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Description of document: US Agency for International Development (USAID) records provided to Senator Charles E. Grassley and Senator Tom Coburn concerning the independence of the Inspector General necessary to promote efficiency and prevent fraud, waste and abuse in agency programs, in response to the Senators' inquiry, 2011-2012

Requested: 08-April-2012

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Source of document: FOIA REQUEST  
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Office of Administrative Services  
United States Agency for International Development  
Room 2.07C, RRB  
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Note: This is one of several files on the same subject for various agencies available on governmentattic.org. See: <http://www.governmentattic.org/6docs/GrassleyCoburn.htm>

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**USAID**  
FROM THE AMERICAN PEOPLE

NOV 16 2012

SENT VIA CERTIFIED MAIL

**RE: Final Response for F-00180-12**

This final letter is in response to your Freedom of Information Act ("FOIA") request for a copy of each biannual response to Senators Grassley and Coburn regarding their April 8, 2010 request to USAID of the Inspector General to provide a summary of your non-public management advisories and closed investigations.

Enclosed are the following documents:

1. Cover Letter addressed to the Honorable Charles E. Grassley and Honorable Tom Coburn dated June 30, 2010 (1 page);
2. Office of Inspector General Performance (OIG) Audit January 1, 2009 – April 30, 2010 (25 pages);
3. Cover Letter addressed to the Honorable Tom Coburn dated January 18, 2011 (1 page);
4. OIG Audit May 1 – September 30, 2010 (13 pages);
5. Cover Letter addressed to the Honorable Charles E. Grassley and Honorable Tom Coburn dated May 30, 2010 (2 pages); and
6. OIG Audit October 1, 2011 – March 31, 2012 (28 pages).

Case number information is being withheld pursuant to Exemption (b)(2) of the FOIA, 5 U.S.C. § 552 (b)(2). Exemption 2 protects information "related solely to the internal personnel rules and practices of an agency". The agency "typically keep(s) the record to itself for its own use" and can be withheld from the public.

Also, the signature of specific individuals in the enclosed amendments/modifications are being withheld pursuant to Exemption (b)(6) of the FOIA, 5 U.S.C. § 552 (b)(6). "Exemption 6 protects information about individuals in 'personnel and medical and similar files' when the disclosure of such information 'would constitute a clearly unwarranted invasion of personal privacy.'" We have withheld the names of several employees under FOIA Exemptions (b)(6).

We have also withheld employees' names under FOIA Exemption (b)(7)(c). Exemption (b)(7)(c) protects from disclosure "records or information compiled for law enforcement purposes . . . that could reasonably be expected to constitute an unwarranted invasion of personal privacy. The signatures are unique identifiers to the individual and have not previously been released into the public. In this instance, protecting the individual's privacy interest outweighs the public's right to know.

Finally, Exemption (b)(5), 5 U.S.C. §552 (b)(5) incorporates several civil discovery privileges, including the deliberative process privilege. This privilege exempts from disclosing agency documents that are part of the agency's pre-decisional process. The purpose of the privilege is to prevent injury to the quality of agency decisions by (1) encourage frank and open discussions on matters of policy between subordinates and superiors, (2) protecting against premature disclosure of proposed policies before final adoption, and (3) protecting against public confusion that might result from disclosure of reasons and rationales that were not in fact ultimate grounds for an agency's actions.

Additional deletions fall under Exemption (b)(5), which provides protection from disclosing advice, recommendations, and opinions that are part of the deliberative, consultative, decision-making processes of the government. The ultimate effect of releasing this information would be degradation and disruption of our evaluation process.

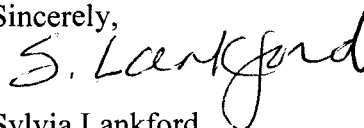
You have a right to appeal the above withholdings. Your appeal must be received in writing within 30 days from the date of this letter. In order for it to be considered an official appeal, please address and send it directly to the FOIA Appeals Officer:

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

If you wish to fax your appeal, the fax number is (202) 216-3369. Both the letter and the appeal envelope must be plainly marked "FOI Appeal." Please include your tracking number, F-00180-12, in your letter.

There is no charge for processing this FOIA request.

Sincerely,



Sylvia Lankford  
FOIA Team Leader  
Bureau for Management  
Office of Management Services  
Information and Records Division

Enclosures



*Office of Inspector General*

JUN 30 2010

The Honorable Charles E. Grassley  
U.S. Senate  
Washington, DC 20510

Dear Senator Grassley:

I am writing in response to your letter of April 8, 2010, requesting information on investigations, evaluations, and audits conducted by our office.

We appreciate your efforts to monitor agency cooperation with inspectors general and to ensure that oversight efforts are adequately funded. The U.S. Agency for International Development (USAID) Office of Inspector General (OIG) has oversight of USAID, the Millennium Challenge Corporation, the United States African Development Foundation, and the Inter-American Foundation. We have received full cooperation from each of these entities, and in no instance have they resisted our oversight activities or restricted our access to information or personnel.

From January 1, 2009, to April 30, 2010, USAID OIG closed 111 investigations, reviews, and audits that were not disclosed to the public. The enclosure to this letter provides specific information about each of these activities.

Thank you for your interest in our work. If you or members of your staff have any questions or would like additional information, please contact me or Dona M. Dinkler, Chief of Staff, at 202-712-1150.

Sincerely,

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

Donald A. Gambatesa  
Inspector General

Enclosure

cc: Senator Max Baucus, Chairman, Committee on Finance

U.S. Agency for International Development  
1300 Pennsylvania Avenue NW  
Washington, DC 20523  
[www.usaid.gov/oig](http://www.usaid.gov/oig)



**USAID OIG**  
**Undisclosed Performance Audits, Reviews, Financial Audits, and Investigations**  
**January 1, 2009 – April 30, 2010**

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The U.S. Agency for International Development (USAID) Office of the Inspector General (OIG) conducts performance audits, reviews, financial audits, and investigations. These activities are subject to different OIG disclosure practices.

*Performance Audits and Reviews.* We post our completed performance audits on our Web site except for those containing sensitive information. We now post limited-scope reviews on our Web site but did not always do so in the past. The following pages provide information on the six performance audits and reviews completed from January 1, 2009, to April 30, 2010, that were not published on our Web site.

*Financial Audits.* In most cases, we do not post financial audits on our Web site because they contain proprietary information related to the entities that are the subject of the audit. Nevertheless, we report on these financial audits in our semiannual reports to Congress, noting each of their findings. Because we have previously disclosed information on financial audits completed prior to April 1, 2010, we are providing information only on the 14 financial audits we completed April 1–30, 2010, in the ensuing pages.

*Investigations.* We provide information on closed civil and criminal investigations in semiannual reports to Congress, in press releases, and in two booklets that we update quarterly on our work in Iraq and in Afghanistan and Pakistan. From January 1, 2009, to April 30, 2010, we closed 91 investigations for which we had not previously provided substantial public disclosure. The following tables contain information on these investigations.

This enclosure contains information that is sensitive but unclassified (SBU) and law enforcement sensitive (LES). Please handle information identified as SBU or LES accordingly.

**USAID OIG Undisclosed**  
**Performance Audits and Reviews, January 1, 2009 – April 30, 2010**

<b>Performance Audits and Reviews, January 1, 2009 – April 30, 2010</b>			
<b>Report Number</b>	<b>Date</b>	<b>Report Title</b>	<b>Findings</b>
A-ADF-09-002-P-SBU	09/28/2009	Audit of the U.S. African Development Foundation's Compliance with Provisions of the Federal Information Security Management Act of 2002 for Fiscal Year 2009	The Federal Information Security Management Act (FISMA) of 2002 requires independent testing of the effectiveness of information security policies, procedures, and practices of a representative subset of information systems. However, independent testing of the U.S. African Development Foundation's network could not be conducted within the agreed-upon timeframes for 2009 because the Foundation did not have a process in place to permit independent technical vulnerability assessment of the network. Because OIG could not perform the assessment, OIG could not determine whether the Foundation's network is vulnerable to software flaws or software settings that can cause weaknesses in system security.
A-IAF-09-003-P-SBU	09/30/2009	Audit of Inter-American Foundation's Compliance with Provisions of the Federal Information Security Management Act for Fiscal Year 2009	OIG testing of the Inter-American Foundation's internal network identified vulnerabilities associated with (b)(5) [redacted]. These vulnerabilities occurred because the Inter-American Foundation experienced problems with its patch identification and distribution software package and conducted network vulnerability scans only twice a year. As a result, the Inter-American Foundation's internal network is at an increased risk of being compromised.

