he stayed in a hotel. He expressed that he did not do this for financial gain, but to reduce the complexity of his vouchers.

The investigation did not substantiate that (b)(6),(b)(7)(C) time and attendance records were inaccurate. Additionally, the investigation did not show any wrong doing, malfeasance, or false claims related to (b)(6),(b)(7)(C) insurance vouchers.

#### Details of Investigation:

On May 5, 2011, the USAID OIG Hotline received an anonymous complaint against (b)(6),(b)(7)(C). It was alleged that he submitted fraudulent lodging receipts. His time and attendance records were also described by the complainant as "inaccurate" and insurance vouchers that he submitted for reimbursement increased significantly, and were "in question." (Attachment 1)

On June 8, 2011, USAID/Kigali (b)(6),(b)(7)(C) was interviewed. She advised that (b)(6),(b)(7)(C) were medically evacuated to Washington, DC. (b)(6),(b)(7)(C) was supposed to be telecommuting during this time, but his timesheets were a "mess." He had submitted a planned work/leave schedule, but he asked a secretary at USAID/Kigali to make corrections after the fact, changing planned leave days to work days. Additionally, (b)(6),(b)(7)(C) request for insurance reimbursement increased dramatically.

(b)(6),(b)(7)(C) further advised that (b)(6),(b)(7)(C) lodging receipts did not look legitimate. She requested that (b)(6),(b)(7)(C) provide proof of payment for his lodging, as well as a ledger from the place where he stayed. (b)(6),(b)(7)(C) requested a face to face meeting with (b)(6),(b)(7)(C) and then explained that the receipts he submitted for reimbursement were incorrect; the amount shown on the lodging receipts he submitted did not match the amount withdrawn from his bank account to pay for his lodging. He said to her that when he requested a receipt from a woman working at the residence where he stayed, he told her that the per diem lodging rate was the maximum that he could pay; she may have gotten confused and printed a receipt showing that the maximum per diem rate had been spent for each day of his stay. He also claimed that his wife was handling the lodging, and that he was not involved. (Attachment 2)

On June 8, 2011, a records review was conducted of documents provided by (b)(6),(b)(7)(C) concerning (b)(6),(b)(7)(C) travel voucher. (b)(6),(b)(7)(C) submitted for reimbursement six lodging receipts from the

Period: May 24, 2011 to September 26, 2011

(b)(6),(b)(7)(C) showing a total lodging expense of \$24,797.00. According to a ledger that (b)(6),(b)(7)(C) gave to (b)(6),(b)(7)(C) he only incurred \$14,196.68 in expenses from the (b)(6),(b)(7)(C) (Attachment 3)

On June 14, 2011, (b)(6),(b)(7)(C) Bozzuto Management, was interviewed at the (b)(6),(b)(7)(C). He replaced (b)(6),(b)(7)(C) who was then working at a different Bozzuto property, and advised that it was not standard practice to create invoices or receipts for residents. If they were requested, invoices have to be created manually by reading a resident's ledger, totaling the charges, and transcribing it on the invoice. (Attachment 4)

On June 15, 2011, (b)(6),(b)(7)(C) Bozzuto Management, was interviewed at the (b)(6),(b)(7)(C). She advised that she handled (b)(6),(b)(7)(C) account while he stayed at the (b)(6),(b)(7)(C). (b)(6),(b)(7)(C) had asked her to write invoices showing what his expenses would look like based on \$181 per day for lodging expenses. He asked her for receipts multiple times. (b)(6),(b)(7)(C) said specifically what he wanted printed on his receipts, to include descriptions and the dollar amount. (b)(6),(b)(7)(C) was shown the receipts that (b)(6),(b)(7)(C) submitted to USAID for reimbursement and acknowledged that she had created those receipts, and that none of the receipts accurately reflected the amount that he expended on lodging during the period of time covered by the receipts. She thought that (b)(6),(b)(7)(C) asked for receipts showing both inflated lodging expenses and his actual lodging expenses. Based on what (b)(6),(b)(7)(C) told her, she believed he needed the receipts for an "executive summary of his expenses." If she knew that (b)(6),(b)(7)(C) was going to submit the inflated receipts for reimbursement, she would not have created them. She said (b)(6),(b)(7)(C) wife had no dealings with the account. (Attachment 5)

On August 11, 2011, (b)(6),(b)(7)(C) USAID/Office of Acquisition and Assistance, Washington, DC, was interviewed. She advised that USAID is not supposed to reimburse the premiums for separate dental insurance plans for PSCs. However, if the dental insurance is included in an insurance package that includes a basic health insurance plan, USAID will pay for the whole package. (Attachment 6)

On August 16, 2011, (b)(6),(b)(7)(C) USAID/Kigali (b)(6),(b)(7)(C) was interviewed. She advised that she was (b)(6),(b)(7)(C) supervisor. When (b)(6),(b)(7)(C) had been granted permission to work remotely while in Washington, DC, there was no telework agreement, nor was he given instructions on how to log his work hours. In several instances, he requested changes to his timesheets after they had been approved, saying that he actually worked hours during which he had initially said he would be taking leave. She also felt that her team was not getting the same level of support that they had come to expect from (b)(6),(b)(7)(C) when he was in Rwanda. (Attachment 7)

On August 23, 2011, (b)(6),(b)(7)(C) USAID/Rwanda (b)(6),(b)(7)(C) was interviewed. She said that at least once (b)(6),(b)(7)(C) claimed that he was working during hours that had been marked on his timesheet as leave. In this particular instance, she thought that it was



(b)(6),(b)(7)(C)

Period: May 24, 2011 to September 26, 2011

very unusual because (b)(6),(b)(7)(C) himself had initially requested to take leave during the period in question. (Attachment 8)

On August 31, 2011, a records review was conducted of documents subpoenaed from Bozzuto Management. Several documents subpoenaed, including two lease agreements, and an addendum, indicated that (b)(6),(b)(7)(C) monthly rent at the (b)(6),(b)(7)(C) was \$2,723. Bozzuto also provided copies of the resident ledgers, which corresponded with those that (b)(6),(b)(7)(C) provided to (b)(6),(b)(7)(C). Also included among the documents were copies of the inflated invoices that (b)(6),(b)(7)(C) had submitted for reimbursement. Additionally, there were receipts for three months showing lower rent payments than the inflated receipts: October: \$175.68; November: \$2,723; and February: \$2,723. (Attachment 9)

On September 8, 2011, the case was referred for criminal prosecution to Assistant United States Attorney (b)(6),(b)(7)(C) in the District of Columbia. On September 9, 2011, (b)(6),(b)(7)(C) declined to prosecute the case and advised that USAID could proceed with appropriate administrative alternatives. (Attachment 10)

On September 15, 2011, (b)(6),(b)(7)(C) was interviewed. When first questioned about his vouchers, he claimed that his wife asked for the receipts showing the inflated expenses and that she was the one handling the lodging during the medical evacuation. He claimed there must have been some kind of miscommunication which resulted in the apartment management company providing receipts showing inflated expenses. He claimed that when questioned by (b)(6),(b)(7)(C) about his lodging expenses, he realized that the receipts he submitted for reimbursement did not correspond with what he actually paid for lodging. He apologized to her for the mistake.

Later in the interview, he claimed that he asked that the receipts show the maximum government per diem rate for lodging. He explained that if he stayed at a hotel, he would have been entitled to other amenities that he would not otherwise receive if he were staying at an apartment. He paid separately for utilities, cable television, internet service, and insurance. He did not pay for these services through the apartment management company. He admitted that he asked someone to create a document that was false, which he later submitted to USAID. At the time, he did not know if these additional expenses were reimbursable.

(b)(6),(b)(7)(C) explained that his health insurance premiums increased in late 2010 because his insurance group switched to a different health care provider, which was more expensive. His premiums increased again after he added his newborn twins to the plan.

Based upon seeing a document which detailed his work activities, he claimed that he was in fact working during the last two weeks of December 2010. He offered to provide e-mails to prove that he was working. (Attachment 11)

**Period: May 24, 2011 to September 26, 2011**

On September 15, 2011, a few hours after his interview (b)(6),(b)(7)(C) voluntarily provided a written statement. He wrote that he "willfully asked the (b)(6),(b)(7)(C) to inflate the invoice to be based on the per diem for Washington DC." He explained that he did this to avoid the complexity of vouchering for things such as insurance, cable, internet, and electricity, which he would have received had he been living in a hotel. He expressed that he did not do this for financial gain, but did so to reduce the complexity of his vouchers. (Attachment 12)

On September 26, 2011, the reporting agent conducted a record review of the e-mails (b)(6),(b)(7)(C) provided to prove that he was working during the last pay period of 2010. The e-mails indicated that he worked on several issues during this period. His e-mails also referenced several conversations that he had with various USAID staff and contractors. (Attachment 13)

On September 26, 2011, the reporting agent conducted a record review of the information that (b)(6),(b)(7)(C) provided concerning his insurance plan. In October 2010, his insurance group switched to a plan that cost \$1301.60 per month for an employee and a spouse, and \$1998.92 per month for a family. (Attachment 14)

**Defendants/Suspects:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

None

**Judicial and Administrative Actions:**

This case was referred to the U.S. Department of Justice for prosecution, but was declined on September 9, 2011.

An official briefing was given to USAID/Kigali (b)(6),(b)(7)(C) on September 15, 2011. Following the briefing (b)(6),(b)(7)(C) decided to limit (b)(6),(b)(7)(C) activities for those necessary to complete the hand-over of his responsibilities. (b)(6),(b)(7)(C) also cancelled (b)(6),(b)(7)(C) planned consultations in Washington, and a temporary duty assignment to France, which had been scheduled for (b)(6),(b)(7)(C) reported that \$5,433 of funds from President's Emergency Plan for AIDS Relief had been de-committed as a result of the cancellation of (b)(6),(b)(7)(C) travel.

A written referral memo will be sent to USAID/Kigali.

Period: May 24, 2011 to September 26, 2011

**Attachments:**

1. Hotline complaint, May 3, 2011
2. (b)(6), (b)(7)(C) Memorandum of Interview (MOI), June 8, 2011
3. Records Review of travel voucher documentation, June 8, 2011
4. (b)(6), (b)(7)(C) MOI, June 14, 2011
5. (b)(6), (b)(7)(C) MOI, June 15, 2011
6. (b)(6), (b)(7)(C) MOI, August 11, 2011
7. (b)(6), (b)(7)(C) MOI, August 16, 2011
8. (b)(6), (b)(7)(C) MOI, August 23, 2011
9. Records Review of subpoenaed documents, August 31, 2011
10. Declination letter from AUSA (b)(6), (b)(7)(C) September 9, 2011
11. (b)(6), (b)(7)(C) MOI, September 15, 2011
12. (b)(6), (b)(7)(C) written Statement, September 15, 2011
13. (b)(6), (b)(7)(C) work emails records review, September 26, 2011
14. (b)(6), (b)(7)(C) insurance emails records review, September 26, 2011



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Completed  
**Period of Investigation:** July 8, 2011 to September 29, 2011 **RIG/I Office:** Cairo

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**Synopsis:**

In June 2011, the USAID OIG Hotline received an anonymous complaint alleging that (b)(6),(b)(7)(C) a personal services contractor working at USAID/Rwanda as an (b)(6),(b)(7)(C) had not identified all personal phone calls on her phone bill, and signed the bill indicating that some of these personal calls were official.

Based on the complaint, USAID OIG initiated an investigation. The investigation revealed that (b)(6),(b)(7)(C) failed to identify a number of her personal calls, in violation of:

- 18 United States Code Section 1001 – Statements or entries generally
- US Embassy Kigali Management Procedure Number 27, dated June 23, 2011 – Use of Official Cell Phones.

From February 2010 to December 2010, (b)(6),(b)(7)(C) made 34 calls to Uganda and five calls to Yemen during weekends or weekdays after 9:00 pm, which she did not mark as personal calls. She also made 19 calls to the United States on weekends (excluding December 2010), which she also did not mark as personal. The approximate cost of these calls is \$159.41.

When questioned in an interview (b)(6),(b)(7)(C) acknowledged that calls to Uganda and Yemen on weekends or after 9:00 pm are personal. She acknowledged that calls to the United States on weekends were also personal calls, with the exception of December 2010 when she made phone calls to correct a problem with her travel card. She said that her actions were “very careless” and “reckless”; she did not make marking her personal phone calls a priority. She offered to pay for any calls in question that may have been personal.

Due to the low dollar amount of the questionable calls, a referral will not be made. However an oral briefing of the facts of this case was made to USAID/Rwanda (b)(6),(b)(7)(C) on January 4, 2012. Any action taken was requested to be reported to the OIG. This case is completed.

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**REPORT MADE BY:** Name: (b)(6),(b)(7)(C) Date Signed: 1/4/2012  
Signature: (b)(6),(b)(7)(C)

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**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) Date Signed: 1/4/2012  
Signature: (b)(6),(b)(7)(C)

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(b)(6),(b)(7)(C)

Period: July 8, 2011 to September 29, 2011

**Details of Investigation:**

In June 2011, the USAID OIG Hotline received an anonymous complaint alleging that (b)(6),(b)(7)(C) had not identified all personal phone calls on her phone bill, and signed the bill indicating that some of these personal calls were official expenses. (Attachment 1)

On September 12, 2011, USAID/Rwanda (b)(6),(b)(7)(C) was interviewed. She advised that she was (b)(6),(b)(7)(C) supervisor. She learned from USAID/Rwanda (b)(6),(b)(7)(C) that there were a lot of international calls on (b)(6),(b)(7)(C) phone bills. (b)(6),(b)(7)(C) got offended when she asked about the personal calls. (b)(6),(b)(7)(C) who works on (b)(6),(b)(7)(C) at USAID/Kampala, is (b)(6),(b)(7)(C) friend and mentor. She is aware that (b)(6),(b)(7)(C) calls (b)(6),(b)(7)(C) for work-related advice. There is no acceptable business reason for (b)(6),(b)(7)(C) to call Brazil. (Attachment 2)

On September 12, 2011, (b)(6),(b)(7)(C) was interviewed. She advised that (b)(6),(b)(7)(C) was given three months of phone bills at once and asked to mark her personal calls. (b)(6),(b)(7)(C) claimed she was busy, marked a few calls as personal, and returned the bill to (b)(6),(b)(7)(C). She returned the bill to (b)(6),(b)(7)(C) and more calls were marked as personal, including calls to Brazil. (b)(6),(b)(7)(C) husband is Brazilian. In February 2011, (b)(6),(b)(7)(C) asked to pay for her entire phone bill, including business and personal calls. (b)(6),(b)(7)(C) has since switched to a different payment method where (b)(6),(b)(7)(C) pays the entire phone bill and receives a fixed credit for reimbursement of official calls. (b)(6),(b)(7)(C) later approved some calls that (b)(6),(b)(7)(C) made during South Africa while (b)(6),(b)(7)(C) was in training. (Attachment 3)

On September 15, 2011, (b)(6),(b)(7)(C) was interviewed. She acknowledged that there were problems with her phone bills. She offered to have (b)(6),(b)(7)(C) bill her for the entire amount for the three months of phone bills in question. Sometime between January and March 2011, she got her own phone line, and now pays for all official and personal calls. (b)(6),(b)(7)(C) is her friend and colleague. She depends on guidance from (b)(6),(b)(7)(C). She has both personal and business conversations with (b)(6),(b)(7)(C). She was "very careless" and "reckless" to not have highlighted more of her calls to (b)(6),(b)(7)(C) as personal. Any calls to Uganda or Yemen during weekends or weekdays after 9:00 pm were personal. Any calls to the United States on weekends were personal, with the exception of December 2010, when she was in South Africa for training and had an issue with her travel card. She offered to pay the full amount for any questioned calls. (Attachment 4)

On September 29, 2011, a record review was conducted of (b)(6),(b)(7)(C) phone bills from February 2010 to December 2010 (excluding May 2010). There were dozens of calls to Uganda, and very few were marked as personal. All calls to Brazil, except for one, were marked as personal. The following were not marked as personal calls:

- o Nineteen calls to the United States on weekends (excluding December)

(b)(6),(b)(7)(C)

Period: July 8, 2011 to September 29, 2011

- Five calls to Yemen on weekends or after 9pm on workdays
- Thirty-four calls to Uganda on weekends or after 9pm on workday
- One call to Brazil

Based on an exchange rate of 596 Rwandan Francs to 1 US Dollar, the cost of these calls was \$159.41. (Attachment 5)

**Subjects/Defendants/Suspects:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

None

**Judicial and Administrative Actions:**

None

**Attachments:**

1. Hotline complaint, June 2, 2011.
2. (b)(6),(b)(7)(C) Memorandum of Interview (MOI), September 12, 2011
3. (b)(6),(b)(7)(C) MOI, September 12, 2011
4. (b)(6),(b)(7)(C) MOI, September 15, 2011
5. Record review of (b)(6),(b)(7)(C) phone bills, September 29, 2011





**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Completed  
**Period of Investigation:** 08/11/2011 to 11/21/2011 **OIG/I Office:** Pretoria

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**Synopsis:**

On August 11, 2011, the Office of Inspector General received an allegation from (b)(6),(b)(7)(C) USAID/South Africa (b)(6),(b)(7)(C) regarding (b)(6),(b)(7)(C) a USAID/South Africa project development specialist. The allegation states (b)(6),(b)(7)(C) received two advances for official travel in May 2010 amounting to approximately \$10,500. After his second trip was cut short, he failed to return approximately \$4,600 in unused advances – which is still outstanding as of November 1, 2011. In addition, he did not prepare travel vouchers until a year later, despite several emails requesting him to do so. The travel vouchers that were eventually submitted contained suspicious items such as significantly more miles claimed using (b)(6),(b)(7)(C) personal vehicle than would be expected, several supporting documents with dates that did not coincide with the trip, and unsupported claims.

The OIG investigation confirmed that (b)(6),(b)(7)(C) did not prepare his travel vouchers until more than a year after the trips. He acknowledged that he owes a significant amount of money to USAID. The investigation also confirmed the inclusion of several incorrect and unsupported amounts on the travel voucher forms, which (b)(6),(b)(7)(C) acknowledged.

The investigation confirmed violations of the following Automated Directives System (ADS) policies:

- 633.3.5 Travel Voucher Processing Requirements, which states that travel vouchers must be completed within five business days of completion of travel,
- 633.3.6.3 Laundry and Dry Cleaning Expense, which states that laundry is not an acceptable expense when traveling outside CONUS, and
- 633.3.5.1 Lodging-Plus Per Diem Method which requires receipts for all lodging expenses and any expense over \$75.

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|                            |   |                                |
|----------------------------|---|--------------------------------|
| <b>REPORT MADE BY:</b>     | <b>Name:</b> (b)(6),(b)(7)(C)<br><b>Signature:</b> (b)(6),(b)(7)(C) | <b>Date Signed:</b> 11/21/11   |
| <b>APPROVING OFFICIAL:</b> | <b>Name:</b> (b)(6),(b)(7)(C)<br><b>Signature:</b> (b)(6),(b)(7)(C) | <b>Date Signed:</b> 11/25/2011 |

08/11/11 – 11/21/11

The investigation also confirmed a violation of a federal criminal statute, 18 U.S.C. § 643, Accounting Generally for Public Money, which applies to employees of the United States or of any department or agency who receive public money which they are not authorized to retain as salary, pay, or emolument. "...[Failure] to render his accounts for the same as provided by law is guilty of embezzlement."