**USAID OIG Undisclosed**  
**Performance Audits and Reviews, January 1, 2009 – April 30, 2010**

Report Number	Date	Report Title	Findings
A-000-10-001-P-SBU	11/17/2009	Audit of USAID's Compliance with the Federal Information Security Management Act for Fiscal Year 2009	The National Institute of Standards and Technology issued requirements and guidance for contingency planning that require detailed procedures to restore information technology systems, including the identification and loading of recent secure backup media. However, contingency planning documentation for recovering AIDNet is not comprehensive and is missing key elements on information technology components, use of the latest backup media, and the point at which the Agency should recover data. Although we could not identify the root cause of the problem, USAID management stated that contingency planning activities were not funded or staffed for fiscal year 2009 because of budget constraints. Not having comprehensive contingency documentation in a contingency situation may result in security and operational deficiencies preventing successful restoration of a system to operational status.
M-000-09-004-P	09/30/2009	Millennium Challenge Corporation (MCC) Federal Information Security Management Act Fiscal Year 2009 Independent Audit	OIG contracted with an independent public accounting firm, Cotton & Company, LLP, to conduct an audit to determine whether MCC's information security program meets FISMA requirements for an agencywide information security program to protect MCC's information and assets. The audit disclosed that MCC's information security program does not meet all FISMA requirements. As a result, 22 recommendations were made to address the deficiencies. Three of the recommendations were the result of problems that had been identified in FISMA audits conducted in previous years. Cotton & Company did not feel that action taken had properly addressed the issues identified and advised that the recommendations be reopened.

**USAID OIG Undisclosed**  
**Performance Audits, Reviews, and Financial Audits, January 1, 2009 – April 30, 2010**

Report Number	Date	Report Title	Findings
M-000-09-002-S	09/30/2009	Limited Scope Review of Millennium Challenge Account (MCA)-Lesotho	The review verified that MCA-Lesotho had complied with both MCC's "Policies and Procedures for Common Payment System" and its own fiscal accountability plan. However, our review also identified numerous instances in which MCA-Lesotho's expenditures were not allowable, allocable, or reasonable per MCC's internal procedures. We identified questioned costs of \$159,244 at MCA-Lesotho for taxes paid of \$90,120, a luxury vehicle in the amount of \$51,789, business-class airfare of \$14,067, and travel per diem of \$3,268. We recommended that MCC recover any portion of the \$159,244 in questioned costs determined to be unallowable.
M-000-09-003-S	09/30/2009	Limited Scope Review of MCA-Cape Verde	The review identified unallowable travel expenditures; however, because the amounts were insignificant, we did not issue actionable audit recommendations. The results of the salary review, as well as other MCC countries, will be consolidated and issued in a future audit report.

**Undisclosed Financial Audits, April 1–30, 2010**

Report Number	Date	Report Title	Amount of Findings (\$)	Type of Finding*
0-000-10-019-T	04/01/2010	INMED Partnerships for Children, Inc., A-133 Audit Reports for Fiscal Years Ended December 31, 2008	17,500	UC
M-000-10-002-C	04/01/2010	Management Letter: Audit of the Millennium Challenge Corporation's Financial Statements for the Period Ending September 30, 2009, and 2008	0	
M-000-10-008-N	04/01/2010	Audit of the Millennium Challenge Corporation Resources Managed by Millennium Challenge Account-Nicaragua, Under the Compact Agreement Between the MCC and the Government of Nicaragua From January 1, 2009, to June 30, 2009	0	

\* UC -- Unsupported costs; IE -- Ineligible costs

**USAID OIG Undisclosed  
Financial Audits, January 1, 2009 – April 30, 2010**

<b>Report Number</b>	<b>Date</b>	<b>Report Title</b>	<b>Amount of Findings (\$)</b>	<b>Type of Finding*</b>
M-000-10-009-N	04/01/2010	Audit of the Millennium Challenge Corporation Resources Managed by Millennium Challenge Georgia Fund, Under the Compact Agreement Between the MCC and the Government of Georgia From January 1, 2009, to June 30, 2009	352,350	UC
4-617-10-024-R	04/22/2010	Recipient Contracted Close-Out Audit of USAID Resources Managed by the National Drug Authority, Under Cooperative Agreement No. 617-A-00-08-00010-00 for the Quality Assurance and Pharmacovigilance for Condoms and Anti-Retroviral Drugs Program for the Period March 6, 2008, to September 9, 2009	1,492	IE
4-674-10-023-R	04/22/2010	Recipient Contracted Audit of USAID Resources Managed by Olive Leaf Foundation 1989 Under Cooperative Agreements Numbered GPO-A-00-05-00007-00 and GPO-A-00-05-00014-00, as well as Subagreements Numbered 0X3102 and P3121A0009 for the 2-year Period Ended December 31, 2008	24,136	IE
			81,104	UC
M-000-10-011-N	04/23/2010	Audit of the Millennium Challenge Corporation Resources Managed by Millennium Challenge Account-Morocco, Under the Compact Agreement Between the MCC and the Government of Morocco From January 1, 2008, to December 31, 2008	0	
6-263-10-018-N	04/28/2010	Close-Out Financial Audit of USAID Resources Managed and Expenditures Incurred by the Ministry of Health and Population –Integrated Reproductive Health Services Project, USAID/Egypt Project Number 263-028.07/AO52, Element Number 3, Implementation Letter Number 2, for the Period From January 1, 2008, to September 30, 2009	3,984	IE
I-512-10-041-R	04/28/2010	Revised Report—Audit of the Grant Agreement No. 512-A-00-03-00027-00 Managed by World Wildlife Fund Brazil for the Period January 1, 2006, to September 30, 2007	27,847	IE
I-524-10-042-R	04/29/2010	Audit of the Fund Accountability Statement Under Cooperative Agreement No. 524-A-00-06-00005-00 for the “Proyecto Familias Unidas por su Salud-Fami Salud/USAID,” Managed by “Federación Red NicaSalud,” for the Period From April 1, 2008, to March 31, 2009	4,550	IE
			5,926	UC

\* UC – Unsupported costs; IE – Ineligible costs

**USAID OIG Undisclosed  
Financial Audits, January 1, 2009 – April 30, 2010**

<b>Report Number</b>	<b>Date</b>	<b>Report Title</b>	<b>Amount of Findings (\$)</b>	<b>Type of Finding*</b>
4-617-10-025-R	04/29/2010	Audit of USAID Resources Managed by Joint Clinical Research Centre Under Cooperative Agreement No. 617-A-00-04-00003-00 for the Year Ended June 30, 2009	178,614	IE
4-621-10-026-R	04/29/2010	Audit of USAID Resources Managed by the Ministry of Health and Social Welfare—Kigoma Zonal Training Centre Under the Strategic Objectives Grant Agreement No. 621-0011-01, Implementation Letters Nos. 12, 17, and 21 for the Period July 1, 2007, to June 30, 2009	15,262	UC
5-391-10-029-R	04/30/2010	Financial Audit of the Developing Non-Bankable Territories for Financial Services Program, USAID/Pakistan Cooperative Agreement No. 391-A-00-03-01011-00, Managed by Khushhali Bank, for the Year Ended December 31, 2008	65,652	IE
			24,282	IE
M-000-10-012-N	04/29/2010	Audit of the Millennium Challenge Corporation Resources Managed by Millennium Challenge Account-Lesotho, Under the Compact Agreement Between the MCC and the Government of the Kingdom of Lesotho From January 1, 2009, to June 30, 2009	0	

\* UC – Unsupported costs; IE – Ineligible costs



**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

<b>Closed Investigations, January 1, 2009 – April 30, 2010</b>				
<b>Case Number</b>	<b>Dates</b>	<b>Country</b>	<b>Allegation Summary</b>	<b>Case Outcome</b>
(b)(6)	03/12/2008 – 12/08/2009	Iraq	A local organization and an officer of that organization allegedly misrepresented the organization's status as a nongovernmental organization (NGO) to the U.S. Government and violated Iranian transaction regulations.	The investigation found that the organization's NGO status had been revoked by the local government, yet the organization continued to obtain U.S. Government contracts by misrepresenting its NGO status in contract proposals. On at least one occasion, the organization used USAID funds to sponsor a trade fair attended by Iranian businessmen. In addition, the organization's president paid a \$10,000 "fee" to a local government official in order to host a trade fair, possibly in violation of the Foreign Corrupt Practices Act (15 U.S.C. §§78dd-1, et seq.). The case was presented to the U.S. Attorney's Offices in Washington, DC, and Los Angeles, CA, for criminal prosecution. Both offices declined to prosecute.
	03/18/2008 – 1/29/2009	Iraq	A subcontractor to a USAID contractor was alleged to have overbilled the U.S. Government by using improper accounting methods.	The investigation did not uncover evidence of intentional overbilling.
	03/13/2008 – 02/12/2009	Iraq	A USAID contractor's employee was alleged to have solicited kickbacks from subcontractors.	OIG presented the case to U.S. prosecutors, but prosecutors ultimately declined the case when a key witness could not be found.
	03/31/2009 – 08/28/2009	Iraq	A USAID employee was alleged to have purchased products with Government funds and had them mailed to his/her home for personal use.	The allegation was not substantiated.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
	05/14/2009 – 03/23/2010	Iraq	USAID program recipients were allegedly required to pay kickbacks to local government officials cosigning on USAID-funded loans for small businesses and farmers.	The investigation found no wrongdoing on the part of local government officials.
	06/18/2009 – 03/18/2010	Iraq	OIG received a complaint regarding altered or counterfeit cards.	OIG referred the complaint to the Defense Criminal Investigative Service.
	07/28/2009 – 03/25/2010	Iraq	An employee of one firm allegedly offered to pay a bribe to an employee of another firm for proprietary bidding, financial, and billing information on a security subcontract with the prime implementer of a USAID program.	OIG presented the case to the U.S. Attorney's Office, which declined to prosecute because of the nationality of the subjects (United Kingdom).
	09/17/2009 – 01/12/2010	Iraq	A source alleged that a USAID contractor wasted taxpayer money and made false statements, and that conflicts of interest existed between a contractor employee and a USAID employee because of personal relationships.	The allegations were not substantiated.
	03/05/2008 – 03/22/2010	Jordan	A USAID contractor allegedly purchased and used equipment and vehicles that did not meet the USAID-funded contract's source and origin requirements and knowingly submitted false certificates to the Agency stating that the requirements had been met.	The investigation documented the allegations and the matter was referred to the Missouri State Attorney General's Office and the U.S. Attorney's Office in Connecticut. Both offices declined the case in favor of administrative action, which resulted in the issuance of a bill of collection for \$273,184 and savings of almost \$1.5 million in offsets of claims owed to the company.
	03/05/2008 – 12/01/2009	Egypt	A USAID employee allegedly submitted a travel voucher claiming attendance at a conference that he/she did not attend.	The investigation found the allegation to be true, and the employee was suspended for 45 days without pay.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(6)	03/11/2008 – 02/04/2010	Jordan	A USAID Foreign Service National (FSN) employee allegedly used his/her position to obtain discounted airfares for USAID personnel and then ordered travel agencies to bill USAID at higher rates.	The investigation substantiated the allegations and documented overcharges exceeding \$180,000. The case was initially accepted for criminal prosecution by the U.S. Attorney's Office and later declined because of its lack of jurisdiction over Jordanian citizens. OIG referred the matter to USAID for administrative action and the USAID employee was terminated.
	03/12/2008 – 12/01/2009	Egypt	A USAID employee allegedly directed a contact to a specific company, insisted that an evaluation team not point out critical findings, and intimidated team members.	The employee retired, and the contract was re-competed and awarded to a different company.
	05/18/2008 – 01/29/2009	Sudan	OIG received information that a USAID contractor may have financed project activities with unlawful funds, claimed leasing payments for housing that may have been purchased, made awards to subcontractors without competition or USAID approval, and that an accountant for the contractor may diverted program funds to him-/herself.	The OIG investigation did not uncover evidence that any crime had been committed.
	10/29/2008 – 08/25/2009	Jordan	USAID employees were allegedly using their positions to influence hiring, accepting gifts from USAID implementing partners, approving unjustified salary waivers, and hiring FSN employees at unjustified rates.	This investigation substantiated allegations involving salary waivers and employees' accepting gifts from USAID implementing partners. The employee misconduct allegations were documented and referred to the Agency for administrative action, but the Agency declined to take action.
	10/29/2008 – 03/08/2010	Egypt	A USAID contractor and one of its subcontractors allegedly overcharged USAID for several subcontract employees.	The investigation found that the salary charges were authorized.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(7)	10/29/2008 – 09/14/2009	Jordan	A USAID locally employed staff member allegedly misused his/her USAID computer by storing sexually explicit material in it.	The investigation confirmed that the employee had accessed, stored, and forwarded sexually explicit material using his/her USAID computer. The matter was referred to USAID management, and two personnel suspensions were issued.
	11/03/2008 – 03/29/2009	Egypt	A USAID employee had allegedly intimidated his/her spouse's supervisors, resulting in special treatment for the spouse.	The allegation was not substantiated.
	11/14/2008 – 02/02/2009	Jordan	A USAID employee allegedly overstated his/her salary from previous employers in order to negotiate a higher salary with USAID.	The investigation substantiated the allegations, and OIG referred the matter to USAID management.
	11/19/2008 – 01/29/2009	Lebanon	A USAID employee allegedly committed a funds control violation when issuing a cooperative agreement.	USAID OIG does not conduct preliminary inquiries into funds control allegations (USAID's Chief Information Officer has this responsibility), so this matter was closed.
	11/24/2008 – 06/24/2009	Egypt	A USAID program recipient allegedly submitted invoices to the State Department and USAID for the same services.	The allegation was not substantiated.
	12/11/2008 – 09/14/2009	Egypt	OIG received allegations that a USAID employee and a USAID contractor's employee had made false statements about a person's tax exempt status, engaged in inappropriate hiring practices, and made inappropriate charges to a Government-funded project.	The allegations were not substantiated.
	01/23/2009 – 08/07/2009	Morocco	A source alleged that a USAID contractor did not use competition in selecting a subcontractor and that the product provided by the subcontractor was already freely available.	The allegations were not substantiated.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(2)(a)	01/30/2009 – 06/04/2009	Egypt	OIG received information that a USAID employee may have made a false statement in his/her request for a payment waiver.	The allegation was not substantiated.
	06/25/2009 – 03/15/2010	Ethiopia	OIG received allegations that a USAID travel assistant may have been receiving kickbacks on airline tickets purchased for USAID employees and their families.	The allegations were not substantiated.
	06/26/2009 – 03/15/2010	Egypt	OIG received information that signatures on sign-in sheets for USAID-funded training sessions provided by a local grantee may have been duplicated.	The allegation was not substantiated.
	07/16/2009 – 02/23/2010	Sudan	OIG learned that a senior representative of a USAID contractor may have been debarred from receiving Federal funds.	OIG confirmed the allegation, and the contractor terminated the employee. The contractor conducted an audit to identify irregularities or improprieties that the senior representative may have perpetrated and found misuse of a project vehicle. The contractor credited USAID for associated costs.
	09/03/2009 – 03/04/2010	West Bank/ Gaza	A USAID subcontractor alleged that he/she had submitted a claim for work previously done on a USAID-funded project, but that the prime contractor had refused to pay him/her for this work.	USAID was not a party to agreements between the prime contractor and the subcontractor and no further action was taken by OIG.
	08/28/2009 – 03/15/2010	Ethiopia	USAID reported possible fraud by a senior representative of a USAID contractor. This individual allegedly rented vehicles for the program from a company he/she owned.	The allegation was not substantiated.
	09/03/2009 – 03/08/2010	Egypt	OIG learned of possible USAID employee misrepresentations related to travel and leave.	The allegation was not substantiated.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(6)	09/25/2009 – 03/08/2010	Ethiopia	USAID reported that food earmarked for free distribution was being sold in local markets.	The investigation revealed that program beneficiaries took possession of food supplies and then sold the supplies to local vendors. However, OIG lacked jurisdiction to investigate the program beneficiaries, and the allegation was forwarded to the USAID implementing partner.
	09/25/2009 – 03/15/2010	Ethiopia	USAID reported that bed nets purchased to combat malaria never reached their intended recipients.	The investigation found that the bed nets in question had not been purchased with USAID funds and raised doubts about the credibility of the complaint.
	12/07/2009 – 03/08/2010	Egypt	OIG received allegations that a USAID employee was dually employed, solicited gifts for friends, and engaged in other inappropriate practices.	The allegations were not substantiated, but OIG referred information on management practices related to the allegation to USAID managers for whatever action they deemed appropriate.
	02/08/2010 – 03/17/2010	Ethiopia	OIG auditors were not provided access to needed documentation by a USAID grant recipient.	OIG obtained needed information and it was incorporated into the final audit report.
	03/18/2010 – 04/09/2010	Lebanon	OIG received allegations that a USAID employee was giving the appearance of a conflict of interest through his/her friendship with USAID implementers.	The allegations were not substantiated, but the employee recused him-/herself from further decisions involving a subcontract related to the university that his/her son would be attending.
	03/11/2008 – 07/06/2009	United States	Employees of a USAID cooperative agreement recipient were alleged to have engaged in fraud in association with the purchase of photocopiers and paper supplies.	The investigation confirmed that employees of the cooperative agreement recipient failed to seek bids before buying copiers from a company owned by a former employee. The former employee overbilled the cooperative agreement \$64,000. He/she was later indicted for wire fraud and official misconduct.