This matter shall be referred to USAID/South Africa for consideration of administrative action.

#### Details of Investigation:

On August 11, 2011, the OIG interviewed (b)(6),(b)(7)(C) for USAID/South Africa. She stated that there is an outstanding advance of \$11,816 from (b)(6),(b)(7)(C) for official travel. He traveled from Pretoria, South Africa to Gaborone, Botswana from May 9 through May 15, 2010 and then from Gaborone to Harare, Zimbabwe from May 15 through May 30, 2010. The second trip, to Harare, was cut short. He was planning to stay in Harare until June 12, 2010. He received an advance of \$975 for the first trip and \$9,545 for the second trip. When the second trip was terminated (b)(6),(b)(7)(C) did not return the unused advance of approximately \$4,600. He did not turn in travel vouchers until June 2011, over a year after the trips were complete. In addition, there were some suspicious items on the travel vouchers. USAID/South Africa's Financial Management office contacted (b)(6),(b)(7)(C) several times during the past year requesting him to liquidate the outstanding vouchers and never received an answer. Although he submitted travel vouchers for both trips in June 2011, a year after the completion of the trips, he still has not returned the unused advance. (b)(6),(b)(7)(C) is from Zimbabwe and still has family there. Suspicious items found in his vouchers include suspect claims for mileage on his personal vehicle, dates on receipts that do not coincide with the trips, suspect laundry amounts, insurance costs that are not allowed, and a travel cost spreadsheet that does not agree with the travel voucher submitted. (b)(6),(b)(7)(C) asked the mission staff to go back through emails to find the ones sent to (b)(6),(b)(7)(C) to show they requested repayment of the balance several times. (b)(6),(b)(7)(C) provided the OIG with copies of two emails as well as copies of the two travel vouchers. (Attachment 1, Memorandum of Interview – (b)(6),(b)(7)(C) dated 08/11/11)

On September 7, 2011, the OIG interviewed (b)(6),(b)(7)(C) for USAID/South Africa. She stated that (b)(6),(b)(7)(C) has not contested the fact that he owes USAID money. He has not paid it back. She is unaware of anyone physically speaking to him about the issue. She is only aware of a couple of emails sent to him requesting payment. (Attachment 2, Memorandum of Interview – (b)(6),(b)(7)(C) dated 09/07/2011)

On September 8, 2011, the OIG interviewed (b)(6),(b)(7)(C) for USAID/South Africa. (b)(6),(b)(7)(C) has not spoken to (b)(6),(b)(7)(C) regarding the amount he owes USAID but believes that (b)(6),(b)(7)(C) USAID/South Africa (b)(6),(b)(7)(C) has

08/11/11 – 11/21/11

spoken with him. (b)(6),(b)(7)(C) believes (b)(6),(b)(7)(C) said he will pay it back. The advance was paid via electronic transfer of funds (ETF) to (b)(6),(b)(7)(C) bank account. (Attachment 3, Memorandum of Interview – (b)(6),(b)(7)(C) dated 09/08/11)

On September 7-8, 2011, the OIG reviewed documents received from (b)(6),(b)(7)(C) for USAID/South Africa. Items were found to be unsupported or insupportably excessive on the vouchers, including mileage, hotel stays without supporting invoices, an incidental charge without supporting documentation, and a border crossing fee for the wrong time period. In addition, (b)(6),(b)(7)(C) provided two emails dated August 12, 2010 and November 16, 2010 from (b)(6),(b)(7)(C) to (b)(6),(b)(7)(C) requesting he liquidate his outstanding advances. (Attachment 4, Record Review – Documents from (b)(6),(b)(7)(C) dated 09/7-8/11)

On October 31, 2011, the OIG interviewed (b)(6),(b)(7)(C) for USAID/South Africa. He stated that in his capacity as the regional monitoring and evaluations specialist, he travels about once a month. His trip to Zimbabwe in 2010 was cut short by two weeks. He understood that he was supposed to submit a voucher soon after travel completion. He stated it was a mistake on his part not preparing the travel voucher sooner. He stated that he was very busy. He also stated that when he did finally prepare the vouchers, he was under a lot of pressure to get them done and there may be mistakes.

He is aware that he owes a significant amount but is unsure of the exact figure. He has not paid the money back because he has not received a bill of collection to tell him how much he owes. In the past, that is how the process worked. He does not remember ever receiving an email alerting him that he has an outstanding advance that needs to be liquidated. When seeing copies of two emails sent to him for this purpose, he stated that his mailbox may have been full and perhaps it bounced back to the person who sent it. (b)(6),(b)(7)(C) said no one has ever called him or spoke to him personally alerting him to the outstanding advance. He kept a certain amount of money to the side in his bank account to repay USAID.

(b)(6),(b)(7)(C) claimed he did not pay the amount due once he prepared the travel vouchers as the voucher examiner did not call him for clarification on issues, which could affect the total amount of the voucher, as typically happens. Therefore, he was unaware of the actual amount due. He said he had not been contacted by the voucher examiners on either of these travel vouchers.

When going through each voucher with the investigating agent and looking at the inconsistencies, he offered the following:

He acknowledged that the mileage to Botswana as well as around Gaborone and Harare is higher than expected. (b)(6),(b)(7)(C) stated that he believes he wrote the mileage down on a piece of paper and that is how he tracked the mileage to submit. He offered to attempt to

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find that paper to support the mileage. He is from Zimbabwe and has family there. He acknowledged driving around to see his family, but claimed that mileage was not included in what he submitted for reimbursement. The mileage around Gaborone and Harare would include travel from his hotel to USAID as well as trips out to visit partners. He visited three or four partners in Gaborone.

The first "travel cost worksheet", included the correct calculation of mileage. It took the kilometers driven and converted it into miles before applying the mileage rate for reimbursement. However, in the second, the mileage rate was applied directly to kilometers, which resulted in a much higher reimbursement. The two worksheets each contain many of the same costs, which would suggest that one sheet was used as a basis for the other. However, the conversion from kilometers to miles was taken out of the second one. (b)(6),(b)(7)(C) stated this must have been an oversight and identified it as the kind of issue he expected the voucher examiner to call him about.

Regarding the \$110 for insurance for the Botswana trip, he stated, while looking at the receipt, that it should have been in pula and not US dollars. This was another mistake on his part. He was under pressure to get the travel voucher done and expected the voucher examiner to go through the submission and ask for clarification.

Regarding the \$250 for insurance for the Zimbabwe trip, he stated, while looking at the receipt, that it is dated July 2009 and not May 2010. He stated he "should have checked their stamp." He will look for the correct receipt.

(b)(6),(b)(7)(C) was unable to explain the \$106 incidental amount on his Zimbabwe submission. He thought it was laundry, but the laundry charges on his hotel invoice only equal \$81. He could not explain the difference.

On the Zimbabwe voucher, he included hotel stays for May 15 and May 30, but there were no hotel invoices to support those amounts. He claimed he stayed at the (b)(6),(b)(7)(C) in Bulawayo on May 15 and at the (b)(6),(b)(7)(C) in Beitbridge on May 30. He did not want to make the trip to/from Zimbabwe all in one day. He will look for the invoices and hopes he did not misplace them. (Attachment 5, Memorandum of Interview - (b)(6),(b)(7)(C) dated 10/31/11)

On November 2, 2011, at his request, the OIG re-interviewed (b)(6),(b)(7)(C). In an email to the OIG, he advised the following: He does not have copies of previous bills for collection as this is the first time he owed money to USAID. He attached a copy of his bank slip showing funds available for payment to USAID. The amount varied from approximately \$1,500 to \$5,600 for the past three months. However, at the top of the page, next to "Available balance", the amount was approximately \$30. He attached a copy of the (b)(6),(b)(7)(C) Bulawayo invoice that showed the room rate as \$105, not the \$150 he claimed on the travel voucher. He stated that the process at the Zimbabwe border is "normally cumbersome to the extent that receipt documents for this purpose

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will be difficult to retrace.” However, he claims he did make a payment “for the purpose of temporarily importing my vehicle to Zimbabwe.” He stated the document attached to the travel voucher “was erroneously included.” He wrote, “In addition, while I am from Zimbabwe, I wish to state that any no point did sleep over at any of my folks’ place [sic].” “I wish to end by confirming that I take full responsibility for the delay in closing-out these trips and regret the inconvenience it brings to all parties concerned. This trip close-out was put together in a hurry and I acknowledge some of the discrepancies/ oversight that may have arisen as a result. I wish to declare that there was no intention on my part to falsify information for my benefit.”

(b)(6),(b)(7)(C) brought several documents to the interview, including the invoice for the May 15 stay at the (b)(6),(b)(7)(C) Bulawayo. He mentioned that the amount on the invoice is not the \$150 he put on his travel voucher. He identified it as a mistake that should have been \$105.

He stated that his recollection in the previous interview about staying at a (b)(6),(b)(7)(C) in Beitbridge on May 30 was incorrect and that he confused it with the subsequent trip he took in July. He offered the invoice for the (b)(6),(b)(7)(C) Beitbridge dated July 24, 2010. He asked why it was even an issue as the invoice for the hotel in Harare went through May 30. He stated that he did stay in Harare on May 30, and that he drove back to Pretoria in one day, not two days as he previously mentioned. It was then pointed out that the Harare hotel invoice did not include a stay on May 30. He replied that perhaps the hotel was fully booked the last night and he had to stay at another hotel next door. It is noted that (b)(6),(b)(7)(C) originally had a reservation for the Harare hotel that went through June 12. The trip was cut short after he arrived in Harare. He stated again that he did not stay with family on May 30, but he needed something to jog his memory because he did not remember where he stayed. However, he is sure he stayed in Harare.

Regarding the incidental amount of \$106 on his travel voucher, he offered that it was a combination of laundry charges and telephone calls. He produced a second page to the hotel invoice in Harare that included \$341 worth of phone calls. He stated that he must have added \$25 of the phone calls to the \$81 laundry charges to come up with \$106.

Regarding the insurance charges on both travel vouchers, he acknowledged that both amounts should have been in rand, not dollars. It was another mistake.

He stated that he was feeling under pressure to get the travel vouchers done and that is why he made so many mistakes. He stated that the Zimbabwe mission wanted to close out its accounts and he had another trip coming up. He needed to complete the process of preparing the travel vouchers in order to have everything completed. He claimed to be very sorry for the mistakes he made in preparing the travel voucher. (Attachment 6, Memorandum of Interview - (b)(6),(b)(7)(C) dated 11/02/11)

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On November 21, 2011, the OIG interviewed (b)(6),(b)(7)(C) for USAID/South Africa. He stated that he sent two emails to (b)(6),(b)(7)(C) requesting him to liquidate his outstanding travel advances. The emails did not bounce back as undeliverable. He also spoke with (b)(6),(b)(7)(C) in person on one or two occasions. He told (b)(6),(b)(7)(C) to pay the cashier and keep the receipt as proof of payment. (Attachment 7, Memorandum of Interview – (b)(6),(b)(7)(C) dated 11/21/11)

**Defendants/Suspects:**

(b)(6),(b)(7)(C)

USAID/South Africa

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

There are no items in evidence or seized contraband.

**Judicial and Administrative Actions:**

Referral to USAID/South Africa

**Attachments:**

1. Memorandum of Interview (b)(6),(b)(7)(C) dated 8/11/2011
2. Memorandum of Interview (b)(6),(b)(7)(C) dated 9/7/2011
3. Memorandum of Interview (b)(6),(b)(7)(C) dated 9/8/2011
4. Record Review – Initial Documents, dated 9/7-8/2011
5. Memorandum of Interview (b)(6),(b)(7)(C) dated 10/31/2011
6. Memorandum of Interview (b)(6),(b)(7)(C) dated 11/2/2011
7. Memorandum of Interview (b)(6),(b)(7)(C) dated 11/21/2011



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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Case Title: International Republican Institute (IRI) Case Number: (b)(6),(b)(7)(C)  
Status: Closed  
Period of Investigation: 02/09/06 – 05/03/06 OIG/I Office: Washington

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**Synopsis:**

On January 30, 2006, Senator Christopher J. Dodd, Ranking Member, Subcommittee on Western Hemisphere, Narcotics and Peace Corps Affairs, sent a letter to Donald A. Gambatesa, Inspector General (IG), U.S. Agency for International Development (USAID), Office of Inspector General (OIG). In his letter, Mr. Dodd requested a follow-up investigation regarding USAID-funded International Republican Institute (IRI) democracy programs in Haiti.

Previously, on March 18, 2004, Mr. Dodd requested that former IG Everett L. Mosley conduct an inquiry into similar issues involving USAID-funded IRI programs in Haiti from January 1, 2001 to March 2004. A program evaluation conducted by the OIG, Audit Division (Audit), found IRI to be in compliance with the terms and conditions of the USAID grants and cooperative agreements. OIG/Audit also found no evidence of any meetings between (b)(6),(b)(7)(C) Program Officer, IRI, (b)(6),(b)(7)(C) or other members of the Ecuador Group (*Attachment 1 – USAID OIG Response to Senator Dodd*).

In his January 30, 2006 letter to the IG Donald A. Gambatesa, Mr. Dodd requested that the OIG revisit all such programs from January 1, 2000 to present in light of information received from a January 29, 2006, New York Times article; particularly, whether these programs and the U.S. government funds expended in conjunction with them, were consistent with official U.S. policy at the time of their use (*Attachment 2 – Letter from Senator Dodd*).

Pursuant to Senator Dodd's request for investigation, the OIG initiated an investigation into whether IRI had misused or misappropriated USAID funding for the Haiti program by financing (b)(6),(b)(7)(C) travel to Ecuador and Peru.

While the investigation did confirm that (b)(6),(b)(7)(C) traveled to Ecuador and Peru under the auspice of IRI during 2001 as alleged, it found no evidence that IRI used any USAID funds to finance his travel. Additionally, the investigation determined that USAID did not have any

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|                     |   |                        |
|---------------------|---|------------------------|
| REPORT MADE BY:     | Name: (b)(6),(b)(7)(C)<br>Signature: (b)(6),(b)(7)(C) | Date Signed:<br>5/8/06 |
| APPROVING OFFICIAL: | Name:<br>Signature:                                   | Date Signed:<br>5/8/06 |

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active grants for Haiti programs with IRI during the 2000 to 2001 time-frame; and that (b)(6),(b)(7)(C) travel to Ecuador and Peru was actually financed by money IRI received from a National Endowment for Democracy (NED) Grant No. 2001-047.0.

#### Details of Investigation:

(b)(6),(b)(7)(C) Senior Vice President, IRI, was interviewed and stated that in the latter part of 2001, IRI received a USAID grant related to the Haiti program that ran into 2002. He advised that any USAID funding received by IRI prior to this grant was not related to the Haiti program.

(b)(6),(b)(7)(C) stated (b)(6),(b)(7)(C) was an IRI employee during 2000-2001, as the program officer for the Latin America and Caribbean Division at IRI, Washington, D.C. (b)(6),(b)(7)(C) stated (b)(6),(b)(7)(C) did travel to Ecuador during 2001 to participate in a training program that was funded under the Ecuador program. (b)(6),(b)(7)(C) agreed to research (b)(6),(b)(7)(C) travel to Peru and provide more specific funding information at a later date (*Attachment 3 – MOI of (b)(6),(b)(7)(C)*

(b)(6),(b)(7)(C) USAID/Haiti, Office of Financial Management, reported that for the period July 30, 1999 through September 28, 2001, IRI did not receive any funding from USAID for Haiti programs (*Attachment 4 - (b)(6),(b)(7)(C) E-mail*).

An OIG review of USAID grant records revealed that there was no funding for the Haiti, Ecuador or Peru programs awarded to IRI from July 30, 1999 to September 30, 2001 (*Attachment 5 – Records Review dated Feb 16, 2006*).

In an e-mail to the OIG dated March 1, 2006, (b)(6),(b)(7)(C) explained that (b)(6),(b)(7)(C) traveled twice to Ecuador in March and September 2001, once to Peru in September 2001, and that (b)(6),(b)(7)(C) travels to Ecuador and Peru were funded using NED grants. According to (b)(6),(b)(7)(C) travel to Ecuador in March 2001 was for Program Development, (b)(6),(b)(7)(C) travel to Ecuador and Peru in September 2001 was for Political Party Strengthening: Youth Development and for Program Development (*Attachment 6 - (b)(6),(b)(7)(C) E-mail*).

(b)(6),(b)(7)(C) stated that NED was established as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Service Code. He further elaborated that NED is made up of four organizations; the Center for International Private Enterprise (CIPE); the National Democratic Institute for International Affairs (NDI); International Republican Institute (IRI); and the American Center for International Labor Solidarity, also known as the "Solidarity Center". The Endowment serves as the umbrella organization through which these groups receive funding to carry out programs abroad (*Attachment 7 - MOI of (b)(6),(b)(7)(C)*

OIG research of NED confirmed the information about NED provided by (b)(6),(b)(7)(C) and further disclosed that NED receives its funding under the State Department Authorization Act (*Attachment 8 – Records Review of NED History Website*).

(b)(6),(b)(7)(C) Chief Financial Officer, IRI, explained how IRI developed the numerical codes used in their accounting system. For example, 01.00004.07070.01 is a project number for a program funded using USAID funds. The 01 is specific to USAID, the next two digits, 00 identify the year as 2000 and denote the year in which the grant was awarded, and the next three digits, 004 identify the award number. The last seven digits, 07070.01 are assigned by IRI. These numbers are in-house numbers used to identify specific programs within one project. For NED codes, the process is the same except the first two digits which are 02 identify the project as an NED project (*Attachment 7 - MOI of (b)(6),(b)(7)(C)*

(b)(6),(b)(7)(C) further explained there can be several project codes that fall under one program. For instance, under the NED grant, IRI had several codes with only the last seven digits differing. The NED grant codes are 02.01047.06575.03 and 02.01047.06501.12. Another NED grant code is 02.00031.06201.12. Project codes 6201, 6501 and 6575 were used on travel documents for (b)(6),(b)(7)(C) travel to Ecuador and Peru. (b)(6),(b)(7)(C) stated the same coding system is used for the timesheets and labor detail reports as mentioned above. She stated the employees are given a list of active projects at the beginning of each year with funding codes to charge time to the appropriate projects. She stated she would provide copies of (b)(6),(b)(7)(C) timesheets and his corresponding labor detail reports for the period of 2000 – 2001 (*Attachment 7 - MOI of (b)(6),(b)(7)(C)*

(b)(6),(b)(7)(C) additionally stated all IRI employees are issued airline tickets, through American Express, from one main company account. Also, each employee is issued an American Express card to cover meals, lodging, and incidentals incurred while traveling. The employees are required to settle accounts within 10 business days after travel is completed. She stated the accounting department provides American Express with the appropriate funding codes per each employee's travel requirements. American Express is also given instructions on billing IRI projects and when and how to split costs if necessary (*Attachment 7 - MOI of (b)(6),(b)(7)(C)*

(b)(6),(b)(7)(C) Chief, Travel Division, IRI explained that each employee must complete a Travel Authorization form (TA) and the TA must be approved by the supervisor and filled out completely with the employee name, dates of travel, location, funding code, project information, length of travel, and cost estimates. Once she receives the TA for processing, if any information is missing, she returns it to the traveler. If there are any funding code questions, the accounting department would contact her division for clarity (*Attachment 7 - MOI of (b)(6),(b)(7)(C)*

(b)(6),(b)(7)(C) further explained that quarterly program reports are required to be submitted along with financial reports to NED and USAID (*Attachment 7 - MOI of* (b)(6),(b)(7)(C)

IRI provided quarterly project reports for NED Project Codes 6501 and 6575. These reports detailed the program activities with respect to Ecuador and Peru. Review of the quarterly status reports for Project Code 6501 and 6575 reflected the following information:

The first quarterly report dated January-March 2001 is titled "Program Development", Grant Number 2001-047-6501 (Project Code 6501). The quarterly activities section stated that during the January-March 2001 period IRI staff members (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) traveled to Quito, Ecuador from March 18-23, 2001, to assess the political situation and the feasibility of initiating a program aimed at revitalizing Ecuador's democratic institutions. According to the report, IRI staff members met with a wide range of political parties, non-governmental organizations, government officials and university students from various political organizations in Ecuador. Additionally, the report relayed that IRI's primary interest was to get new faces and young leaders involved in Ecuador's political parties and organizations. More emphasis was placed on meeting with young Ecuadorians and evaluating the most effective means to involve them in the country's political process.