**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	03/21/2008 – 03/25/2010	Iraq	OIG received allegations that an employee of a USAID contractor had a conflict of interest in related procurements and that the contractor had sought to conceal these conflicts of interest from USAID. In addition, the contractor was alleged to have inappropriately used USAID funds to purchase weapons, ammunition, and protective gear.	The investigation revealed the conflict-of-interest allegations to be founded, and the contractor's employee was terminated. However, the allegation that the contractor had intentionally concealed the conflict-of-interest matter from USAID was unfounded, and the contractor voluntarily reimbursed USAID for some inappropriately billed costs prior to the investigation. The investigation also found that a USAID employee had provided unsigned and altered versions of approval documents for the purchase of vehicles and that the vehicles were billed inappropriately, resulting in a \$1,052,000 bill of collection. The U.S. Attorney's Office declined to prosecute the matter.
	04/10/2008 – 05/11/2009	Iraq	A USAID contractor allegedly charged costs from unrelated commercial operations to its USAID contract. Key contractor personnel also allegedly conspired to purchase influence with local officials and to receive kickbacks from subcontractors.	OIG confirmed that the contractor had paid a subcontractor amounts in excess of the agreement and that the subcontractor had made payments to bank accounts controlled by key contractor personnel. OIG could not determine whether the payments had been used to bribe local officials or had resulted from subcontractor kickbacks.
	10/16/2008 – 08/21/2009	United States	OIG received information that a USAID employee may have submitted fraudulent vouchers while traveling under the scope of his/her employment.	The investigation revealed that the subject had erroneously submitted a duplicate receipt for reimbursement, but USAID noticed the double submission and did not pay the claim. Otherwise, the allegation was not substantiated.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(7)	12/31/2008 – 12/08/2009	United States	OIG received allegations that a USAID employee had made appearances before USAID in relation to “covered matters” while on leave-without-pay status from USAID and while under contract with the United Nations (UN). The complainant believed that the subject was representing the UN at meetings with USAID.	The case was presented to the U.S. Attorney’s Office, District of Columbia Criminal and Civil Divisions. Both divisions declined to prosecute the case.
	02/23/2009 – 04/30/2010	Ethiopia	OIG received allegations that two USAID employees had solicited kickbacks in exchange for the award of a contract.	The allegations were not substantiated.
	03/18/2009 – 12/07/2009	Nigeria	OIG received allegations involving false claims, theft, computer crime, employee misconduct, contract fraud, and false statements regarding billings made by a recipient of USAID funds.	The complainant rescinded the complaint and further investigation did not substantiate the original allegations. The complaint was referred to the USAID mission to take whatever administrative action it deemed necessary and appropriate.
	05/11/2009 – 12/07/2009	West Bank/ Gaza	OIG received a complaint regarding the evaluation of a bid for a USAID-funded grant.	This matter was referred to USAID for administrative handling.
	08/12/2009 – 12/04/2009	United States	OIG received allegations of systemic violations of Agency rules for granting compensatory time for travel.	OIG/Investigations referred the matter to OIG/Audit for audit consideration.
	08/12/2009 – 12/08/2009	South Africa	OIG received allegations that a firm misrepresented cost-proposal data to MCA-Lesotho, underpaid local staff, and engaged in a number of poor management practices.	The allegations were not substantiated.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	09/18/2009 – 03/23/2010	United States	OIG received an allegation that a retired USAID employee was working for an outside firm with a USAID blanket purchase agreement and was advising USAID staff on the management of the same purchase agreement.	The investigation revealed that the subject did not advise USAID on the management of purchase agreement with the firm and, therefore, no conflict of interest existed. However, the USAID retiree was listed as the chief of party for a task order under the purchase agreement while simultaneously working at USAID under a participating agency service agreement. The U.S. Attorney's Office declined to prosecute this matter.
	09/29/2009 – 10/30/2009	United States	OIG received a complaint that a USAID employee had been improperly considered for promotion.	The allegation was not substantiated.
	10/08/2009 – 03/23/2010	West Africa	OIG received an allegation that a USAID employee had inappropriately billed telephone expenses to FSN employees in order to collect funds to build a security wall for the mission.	The allegation was not substantiated.
	11/05/2009 – 01/05/2010	Ghana	OIG received a complaint about the mental stability of a USAID employee's spouse.	The matter was referred to USAID to handle as appropriate.
	11/23/2009 – 03/03/2010	West Bank/ Gaza	OIG received information alleging that USAID had built schools that incite children against Israel, and that the Agency did not examine school curricula or monitor assistance funds to prohibit access to terrorists.	OIG asked the USAID mission to review the information and notify OIG if its internal program review uncovered any potential fraud.
	12/08/2009 – 03/23/2010	Iraq	OIG received a complaint against two individuals from a USAID project who allegedly acted unprofessionally toward another employee, the complainant.	The complaint involved management issues, not matters involving criminal wrongdoing, and was declined for investigation.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	03/13/2008 – 03/24/2009	Zimbabwe	OIG received a complaint alleging the theft of \$9,000 in checks by a USAID employee.	OIG's investigation showed that the employee had cashed checks for \$11,000 at the USAID mission but closed the account on which the checks were to draw before the funds could be collected by USAID. The employee made payment in full for this amount.
	03/20/2008 – 08/10/2009	Sierra Leone	OIG received information that two employees of a USAID award recipient received death threats after they had uncovered potential fraud.	The death threats were reported to local authorities and the U.S. Embassy. Subsequent investigative and audit activity estimated fraud diversions with an estimated value of \$21,839.52. A bill of collection was issued for the losses, and the suspected perpetrators were terminated by the award recipient.
	06/30/2008 – 06/18/2009	South Africa	OIG received allegations that key staff of two USAID cooperative agreement recipients had embezzled funds through a financial accounting scheme.	OIG undertook a joint investigation with South Africa's Department of Special Operations, but the allegations were not substantiated.
	08/12/2008 – 04/27/2010	South Africa	OIG received an allegation that a USAID employee had fraudulently collected separate maintenance allowance after being legally separated from his/her spouse.	OIG's investigation confirmed that the employee had inappropriately received more than \$14,000 in allowances. The U.S. Attorney's Office, District of Columbia, prosecuted the case, and the subject pleaded to making a false claim. The employee was sentenced to 1 year of probation and agreed to pay more than \$14,000 in restitution. OIG referred the matter to USAID for suspension and debarment consideration.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(6)	10/16/2008 – 06/02/2009	Kenya	OIG received a report that a USAID cooperative agreement recipient had falsified reports of its program accomplishments, submitted false and inappropriate claims for expenses, and misrepresented performance information.	The investigation revealed that the cooperative agreement recipient had incorrectly reported information regarding program accomplishments and improperly billed for activity. The matter was referred to the mission for administrative handling.
	10/29/2008 – 01/30/2009	United States	OIG received an allegation that a recipient of USAID funds had violated procurement policy by unilaterally approving and disbursing funds for a new office building and may have subsequently embezzled the money.	The recipient of USAID funds received them through a World Bank grant. USAID OIG does not have authority over funds provided to World Bank grantees.
	10/29/2008 – 01/23/2009	Senegal	OIG received an allegation of a potential conflict of interest on the part of a USAID FSN employee in the process of identifying and contacting potential USAID grant recipients.	OIG's investigation found that the USAID mission had failed to follow proper competitive procedures in soliciting and recommending concept papers. The FSN was suspended for 3 days without pay.
	10/29/2008 – 01/29/2009	Liberia	OIG received information that 13,000 insecticide-treated nets were missing from a health facility.	The matter was referred to the Liberian National Police. As a result of the investigation, the Liberian national responsible for the custody of the insecticide-treated nets was suspended.
	12/16/2008 – 04/20/2009	Kenya	OIG received information that a USAID award recipient had overspent funds during its first year on a USAID project and may not have been able to subsequently complete intended project activities without sacrificing performance.	The matter was referred to OIG/Audit.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
	01/30/2009 – 06/02/2009	Zimbabwe	OIG received information that a USAID employee allegedly used U.S. Government funds to engage in a currency exchange scheme by submitting false invoices for local procurements.	The U.S. ambassador prohibited OIG from working with local police and a U.S. prosecutor declined to prosecute. The matter was referred to the mission for administrative handling. The employee was fired and more than \$32,000 in severance pay was withheld in partial payment for the theft.
	12/09/2009 – 01/14/2010	Nigeria	OIG received an allegation regarding an NGO in Nigeria. Someone claiming to be an American was reportedly falsely representing the NGO as a USAID-sponsored organization and attempting to defraud states across Nigeria by collecting funds. Neither the NGO nor the individual allegedly making these claims had a contractual relationship or any other affiliation with USAID.	The matter was referred to the Nigerian Police Force.
	03/03/2008 – 11/06/2009	United States	OIG received information that a USAID employee may have shown favoritism toward a USAID contractor and approved unallowable costs for it. The employee had allegedly approved incorrect time and attendance costs, allowed the issuance of cell phones to contractors unnecessarily, and approved inappropriate charges. In addition, the employee may have had a personal relationship with the contractor's foreperson.	The investigation confirmed misuse of a Government vehicle, an appearance of conflict of interest, and failure to protect source selection information. The matter was referred to USAID for administrative action. The Agency reduced the mandatory penalty of 30 days' suspension for misuse of a Government vehicle to a letter of reprimand.