The second quarterly report dated October-December 2001 is titled "Political Party Strengthening: Youth Development", Grant Number 2001-047-6575 (Project Code 6575). As such, the quarterly activities section stated in part that the upcoming year in Ecuador is significant due to presidential elections in October 2002. Moreover, the report reflected that (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) House Liaison for Republican Party of Florida met with various political contacts and initiated training with the parties and youth groups. Furthermore, the report conveyed that pre-electoral training was conducted in Peru (*Attachment 9 - Records Review, dated March 15, 2006*).

IRI did not provide the quarterly project report for Project Code 6579 (Venezuela); it was outside the scope of the investigation.

An OIG review of NED grant records provided by IRI reflected Ecuador and Peru activities were funded under one grant. The NED grant awarded to IRI was Grant Agreement Number 2001-047, in the amount of \$ 2,487,291, for the period January 1, 2001 through January 31, 2002. Per the Grant Agreement, this grant was made subject to a master Grant Number IPPS-1037 between the U.S. Department of State and NED. The purpose of the grant agreement was to enable the Grantee to carry out project objectives as specified for each project (*Attachment 10 - Records Review dated March 21, 2006*). The payment process clause, Attachment C, reflects that the expenses are drawn from the grant on an advance basis (*Attachment 11 - Records Review dated April 21, 2006*).

The OIG conducted a review of IRI labor and travel documents. The documents included the Employee Labor Summary for (b)(6),(b)(7)(C) for the years 2000 and 2001. The Employee Labor Summary shows project codes to which billable and non-billable time was charged during these fiscal years. Also provided was a list of project codes for fiscal years 2000 and 2001. The review identified the NED project codes shown on (b)(6),(b)(7)(C) Employee Labor Summary. The NED project codes are listed below (*Attachment 12 – Records Review dated April 6, 2006, and Attachment 13 – Labor Reconciliation Chart*).

1. 02.01047.06501.12 NED01047 – Program Development
2. 02.01047.06575.03 NED01047 – Ecuador
3. 02.01047.06579.02 NED01047 – Venezuela

Per the documents reviewed the projects were identified by the highlighted four digit number.

(b)(6),(b)(7)(C) stated that the Project Labor Summary lists all employees who charged time to a particular project within that grant (*Attachment 14*).

The review and reconciliation of (b)(6),(b)(7)(C) timesheets, Employee Labor Summary, and Project Labor Summary reflected the following actual charges to NED for labor in the schedule below:

| March 2001   |                 |                        |  |
|--------------|-----------------|------------------------|--|
| Project Code | Timesheet Hours | Employee Labor Summary | Project Labor Summary Labor Costs (b)(6),(b)(7)(C) |
| 6501         | 40.0            | \$1244.69              | \$1244.69  |
| 6575         | 0               | \$ - 0 -               | \$-0-  |
| 6579         | 112             | \$3485.15              | \$3485.15  |

| September 2001 |                 |                        |  |
|----------------|-----------------|------------------------|--|
| Project Code   | Timesheet Hours | Employee Labor Summary | Project Labor Summary Labor Costs (b)(6),(b)(7)(C) |
| 6501           | 0               | \$-0-                  | \$ - 0 -   |
| 6575           | 40.0            | \$1282.20              | \$1282.20  |
| 6579           | 163.0           | \$5596.78              | \$5596.78  |

During a meeting with IRI staff to review project files, (b)(6),(b)(7)(C) explained that Project Status Reports (PSR) are reports that show total labor costs, which includes salaries and any compensation adjustments; total non-labor costs which includes contract and consultant fees, travel, telecommunications, supplies, seminars, printing fees and subscriptions; and total indirect cost which include fringe benefits and overhead indirect costs. Project Status Reports are computed by individual project code on a monthly basis. The report lists total contract budget

costs, prior year actual costs, current period actual costs, year to date actual costs, contract to date actual costs, and total contract variance costs. When reconciling drawdowns from the grant, the project status reports for the period being reconciled are used to compute amounts drawn down. (b)(6),(b)(7)(C) further explained that the total costs for labor, non-labor and fringe benefits, together, comprise the total direct costs for the drawdowns (*Attachment 14 – MOI of* (b)(6),(b)(7)(C) (b)(6),(b)(7)(C)

The review reflected that total employee labor costs from the Project Labor Summary are consolidated in a Project Status Report (PSR) for each project code. These labor costs reflect actual labor costs reported on NED Drawdown Numbers 3 (March 2001) and 7 (September 2001). Total labor costs per the PSR were included in the total amount for the drawdown. See the schedule below (*Attachment 13 – Labor Reconciliation Chart*):

| Project Code | Labor Costs/ PSR | Drawdown Number | Drawdown Amount |
|--------------|------------------|-----------------|-----------------|
| 6501         | \$ 2523.10       | 3               | \$ 7141.39      |
| 6575         | \$ - 0 -         | 3               | \$ - 0 -        |
| 6579         | \$5512.74        | 3               | \$55,333.95     |

| Project Code | Labor Costs/ PSR | Drawdown Number | Drawdown Amount |
|--------------|------------------|-----------------|-----------------|
| 6501         | \$ 2062.46       | 7               | \$ 6676.40      |
| 6575         | \$ 2064.57       | 7               | \$ 8839.91      |
| 6579         | \$10852.66       | 7               | \$57025.11      |

A review of IRI travel records was conducted. The records included IRI Travel Authorization (TA) and Advance Requests, Quarterly Reports, IRI Trip Detail Reports and American Express One - Business Travel Services Itineraries. In addition other records were reviewed which included Travel Vouchers, Projects Status Reports, Project Non-Labor Detail, American Express invoices and NED Drawdowns (*Attachment 9 - Records Review dated March 15, 2006; Attachment 14 - MOI of* (b)(6),(b)(7)(C) *and Attachment 16 - Travel Reconciliation Chart*).

IRI travel records reflected that (b)(6),(b)(7)(C) traveled from Washington, D.C. to Caracas, Venezuela on March 11, 2001. On March 18, 2001 (b)(6),(b)(7)(C) traveled from Caracas, Venezuela to Quito, Ecuador, returning to Washington, D.C., on March 25, 2001. The travel was financed under NED Grant Agreement Number 2001-047.0, NED Project Code 6501, Program Development and NED Project Code 6579, Venezuela. The purpose of the trip as defined per the TA was "Venezuela Training/Ecuador Exploratory Trip". The TA was signed on February

26, 2001 by a requestor and approving official, whose signatures are not legible (*Attachment 9 - Records Review dated March 15, 2006*).

The review further reflected that (b)(6),(b)(7)(C) travel costs per his voucher or American Express invoice were charged to a PSR for each project code. In addition the review reflected that actual travel expenses for March and September 2001 were reported on Drawdowns 3 and 7, respectively (*Attachment 16 - Travel Reconciliation Chart*).

Project Non-Labor Detail reports reflected that (b)(6),(b)(7)(C) actual travel costs for March 2001 were reported on Drawdown Number 3, Project Code 6501, included in non-labor costs totaling \$7141.39. The expenses charged for (b)(6),(b)(7)(C) March 2001 Ecuador travel per reconciliation of the Travel Voucher, American Express Invoices, Project Non-Labor Detail, and Drawdown Number 3 are summarized in the schedule below (*Attachment 15 - MOI of (b)(6),(b)(7)(C) Attachment 16 - Travel Reconciliation Chart; and Attachment 17 - Drawdown Reconciliation Chart*):

| Project Code<br>6501 | Expense<br>Amount | Total Travel<br>Costs/PSR | Drawdown<br>Number | Drawdown<br>Amount |
|----------------------|-------------------|---------------------------|--------------------|--------------------|
| Meals                | \$241.50          | \$312.50                  | 3                  | \$7141.39          |
| Lodging Ecuador      | \$549.00          | \$1398.12                 | 3                  | \$7141.39          |
| Airline Fees         | \$112.00          | \$112.00                  | 3                  | \$7141.39          |
| Airfare              | \$350.00          | \$733.62                  | 3                  | \$7141.39          |

IRI travel records further reflected (b)(6),(b)(7)(C) traveled from Washington, D.C. to Quito, Ecuador, on September 6, 2001. On September 10, (b)(6),(b)(7)(C) traveled from Quito, Ecuador to Lima, Peru. On September 12, 2001, (b)(6),(b)(7)(C) returned to Quito, Ecuador from Lima, Peru. On September 16, 2001, (b)(6),(b)(7)(C) traveled from Quito, Ecuador to Caracas, Venezuela. (b)(6),(b)(7)(C) departed Caracas, Venezuela and returned to Washington, D.C., on September 22, 2001. The travel was financed under NED Grant Number 2001-047.0, NED Project Codes 6501 (Program Development), 6575 (Ecuador) and 6579 (Venezuela). The purpose of the trip as defined on the TA was "Training in Ecuador and Venezuela" and "Organization of American States (OAS) General Assembly - Democratic Charter in Peru". The TA was signed on August 29, 2001, by a requestor, (b)(6),(b)(7)(C) and an approving official whose signature is not legible (*Attachment 9 - Records Review dated March 15, 2006*).

Project non-labor detail reports reflected that (b)(6),(b)(7)(C) actual travel costs for September 2001 were reported on Drawdown Number 7, Project Code 6501, included in non-labor costs, totaling \$6676.40. The expenses charged for (b)(6),(b)(7)(C) September 2001 Ecuador and Peru travel per reconciliation of the Travel Voucher, American Express Invoices and Project Non-Labor Detail and Drawdown Number 7 are summarized below.

| Project Code        | Expense Amount | Total Travel Costs /PSR | Drawdown Number | Drawdown Amount |
|---------------------|----------------|-------------------------|-----------------|-----------------|
| 6501                |                |                         |                 |                 |
| Airline Fees (Peru) | \$ 22.00       | \$ 979.40               | 7               | \$6676.40       |
| Airfare(Ecuador)    | \$867.40       | \$9894.44               | 7               | \$6676.40       |

Project non-labor detail reports reflected that (b)(6),(b)(7)(C) Ecuador travel costs (actual) below were reported on Drawdown Number 7, Project Code 6575 (Ecuador), included in non-labor costs totaling \$8839.91 (*Attachment 15 – MOI of (b)(6),(b)(7)(C) Attachment 16 – Travel Reconciliation Chart; and Attachment 17 – Drawdown Reconciliation Chart*).

| Project Code | Expense Amount | Total Travel Costs/PSR | Drawdown Number | Drawdown Amount |
|--------------|----------------|------------------------|-----------------|-----------------|
| 6575         |                |                        |                 |                 |
| Airfare      | \$867.40       | \$2871.00              | 7               | \$8839.91       |

Project non-labor detail reports reflected that (b)(6),(b)(7)(C) Ecuador and Peru travel costs (actual) were reported on Drawdown Number 7, Project Code 6579 (Venezuela), included in non-labor costs totaling \$57,025.11 (*Attachment 15 – MOI of (b)(6),(b)(7)(C) Attachment 16 – Travel Reconciliation Chart; and Attachment 17 – Drawdown Reconciliation Chart*).

| Project Code      | Amount    | Total Travel Costs/PSR | Drawdown Number | Drawdown Amount |
|-------------------|-----------|------------------------|-----------------|-----------------|
| 6579              |           |                        |                 |                 |
| Lodging (Ecuador) | \$1894.70 | \$9894.44              | 7               | \$57,025.11     |
| Lodging (Peru)    | \$ 220.00 | \$9894.44              | 7               | \$57,025.11     |
| Airfare           | \$ 867.40 | \$9894.44              | 7               | \$57,025.11     |

The review of IRI Drawdown Numbers 1 – 7 reflected that advance requests and payments for estimated expenses from the NED Grant 2001-047.0 were made in accordance with the grant agreement terms. The amounts advanced are reflected in the cumulative total of amount requested. (*Attachment 18 - Records review dated May 3, 2006*).

Advance estimated expenses for March 2001 for salaries and non-labor were requested in Drawdown #1 on February 21, 2001. The total amount of the drawdown request was \$244,796. March 2001 estimated expenses were paid per Drawdown #3 dated June 19, 2001. The total amount received was \$244,796.10 (*Attachment 18 - Records review dated May 3, 2006*).

Advance estimated expenses for September 2001 for salaries and non-labor were requested in Drawdown #5 on August 25, 2001. The total amount of the drawdown request was \$67,983. September 2001 estimated expenses were paid per Drawdown #7, dated December 17, 2001. The total amount received was \$67,983 (*Attachment 18 - Records review dated May 3, 2006*).

(b)(6),(b)(7)(C) IRI, Senior Program Officer for Afghanistan, Middle East, and North Africa, was interviewed and provided the following information.

He began his career with IRI between 1992 and 1993. During 2000-2001, he was the Senior Program Officer for the Latin American and Caribbean Division and worked on the Ecuador, Venezuela, Haiti and Peru programs which were funded by NED. As of April 25, 2006, he will transition to a new position, working directly for the Senior Vice President in Strategic Planning.

(b)(6),(b)(7)(C) recalled that the purpose of his March 2001 trip to Ecuador and Venezuela was to provide training. When traveling in-country, he was always accompanied by a program assistant, trainer, or support staff. He recalled that he traveled to Peru on the eve of September 11, 2001. He arrived in Lima, Peru on September 10, 2001 and checked into his hotel. The next morning he met two IRI staffers in the hotel lobby who informed him of the first plane hitting the Twin Towers. After the meeting, he contacted IRI, Washington D.C. staff who tried to encourage him to stay in place and not travel, but the group decided to return to Ecuador.

(b)(6),(b)(7)(C) stated that he has never met (b)(6),(b)(7)(C) in his life. He has heard of him in the news but never has met him. (b)(6),(b)(7)(C) stated in 1997, IRI established an office in Haiti. At the time, it was IRI policy to pay a courtesy visit to the police station to inform them of the new office. It was then that (b)(6),(b)(7)(C) encountered (b)(6),(b)(7)(C) was the District Police Commander at Port-au-Prince in 1997. This was the only time he met (b)(6),(b)(7)(C). He never played ping-pong with (b)(6),(b)(7)(C) or coached him in ping-pong. He, (b)(6),(b)(7)(C) is a well-known figure in his country, Haiti. He has appeared on national talk shows, traveled to 562 Haitian counties as a political figure, and owned his own business in Haiti.

(b)(6),(b)(7)(C) stated that when he was in Ecuador he went to a bar with an IRI trainer and someone recognized him and approached him. The person identified himself as (b)(6),(b)(7)(C) a Haitian police officer during the years (b)(6),(b)(7)(C) was in Haiti. (b)(6),(b)(7)(C) did not know this person and (b)(6),(b)(7)(C) is a common nickname used in the Caribbean. (b)(6),(b)(7)(C) engaged (b)(6),(b)(7)(C) in conversation inquiring about information on who was responsible for the attempts on his life.

When asked about the Ecuador group, (b)(6),(b)(7)(C) stated there are four countries that provide police training: United States, France, Canada and Ecuador. His understanding is that the name Ecuador Group is derived from the country from which the local residents received the training; in this case, Ecuador. He did not know anyone from the Ecuador group, nor had he had any contact with anyone from this group during his travel to Ecuador and Peru. (b)(6),(b)(7)(C) described the Haitian armed opposition as a group of thugs who hijacked the



democratic process (b)(6),(b)(7)(C) did not know, nor had he met with, anyone representing this group, during his travel to Ecuador and Peru.

(b)(6),(b)(7)(C) stated he did not have a personal relationship with (b)(6),(b)(7)(C). He had been in meetings that (b)(6),(b)(7)(C) attended and knew him on sight, but had not had any conversation with him. (b)(6),(b)(7)(C) further stated that IRI sent out mass mailings via email to several Assistant Administrators at USAID as well as to U.S. Senators and Congressmen in an effort to keep them informed of IRI activities. (b)(6),(b)(7)(C) stated these would be the only emails between (b)(6),(b)(7)(C) and himself. (b)(6),(b)(7)(C) had no direct contact with (b)(6),(b)(7)(C) or any of his staff (*Attachment 19 -- MOI of (b)(6),(b)(7)(C)*

**Defendants/Suspects:**

International Republican Institute

(b)(6),(b)(7)(C)

**Undeveloped Leads:** None**Disposition of Evidence, Contraband or Personal Property:** None**Judicial and Administrative Actions:** None**Attachments:**

1. USAID OIG response to Senator Dodd, dated May 21, 2004
2. Letter from Senator Dodd, dated Jan 30, 2006
3. MOI of (b)(6),(b)(7)(C) dated February 22, 2006
4. Email from (b)(6),(b)(7)(C) dated Feb 8, 2006
5. Records Review, dated February 16, 2006
6. Email from (b)(6),(b)(7)(C) dated March 1, 2006
7. MOI of (b)(6),(b)(7)(C) dated March 21, 2006
8. Records Review of NED History website, dated April 13, 2006
9. Records Review, dated March 15, 2006
10. Records Review, dated March 21, 2006
11. Records Review, dated April 21, 2006
12. Records Review, dated April 6, 2006
13. Labor Reconciliation Chart
14. MOI of (b)(6),(b)(7)(C) dated April 21, 2006
15. MOI of (b)(6),(b)(7)(C) dated May 1, 2006
16. Travel Reconciliation Chart
17. Drawdown Reconciliation Chart
18. Records Review, dated May 3, 2006
19. MOI of (b)(6),(b)(7)(C) dated April 24, 2006



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 5/16/06 to 9/8/06 **OIG/I Office:** Washington

**Synopsis:**

An unidentified caller reported to this office that (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) abused her previous position as (b)(6),(b)(7)(C) at USAID/Jamaica by housing her mother in a TDY apartment in Barbados for an extended period of time. The complainant advised that (b)(6),(b)(7)(C) mother was not a government employee or contractor and was not in Barbados on official business. Further, no compensation was made for the apartment stay. In addition, the source advised that (b)(6),(b)(7)(C) does not claim any assets on her annual financial disclosure form in spite of the fact that she likely has considerable assets.