**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(7)	03/05/2008 – 03/31/2009	United States	OIG received information that a firm may have committed fraud by misrepresenting its financial statements while bidding on a position in Burkina Faso associated with the MCA Threshold Program.	The investigation revealed that the firm had forged financial statements submitted in support of its bid. The president of the firm admitted to inflating the firm's past performance and falsifying references. This case was presented to the U.S. Attorney's Office, Northern District of Illinois, and was declined.
	03/04/2008 – 02/17/2009	Dominican Republic	OIG received information that a USAID employee allegedly watched sexually explicit material using Government equipment.	A forensic examination of the employee's computer did not uncover evidence of child pornography, although the employee admitted to Agency and OIG officials that he/she had visited inappropriate Web sites using an office computer. Agency officials permitted the employee to retire during the investigation without notifying OIG.
	03/13/2008 – 03/09/2010	Peru	OIG received information that a contractor's employees may have exaggerated the effectiveness of its program, thus making the contractor eligible to receive a \$5 million award for achieving performance targets.	The investigation substantiated the allegations. The matter was referred to the U.S. Attorney's Office, District of Columbia, but it was declined. Two contractor employees resigned and USAID recovered \$446,117.
	05/15/2008 – 04/15/2009	Kazakhstan	This case was opened to document proactive efforts to develop investigative leads in the Central Asian Republics.	OIG conducted fraud awareness briefings in the region but no substantive leads emerged.
	07/01/2008 – 06/02/2009	United States	OIG received information that a USAID employee had failed to notify the Agency that funds had been erroneously deposited into his/her account.	The allegation was proven and the employee was suspended without pay for 5 days.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(6)	07/03/2008 – 03/04/2009	United States	OIG received information that an employee of USAID grantee had purchased unauthorized items with grant funds.	The allegation was substantiated, but the loss was below the dollar threshold for U.S. Attorney's Office prosecution. USAID suspended performance activities of the grantee.
	10/09/2008 – 02/18/2009	United States	OIG received information that a USAID employee had been seen giving unauthorized individuals access to an area containing sensitive information on USAID employees.	The investigation substantiated the allegation, and the matter was referred to Agency management. The USAID employee was verbally admonished.
	11/14/2008 – 09/22/2009	United States	OIG received information that a retired employee may have violated postemployment restrictions by working for the same USAID award recipient with whom he/she worked as a Foreign Service officer less than 12 months earlier.	As the retired employee worked under a cooperative agreement recipient, postemployment restrictions did not apply.
	11/14/2008 – 11/12/2009	United States	This matter was opened as a proactive initiative to determine whether contractors under investigation by the Defense Criminal Investigative Service were also doing business with USAID. OIG planned to review corresponding records to determine whether any of these contractors were engaging in questionable activity at USAID.	This initiative was closed because of a lack of personnel resources.
	12/11/2008 – 04/16/2009	Bosnia	OIG received information that a local employee of a USAID award recipient may have misused USAID funds.	The award recipient conducted its own internal investigation and found that one of its employees stole approximately \$22,000 in USAID funds. The company terminated the employee and refunded USAID.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

Case	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	12/29/08 – 3/24/2009	United States	OIG received information that an employee may have manipulated the Agency's time and attendance system to adjust leave requests.	The investigation did not substantiate the allegation, but it revealed poor time and attendance practices. OIG informed Agency management of these findings in a management implication memorandum.
	02/05/2009 – 02/27/2009	United States	A terminated USAID subgrantee allegedly kept a laptop computer and documents, and maintained control of a Web site.	OIG learned that the alleged wrongdoing occurred between the grantee and subgrantee. OIG did not pursue the matter because the associated grant had been closed out for more than 2 years.
	03/06/2009 – 11/06/2009	Armenia	This case was opened to document proactive efforts to develop investigative leads on possible travel voucher fraud by USAID FSN employees.	Fraud awareness briefings were conducted but produced no substantive leads; therefore, this case was closed.
	03/13/2009 – 03/23/2010	United States	OIG received information that a USAID award recipient had lied to Federal auditors about the destruction of documents relating to four USAID-funded contracts.	OIG's investigation found that documents that allegedly had been destroyed were in USAID possession. The matter was declined for criminal prosecution on by the U.S. Attorney's Office for the District of Columbia.
	12/22/2008 – 06/24/2009	West Africa	OIG received an allegation that a company used to offload food shipments to West Africa levied unexplained, excessive charges on USAID grantees.	The investigation found that USAID (through the grantee) did not pay additional fees, and no harm or loss occurred.
	06/19/2009 – 12/08/2009	Pakistan	OIG received an allegation of kickback solicitation in the Federally Administered Tribal Areas.	This case file is closed but the allegation will continue to be worked under case number <span style="border: 1px solid black; padding: 0 5px;">33</span>