Based on this complaint, the Office of Investigations commenced an investigation in Washington, D.C., Kingston, Jamaica and Bridgetown, Barbados. Investigation determined that (b)(6),(b)(7)(C) did not house her mother in the USAID-leased TDY apartment in Barbados. Further, no evidence was obtained which indicted that (b)(6),(b)(7)(C) possessed assets which, if unclaimed, would have constituted a false statement on her financial disclosure form.

(b)(6),(b)(7)(C) attested on two Optional Forms (OF) 126 – dated 10/1/03 and 3/18/98 - that her mother was a “qualifying family member!..who will normally travel at government expense and reside with you abroad.” During the relevant timeframe, (b)(6),(b)(7)(C) mother lived with a caretaker in Barbados and (b)(6),(b)(7)(C) paid her mother’s expenses.

This case is closed.

**Details of Investigation:**

An anonymous call was received by the Office of Investigations on 5/15/06. The caller alleged that (b)(6),(b)(7)(C) inappropriately lodged her mother in official TDY housing and failed to accurately report her assets on financial disclosure forms. Suggested leads were provided. (*Attachment 1, Memorandum of Interview dated 05/15/06*)

**REPORT MADE BY:** Name: SA (b)(6),(b)(7)(C) Date Signed: \_\_\_\_\_  
Signature: \_\_\_\_\_

**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) Date Signed: \_\_\_\_\_  
Sig: (b)(6),(b)(7)(C) 09/11/06

Period: 5/16/06 to 9/8/06

On 5/16/06 (b)(6),(b)(7)(C) SF 287-112s, Public Financial Disclosure Reports, for the last eight years (1999-2006) were obtained from the USAID Office of General Counsel. (b)(6),(b)(7)(C) signed all of the reports, certifying their accuracy and never claimed any assets over \$1,000. (*Attachment 2, Memorandum of Records Review dated 05/6/06*)

A review of (b)(6),(b)(7)(C) Evaluation and Official Personnel Files revealed that she claimed her mother, (b)(6),(b)(7)(C) as a dependent on 10/1/03 and 3/18/98. (*Attachment 3, Memorandum of Records Review dated 05/23/06*)

(b)(6),(b)(7)(C) USAID HR, was interviewed on 5/24/06. She denied any knowledge of inappropriate activity by (b)(6),(b)(7)(C) (*Attachment 4, Memorandum of Interview dated 05/24/06*)

(b)(6),(b)(7)(C) USAID/Barbados (b)(6),(b)(7)(C) was telephonically interviewed on 5/31/06. She stated that she did not have any direct knowledge of (b)(6),(b)(7)(C) mother staying that the (b)(6),(b)(7)(C) apartment in Barbados – the apartment leased during (b)(6),(b)(7)(C) tenure as USAID/Jamaica (b)(6),(b)(7)(C) for TDYers to Barbados. She stated that she once tried to reserve the apartment for official visitors to the island and recalls being told by hotel reception that it was not available at the time she needed, as (b)(6),(b)(7)(C) mother was there. (*Attachment 5, Memorandum of Interview dated 05/31/06*)

(b)(6),(b)(7)(C) former USAID/Barbados (b)(6),(b)(7)(C) was telephonically interviewed on 6/6/06. She denied direct knowledge that (b)(6),(b)(7)(C) housed her mother in the (b)(6),(b)(7)(C) apartment. (*Attachment 6, Memorandum of Interview dated 06/06/06*)

(b)(6),(b)(7)(C) was interviewed on 6/7/06. She denied housing her mother in the TDY apartment at the (b)(6),(b)(7)(C) Hotel. She also claimed that she did not have any assets to claim on her financial disclosure forms due to expenses incurred taking care of her mother and raising three children alone. (b)(6),(b)(7)(C) expressed her intent to cooperate fully with the investigation and said that she would provide her bank statements to the investigator. (*Attachment 7, Memorandum of Interview dated 06/07/06*)

(b)(6),(b)(7)(C) USAID/Jamaica (b)(6),(b)(7)(C) was telephonically interviewed on 6/8/06. She said that she never heard that (b)(6),(b)(7)(C) had misused the TDY apartment in Barbados. (b)(6),(b)(7)(C) advised that the apartment lease had been allowed to expire as it was no longer needed. The USAID Barbados office was fully staffed and the need for TDYers had diminished. (*Attachment 8, Memorandum of Interview dated 06/08/06*)

(b)(6),(b)(7)(C) USAID/Jamaica (b)(6),(b)(7)(C) was interviewed on 6/8/06. She stated that she had never before heard that non-official TDYers or non-federal employees were using the apartment. (*Attachment 9, Memorandum of Interview dated 06/08/06*)

(b)(6),(b)(7)(C) former (b)(6),(b)(7)(C) of the USAID/Jamaica Program Office, was telephonically interviewed on 6/8/06. She said that she had no direct knowledge that (b)(6),(b)(7)(C) mother stayed at

Period: 5/16/06 to 9/8/06

the USAID-leased (b)(6),(b)(7)(C) apartment. (*Attachment 10, Memorandum of Interview dated 06/08/06*)

(b)(6),(b)(7)(C) USAID/Jamaica (b)(6),(b)(7)(C) was interviewed on 6/9/06. He advised that there was a lot of talk that (b)(6),(b)(7)(C) had housed her mother in the TDY apartment in Barbados, however, it had never been confirmed. He had no direct knowledge of this. He suggested that people may have wanted to believe this rumor because (b)(6),(b)(7)(C) was not liked. He also said that he once refused to sign (b)(6),(b)(7)(C) financial disclosure form because he did not believe that someone at her level in the Foreign Service had not accrued any assets. (*Attachment 11, Memorandum of Interview dated 06/09/06*)

(b)(6),(b)(7)(C) former USAID/Jamaica (b)(6),(b)(7)(C) was interviewed telephonically on 6/9/06. He had no direct knowledge of non-government employees using the TDY apartment in Barbados. (*Attachment 12, Memorandum of Interview dated 06/09/06*)

On 6/12/06, (b)(6),(b)(7)(C) was interviewed. (b)(6),(b)(7)(C) formerly served as (b)(6),(b)(7)(C) house cleaner and from the late 1980s until late 2003 she served as (b)(6),(b)(7)(C) mother's caregiver. (b)(6),(b)(7)(C) stated that (b)(6),(b)(7)(C) mother) continuously lived with (b)(6),(b)(7)(C) in her residence other than when she went to Guyana for approximately three months to provide care for (b)(6),(b)(7)(C) when (b)(6),(b)(7)(C) was posted there. She (b)(6),(b)(7)(C) did not like Guyana and returned to Barbados with (b)(6),(b)(7)(C) while (b)(6),(b)(7)(C) remained in Guyana. Similarly, when (b)(6),(b)(7)(C) was posted to Africa, she housed and cared for (b)(6),(b)(7)(C) mother in her house in Barbados. (b)(6),(b)(7)(C) stated that every night that (b)(6),(b)(7)(C) was in Barbados, she slept in her (b)(6),(b)(7)(C) house). She said that she did not believe that (b)(6),(b)(7)(C) ever went to the (b)(6),(b)(7)(C) Hotel and if she did, she did not sleep there. (*Attachment 13, Memorandum of Interview dated 06/12/06*)

(b)(6),(b)(7)(C) USAID/Barbados (b)(6),(b)(7)(C) was interviewed on 6/13/03. She had no information that non-TDY travelers ever stayed in the USAID-leased (b)(6),(b)(7)(C) apartment. She never heard that any official traveler had to share the apartment with anyone else not on official travel or not a federal employee. (*Attachment 14, Memorandum of Interview dated 06/13/06*)

On 6/13/06 the case agent spoke with (b)(6),(b)(7)(C), the Deputy to the Managing Director at the (b)(6),(b)(7)(C) advised that he remembered (b)(6),(b)(7)(C) speaking of her mother who lived in Barbados, however he never met the mother. He did not believe she ever came to the hotel. (*Attachment 15, Memorandum of Interview dated 06/13/06*)

(b)(6),(b)(7)(C) was interviewed on 6/13/06. She worked in the (b)(6),(b)(7)(C) Hotel Reservations Office for six years. She was "99% positive" that (b)(6),(b)(7)(C) mother never stayed in the apartment. (*Attachment 16, Memorandum of Interview dated 06/13/06*)

On 6/14/06, the case agent completed his review of the (b)(6),(b)(7)(C) apartment lease file, copied in Jamaica and Barbados. The lease cost a total of US\$48,000 per annum and was leased from 9/25/01 until 9/24/03. Funds were drawn from operating expenses. An internal review of the

Period: 5/16/06 to 9/8/06

lease, conducted by an unknown author, determined before 3/25/02 that the lease was not cost effective for the government. (*Attachment 17, Memorandum of Records Review dated 06/14/06*)

(b)(6),(b)(7)(C) was re-interviewed on 6/14/06. (b)(6),(b)(7)(C) could not explain why the (b)(6),(b)(7)(C) reception told her that (b)(6),(b)(7)(C) mother was staying in the apartment if such was not the case. (b)(6),(b)(7)(C) opined that it was possible she misheard. (b)(6),(b)(7)(C) also advised that in her years in Barbados, she was never unable to secure a hotel room for a visitor. (*Attachment 18, Memorandum of Interview dated 06/14/06*)

On 06/16/06, a review of a list of apartment guests maintained by the USAID Barbados office did not reveal any indication that (b)(6),(b)(7)(C) stayed in the apartment. (*Attachment 19, Memorandum of Records Review dated 06/16/06*)

A review of the FinCEN report on 6/16/06 did not reveal any assets in the possession of (b)(6),(b)(7)(C) that she would be obligated to claim on her financial disclosure forms. (*Attachment 20, Memorandum of Records Review dated 06/16/06*)

(b)(6),(b)(7)(C) was interviewed telephonically on 6/20/06. (b)(6),(b)(7)(C) served as a USAID (b)(6),(b)(7)(C) based in the Kingston Mission from 1998-2001 and then as a USAID contractor based in Bridgetown, Barbados from 2001-2003. He stated that (b)(6),(b)(7)(C) mother did not stay in the USAID TDY apartment in Barbados. (*Attachment 21, Memorandum of Interview dated 06/20/06*)

(b)(6),(b)(7)(C) was re-interviewed on 6/30/06. She provided additional information, including that regarding large transactions (\$7,000 - \$15,000) within her account. (*Attachment 22, Memorandum of Interview dated 06/30/06*)

During the week of 9/5/06, financial records received from an IG subpoena served on (b)(6),(b)(7)(C) bank were reviewed. Two \$500 checks to (b)(6),(b)(7)(C) were found; no indication of income generation other than (b)(6),(b)(7)(C) USAID salary was revealed. (*Attachment 23, Memorandum of Records Review dated 09/08/06*)

**Defendants/Suspects:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

N/A

Period: 5/16/06 to 9/8/06

**Judicial and Administrative Actions:**

Administrative subpoena, Number (b)(6), (b)(7)(C) was served on (b)(6),(b)(7)(C) on 7/24/06.

**Attachments:**

1. Memorandum of Interview (MOI): Anonymous, 5/15/06
2. Record Review (RR): (b)(6),(b)(7)(C) SF 287-112s, Public Financial Disclosure Reports, 5/16/06
3. RR: (b)(6),(b)(7)(C) Evaluation and Official Personnel Files, 5/23/06
4. MOI: (b)(6),(b)(7)(C) 5/24/06
5. MOI: (b)(6),(b)(7)(C) 5/31/06
6. MOI: (b)(6),(b)(7)(C) 6/6/06
7. MOI: (b)(6),(b)(7)(C) 6/7/06
8. MOI: (b)(6),(b)(7)(C) 6/8/06
9. MOI: (b)(6),(b)(7)(C) 6/8/06
10. MOI: (b)(6),(b)(7)(C) 6/8/06
11. MOI: (b)(6),(b)(7)(C) 6/9/06
12. MOI: (b)(6),(b)(7)(C) 6/9/06
13. MOI: (b)(6),(b)(7)(C) 6/12/06
14. MOI: (b)(6),(b)(7)(C) 6/13/06
15. Memo to File: Conversation with (b)(6),(b)(7)(C), 6/13/06
16. MOI: (b)(6),(b)(7)(C) 6/13/06
17. RR: (b)(6),(b)(7)(C) Apartment File, 6/14/06
18. MOI: (b)(6),(b)(7)(C) 6/14/06
19. RR: (b)(6),(b)(7)(C) reservation list, 6/16/06
20. RR: FinCEN report, 6/16/06
21. MOI: (b)(6),(b)(7)(C) 6/20/06
22. MOI: (b)(6),(b)(7)(C) 6/30/06
23. RR: (b)(6),(b)(7)(C) subpoena production, 9/8/06





**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C)  
**Case Number:** (b)(6),(b)(7)(C)  
**Status:** **Closed**  
**Period of Investigation:** 10/27/06 to 11/17/06 **OIG/I Office:** San Salvador

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**Synopsis:**

On October 27, 2006, the Office of the Inspector General received information from (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) USAID El Salvador regarding possible submission of fraudulent travel vouchers from two Foreign Service National (FSN) employees. (b)(6),(b)(7)(C) alleged that (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) USAID/Mexico City have been submitting falsified travel vouchers since 2004. Specifically, (b)(6),(b)(7)(C) advised that (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) have been submitting fraudulent travel vouchers and receiving reimbursement based on the fraudulent travel vouchers. (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) have been dating for several years and when they travel together on official business they stay in the same hotel room, thus only incurring lodging cost for one room. Yet, (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) both submitted travel vouchers claiming lodging cost. Based on these allegations, OIG opened an investigation.

The investigation substantiated the allegation that (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) violated Section 301-11.13 of the Federal Travel Regulations (FTR), which states: "reimbursement is limited to one-half of the double occupancy rate if the person sharing the room is another Government employee on official travel. If the person sharing the room is not a Government employee on official travel, your reimbursement is limited to the single occupancy rate" and Section 522.5.19c(7) of the ADS which states: "The flat rate per diem system must not be used when US government employees are sharing a room. In this case, the lodging-plus systems must be used." (Attachments 1 and 2)

In addition, the investigation found that:

1. (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) took four official trips to El Salvador from Mexico in which only one room reservation was made but each filed a travel voucher claiming full lodging cost.
2. (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) were overpaid a total of \$1735.00 as a result of fraudulent travel vouchers.

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**REPORT MADE BY:** Name: (b)(6),(b)(7)(C) **Date Signed:** 11/17/06  
Signature: (b)(6),(b)(7)(C)

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**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) **Date Signed:** 2/21/07  
Signature: (b)(6),(b)(7)(C)

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Period: 10/17/06 to 10/27/06

3. Prior to traveling to El Salvador (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) knew that they had reservations for only one hotel room, which contradicts their statements that they made hotel reservations for two rooms prior to traveling to El Salvador.

**Details of Investigation:**

On 10/27/06, (b)(6), (b)(7)(C) USAID/EI Salvador advised that since 2004, (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) have been submitting fraudulent travel vouchers and receiving reimbursement based on the fraudulent travel vouchers. (Attachment 1)

On 10/27/06, the Case Agent (CA) reviewed 13 travel vouchers that were submitted by (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C). A review of the travel vouchers revealed, that between January 2004 and August 2006, (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) took four trips to San Salvador together. (Attachment 2)

On 11/08/06, (b)(6), (b)(7)(C) stated that on 8/20/06, she and (b)(6), (b)(7)(C) went to El Salvador on official business and they stayed at the (b)(6), (b)(7)(C) Hotel. They requested and received reservations for two separate hotel rooms at the (b)(6), (b)(7)(C) Hotel. (b)(6), (b)(7)(C) got a separate room but they only used (b)(6), (b)(7)(C) room. She is positive that (b)(6), (b)(7)(C) had a separate room and he should have a hotel receipt. She paid cash for the room at the (b)(6), (b)(7)(C) Hotel. On 8/22/06, she and (b)(6), (b)(7)(C) wanted to change hotels because the (b)(6), (b)(7)(C) Hotel was substandard. She called or had (b)(6), (b)(7)(C) USAID/EI Salvador to call the (b)(6), (b)(7)(C) Hotel to get two rooms; however, there was only one room available. Since there were no additional rooms available she decided to take the one room at the (b)(6), (b)(7)(C) Hotel, she and (b)(6), (b)(7)(C) shared that room. (b)(6), (b)(7)(C) paid for the room using his credit card. When they returned from the trip, they both filed separate travel vouchers claiming hotel lodging expenses. After seeing her travel vouchers, she advised that she and (b)(6), (b)(7)(C) shared a hotel room on several occasions while on official business and they both filed a voucher claiming lodging expense. (b)(6), (b)(7)(C) stated that she is willing to repay the money and she did not intentionally submit fraudulent vouchers. (Attachment 3)

On 11/08/06, (b)(6), (b)(7)(C) stated that on 8/20/06, he and (b)(6), (b)(7)(C) his former girlfriend and now wife, stayed in the same hotel room while in El Salvador on official business. They made two reservations at the (b)(6), (b)(7)(C) Hotel but decided to stay in the same room. He is not sure who cancelled the second room. On 8/22/06, they changed from the (b)(6), (b)(7)(C) Hotel to the (b)(6), (b)(7)(C) Hotel because the room at the (b)(6), (b)(7)(C) Hotel was substandard. They stayed in the same hotel room at the (b)(6), (b)(7)(C) because there was only one room available. He thinks that he made the reservation at the (b)(6), (b)(7)(C) Hotel and (b)(6), (b)(7)(C) made the reservation at the (b)(6), (b)(7)(C) Hotel. (b)(6), (b)(7)(C) paid for the room at the (b)(6), (b)(7)(C) Hotel and he paid for the room at the (b)(6), (b)(7)(C) Hotel. They both claimed lodging expenses on their voucher even though they shared both rooms. When he and (b)(6), (b)(7)(C) traveled together on official business, they always stayed in the same room. He knows that if he claimed an item on his travel voucher then he should have incurred the cost. He did not think about filing a travel voucher for only his portion of the lodging expenses. (b)(6), (b)(7)(C) stated that he is willing to repay the money and he did not intentionally submit fraudulent vouchers. (Attachment 4)

Period: 10/17/06 to 10/27/06

On 11/13/06, (b)(6),(b)(7)(C) stated that she was in charge of making hotel reservations for (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) on all of their official trips to El Salvador and they always requested one room. She made reservations for (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) for their 08/20/06, official visit to El Salvador. She made reservations at the (b)(6),(b)(7)(C) Hotel for one room because she talked to (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) and they requested reservations for one room. On 08/22/06, (b)(6),(b)(7)(C) told her that the rooms at the (b)(6),(b)(7)(C) Hotel were substandard and that she wanted to change to the (b)(6),(b)(7)(C) Hotel. (b)(6),(b)(7)(C) only asked her to make reservations at the (b)(6),(b)(7)(C) Hotel for one room, so she only checked availability for one room. If (b)(6),(b)(7)(C) had asked her for two rooms at the (b)(6),(b)(7)(C) Hotel, she would have requested two rooms. She called (b)(6),(b)(7)(C) and told her that they had one room available. She made reservations for (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) for an official trip to El Salvador on 09/18/05, and she only reserved one room at the (b)(6),(b)(7)(C) because (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) only requested one room. (Attachment 5)

#### Defendants/Suspects:

(b)(6),(b)(7)(C)

and (b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

USAID/Mexico

#### Undeveloped Leads:

None

#### Disposition of Evidence, Contraband or Personal Property:

There are no items in evidence, seized contraband or held personal property associated with this investigation.