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

<b>Case Number</b>	<b>Dates</b>	<b>Country</b>	<b>Allegation Summary</b>	<b>Case Outcome</b>
(b)(2)	06/19/2009 – 12/08/2009	Pakistan	OIG received information alleging the misappropriation of funds, favoritism and preferential treatment in hiring, termination of staff who questioned alleged fraudulent activity, theft of program equipment, solicitation of kickbacks and bribes, and embezzlement of funds in the Federally Administered Tribal Areas.	This case file is closed but the allegation will continue to be worked under case number (b)(2)
	03/07/2008 – 01/30/2009	Philippines	A USAID contractor's employee allegedly selected a specific supplier, bypassing less expensive suppliers, in exchange for a kickback.	The investigation disproved the allegation but uncovered a pattern of abuse by the employee, including manipulation of biodata sheets, submission of nonallowable expenses, inappropriate relationships with vendors, and receipt of gratuities. The investigation led to the resignation of the employee, recovery of \$16,591, and the individual's suspension from Federal procurements for 3 years.
	05/30/2008 – 01/30/2009	Philippines	A bidder on a USAID subcontract reportedly received emails soliciting kickbacks during the subcontract selection process.	The investigation confirmed that an employee of a USAID contractor solicited the kickback. The employee was terminated, the procurement action was canceled, and the employee was suspended from Federal procurements for a period of 3 years. The investigation uncovered other problems, which resulted in systemic changes by USAID and the contractor and the termination of two senior representatives of the contractor.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

<b>Case Number</b>	<b>Dates</b>	<b>Country</b>	<b>Allegation Summary</b>	<b>Case Outcome</b>
(b)(2)	06/09/2008 – 12/17/2009	Kyrgyz Republic	A USAID grantee allegedly billed the Agency for work for which it had already billed the State Department and paid its employees significantly less than the amount it had claimed to have paid them on vouchers and budget estimates. Further, individuals associated with the grantee allegedly used USAID funds for personal use and did not adequately fund related projects.	This investigation could not substantiate the allegations in time to meet the statute of limitations deadline.
	06/25/2008 – 04/29/2009	Philippines	OIG received information that an MCA Threshold Program contractor may have favored certain vendors and taken steps to ensure that his/her preferred vendors won awards. Contractor employees were also accused of receiving kickbacks from vendors.	The investigation confirmed the allegations and uncovered additional suspects. Results of the investigation included a recovery of \$1,539 and three suspensions from doing business with the Federal Government. The matter was referred to the Philippine National Bureau of Investigation.

**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

<b>Case Number</b>	<b>Dates</b>	<b>Country</b>	<b>Allegation Summary</b>	<b>Case Outcome</b>
(b)(2)	08/01/2008 – 05/14/2009	Uzbekistan	OIG received information that a USAID award recipient's operation was rife with illegal activities, such as paying bribes, maintaining two sets of books, reporting salaries inaccurately, and destroying documents.	A senior representative of the award recipient admitted to paying a \$1,000 bribe (of his/her own money) to a local tax inspector to avoid paying a fine. However, the investigation found no indication that the award recipient had defrauded USAID or otherwise misled the Agency about spending or project implementation. Officials indicated that the local government limited the effective operation of NGOs. By maintaining a second set of books, NGOs were able to appease local officials. This activity was not condoned or encouraged by USAID, but the Agency did not actively disallow it either. This matter was declined for prosecution by the U.S. Department of Justice for the District of Columbia. The award recipient took corrective action to address previous issues and prevent conditions that facilitated inappropriate behavior.
	08/27/2008 – 06/12/2009	Afghanistan	OIG received information that a collusive relationship might exist between a USAID contractor's employee and sales representatives of another firm bidding on a USAID subcontract.	The allegations were not substantiated.
	08/28/2008 – 08/21/2009	Afghanistan	OIG received reports of poor project management and performance, governance, and financial controls on the part of a recipient of a \$17 million subagreement from a USAID grantee.	As this matter pertained to project management, it was referred to the mission for further action.



**USAID OIG**  
**Closed Investigations, January 1, 2009 – April 30, 2010**

<b>Case Number</b>	<b>Dates</b>	<b>Country</b>	<b>Allegation Summary</b>	<b>Case Outcome</b>
(b)(4)	12/08/2008 – 09/22/2009	Afghanistan	The operations of a subgrantee to a USAID award recipient were reportedly subject to approximately \$2 million in fraud because of poor client verification.	The investigation confirmed an initial loss of almost \$2 million in USAID funds, most of which the subgrantee was able to recover. The investigation also found that income generated from the subgrantee's project activities was being used to finance monthly operating expenses contrary to the terms of the USAID agreement with the primary award recipient. This matter was referred to USAID to take whatever action it deemed appropriate.
	04/15/2009 – 08/10/2009	Afghanistan	Pursuant to the investigation of a USAID cooperative agreement, OIG determined to conduct an inspection of the cooperative agreement recipient's construction projects funded by USAID.	The inspection did not uncover further wrongdoing.
	10/17/2008 – 02/27/2009	Colombia	An employee of a USAID cooperative agreement recipient allegedly directed small grants to family members, submitted false travel vouchers, sought reimbursement for vacations and other unofficial travel, made numerous long-distance personal calls, and authorized cash advances for expenses not associated with the program.	The investigation resulted in the termination of the employee.
	11/07/2008 – 08/10/2009	Peru	OIG received information that a contractor's employee gave consulting subcontracts to his/her spouse without competition.	The allegations were not substantiated.
	02/05/2009 – 05/13/2009	Dominican Republic	A USAID employee allegedly required USAID motor vehicle vendors to pay him/her a kickback in order to repair USAID vehicles.	The investigation confirmed the allegations, two USAID employees were terminated, and \$9,605 in restitution was obtained.





*Office of Inspector General*

JAN 18 2011

The Honorable Tom Coburn  
U.S. Senate  
Washington, DC 20510

Dear Senator Coburn:

Enclosed please find the U.S. Agency for International Development Office of Inspector General's report on actions not disclosed to the public, as requested by your April 8, 2010, letter.

From May 1, 2010, to September 30, 2010, we completed 37 audits, evaluations, reviews, and investigations that were not disclosed to the public. The enclosed report provides summary information about each of these activities.

Thank you for your interest in our work. If you or members of your staff have any questions or would like additional information, please contact me or Dona M. Dinkler, Chief of Staff, at 202-712-1150.

Sincerely,

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

Donald A. Gambatesa  
Inspector General

Enclosure

cc: Senator Carl Levin, Chairman, Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs

U.S. Agency for International Development  
1300 Pennsylvania Avenue NW  
Washington, DC 20523  
[www.usaid.gov/oig](http://www.usaid.gov/oig)

**USAID OIG**  
**Undisclosed Performance Audits, Reviews, Financial Audits, and Investigations**  
**May 1–September 30, 2010**

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The U.S. Agency for International Development (USAID) Office of the Inspector General (OIG) conducts performance audits, reviews, financial audits, and investigations. These activities are subject to different OIG disclosure practices.

*Performance Audits and Reviews.* We post most of our completed performance audits, reviews, and surveys on our Web site (<http://www.usaid.gov/OIG/>); products that contain sensitive information are not posted on the Web. From May 1, 2010, to September 30, 2010, we issued three performance audits that were not published on our Web site. The following pages provide summary information on these reports and their findings.

*Financial Audits.* In most cases, we do not post financial audits on our Web site because they include proprietary information related to the entities that are the subject of the audit. Nevertheless, we report on these financial audits in our semiannual reports to Congress ([http://www.usaid.gov/oig/public/semiann/semiannual\\_recent.htm](http://www.usaid.gov/oig/public/semiann/semiannual_recent.htm)) noting each of their findings. Because we have already reported on these audits, we have not included information about them in the following pages.

*Investigations.* We provide information on closed administrative, civil, and criminal investigations in semiannual reports to Congress and in press releases (<http://www.usaid.gov/oig/pressreleases.htm>). From May 1, 2010, to September 30, 2010, we closed 34 investigations which we did not disclose. The following tables contain information on those investigations.

The enclosed submission is designated “Controlled Unclassified Information (CUI)” pursuant to Executive Order 13556 dated November 4, 2010, and “Law Enforcement Sensitive (LES).” CUI information includes unclassified information that requires safeguarding or dissemination controls pursuant to and consistent with applicable laws, such as The Privacy Act and the Freedom of Information Act. The LES designation is used for unclassified information of a sensitive and proprietary nature that if disclosed could cause harm to law enforcement activities by jeopardizing investigations, compromising operations, or causing life-threatening situations for confidential informants, witnesses, or law enforcement personnel.

**USAID OIG Undisclosed  
Performance Audits and Reviews, May 1–September 30, 2010**

<b>Performance Audits and Reviews, May 1–September 30, 2010</b>			
<b>Report Number</b>	<b>Date</b>	<b>Report Title</b>	<b>Findings</b>
5-386-10-001-O	05/28/2010	Report on Agreed-Upon Procedures Performed on Local Expenditures and Systems Review of Resources Managed by TCG International LLC (TCGI) to Implement the Financial Institution Reform and Expansion – Debt Market (FIRE-D) Project, USAID/India Contract No. 386-C-00-04-0119, for the Period from June 1, 2004 to September 30, 2008	The review identified internal control issues with the \$10.92 million FIRE-D Project, including issues with cash payments of travel and salary reimbursements and other direct costs, the lack of a documented cash withdrawal policy, the recording of expenses under the wrong account, and insufficient controls in the authorization of expenses and cash payments. The report also questioned \$752,541 in program costs and made two recommendations to address these issues.

**USAID OIG Undisclosed**  
**Performance Audits and Reviews, May 1–September 30, 2010**

<b>Report Number</b>	<b>Date</b>	<b>Report Title</b>	<b>Findings</b>
M-000-10-003-P	07/09/2010	Audit of the Millennium Challenge Corporation's Implementation of Key Components of a Privacy Program for its Information Technology Systems	The Millennium Challenge Corporation (MCC) had not implemented key components of its privacy program, and there was a risk that individuals' privacy may have been violated in some instances. MCC did not develop comprehensive privacy policies and procedures (including assignment of key roles and responsibilities), develop or implement comprehensive privacy training, or monitor privacy activities. MCC's chief privacy officer did not have the authority to implement an effective privacy program. The audit made 16 recommendations to correct these weaknesses.
M-000-10-004-P	08/31/2010	Audit of the Millennium Challenge Corporation's Compliance with Provisions of the Federal Information Security Management Act for Fiscal Year 2010	MCC generally implemented information system security controls to meet FISMA requirements and had continued to make progress in complying with other FISMA requirements. However, the audit found network vulnerabilities and a need for strengthening personnel security and system and service acquisition controls. In addition, it noted a need for more access controls and monitoring of portable and mobile devices and room for improvement in documentation and reporting. The report made 11 recommendations to address related deficiencies.

**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

<b>Closed Investigations, May 1–September 30, 2010</b>				
<b>Case Number</b>	<b>Dates</b>	<b>Country</b>	<b>Allegation Summary</b>	<b>Case Outcome</b>
(b)(2)	10/02/2008 – 05/07/2010	Jordan	OIG received information that a USAID employee may have misused his position by influencing the hiring of his spouse.	The investigation did not uncover evidence to substantiate the allegations. However, the employee intentionally provided false statements to investigators. Therefore, OIG referred the matter to the U.S. Department of Justice (DOJ) for criminal prosecution, but the case was declined. OIG also referred the matter to USAID's Office of Human Resources, but the office declined to take administrative action.
	10/15/2009 – 05/12/2010	United States	OIG received allegations that a USAID employee may have used his official position in ways that compromised other employees' banking and personally identifiable information within the National Finance Center (NFC) system. The subject may have also stolen money from a USAID employee's bank account.	Allegations regarding the subject were not substantiated. However, OIG recommended that USAID reduce Management Bureau access to NFC applications to personnel with a need to know.

**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	09/22/2009 – 05/12/2010	Kazakhstan	A USAID contracting officer allegedly used the assistance of a large USAID contractor to obtain two visas in his personal passport—a possible conflict of interest—to conduct charitable work.	The investigation revealed that the subject used both visas to conduct charitable work while he was still employed by USAID. The investigation also found that the subject encouraged USAID contractors to make donations to charities he endorsed and permitted a contractor to assist him with personal errands. OIG referred the matter to USAID's Office of Human Resources, which declined to take action.
	03/05/2008 – 05/25/2010	Egypt	A USAID employee allegedly submitted a travel voucher for a conference that he did not attend.	The allegations were confirmed. The matter was referred to DOJ, but prosecution was declined. The subject reimbursed USAID for \$1,325 and received a 45-day suspension.
	03/05/2008 – 05/26/2010	Jordan	OIG received allegations that a USAID subcontractor intentionally purchased materials and equipment that did not meet USAID source/origin regulations and misrepresented its compliance with these regulations. This could have the effect of allowing the subcontractor to underbid its competitors, because material and equipment from restricted countries could be of a lower cost than materials and equipment from allowable countries.	The allegations were confirmed. The matter was referred to DOJ, which declined the case civilly and criminally. USAID issued a bill of collection to the subcontractor for \$273,184 and saved \$1,454,536 in monies not spent.



**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	02/26/2010 – 06/07/2010	Egypt	OIG received allegations of fraud, misrepresentation, and mismanagement in connection with an Agency subcontract.	The allegations were combined with a related, ongoing investigation and this case was closed.
	02/05/2009 – 06/16/2010	Afghanistan	OIG received allegations that employees of a USAID contractor were directing subcontracts to family-owned businesses, receiving kickbacks, violating the False Claims Act, and violating procurement integrity regulations.	The investigation confirmed the allegations. OIG referred the matter for prosecution, but DOJ declined. The contract was terminated, as was a contract employee, at a savings of \$29,300,000.
	12/02/2009 – 06/23/2010	Egypt	OIG received allegations that a USAID employee submitted fraudulent travel vouchers for reimbursement.	The allegations were not substantiated and the case was closed.
	11/05/2009 – 06/23/2010	West Bank/ Gaza	OIG received allegations that a request for proposal issued by a USAID implementing partner was inappropriately structured to direct the resulting bid to select companies.	The allegations were not substantiated and the case was closed.
	05/25/2010 – 06/30/2010	Jordan	A subcontractor reported that a USAID implementing partner had misrepresented the terms of its arrangement and was not complying with the benefits and support terms of its subcontract.	The allegations were not substantiated and the case was closed.