#### Judicial and Administrative Actions:

The information contained in this report will be provided to USAID/Mexico for whatever action they deem necessary.

#### Attachments:

1. 10/27/06, (b)(6),(b)(7)(C) MOI
2. 10/27/06, Document Review
3. 11/08/06, (b)(6),(b)(7)(C) MOI
4. 11/08/06, MOI
5. 11/13/06, (b)(6),(b)(7)(C) MOI



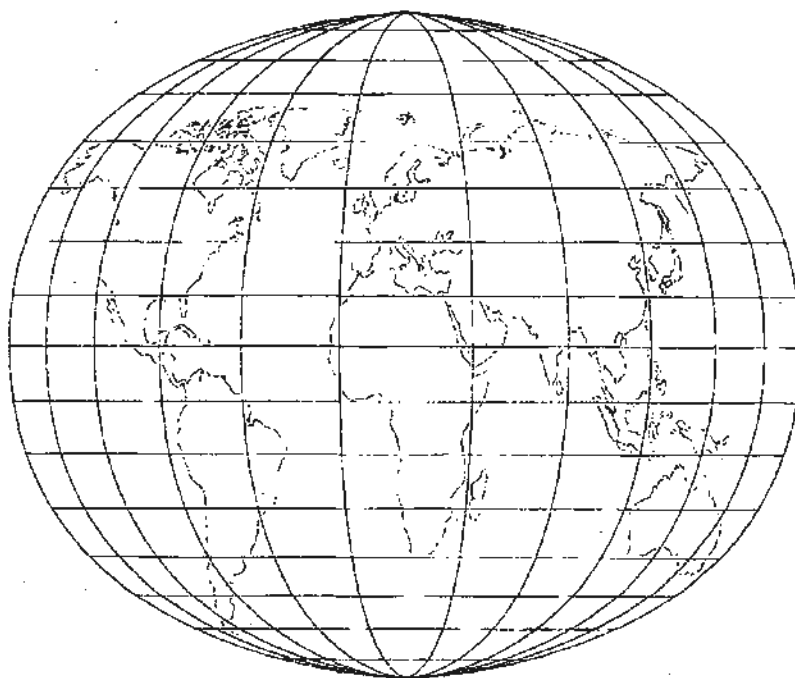
# Report of Investigation

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(b)(6),(b)(7)(C)

(b)(6),(b)(7)(C)

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**Sensitive But Unclassified**

**OFFICE OF INSPECTOR GENERAL  
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 05/09/2007 to 08/02/2007 **OIG/I Office:** Washington

On May 9, 2007, an anonymous complainant stated that (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) USAID/Office of the Administrator, is using her USAID position to advance her friends and herself both personally and financially.

Per the complainant, (b)(6),(b)(7)(C) USAID/Assistant Administrator for Management (AA/M), who reports directly to (b)(6),(b)(7)(C) nominated (b)(6),(b)(7)(C) for a substantial cash award that was approved by (b)(6),(b)(7)(C) former (b)(6),(b)(7)(C) however, the award nomination did not go through the required OPM Awards Committee. Later (b)(6),(b)(7)(C) nominated (b)(6),(b)(7)(C) for a substantial cash award that was disapproved by the USAID Awards Committee; however, (b)(6),(b)(7)(C) brought pressure to the committee to approve the award. Furthermore, the complainant alleged that (b)(6),(b)(7)(C) also created high level promotional positions within USAID/AA/M for her friends (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) with no opportunity for others to compete. Accordingly, these promotions were never reviewed by the Agency. The complainant also alleged that (b)(6),(b)(7)(C) created a Senior Executive Service (SES) position for (b)(6),(b)(7)(C) in the management, policy and budget office with a work force full of high level General and Foreign Service positions and that (b)(6),(b)(7)(C) utilized business class for all of her overseas travel, which cost up to \$3,000, instead of utilizing layovers.

The investigation did not uncover any evidence that (b)(6),(b)(7)(C) used her position to advance her friends and herself both personally and financially; nor did it uncover any evidence that (b)(6),(b)(7)(C) utilized business class for all of her overseas travel and (b)(6),(b)(7)(C) receiving an SES position in the management, policy and budget office; however, the investigation did uncover that (b)(6),(b)(7)(C) failed to submit the appropriate Office of Personnel Management (OPM) nomination documents prior to (b)(6),(b)(7)(C) receiving a cash award; however, since the administrator approved the award and (b)(6),(b)(7)(C) received the funds, the issue was dissolved.

**Details of Investigation:**

|                            |                             |                      |
|----------------------------|-----------------------------|----------------------|
| <b>REPORT MADE BY:</b>     | Name: (b)(6),(b)(7)(C)      | Date Signed: 8/14/07 |
|                            | Signature: (b)(6),(b)(7)(C) |                      |
| <b>APPROVING OFFICIAL:</b> | Name: (b)(6),(b)(7)(C)      | Date Signed: 8/14/07 |
|                            | Signature: (b)(6),(b)(7)(C) |                      |

Period: 05/09/2007 to 08/02/2007

A review of (b)(6),(b)(7)(C) Official Personnel File (OPF) reflected that the last individual cash award received, based on performance, was 09/04/05, under the Latin America and the Caribbean Bureau. There were no other awards filed in (b)(6),(b)(7)(C) OPF, specifically, submitted and approved by (b)(6),(b)(7)(C).

A review of the Automated Directives System (ADS) - Chapter 418, reveals that this chapter ensures compliance with applicable regulations to provide the Agency with the best-qualified candidates to fill competitive service positions. This chapter denotes that there are exceptions to competitive requirements due to the issuance of new classification standards or a promotion resulting from an employee's position being classified at a higher grade level because of additional duties and responsibilities.

(b)(6),(b)(7)(C) Office of General Counsel, was interviewed and stated that he served on the SES awards committee to determine if SES positions were created specifically for (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C). (b)(6),(b)(7)(C) stated that the SES positions outlined in the complaint still remain vacant per (b)(6),(b)(7)(C) Bureau for Management (M). (b)(6),(b)(7)(C) advised that various employees throughout the M Bureau refer to the SES Program Officer position as the (b)(6),(b)(7)(C) position because it is expected that she will get the job. Peters believed that the initial announcement for the SES Program Officer position was re-advertised to ensure that (b)(6),(b)(7)(C) name appeared on the list of potential SES candidates. (b)(6),(b)(7)(C) perceived that this re-advertisement would ensure that (b)(6),(b)(7)(C) was hired for the position.

(b)(6),(b)(7)(C) further stated that (b)(6),(b)(7)(C) Special Act Award was approved by (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) Bureau for Asia and Near East, without prior approval from the Agency Awards Committee (AAC). Later, a vote was rendered by the AAC and (b)(6),(b)(7)(C) was able to keep the award.

(b)(6),(b)(7)(C) was interviewed and stated that the Executive Review Board agreed there was imperfect leadership regarding the way (b)(6),(b)(7)(C) managed the M Bureau; however, the biggest issue was discontentment among Agency leadership. (b)(6),(b)(7)(C) also stated that he had no reason to believe that something inappropriate occurred during the posting of the SES vacancy announcements and to date, the positions are still vacant.

(b)(6),(b)(7)(C) was interviewed and stated that she provided assistance in posting and advertising the three SES positions government wide for potential SES candidates. She stated that after the Bureau selects the most qualified candidate for the position, the ERB has to clear off on the selection. She stated that all three positions were pulled back because they were not cleared through the ERB. To her knowledge, the ERB was disbanded after the announcements were pulled back and operated in an advisory role only, as needed. To date, the SES position for DDHR has been filled; however, she does not know if the other positions were filled.

Period: 05/09/2007 to 08/02/2007

A review of (b)(6),(b)(7)(C) travel authorizations and vouchers from January 2006 to present determined that she only traveled three times and business class was authorized and utilized on one occasion.



Period: 05/09/2007 to 08/02/2007

**Defendants/Suspects:**

**Name:**  
**SSN:**  
**DOB:**  
**Title:**

(b)(6), (b)(7)(C)

**Undeveloped Leads:**

There are no other investigative issues remaining.

**Disposition of Evidence, Contraband or Personal Property:**

None.

**Judicial and Administrative Actions:**

None.

**Attachments:**

1. Records Review of (b)(6), (b)(7)(C) Official Personnel File
2. Records Review of Automated Directives Systems – Chapter 418
3. Memorandum of Interview – (b)(6), (b)(7)(C)
4. Memorandum of Interview – (b)(6), (b)(7)(C)
5. Records Review of (b)(6), (b)(7)(C) Travel Authorizations and Vouchers
6. Memorandum of Interview – (b)(6), (b)(7)(C)



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C)  
**Case Number:** (b)(6),(b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 07/11/07 to 10/31/07  
**OIG/I Office:** San Salvador

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**Synopsis:**

On July 9, 2007, (b)(6),(b)(7)(C) USAID El Salvador reported to Special Agent (b)(6),(b)(7)(C) (SA) that (b)(6),(b)(7)(C) USAID (b)(6),(b)(7)(C) in Honduras, had abused his authority and possibly submitted fraudulent Travel Vouchers (TV)s. Specifically, over the last month (b)(6),(b)(7)(C) had taken at least five trips to (b)(6),(b)(7)(C) Honduras, where his family members have been vacationing. She further reported that (b)(6),(b)(7)(C) had his subordinates approve the travel requests and when he returned from (b)(6),(b)(7)(C) he submitted TVs stating that the trips were for official purposes. In addition (b)(6),(b)(7)(C) had been using his government owned vehicle (GOV) and driver for personal use.

The potential violations include the *Standards of Ethical Conduct for Employees of the Executive Branch § 2635.101, Basic Obligation of Public Service*; Title 18 United States Code (USC) 1001, *False Statements*; Title 18 USC 287, *False, Fictitious or Fraudulent Claims*; *Federal Travel Regulations (FTR)*, Section 301-115; and *American Embassy/Honduras Motor Vehicle Policy (MVP)*, the *Foreign Affairs Manual (FAM)* and USAID regulations.

The investigation substantiated that (b)(6),(b)(7)(C) took five official trips within a two-month period, to (b)(6),(b)(7)(C) where his daughter was interning (b)(6),(b)(7)(C) scheduled two additional trips to (b)(6),(b)(7)(C) however, the Travel Authorization Requests (TARs) were initially not approved pending additional information. The TARs were later withdrawn or a portion of the travel denied. Three out of five of (b)(6),(b)(7)(C) trips to (b)(6),(b)(7)(C) were taken over the weekend. According to USAID management, the work that (b)(6),(b)(7)(C) conducted while he was in (b)(6),(b)(7)(C) could have been completed in one or two visits to the area.

The investigation substantiated that (b)(6),(b)(7)(C) submitted fraudulent TVs. Specifically, (b)(6),(b)(7)(C) claimed on three separate TVs that he incurred a total of \$430 in lodging costs; when in fact he had not incurred lodging costs because he stayed with his daughter, free of charge, for five of the nights in question. On one of the aforementioned TVs, (b)(6),(b)(7)(C) claimed lodging costs for three nights when he did not incur any lodging cost. On two other TVs he claimed lodging costs for

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|                            |   |                                |
|----------------------------|---|--------------------------------|
| <b>REPORT MADE BY:</b>     | <b>Name:</b> (b)(6),(b)(7)(C)<br><b>Signature:</b> (b)(6),(b)(7)(C) | <b>Date Signed:</b><br>11/5/07 |
| <b>APPROVING OFFICIAL:</b> | <b>Name:</b><br><b>Signature:</b>                                   | <b>Date Signed:</b><br>11/5/07 |

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Period: 07/11/07 to 10/31/07

one night each, when he had not incurred any lodging costs. (b)(6), (b)(7)(C) subsequently reimbursed USAID \$430 for lodging expenses.

The investigation substantiated the allegations that Birnholz used his GOV for personal purposes. Specifically, between May 2007 and July 2007, Mission Voucher Logs (VL) reflected that (b)(6), (b)(7)(C) his family members and friends used his official GOV on 46 occasions for personal purposes. As a result of (b)(6), (b)(7)(C) misuse of the GOV, approximately \$286 in additional labor costs and \$172 in vehicle costs were incurred. Examples of (b)(6), (b)(7)(C) most egregious uses of the GOV for personal purposes are as follows:

1. During a trip to (b)(6), (b)(7)(C) instructed the driver to take his daughter in the GOV to the (b)(6), (b)(7)(C) Night Club on a Saturday night. (b)(6), (b)(7)(C) was not in the vehicle.
2. During Temporary Duty (TDY) travel to (b)(6), (b)(7)(C) on a Friday a night between 7:55 p.m. and 11:29 p.m., at (b)(6), (b)(7)(C) direction, the GOV was used eight times making trips to pick up and/or drop off (b)(6), (b)(7)(C) daughter, his daughter's friend and a Mission employee between the (b)(6), (b)(7)(C) compound, residence, hotel and the (b)(6), (b)(7)(C) Restaurant and Bar in (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) was not in the car while they were being picked up and dropped off.
3. During another one of (b)(6), (b)(7)(C) TDYs to (b)(6), (b)(7)(C) instructed the driver to take his wife to the bus station in (b)(6), (b)(7)(C). At (b)(6), (b)(7)(C) wife's direction, the driver then took her to the mall. After spending approximately one hour at the mall, the driver took her back to the bus station where she caught the bus.

On October 31, 2007 (b)(6), (b)(7)(C) Assistant United States Attorney, United States Attorney's Office for the District of Columbia, declined to prosecute the (b)(6), (b)(7)(C) case. Since the matter was declined for criminal prosecution, the results of the investigation will be forwarded to (b)(6), (b)(7)(C) Latin America and the Caribbean Bureau.

### DETAILS OF THE INVESTIGATION

On July 9, 2007, (b)(6), (b)(7)(C) USAID/EI Salvador, reported that (b)(6), (b)(7)(C) USAID (b)(6), (b)(7)(C) in Honduras, had abused his authority and possibly submitted fraudulent TVs. Specifically, over the last month (b)(6), (b)(7)(C) has taken at least five trips to (b)(6), (b)(7)(C) Honduras, where his family members have been vacationing. (b)(6), (b)(7)(C) had his subordinates approve the travel requests. When he returned from (b)(6), (b)(7)(C) he submitted TVs stating that the trips were for official purposes. In addition, (b)(6), (b)(7)(C) has been using his government vehicle and driver for personal use. (Attachment #1)

On July 10, 2007, an anonymous source advised that (b)(6), (b)(7)(C) did not receive any official invites to visit the USAID Projects that are located in (b)(6), (b)(7)(C) therefore, there is no reason why (b)(6), (b)(7)(C) should have taken five official trips to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) flew to (b)(6), (b)(7)(C) however,

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he had a USAID driver to drive a USAID vehicle to (b)(6), (b)(7)(C) to meet him and to drive him and his family members in and around (b)(6), (b)(7)(C). The anonymous source estimates that the cost for each trip varied between \$1500 and \$2000. (Attachment #2)

On July 16, 2007, (b)(6), (b)(7)(C) USAID/Honduras, provided the following information:

On June 18 and 19, 2007, he and (b)(6), (b)(7)(C) visited the various FIHA and RED USAID project activities. The FIHA and RED projects are located in and around (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) Honduras. They visited the projects because (b)(6), (b)(7)(C) wanted to visit projects in order to get to know the projects. (b)(6), (b)(7)(C) told him that he would be in (b)(6), (b)(7)(C) that weekend and to try to organize something with the projects. On Tuesday, June 19, 2007, they visited two additional project sites (b)(6), (b)(7)(C) wife was with them. After visiting project sites in the morning, he and (b)(6), (b)(7)(C) took a project vehicle to visit additional project sites while (b)(6), (b)(7)(C) wife used (b)(6), (b)(7)(C) GOV to go to the bus station. There was no official reason for (b)(6), (b)(7)(C) wife to be on the trip with them. The meetings were essential and they completed all of the items on the agenda. It is standard not to claim lodging cost, if you do not stay in a hotel. (Attachment #3)

On July 16, 2007, (b)(6), (b)(7)(C) USAID/Honduras, provided the following information:

Midday on July 3, 2007, he raised his concerns regarding travel with (b)(6), (b)(7)(C). He told (b)(6), (b)(7)(C) that from his vantage point the optics regarding (b)(6), (b)(7)(C) being involved in a conflict of interest looked very concerning. He told (b)(6), (b)(7)(C) that if the Inspector General's Office looked into things that he could get into trouble as well. He told (b)(6), (b)(7)(C) that they are supposed to be frugal with expenditures. He also told (b)(6), (b)(7)(C) that he would need additional information to be comfortable that all of (b)(6), (b)(7)(C) trips to (b)(6), (b)(7)(C) were legitimate trips. (b)(6), (b)(7)(C) indicated that he would provide the information; however, he never provided the information.

He noticed that while he was in Panama, one of the acting DMDs approved yet another trip for (b)(6), (b)(7)(C) to go to the (b)(6), (b)(7)(C) area for around June 16th-19th. Totally, coincidentally, and totally unsolicited (b)(6), (b)(7)(C) USAID/Honduras, told him that he was checking travel logs for (b)(6), (b)(7)(C) trips to (b)(6), (b)(7)(C) area. On June 28, 2007, (b)(6), (b)(7)(C) told him that when he returned from three weeks of annual and paternity leave, the (b)(6), (b)(7)(C) reported to (b)(6), (b)(7)(C) his concerns with (b)(6), (b)(7)(C) unauthorized use of government vehicles on his various trips to (b)(6), (b)(7)(C) was especially concerned over approving major segments of overtime, per diem, and other expenditures for overtime use of drivers and vehicles. (b)(6), (b)(7)(C) told him that he reviewed driver logs, and then passed the logs onto (b)(6), (b)(7)(C) for his review and requested him to indicate which trips were personal for which (b)(6), (b)(7)(C) would receive a bill for collection. He mentioned to (b)(6), (b)(7)(C) that they have no authority to permit the use of official vehicles for personal use except for when the employee's car is in the shop, medical trips to dangerous parts of Tegucigalpa, and for newcomers. They had no basis to charge (b)(6), (b)(7)(C) and other staff members discussed the Motor Vehicle Policy (MVP) several times with

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(b)(6),(b)(7)(C) in their weekly administrative meetings. For instance, in April when (b)(6),(b)(7)(C) went on a personal trip to the U.S., they discussed the fact that he would be unable to use an official vehicle to take him and his wife to the airport. As a result, he had to arrange private transportation for his departure and arrival.

Around July 9, 2007, he learned that (b)(6),(b)(7)(C) had requested that he amend his TVs with the Controllers' office staff. (b)(6),(b)(7)(C) also mentioned that the charges for lodging would be taken out of a pending voucher. This raised questions related to (b)(6),(b)(7)(C) lodging charges. This was done, after his July 3, 2007, conversation with (b)(6),(b)(7)(C) regarding his potential conflict of interest with the trips. Travel Authorization Requests (TAR) for the last two trips in question, which he had been holding pending additional information from (b)(6),(b)(7)(C) were withdrawn by (b)(6),(b)(7)(C) could have visited all of the project sites in (b)(6),(b)(7)(C) in one or two visits to the area. (Attachment #4)

On July 16, 2007, (b)(6),(b)(7)(C) USAID/Honduras, (b)(6),(b)(7)(C) provided the following information:

On March 21, 2007, he gave (b)(6),(b)(7)(C) a copy of the new Mission Vehicle Policy (MVP). The main change to the new MVP was the limited use of the GOV for TDY personnel.

On April 27, 2007, he sent (b)(6),(b)(7)(C) a Bill of Collection (BOC) in the amount of \$204.68 for his personal use of the GOV, which (b)(6),(b)(7)(C) subsequently paid. He knows that there is no mechanism in place to issue (b)(6),(b)(7)(C) a BOC, but he did it anyway because he was trying to make the best of a bad situation. The correct use of the MVP was discussed at several administrative meetings and he sent out several memorandums regarding the appropriate use of the GOV to (b)(6),(b)(7)(C) is the (b)(6),(b)(7)(C) and he knew the rules regarding the MVP.

In May 2007, (b)(6),(b)(7)(C) told (b)(6),(b)(7)(C) that he could not use the GOV to go the airport to catch a plane for a personal trip that he was taking. (b)(6),(b)(7)(C) did not listen to him and he used a GOV anyway to go to the airport. (b)(6),(b)(7)(C) has not received special approval from the Embassy to use the GOV for personal purposes. He asked (b)(6),(b)(7)(C) (driver) for a copy of the VLs, but he did not receive them right away because (b)(6),(b)(7)(C) was typing them. After (b)(6),(b)(7)(C) typed the VLs, he gave them to (b)(6),(b)(7)(C) told (b)(6),(b)(7)(C) that (b)(6),(b)(7)(C) wanted to see the VLs, then (b)(6),(b)(7)(C) went to (b)(6),(b)(7)(C) and asked him why he wanted to see the VLs. (b)(6),(b)(7)(C) told (b)(6),(b)(7)(C) that the personal trips that are listed on the VLs were made en route to official meetings. (b)(6),(b)(7)(C) gave the VLs to his supervisor, (b)(6),(b)(7)(C) the (b)(6),(b)(7)(C) told (b)(6),(b)(7)(C) that things did not look right with (b)(6),(b)(7)(C) use of the GOV. As a result, he told (b)(6),(b)(7)(C) to review the VLs with (b)(6),(b)(7)(C) to make sure that he marked all of his personal trips with a "P" which signifies that the GOV was used for personal purposes. (b)(6),(b)(7)(C) reviewed the VL twice; once alone and once with (b)(6),(b)(7)(C) (Attachment #5)

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On July 17, 2007, (b)(6), (b)(7)(C) Driver, USAID/Honduras, provided the following information:

He is (b)(6), (b)(7)(C) USAID official driver. He only picks up and drops off who (b)(6), (b)(7)(C) tells him too. He only drives to where (b)(6), (b)(7)(C) tells him to drive. He maintains a handwritten VL in his notebook. From time to time, he types the handwritten information in his notebook into the computer. He gives the handwritten and typed VL to the Motor Pool Supervisor (MPS). Prior to giving the typed VLs to the MPS, he gives them to (b)(6), (b)(7)(C) for his review. From time to time (b)(6), (b)(7)(C) told him that a particular trip was personal and he noted that fact in his notebook. He has no way of knowing if (b)(6), (b)(7)(C) trips are personal unless (b)(6), (b)(7)(C) tells him.

At (b)(6), (b)(7)(C) direction, he took (b)(6), (b)(7)(C) wife to (b)(6), (b)(7)(C) Bus Station in (b)(6), (b)(7)(C) Honduras. (b)(6), (b)(7)(C) wife went into the bus station and then returned to the vehicle. (b)(6), (b)(7)(C) wife told him to take her to the mall, so he took her to the mall. She went into the mall and he went to get something to eat. Approximately one hour later, she returned to the car without any bags; he thinks that she was wasting time before she had to return to the bus station. He then took her back to the bus station and he drove back to Tegucigalpa. (b)(6), (b)(7)(C) routinely stayed at the (b)(6), (b)(7)(C) with his daughter, (b)(6), (b)(7)(C).

On one occasion, (b)(6), (b)(7)(C) told him to drive back to town from the (b)(6), (b)(7)(C) nature area, to go to (b)(6), (b)(7)(C) and pick up his wife, and to take her to (b)(6), (b)(7)(C) where he was attending a meeting. (b)(6), (b)(7)(C) wife was in the car by herself.

At (b)(6), (b)(7)(C) direction, several times he picked up and dropped off (b)(6), (b)(7)(C) daughter's friend from his house and various locations. (b)(6), (b)(7)(C) was in the vehicle by himself, sometimes.

At (b)(6), (b)(7)(C) direction, he picked up and dropped off (b)(6), (b)(7)(C) daughter at various locations. She often rode in the vehicle by herself. On one occasion he took her from the (b)(6), (b)(7)(C) Restaurant to (b)(6), (b)(7)(C) a neighborhood in (b)(6), (b)(7)(C) he dropped her off on the corner and waited approximately 45 minutes. When she returned, she asked him what he was still doing there. He told her that since she did not tell him to leave and because it was nighttime, he waited for her. Then she told him to take her to (b)(6), (b)(7)(C) a local disco. He arrived back at his hotel around 11:30 p.m..

Several times, at (b)(6), (b)(7)(C) direction, when he returned from (b)(6), (b)(7)(C) had him drop off his luggage at his house. He does not know why (b)(6), (b)(7)(C) did not carry his luggage on the plane with him. (Attachment #6)

On July 18, 2007, (b)(6), (b)(7)(C) MIRA, a USAID/Honduras contractor, provided the following information:

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He has had many meetings with (b)(6),(b)(7)(C). Some of the meetings took place on the weekends and others during the week. (b)(6),(b)(7)(C) daughter is in (b)(6),(b)(7)(C) working, so (b)(6),(b)(7)(C) comes to town to meet with her and while he is there, they have coffee and talk about the programs. On June 8, 2007, he met with (b)(6),(b)(7)(C) USAID, and (b)(6),(b)(7)(C) at the (b)(6),(b)(7)(C) nature area. He has had a lot of access to (b)(6),(b)(7)(C) and for MIRA that is excellent. (b)(6),(b)(7)(C) does not use the project vehicles; he saves them for his staff because they need them more than he does. **(Attachment #7)**

On July 16, 2007, (b)(6),(b)(7)(C) USAID/Honduras, provided the following information:

(b)(6),(b)(7)(C) told her that he wanted to visit the projects and the first two times that they went to (b)(6),(b)(7)(C) they mutually agreed upon the travel dates. On the site visits from May 11 to May 13, 2007, (b)(6),(b)(7)(C) daughter went with them. There was no official reason for (b)(6),(b)(7)(C) daughter to visit the projects with (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C). On May 11, 2007, (b)(6),(b)(7)(C) had his driver take his daughter from the (b)(6),(b)(7)(C) Restaurant to the (b)(6),(b)(7)(C) in addition, (b)(6),(b)(7)(C) had his driver to pick (b)(6),(b)(7)(C) his daughter's friend from his home in (b)(6),(b)(7)(C) and to take him to the (b)(6),(b)(7)(C) Restaurant where (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) were having dinner.

None of May 13, 2007, activities were official activities. Regarding the June 8 to June 11, 2007, visit to (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) told her that he was going to be in (b)(6),(b)(7)(C) that weekend and he asked her if she had anything going on. At the time, she had no plans to return to (b)(6),(b)(7)(C) that particular weekend but she recalled hearing about a meeting that was going to be taking place, so she confirmed that the meeting was still going to take place. She and (b)(6),(b)(7)(C) attended the meeting. There was no reason why (b)(6),(b)(7)(C) had to attend the aforementioned meeting. (b)(6),(b)(7)(C) wife attended the Saturday, June 9, 2007, meetings with (b)(6),(b)(7)(C). There was no official reason for his wife to attend the meetings. **(Attachment #8)**

On July 19, 2007, (b)(6),(b)(7)(C) USAID/Honduras, provided the following information:

On July 5, 2007, (b)(6),(b)(7)(C) asked (b)(6),(b)(7)(C) to send him a BOC for lodging costs that he had not incurred. (b)(6),(b)(7)(C) told him that he stayed with his daughter at her residence and (b)(6),(b)(7)(C) prepared the vouchers without knowing that he had stayed with his daughter. (b)(6),(b)(7)(C) told him that he did not review the vouchers; he just signed them, which is why he wanted to reverse the charges for the lodging expenses. USAID/Honduras (b)(6),(b)(7)(C) told him to have (b)(6),(b)(7)(C) write a check for \$430, the amount that (b)(6),(b)(7)(C) was not entitled to receive. (b)(6),(b)(7)(C) subsequently told (b)(6),(b)(7)(C) to write the Mission a check for \$430. On July 16, 2007, (b)(6),(b)(7)(C) gave him a \$430 check made payable to USAID Honduras. **(Attachment #9)**

On July 19, 2007, (b)(6),(b)(7)(C) USAID/Honduras, provided the following information:



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She is (b)(6), (b)(7)(C) She prepares his Travel Requests (TR) and TVs. She includes what should be included on the TVs. She does not delete expenses unless (b)(6), (b)(7)(C) tells her to do so. She has no way of knowing if he did not incur lodging costs unless he tells her. It is his responsibility to tell her if he does not incur lodging costs; otherwise, she will include lodging costs on his TV. On July 3, 2007, (b)(6), (b)(7)(C) sent her an email telling her not to include lodging costs on his current TV. This was the first time that (b)(6), (b)(7)(C) told her not to include lodging costs on his TV. On July 5, 2007, she prepared (b)(6), (b)(7)(C) TV for his June 28, 2007 to July 1, 2007 trip to (b)(6), (b)(7)(C) Birnholz attached posted notes to his hotel receipts requesting to be reimbursed for internet services and official meals. Accordingly she requested reimbursement for the aforementioned items on his TV. (Attachment #10)

On July 20, 2007 (b)(6), (b)(7)(C) USAID/Honduras, provided the following information:

(b)(6), (b)(7)(C) driver (b)(6), (b)(7)(C) gave him a stack of overtime sheets attached to VLs that dated back to June 05, 2007. He noticed that several of the trips appeared to be personal. He is not sure if (b)(6), (b)(7)(C) had previously given (b)(6), (b)(7)(C) all of the VLs.

On Tuesday, July 17, 2007 (b)(6), (b)(7)(C) told (b)(6), (b)(7)(C) that he had additional VLs to review. (b)(6), (b)(7)(C) told him that he had talked to (b)(6), (b)(7)(C) and that he should get together with (b)(6), (b)(7)(C) and go over the VLs. (b)(6), (b)(7)(C) told him to make sure that (b)(6), (b)(7)(C) marked all of his personal trips on the VLs.

On Wednesday, July 18, 2007, he called (b)(6), (b)(7)(C) and offered to go over the VLs with him. (b)(6), (b)(7)(C) said sure come up, so he went to (b)(6), (b)(7)(C) office and they reviewed the VLs together. He showed (b)(6), (b)(7)(C) the VLs and asked him to mark any trips that were personal, based on his trip tickets and itineraries. During (b)(6), (b)(7)(C) review of the VLs, he asked (b)(6), (b)(7)(C) to mark his personal trips even though (b)(6), (b)(7)(C) had already reviewed several of the VLs once before.

He is sure that (b)(6), (b)(7)(C) knew that he should not use the vehicle for personal purposes because they had discussed the Motor Vehicle Policy at several administrative meetings. He did not want to send (b)(6), (b)(7)(C) a BOC for the personal use of the vehicle because according to the Motor Vehicle Policy there was no legal basis to charge personal trips. (b)(6), (b)(7)(C) told him to bill (b)(6), (b)(7)(C) anyway. (Attachment #11)

On July 19, 2007, (b)(6), (b)(7)(C) USAID/Honduras, provided the following information:

His daughter is doing an internship in (b)(6), (b)(7)(C) Honduras, at the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) He needed to learn more about the USAID projects and he saw this as a way to visit as many projects as possible and to see his daughter. He was willing to give up his weekends and he was motivated to concentrate on the projects in the (b)(6), (b)(7)(C) area now because the

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USAID employee, (b)(6), (b)(7)(C) who is responsible for the projects in the (b)(6), (b)(7)(C) area is leaving Honduras; that is why he took so many trips to (b)(6), (b)(7)(C). As a result, he took the following Temporary Duties (TDY) to the (b)(6), (b)(7)(C) area:

May 2, 2007 to May 04, 2007, the first time that he went to (b)(6), (b)(7)(C) he stayed at the (b)(6), (b)(7)(C) Hotel. The first trip that he took to (b)(6), (b)(7)(C) was with (b)(6), (b)(7)(C). It was a joint decision to visit the project. During the visit, he and (b)(6), (b)(7)(C) met with (b)(6), (b)(7)(C) the project's (b)(6), (b)(7)(C). He and (b)(6), (b)(7)(C) did not see all of the project sites so they decided to return to (b)(6), (b)(7)(C) in a few weeks.

May 11, 2007 to May 13, 2007, the second time that he went to (b)(6), (b)(7)(C) he stayed one night at the (b)(6), (b)(7)(C) Hotel and one night at (b)(6), (b)(7)(C) with his daughter, free of charge. The second trip that (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) took to (b)(6), (b)(7)(C) was to visit the project sites that they did not see during their first visit. It was a joint decision to return to (b)(6), (b)(7)(C) for a second visit. His daughter arrived the same weekend and the opportunity presented itself to visit the project sites, so he went back to (b)(6), (b)(7)(C).

June 8, 2007 to June 11, 2007, the third time that he went to (b)(6), (b)(7)(C) he stayed with his daughter at (b)(6), (b)(7)(C). He did not want to incur any lodging cost, so he stayed with his daughter at (b)(6), (b)(7)(C) for free. The third trip that he took to (b)(6), (b)(7)(C) was with (b)(6), (b)(7)(C). There was a once a year, big board meeting on innovative programs that he attended. He does not recall whose idea it was to attend the meeting (b)(6), (b)(7)(C) might have suggested that he attend the meeting. He does not recall if he had plans to go to (b)(6), (b)(7)(C) prior to learning about the meeting.

June 17, 2007 to June 19, 2007, the fourth time that he went to (b)(6), (b)(7)(C) he stayed one night with his daughter free of charge and one night in a hotel in (b)(6), (b)(7)(C). The fourth trip that he took to (b)(6), (b)(7)(C) was with USAID employee, (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) wanted him to see some of the projects in the (b)(6), (b)(7)(C) area, so he went.

June 28, 2007 to July 1, 2007, the fifth time that he went to (b)(6), (b)(7)(C) he is not sure who suggested the trip. The trip had been planned for a while. He only claimed lodging cost in (b)(6), (b)(7)(C).

July 11, 2007 to July 16, 2007, the sixth time that he went to (b)(6), (b)(7)(C) was with the Senate Foreign Relations Committee.

He had two additional trips planned to (b)(6), (b)(7)(C) which he did not take.

The first time that he went to (b)(6), (b)(7)(C) he drove with the driver. The additional times that he went to (b)(6), (b)(7)(C) he flew and had his driver meet him there.

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(b)(6), (b)(7)(C) prepared his TV for him. He gave (b)(6), (b)(7)(C) his plane ticket receipt and hotel bill, which she used to prepare his TV. He thinks that maybe he told (b)(6), (b)(7)(C) not to charge lodging expenses prior to July 3, 2007. On July 3, 2007, he sent (b)(6), (b)(7)(C) an e-mail telling her not to claim lodging cost on the TV that she was processing. He is not sure why, but he decided to take a closer look at the TV that he was preparing from a recent trip to (b)(6), (b)(7)(C) when he realized that he had been claiming lodging costs, when he had stayed at (b)(6), (b)(7)(C) free of charge. He never read the information on the TV; he just signed them. His review of his TVs was not prompted by his conversation with (b)(6), (b)(7)(C) regarding the appearance of taking so many trips to (b)(6), (b)(7)(C).

Once he realized that he had been reimbursed for lodging costs that he had not incurred, he sent an e-mail to the Comptroller's Office explaining that he had made a mistake and that he wanted them to issue him a BOC in the amount of \$430, the amount that he had been overpaid. On July 16, 2007, he wrote a check made payable to USAID/Honduras for \$430.

(b)(6), (b)(7)(C) provided the following explanations for his personal use of the GOV:

A college student was staying with him at his residence. The college student needed a ride from the bus station so he asked his driver to go pick him up from the bus station and to take him to his residence. He did not think that it was a problem because he was going to reimburse the Mission for the use of the vehicle.

He sent his driver to run errands for him while he was in meetings. He was not always in the car while the driver was running his errands. He did not think that it was a problem because he was going to reimburse the Mission for the use of the vehicle.

While he was on TDY in (b)(6), (b)(7)(C) he had the driver take his daughter to a club because it was late and he was worried for her safety. He thought that he had the discretion to use the driver as long as he declared the trip as personal and he reimbursed the Mission for the use of the GOV.

While on TDY, he had his wife dropped off at the bus station. He thought that it was OK because he was going to be billed for the use of the vehicle.

While on TDY, he had the driver pick him up from (b)(6), (b)(7)(C) and drop him off at various restaurants. He did not realize that (b)(6), (b)(7)(C) was in walking distance to various restaurants.

He thought that if he marked "P" next to his personal trips on the VLs it was OK to use the GOV for personal business. He thought that it was OK because he was going to reimburse the Mission for his personal use of the GOV. He thought that the (b)(6), (b)(7)(C) had discretion on how

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to use the GOV. He thought that if he declared his personal trips and he paid for them it was OK to use the GOV for personal business. He misunderstood the MVP and that complicated the situation. USAID was in negotiations with the Embassy regarding the policy changes. He misunderstood that he was not allowed to use the GOV for personal business or to go to the airport.

(b)(6),(b)(7)(C) told him that his usage of the GOV was not in conflict with the MVP. He had received one BOC for his personal use of the GOV; therefore, he thought that it was okay to use the GOV for personal business. He had used the GOV at other posts for personal business so he thought that it was alright to use the GOV in Honduras for personal business. (Attachment #12)

On July 23, 2007, the SA's review of (b)(6),(b)(7)(C) travel requests and related e-mails revealed that (b)(6),(b)(7)(C) cancelled one official trip to (b)(6),(b)(7)(C) and withdrew one travel request to (b)(6),(b)(7)(C). The following request for travel from July 22-28, 2007, to (b)(6),(b)(7)(C) for Language Training in preparation for a final exam was withdrawn. (b)(6),(b)(7)(C) cancelled the official part of a request dated, July 11-16, 2007 to attend the Staffdel in (b)(6),(b)(7)(C). The withdrawal of the request was made to eliminate the official part in (b)(6),(b)(7)(C). In addition, the review revealed that the official Staffdel visit ended on Friday, July 13, 2007 and (b)(6),(b)(7)(C) requested and paid for a ticket on a cost constructive basis from (b)(6),(b)(7)(C) to Tegucigalpa. (Attachment #13)

On July 26, 2007, the SA's review of (b)(6),(b)(7)(C) TVs revealed that (b)(6),(b)(7)(C) took five official trips to (b)(6),(b)(7)(C) Honduras within a two-month period. On three out of the five aforementioned trips (b)(6),(b)(7)(C) claimed on his TVs that he incurred a total of \$430 in lodging costs (5 nights @ \$86 per night), when in fact he had not incurred lodging costs because he stayed free of charge with his daughter for some of the nights in question. (Attachments #12 and #14)

On July 26, 2007, the SA's review of 13 e-mails and memorandums from various sources revealed that (b)(6),(b)(7)(C) was actively involved in trying to get the Embassy to change portions of the new Motor Vehicle Policy (MVP), including the prohibitions on personal travel to the airport. The rules and regulations regarding the MVP were discussed at several staff meetings and (b)(6),(b)(7)(C) had his staff send e-mails to the Embassy detailing the portions of the new MVP that he did not agree with. (Attachment #15)

On July 26, 2007, the SA's review of the USAID/Honduras MVP, the Foreign Affairs Manual (FAM) and USAID regulations revealed that it is a violation of the MVP, 14 FAM 418.2 and USAID/General Notice, "POLICY-REMINDER,GC/EA 09/06/2005" to use a GOV for personal use. (Attachment #16)

On July 26, 2007, the SA's review of (b)(6),(b)(7)(C) VLS revealed that from March 21, 2007, when the new MVP was issued, to July 20, 2007 (b)(6),(b)(7)(C) his family members and his friends used his GOV approximately 46 times for personal purposes, including trips in which (b)(6),(b)(7)(C) was not in the vehicle. The first time that (b)(6),(b)(7)(C) reviewed the VLS he did not mark some of the

Period: 07/11/07 to 10/31/07

trips as personal. (b)(6),(b)(7)(C) personal use of the GOV resulted in \$172.01 in extra mileage cost and an additional 70 labor hours at a cost of \$286.67. (Attachment #17)

On July 17, 2007, the SA identified and took photographs of the most egregious locations where (b)(6),(b)(7)(C) and his family members took his GOV for personal purposes. The site visits revealed that (b)(6),(b)(7)(C) used his GOV for personal purposes that include, but are not limited to, taking his daughter to (b)(6),(b)(7)(C) Night Club and his wife to the (b)(6),(b)(7)(C) Bus Station. (Attachment #18)

On October 31, 2007 (b)(6),(b)(7)(C) Assistant United States Attorney, United States Attorney's Office for the District of Columbia, declined to prosecute the (b)(6),(b)(7)(C) case. (Attachment #19)

**Defendants/Suspects:**

(b)(6),(b)(7)(C) USAID/Honduras

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

There are no items in evidence, seized contraband or held personal property associated with this investigation.

**Judicial and Administrative Actions:**

The results of the OIG/I investigation were provided to (b)(6),(b)(7)(C) Assistant Administrator to the LAC Bureau for whatever action, if any, he deems necessary and appropriate. On October 31, 2007, (b)(6),(b)(7)(C) Assistant United States Attorney, United States Attorney's Office for the District of Columbia, declined to prosecute the (b)(6),(b)(7)(C) case.

**Attachments:**

- 1) 07/06/2007 MOI - (b)(6),(b)(7)(C)
- 2) 07/10/2007 MOI - Anonymous Source
- 3) 07/16/2006 MOI - (b)(6),(b)(7)(C)
- 4) 07/16/2007 MOI -
- 5) 07/16/2007 MOI -
- 6) 07/17/2007 MOI -
- 7) 07/18/2007 MOI -
- 8) 07/16/2007 MOI -
- 9) 07/19/2007 MOI -

Period: 07/11/07 to 10/31/07

- 10) 07/19/2007 MOI - (b)(6),(b)(7)(C)
- 11) 07/19/2007 MOI - (b)(6),(b)(7)(C)
- 12) 07/20/2007 MOI - (b)(6),(b)(7)(C)
- 13) 07/23/2007 RR - Denied/withdrawn travel request
- 14) 07/26/2007 RR - TVs
- 15) 07/26/2007 RR - E-mails
- 16) 07/26/2007 RR - MVP
- 17) 07/26/2007 RR - VLs
- 18) 07/17/2007 RR - Photos
- 19) 10/31/2007 MOTC- (b)(6),(b)(7)(C)



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C)      **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 10/07/2010 to 03/05/2011      **OIG/I Office:** Kabul

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**Synopsis:** OIG/Investigations received an allegation that (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) for USAID, submitted a travel voucher that included some irregularities. On or about April 6, 2010, (b)(6),(b)(7)(C) requested payment for her travel and received \$10,000. She signed a travel voucher for the \$10,000. (b)(6),(b)(7)(C) subsequently resubmitted her travel voucher on August 23, 2010 for \$13,854.10 for her Permanent Change of Station (PCS) from (b)(6),(b)(7)(C) to Kabul, Afghanistan from February 21 through April 4, 2010. The voucher also included time spent in Washington, DC for training prior to going out to Afghanistan. The original travel voucher did not include any supporting documentation. In addition, it was alleged that (b)(6),(b)(7)(C) may have stayed with a friend in Washington, DC, instead of a hotel and that she would not have documentation to support her hotel stay which would be the largest expense on her travel voucher.

SA (b)(6),(b)(7)(C) followed up on the hotel invoice (The (b)(6),(b)(7)(C) in Washington DC (b)(6),(b)(7)(C) by calling the hotel to verify dates stayed. The (b)(6),(b)(7)(C) was able to verify her length of stay which corresponded to her invoices that she eventually submitted. However, while reviewing the rest of the voucher, SA (b)(6),(b)(7)(C) found that one of the charges that (b)(6),(b)(7)(C) submitted for excess baggage was in the form of a Federal Express package to Kabul for \$190.69. SA (b)(6),(b)(7)(C) found that this charge was not for sending a package to Kabul but for sending a package to her home in South Carolina.

On October 27, 2010, SA (b)(6),(b)(7)(C) interviewed (b)(6),(b)(7)(C) to determine whether or not she had submitted a false claim in order to be reimbursed for the charge. During the interview (b)(6),(b)(7)(C) stated that she sent two packages to Kabul via USPS and the claim regarding a UPS package must have been a typo and that it was really another box sent to Kabul via USPS. Regarding a \$390 PayPal charge on her voucher, she stated that she had a suitcase that broke just as she was getting ready to fly from Washington to Kabul. She left the contents in the hotel storage room for a friend to pick up a few days later and send to South Carolina, instead of directly to (b)(6),(b)(7)(C) in Kabul, because she knew she would be

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**REPORT MADE BY:** Name: (b)(6),(b)(7)(C)      Date Signed: 11/22/10  
Signature: \_\_\_\_\_

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**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C)      Date Signed: 2/23/11  
Signature: (b)(6),(b)(7)(C) \_\_\_\_\_



10/07/10 – 03/05/11

returning to South Carolina in May and she could pick the items up then. She did concede that several of the items that were FedEx'd to South Carolina were not brought to Kabul. Regarding the \$191 FedEx charge, she stated that of the items she left in storage at the hotel, the hotel lost some but then found them again in May and she had them FedEx'd to her South Carolina home.

Approximately one week later, (b)(6),(b)(7)(C) came back to speak with SA (b)(6),(b)(7)(C). She stated that after reviewing her receipts and credit card statements, she remembered that the UPS charge really was UPS and was for faxing and photocopying various items. She could not explain why she marked the UPS charges as "In lieu of UAB" instead of "Business Center" or "Internet/Fax" as she had for her other business expenses on her travel voucher. (b)(6),(b)(7)(C) then asked why, with the billions of dollars going into Afghanistan and the level of corruption in the country, USAID/Investigations would pursue a matter such as hers. SA (b)(6),(b)(7)(C) asked (b)(6),(b)(7)(C) to bring in those receipts and credit card statements that she used to jog her memory. To date, (b)(6),(b)(7)(C) has failed to do so.

Based on the findings of the investigation, USAID General Counsel advised that USAID/Kabul gave (b)(6),(b)(7)(C) a verbal reprimand. There are no other issues that need to be further investigated. This case is closed.

**Details of Investigation:** On October 7, 2010, SA (b)(6),(b)(7)(C) performed a record review of the travel voucher, dated 8/23/2010, and accompanying supporting documents. The travel voucher was for \$13,854.10. (b)(6),(b)(7)(C) attached a spreadsheet that detailed out all of her expenses.

On the attached spreadsheet, (b)(6),(b)(7)(C) listed the following excess baggage charges:

|   |          |
|---|----------|
| 2/21/10 – USAirways Excess Baggage in lieu of UAB | \$160.00 |
| 3/31/10 – UPS charges in lieu of UAB              | \$ 63.29 |
| 3/31/10 – USPS charges in lieu of UAB             | \$ 66.88 |
| 4/03/10 – Emirates: Excess Baggage in lieu of UAB | \$ 84.14 |
| 5/24/10 – Emirates: Excess Baggage in lieu of UAB | \$109.47 |
| 5/26/10 – FedEx: Excess Baggage in lieu of UAB    | \$190.69 |
| 7/26/10 – Paypal transfer (see attached report)*  | \$390.00 |

\*The attached report was a printout of a (b)(6),(b)(7)(C) transaction dated 7/26/2010 listing a Paypal instant transfer as a description. (b)(6),(b)(7)(C) handwrote a note on the printout stating that the payment was made to a colleague who was storing some of her items and that she shipped those items to (b)(6),(b)(7)(C) via Federal Express. She stated that those items were the final items of her excess baggage in lieu of UAB.

10/07/10 – 03/05/11

There was no supporting documentation for the UPS or USPS charges. The supporting documentation for the \$109 and \$190 charges was a printout of a credit card statement. There were two handwritten notes on the credit card statement stating that the Emirates charge was for excess baggage in lieu of UAB and the FedEx charge was for shipping of excess baggage in lieu of UAB. The \$109 charge didn't include any specifics on the credit card statement – just that it was dated 5/24/10 and was a charge made by Emirates. The \$190 charge included a tracking number from Fed Ex.

The supporting documentation package also included an email from (b)(6),(b)(7)(C) to (b)(6),(b)(7)(C) previous (b)(6),(b)(7)(C) in Kabul, dated February 12, 2010. She asked "Is there an excess baggage allowance so that I can bring the immediate items I will need with me to Washington and then on to Kabul?" (b)(6),(b)(7)(C) responded that although not normally authorized, the Controller would allow charges for excess baggage in lieu of UAB. (b)(6),(b)(7)(C) also suggested sending things via APO to Kabul. **(Attachment 1, Record Review Travel Voucher, dated 10/7/10)**

On October 17, 2010, the Reporting Agent (RA) went to the USAID Communications and Records (C&R) office to review their master list of packages received, whether through APO or from Federal Express. The list was maintained in an Excel spreadsheet by date. RA reviewed all packages received by USAID employees from April 1, 2010 until September 30, 2010. (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) name was not on the list as having received a package during that time frame. **(Attachment 2, Record Review USAID C&R, dated 10/17/10)**

On October 20, 2010, the Reporting Agent (RA) went to the Department of State mailroom to review their master list of packages received, whether through APO or from Federal Express or other mail delivery company. The RA reviewed all the lists of packages received from APO, Federal Express, and DHL for the months of April, May, June, July, and August 2010. According to all of the lists reviewed, (b)(6),(b)(7)(C) received one package via APO in April 2010. She did not receive any packages via Federal Express, DHL, or UPS. **(Attachment 3, Record Review DOS Mailroom, dated 10/20/10)**

On October 27, 2010, SA (b)(6),(b)(7)(C) interviewed (b)(6),(b)(7)(C) During the interview, (b)(6),(b)(7)(C) stated that she sent two packages to Kabul via USPS. The charge regarding UPS must've been a typo and that it was really another box sent to Kabul via USPS. Regarding the \$390 PayPal charge, she stated that she had a suitcase that broke just as she was getting ready to fly from Washington to Kabul. She left the contents in the hotel storage for a friend to pick up a few days later and send to South Carolina, instead of directly to (b)(6),(b)(7)(C) in Kabul, because she knew she would be returning to South Carolina in May and she could pick the items up then. She did state that several of the items that were FedEx'd to South Carolina were not brought to Kabul. Regarding the \$191 FedEx charge,

10/07/10 – 03/05/11

she stated that of the items she left in storage at the hotel, the hotel lost some but then found them again in May and she had them FedEx'd to her South Carolina home.

Approximately one week later, (b)(6),(b)(7)(C) came back to speak with SA (b)(6),(b)(7)(C). She stated that after reviewing her receipts and credit card statements, she remembered that the UPS charge really was UPS and was for faxing and photocopying various items. She could not explain why she marked the UPS charges as "In lieu of UAB" instead of "Business Center" or "Internet/Fax" as she had for her other business expenses on her travel voucher. (b)(6),(b)(7)(C) then asked why, with the billions of dollars going into Afghanistan and the level of corruption in the country, USAID/Investigations would pursue a matter such as hers. SA (b)(6),(b)(7)(C) asked (b)(6),(b)(7)(C) to bring in those receipts and credit card statements that she used to jog her memory. SA (b)(6),(b)(7)(C) has not received those. (Attachment 4, Memorandum of Interview (b)(6),(b)(7)(C) dated 10/27/10)

**Defendants/Suspects:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:**

None

**Disposition of Evidence, Contraband or Personal Property:**

There are no items in evidence or seized contraband.

**Judicial and Administrative Actions:**

Verbal reprimand

**Attachments:**

1. Record Review Travel Voucher, dated 10/7/10
2. Record Review USAID C&R, dated 10/17/10
3. Record Review DOS Mailroom, dated 10/20/10
4. Memorandum of Interview (b)(6),(b)(7)(C) dated 10/27/10



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** (b)(6),(b)(7)(C) **Case Number:** (b)(6),(b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 11/15/08 – 5/4/09 **OIG/I Office:** Manila

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**Synopsis:**

This serves as a follow-on ROI. Subsequent to the first ROI, dated 11/14/08, (b)(6),(b)(7)(C) credit card statements were received. A subsequent final tally determined that (b)(6),(b)(7)(C) claimed \$2,536.25 he was not entitled to on lodging and was paid \$1,677 of that amount.

Three offices within the Department of Justice declined this case criminally.

(b)(6),(b)(7)(C) was proposed for debarment by the Office of Acquisition and Assistance pursuant to a referral from OIG/I to OAA.

**Details of Investigation:**

After reviewing all documents related to this case, including (b)(6),(b)(7)(C) credit card statements, a new tally of harm to the government was determined. (b)(6),(b)(7)(C) received \$1,677 he was not entitled to.

The case agent met with Public Integrity Trial Attorney (b)(6),(b)(7)(C) in Washington, DC on 3/23/09. (b)(6),(b)(7)(C) advised that the low dollar loss would prevent his office from proceeding, especially as the subject was now residing on the west coast. The case agent then contacted two other prosecutors, but neither was interested in the case criminally. (Attachment 1)

**Defendants/Suspects:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:**

None

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|                            |                             |              |
|----------------------------|-----------------------------|--------------|
| <b>REPORT MADE BY:</b>     | Name: SA (b)(6),(b)(7)(C)   | Date Signed: |
|                            | Signature: (b)(6),(b)(7)(C) | 5/4/09       |
| <b>APPROVING OFFICIAL:</b> | Name: SA (b)(6),(b)(7)(C)   | Date Signed: |
|                            | Signature: (b)(6),(b)(7)(C) | 5/6/09       |

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**Disposition of Evidence, Contraband or Personal Property:**

N/A

**Judicial and Administrative Actions:**

Matter referred for consideration of debarment to USAID/OAA Washington, 3/17/09.

**Attachments:**

1. Declination memo



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

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**REPORT OF INVESTIGATION**

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**Case Title:** Afghanistan Travel Voucher Proactive **Case Number:** (b)(6), (b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 2/12/09-5/11/09 **OIG/I Office:** Manila

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**Synopsis:**

In the course of OIG/I investigation (b)(6), (b)(7)(C) information was developed that USAID/Afghanistan employees may have been inflating their travel vouchers by claiming hotel stays in Dubai while in transit to or from Kabul, when in fact no such expenses were incurred. Specifically, a US Direct Hire (USDH), now former, admitted that he had done this on multiple occasions and that he was not the only Mission employee to do so. That individual, however, refused to identify others who participated in this activity and later recanted the statement.

Under this proactive, travel vouchers of USAID personnel posted in Kabul were reviewed and leads received were followed. A USDH (b)(6), (b)(7)(C) repaid \$671 pursuant to inaccurate lodging claims on three travel vouchers. A (b)(6), (b)(7)(C) was suspended for one week pursuant to falsely claiming eight days lodging in Dubai. (b)(6), (b)(7)(C) had received a travel advance of \$4,300; his subsequent voucher submission of \$2,350.50 was disallowed and he repaid the Mission \$546. Other leads on this proactive did not merit administrative action.

Pursuant to this proactive, USAID/Afghanistan employees received travel voucher training and the reimbursement policy was changed to lodging-plus pursuant to an issued Mission Order.

**Details of Investigation:**

On 1/22/09, (b)(6), (b)(7)(C) a USAID/Afghanistan (b)(6), (b)(7)(C) was interviewed. (b)(6), (b)(7)(C) voucher in question was received by the Office of Financial Management on 1/25/08. (b)(6), (b)(7)(C) included receipts for the first five allowable nights in Dubai but no others. He asked (b)(6), (b)(7)(C) for the receipts three or four times because the invoice would not be processed without them. (b)(6), (b)(7)(C) who had also been asking for payment, said he would email the hotel and ask for receipts. **(Attachment 1)**

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|                            |                                     |                     |
|----------------------------|-------------------------------------|---------------------|
| <b>REPORT MADE BY:</b>     | <b>Name:</b> SA (b)(6), (b)(7)(C)   | <b>Date Signed:</b> |
|                            | <b>Signature:</b> (b)(6), (b)(7)(C) | 8/7/09              |
| <b>APPROVING OFFICIAL:</b> | <b>Name:</b> SAC (b)(6), (b)(7)(C)  | <b>Date Signed:</b> |
|                            | <b>Signature:</b> (b)(6), (b)(7)(C) | 8/10/2009           |

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On 2/22/09 (b)(6),(b)(7)(C) USAID/Afghanistan's (b)(6),(b)(7)(C) since 8/07, was interviewed. He confirmed that he received an advance of \$4,300 for two week training in Dubai in 1/09 and that he signed and submitted his corresponding voucher. He claimed that he moved to a Dubai guesthouse at the suggestion of a former schoolmate because it was cheaper than his hotel. He confirmed that he paid Dhs 200 a night at the hotel and said that the guesthouse charged Dhs 100, however he lost his guesthouse receipt. He confirmed that he sent an email to the guesthouse asking for another copy of his lost receipt. When asked to provide the email, he accessed his personal account and printed the following missive which he sent to (b)(6),(b)(7)(C) on 2/21/09:

Dear (b)(6),(b)(7)(C)

*During my trip from Dubai to Kabul, I have missed my invoice of my stay at your guesthouse. Could you please send me the invoice again. As you know I have stayed at your guest house from January 09,2009 to January 16,2009.*

(b)(6),(b)(7)(C) later admitted that the guesthouse did not, in fact, charge him and that he never received a receipt, thus never lost it. He acknowledged that he worded the email deceptively to make it appear that he had received, then lost, the invoice. (b)(6),(b)(7)(C) advised that the guesthouse refused to accept his money. He said he offered Dhs 1500 when he moved in but was rebuffed. He said that when he left, he gave his schoolmate Dhs 800 which was to be forwarded to the guesthouse. He acknowledged that he had no way to confirm the money had been delivered. (Attachment 2)

On 2/25/09, (b)(6),(b)(7)(C) provided the Mission with a document signed by (b)(6),(b)(7)(C) advising that (b)(6),(b)(7)(C) stayed at "our guest house" from January 9 until January 16. The handwritten note was on a piece of paper headed (b)(6),(b)(7)(C). The footer indicated an address similar to the one (b)(6),(b)(7)(C) described and identified a flat number on the third floor of a building in Dubai. (Attachment 3)

On 3/4/09, the Mission suspended (b)(6),(b)(7)(C) for one week. (Attachment 4)

(b)(6),(b)(7)(C) protested the suspension, claiming he had stayed at a guesthouse but lost the receipt. On 5/12/09, SA (b)(6),(b)(7)(C) visited and photographed the purported guesthouse. From the outside, he observed (b)(6),(b)(7)(C) to be an office, not a guesthouse. A local guard advised that he understood it was an office. On 5/15/09, an email follow up was sent to the Mission. (b)(6),(b)(7)(C) suspension remained in effect. (Attachment 5)

(b)(6),(b)(7)(C) the Mission's (b)(6),(b)(7)(C) approved several vouchers for a former Mission employee which were later determined to contain false information. Pursuant to that investigation (b)(6),(b)(7)(C) denied knowledge of what his former subordinate had done (see (b)(6),(b)(7)(C)). A review of (b)(6),(b)(7)(C) vouchers determined that three included lodging expense claims in Dubai when no expenses were incurred. (b)(6),(b)(7)(C) claimed that his Afghan secretary prepared his vouchers and he just signed

them. His secretary later confirmed this. The findings were referred to the Mission on 4/14/09. (Attachment 6)

On 4/16/09 (b)(6),(b)(7)(C) repaid the Mission \$671. (Attachment 7)

On 3/12/09, it was confirmed that USAID/Afghanistan employees received relevant training. (Attachment 8)

On 4/26/09, Mission Notice 2009-30 was issued which changed travel reimbursement policy to lodging-plus. Hotel receipts were now required before expenses, up to allowance, would be reimbursed. (Attachment 9)

**Subjects:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:**

Additional allegations have surfaced and will be addressed by the resident agent in Kabul.

**Disposition of Evidence, Contraband or Personal Property:** N/A

**Judicial and Administrative Actions:**

- One week suspension, \$546 bill for collection issued and paid and disallowance/savings of \$2,350.50 from travel voucher submitted by FSN (b)(6),(b)(7)(C)
- \$671 bill for collection issued to USDH (b)(6),(b)(7)(C) and paid in full

**Attachments:**

1. MOI (b)(6),(b)(7)(C) 1/22/09
2. MOI (b)(6),(b)(7)(C) 1/22/09
3. Receipt from (b)(6),(b)(7)(C) 2/25/09
4. (b)(6),(b)(7)(C) suspension letter, 3/4/09
5. RIG/I email response to (b)(6),(b)(7)(C) protest, 5/13/09
6. Referral to USAID/Afghanistan Deputy Director, 4/14/09
7. Bill for collection and general receipt, dated 4/15/09 and 4/19/09 respectively
8. Email confirmation of Mission training received, 3/13/09
9. USAID/Afghanistan Mission Notice, 4/26/09



**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL  
INVESTIGATIONS**

**REPORT OF INVESTIGATION**

**Case Title:** (b)(6),(b)(7)(C)  
**Status:** Closed  
**Period of Investigation:** 10/31/07 - 01/16/09

**Case Number:** (b)(6),(b)(7)(C)  
**OIG/I Office:** San Salvador

**Synopsis:**

(b)(6),(b)(7)(C) USAID Colombia advised that the Agriculture Cooperative Development Investment/Volunteer Overseas Cooperative Association ACDI/VOCA (ACDI) Colombia, a U.S. contractor, has a Cooperative Agreement with USAID Colombia (#CA-514-A-00-02-00227-00 for \$9,870,000) to help provide specialized training in growing, harvesting, and the post-harvest handling of coffee crops to create superior-quality beans.

(b)(6),(b)(7)(C) advised that (b)(6),(b)(7)(C) ACDI has allegedly: 1) been involved in a conflict of interest by awarding small contracts to his family members; 2) submitted false travel vouchers and received reimbursement for vacations and other unofficial travel by claiming the travel was for official purposes; 3) made numerous long distance personal calls to family members in the U.S. then received reimbursement from the program by claiming the telephone calls were for official business and 4) authorized several cash advances for expenses not associated with the program.

The investigation substantiated that (b)(6),(b)(7)(C) violated 22CFR 226.42, Codes of Conduct and 22 CFR 226.43, Competition by awarding small contracts and purchase orders to his stepson (b)(6),(b)(7)(C) and to his wife (b)(6). The investigation could not confirm the allegation regarding personal long distance telephone calls because there was insufficient information in the file. However, the investigation did reveal several discrepancies regarding (b)(6),(b)(7)(C) travel vouchers and cash advances that he approved.

As a result of the investigation, (b)(6),(b)(7)(C) was terminated and a complete audit of the program was initiated.

**Details of Investigation:**

On December 09, 2008, (b)(6),(b)(7)(C) ACDI provided the following information: (b)(6),(b)(7)(C) is (b)(6),(b)(7)(C) stepson (b)(6),(b)(7)(C) decided to hire (b)(6),(b)(7)(C) without getting three quotes. (b)(6),(b)(7)(C) did not consult with her regarding hiring (b)(6),(b)(7)(C). There was no competition regarding the awarding of the (b)(6),(b)(7)(C) contract. They received three quotes when it came to obtaining different services; however, with the contracting of the computer repair services they did not get three quotes, because (b)(6),(b)(7)(C) told them to use (b)(6),(b)(7)(C). They did not

**REPORT MADE BY:** Name: (b)(6),(b)(7)(C) Special Agent Date Signed: 01/16/09  
Signature: (b)(6),(b)(7)(C)

**APPROVING OFFICIAL:** Name: (b)(6),(b)(7)(C) Date Signed: 2/27/09  
Signature: (b)(6),(b)(7)(C)

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comply with the procurement regulations and they hired (b)(6),(b)(7)(C) based on (b)(6),(b)(7)(C) recommendation. (b)(6),(b)(7)(C) made all of the decisions with respect to (b)(6),(b)(7)(C). She did not know that (b)(6),(b)(7)(C) is the owner of (b)(6),(b)(7)(C). She did not do anything with (b)(6),(b)(7)(C). She did not see the contract. (b)(6),(b)(7)(C) did not receive the job because he is (b)(6),(b)(7)(C) stepson. (b)(6),(b)(7)(C) had the best price. The employees at ACIDI do the best that they can with the limited resources they have. They never intended to do anything wrong. *(Attachment 1)*

On December 9, 2008, (b)(6),(b)(7)(C) USAID provided the following information: ACIDI has achieved all of their goals. ACIDI has used basically the same employees to work on two different USAID projects. All of the financial documents should be in the ACIDI office. He knew that (b)(6),(b)(7)(C) stepson was providing computer related services to ACIDI and that it was causing a lot of problems. He talked to (b)(6),(b)(7)(C) about his daughter working on the project. According to USAID regulations, all contracts must be competed; he is not sure how (b)(6),(b)(7)(C) stepson son was selected. *(Attachment 2)*

On December 10, 2008, (b)(6),(b)(7)(C) ACIDI provided the following information: With respect to the computer repair contract (b)(6),(b)(7)(C) (b)(6),(b)(7)(C) told her that she called three companies and received quotes from them. (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) ACIDI (b)(6),(b)(7)(C) told her that they would only pay 850,000 pesos per month for ten months for computer repair services. For August and September 2007, ACIDI paid 1,360,000,000 pesos for computer repair services to (b)(6),(b)(7)(C) stepson. (b)(6),(b)(7)(C) is on-call and received the 850,000 pesos monthly. (b)(6),(b)(7)(C) approved the contract with (b)(6),(b)(7)(C) the computer company that (b)(6),(b)(7)(C) owns. *(Attachment 3)*

On December 11, 2008, (b)(6),(b)(7)(C) ACIDI provided the following information: Liquor, gifts, and awards are ineligible cost; he received training regarding ineligible cost. In order to travel, (b)(6),(b)(7)(C) would send an e-mail to USAID requesting approval to travel. There were a couple of people who repaired the computers prior to (b)(6),(b)(7)(C) such as (b)(6),(b)(7)(C) (no further information). (b)(6),(b)(7)(C) approved the contract with (b)(6),(b)(7)(C) has the current contract to provide computer repair services. (b)(6),(b)(7)(C) approved and signed the contract with (b)(6),(b)(7)(C). They did not receive three quotes prior to contracting (b)(6),(b)(7)(C). He does not know how (b)(6),(b)(7)(C) started working for ACIDI. (b)(6),(b)(7)(C) had already approved the contract with (b)(6),(b)(7)(C) before they received the contract from (b)(6),(b)(7)(C). They knew that (b)(6),(b)(7)(C) was going to get the contract, so they filled out the contract using (b)(6),(b)(7)(C) information. It was (b)(6),(b)(7)(C) decision to hire (b)(6),(b)(7)(C) company. (b)(6),(b)(7)(C) approved the contract with (b)(6),(b)(7)(C) but they did not follow the procurement regulations. He thought that it was OK to contract (b)(6),(b)(7)(C) because he worked with ACIDI in the past. While developing the budget, they obtained quotes for computer repair services. *(Attachment 4)*

On December 13, 2008, (b)(6),(b)(7)(C) ACIDI provided the following information: They did not have a contract with a company to repair the computers. After three years, when the computers started to fail, they initially hired a person to fix them but they had some problems with that person. She can not recall that person's name. After that, (b)(6),(b)(7)(C) said (b)(6),(b)(7)(C) would fix the computers. The prices that (b)(6),(b)(7)(C) charged were not expensive and in line with the market rate. She talked to (b)(6),(b)(7)(C)

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about competing the computer repair work, but (b)(6),(b)(7)(C) decided (b)(6),(b)(7)(C) was going to do the work. When there was a problem with the computers, she'd called (b)(6),(b)(7)(C) to fix it because (b)(6),(b)(7)(C) had decided (b)(6),(b)(7)(C) was the person that was going to repair the computers. She has not seen a contract with (b)(6),(b)(7)(C). She had nothing to do with (b)(6),(b)(7)(C) travel. **(Attachment 5)**

On December 14, 2008, (b)(6),(b)(7)(C) ACDI provided the following information: (b)(6),(b)(7)(C) wife traveled with him to the annual conferences. (b)(6),(b)(7)(C) was not an official ACDI volunteer and her presence at the annual conference was not necessary. She attended ACDI's April 2003 conference in Boston, and after the conference, she, (b)(6),(b)(7)(C) and (b)(6),(b)(7)(C) went to New York to meet with (b)(6),(b)(7)(C) National Federation of Coffee Growers, Grey Point Alliance, and the Government of Colombia's New York Coffee Alliance office. They finished the meetings in two days. The (b)(6),(b)(7)(C) did not tell her that they had additional meetings, after their second day, in New York. She thinks after the Seattle conference, (b)(6),(b)(7)(C) went to Denver, CO to meet with Allegro Coffee, a potential client. (b)(6),(b)(7)(C) should have been in Denver, a maximum of two days. She attended the April 06 ACDI conference in Charleston, NC, and after the conference, she returned to Bogota. She is not sure why (b)(6),(b)(7)(C) went back to New York, since based on their first trip to New York; they knew no additional alliances would be made. **(Attachment 6)**

On December 15, 2008, (b)(6),(b)(7)(C) ACDI provided the following information: (b)(6),(b)(7)(C) told her what expenses to include on his travel vouchers, such as transportation and faxes. She only listed the expenses (b)(6),(b)(7)(C) told her on the vouchers. After she fills out (b)(6),(b)(7)(C) vouchers, she gives them to the accounting department. She knows the project should not pay for liquor. She does not have the authority to approve vouchers. It is her fault that liquor expenses were included on (b)(6),(b)(7)(C) vouchers, because she was responsible for preparing the vouchers. **(Attachment 7)**

On December 15, 2008, (b)(6),(b)(7)(C) ACDI provided the following information: ACDI follows USAID procurement regulation. They look for providers of service then get three quotes. (b)(6),(b)(7)(C) is his wife's son and his stepson. When (b)(6),(b)(7)(C) was a kid he lived with (b)(6),(b)(7)(C) is part of his family. (b)(6),(b)(7)(C) approved the contract with (b)(6),(b)(7)(C). He made the decision with his financial team. He was involved in the process to contract (b)(6),(b)(7)(C). He approved both contracts with (b)(6),(b)(7)(C) and various payments to (b)(6),(b)(7)(C) for computer repair related services. They competed the computer repair services, and (b)(6),(b)(7)(C) had the best price and value. Under the old contract, he was not required to obtain approval to travel from USAID if the trip was part of the work plan; if a trip was not part of the work plan, he had to request approval to travel from USAID, via e-mail. Under the new contract, all of his travel must be approved by USAID. **(Attachment 8)**

On December 16, 2008, (b)(6),(b)(7)(C) ACDI provided the following information: Regarding voucher number 0255, one of the administrative staff asked him what to list on the voucher as the reason for a payment to (b)(6),(b)(7)(C) wife. (b)(6),(b)(7)(C) was catering the ACDI Christmas party. He told the administrative staff not to pay (b)(6),(b)(7)(C) because it was not allowed. Each ACDI employee donated money to help cover the cost of the party. (b)(6),(b)(7)(C) had to be the person who told the administrative staff to pay (b)(6),(b)(7)(C) because he was the

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only person who had the authority to authorize the payment of expenses. (b)(6), (b)(7)(C) stepson, was contracted by (b)(6), (b)(7)(C) to provide computer repair services. (b)(6), (b)(7)(C) ordered (b)(6), (b)(7)(C) ACDI's (b)(6), (b)(7)(C) to use (b)(6), (b)(7)(C) to repair the computers. (b)(6), (b)(7)(C) told (b)(6), (b)(7)(C) he was in charge of repairing the computers, and to call him whenever he had a computer-related problem. There was no competition or a formal contract for these services. **(Attachment 9)**

On December 16, 2008, (b)(6), (b)(7)(C) USAID Colombia provided the following information: He never gave (b)(6), (b)(7)(C) written or verbal approval to contract his stepson. (b)(6), (b)(7)(C) was required to follow ACDI and USAID's contracting procedures. (b)(6), (b)(7)(C) should not have been involved in the approval process regarding the contract that ACDI gave to his stepson. **(Attachment 10)**

On December 19, 2008, (b)(6), (b)(7)(C) of ACDI, provided the following information: He has no knowledge of (b)(6), (b)(7)(C) giving contracts to his family members, that type of allegation would not have made it to ACDI Headquarters. They are not allowed to give contracts to family members. He is not sure if (b)(6), (b)(7)(C) received training regarding conflicts of interest. (b)(6), (b)(7)(C) should have known not to approve contracts with family members. He has no knowledge of (b)(6), (b)(7)(C) misusing funds. (b)(6), (b)(7)(C) wife attended some of the annual conferences but her expenses were paid for by (b)(6), (b)(7)(C) wife worked as a volunteer, but there is no reason why she would have been paid. **(Attachment 11)**

On December 19, 2008, (b)(6), (b)(7)(C) of ACDI, provided the following information: (b)(6), (b)(7)(C) received ethics training regarding the Whistleblower Protection Act. (b)(6), (b)(7)(C) received copies of ethics training materials and the general dos and don'ts for contracting. The contracting rules are very clear; they are not allowed to approve contracts with family members. He tells his employees to get multiple bids. He had no knowledge of (b)(6), (b)(7)(C) approving a contract with his stepson. **(Attachment 12)**

From December 9, 2008, until January 9, 2009, the case agent reviewed numerous ACDI Colombia purchase orders and contracts for various services dated from 2003 until 2008. A review of these records revealed that (b)(6), (b)(7)(C) approved 21 purchase orders and two contracts for his stepson, (b)(6), (b)(7)(C) for computer related services. There was insufficient information in the files to show that the purchase orders and contracts were competed. **(Attachment 13)**

From December 9, 2008, until January 9, 2009, the case agent reviewed numerous ACDI Colombia purchase orders and contracts for various services dated from 2003 until 2008. A review of these records revealed that (b)(6), (b)(7)(C) approved 2 purchase orders for his wife, (b)(6), (b)(7)(C) for catering related services. There was insufficient information in the files to show that the purchase orders were competed. **(Attachment 14)**

From December 9, 2008, until January 9, 2009, the case agent reviewed numerous ACDI Colombia travel related records from 2003 until 2008. A review of these records revealed numerous discrepancies regarding (b)(6), (b)(7)(C) international travel. **(Attachment 15)**

**Defendants/Suspects:**

(b)(6),(b)(7)(C)

**Undeveloped Leads:** None

**Disposition of Evidence, Contraband or Personal Property:** None

**Judicial and Administrative Actions:**

On January 9, 2009, (b)(6),(b)(7)(C) was terminated by ACDI. (*Attachment 16*)

**Attachments:**

1. 12/09/08 MOI: (b)(6),(b)(7)(C)
2. 12/09/08 MOI: (b)(6),(b)(7)(C)
3. 12/10/08 MOI: (b)(6),(b)(7)(C)
4. 12/11/08 MOI: (b)(6),(b)(7)(C)
5. 12/13/08 MOI: (b)(6),(b)(7)(C)
6. 12/14/08 MOI: (b)(6),(b)(7)(C)
7. 12/15/08 MOI: (b)(6),(b)(7)(C)
8. 12/15/08 MOI: (b)(6),(b)(7)(C)
9. 12/16/08 MOI: (b)(6),(b)(7)(C)
10. 12/16/08 MOI: (b)(6),(b)(7)(C)
11. 12/19/08 MOI: (b)(6),(b)(7)(C)
12. 12/19/08 MOI: (b)(6),(b)(7)(C)
13. 01/09/09 RR: Contracts
14. 01/09/09 RR: Purchase Orders
15. 01/09/09 RR: Travel
16. 01/09/09 E-mail regarding removal of (b)(6),(b)(7)(C)