**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	11/5/2009 – 07/09/2010	Ghana	OIG received a complaint that a personal services contractor improperly influenced USAID technical evaluation committee members to provide the highest score to a specific bidder for a USAID-funded task order.	The complainant was unable to provide any additional information to support the allegation. However, USAID established a new committee to review the same bids. The new committee selected the same entity for the award as had the previous committee.
	06/22/2010 – 07/23/2010	Lesotho	A complainant alleged mismanagement and misuse of public funds for an MCC project to build a health center in Lesotho. The Lesotho Government set a completion date of June 2010; however, the project had not been completed.	OIG declined to investigate this matter, but OIG's MCC office conducted an independent review and did not uncover mismanagement or misuse of public funds.
	11/03/2008 – 08/06/2010	Egypt	OIG received an allegation that a senior manager in USAID's mission in Egypt may have used his position to influence subordinates to hire and provide special treatment to the spouse of another USAID manager.	The investigation disproved the allegations. Interviews of witnesses and review of documents revealed no wrongdoing on the part of the senior manager.
	07/17/2009 – 08/11/2010	Egypt	OIG conducted proactive investigative work to combat the solicitation and receipt of kickbacks by subcontractors on USAID-funded activities in Africa and the Middle East.	This proactive case was administratively closed due to other investigative priorities.

**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	05/14/2009 – 08/12/2010	Iraq	OIG received information that a corporation receiving USAID funding to construct a water treatment facility in Iraq may have falsely certified that completed work met contract specifications.	Interviews and documentation did not adequately identify and quantify the items that may have been falsely certified as completed to contract specifications. Consequently, the investigation could not substantiate the allegation.
	09/29/2009 – 08/16/2010	Iraq	A former USAID supervisor allegedly attempted to hide information about the theft of government laptops, had an unqualified individual prepare the statement of work for construction that was later subject to major structural failure, and that either he or another USAID employee had received a \$50,000 bribe to award a contract to another contractor.	The investigation disproved the allegation regarding theft of government laptop computers and could not substantiate the claim that a USAID employee received a bribe. The allegation pertaining to the former USAID supervisor having unqualified individuals prepare a flawed statement of work for construction activities is currently being investigated under a separate case number.
	04/06/2010 – 08/18/2010	Egypt	OIG received an allegation that a USAID employee in Egypt had mismanaged and wasted federal funds, committed funds control violations, lacked transparency and judgment, wasted and misused federal funds, and committed other administrative violations.	Interviews and reviews of pertinent information did not reveal criminal wrongdoing. The matter was referred to the USAID mission director, who, with the mission controller, directed a file review and found no evidence of a funds control violation. The mission director also talked with the employee and provided her feedback on her management style.

**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	04/20/2010 – 08/20/2010	Democratic Republic of the Congo	USAID employees at post were reportedly pressured to donate money for the Foreign Service National (FSN) Christmas party and other FSN events. In addition, employees were allegedly pressured to make donations for a farewell gift for a senior embassy official at post.	During an interview, the complainant, who requested confidentiality, indicated that the requests for donations had ceased. OIG forwarded the matter to the Department of State OIG for review.
	03/11/2008 – 08/27/2010	United States	OIG received information regarding an alleged conspiracy to defraud USAID via an 8(a) contract. The firm was to act as a 'pass through' for another entity without performing any work and would receive compensation for doing so. The firm's president alleged that he was also coerced into hiring a government employee's boyfriend in exchange for a future \$12 million USAID contract.	Interviews and document reviews revealed evidence of a conspiracy to defraud the government by employees of USAID and another agency. The USAID representative involved in the matter resigned. The other agency's OIG is still investigating. The case was presented to the U.S. Attorney's Office for the Eastern District of Virginia and declined for prosecution.
	03/06/2008 – 09/01/2010	Iraq	OIG received information that an employee of a USAID contractor illicitly awarded subcontracts, misallocated project funds, and converted funds to personal use.	The contractor's employee was convicted of fraud, sentenced to 33 months in prison, debarred from future federal contracts, and fined \$150,000.

**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	09/05/2008 – 09/01/2010	Afghanistan	OIG received information that four current or former USAID procurement specialists and one deputy executive officer employee committed fraud by demanding kickbacks from vendors, conspiring to inflate equipment costs and sharing the profits between them, accepting payments from subordinate employees who were scamming the procurement process, and terminating employees who stopped paying the required fees.	The investigation substantiated the allegations involving two procurement specialists, did not substantiate allegations against a third one, and disproved allegations against the fourth. Also, the allegations against the deputy executive officer could not be substantiated.  One of the procurement specialists resigned in lieu of termination and another received a reprimand. Several purchase orders negotiated by the subject(s) were cancelled, which resulted in a savings to USAID of over \$500,000. The case was presented to Afghan authorities, but it was eventually declined for prosecution due to the low dollar amount involved.
	07/28/2010 – 09/02/2010	Philippines	OIG received information that a USAID employee had violated embassy housing regulations by allowing nonfamily members who were not Americans to stay in government-leased housing while on home leave.	The investigation confirmed that the employee had violated embassy housing regulations. The matter was referred to the mission director, who discussed the situation with the employee and strongly advised her to learn USAID's rules and regulations.

**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	05/20/2010 – 09/07/2010	Iraq	A USAID contractor voiced concerns that an employee it had terminated did not disclose his termination in the application process with another contractor and might apply for a position with USAID without disclosing the termination.	The investigation did not identify any instances in which the individual applied for any subsequent positions or provided false information to USAID.
	06/03/2010 – 09/09/2010	Iraq	OIG received a referral indicating that contract employees' signatures on their salary receipts did not match signatures on their monthly time sheets.	The investigation found some discrepancies between documents, but none of the documents were signed with fraudulent intent and evidence of financial gain by any of the contract employees was absent.
	03/19/2008 – 09/17/2010	Jordan	OIG received several allegations of improprieties involving the awarding and execution of a contract for a construction project in Jordan.	The investigation determined that the company which awarded the contract made false statements on its prequalification application. The case was presented to the U.S. Attorney's Office, District of Connecticut, and was declined criminally but accepted civilly, resulting in a settlement agreement with the company for \$800,000.
	09/09/2010 – 09/17/2010	Liberia	OIG received information alleging fraud or misconduct involving a project, to include the award of the contract to a firm with a bid that was nearly \$6 million higher than a competing bidder.	The investigation did not uncover any evidence of impropriety in the award process.

**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	04/20/2010 09/21/2010	United States	OIG received an allegation of misconduct against an MCC supervisor involving claims of discrimination against African-American employees.	This matter was referred to the USAID's Equal Employment Opportunity Office.
	07/02/2010 09/21/2010	Haiti	OIG received an allegation of theft of government property and procurement irregularities concerning the Facilities Management Division at the U.S. Embassy in Haiti.	This matter was referred to the U.S. Department of State Office of Inspector General, as the allegation involved State Department funds and employees.
	10/08/2009 09/21/2010	Nigeria	OIG learned that a USAID implementing partner had uncovered fraud on the part of two of its local employees.	The investigation revealed that the USAID implementing partner had terminated the two local employees and credited \$200,000 in funds the employees had stolen back to USAID. No further investigation was required.
	11/25/2009 09/23/2010	Ghana	OIG received information that a company in Ghana was allegedly using USAID's tax identification number to import vehicles without paying customs duties and taxes.	The investigation found that there had been no loss of USAID funds. No information was obtained that substantiated the allegation.
	12/07/2009 09/24/2010	Bangladesh	A local company whose cooperative agreement with USAID was near completion was allegedly engaging in financial improprieties.	OIG investigators found indicators of possible price manipulation and recommended that a financial audit be performed. Depending upon the audit findings, OIG/Investigations will reevaluate the need for further investigative work and, if appropriate, reopen the case.

**USAID OIG**  
**Closed Investigations, May 1–September 30, 2010**

Case Number	Dates	Country	Allegation Summary	Case Outcome
(b)(2)	07/14/2009 – 09/25/2010	Sudan	OIG received information that a USAID employee submitted a fraudulent travel voucher.	The investigation substantiated the allegation and USAID terminated the employee. The subject was prosecuted by DOJ, pleaded to one count of making a false statement, and was sentenced to 1 year of probation.
	01/12/2010 – 09/28/2010	Iraq	OIG received information that a company contracted by USAID in Iraq was overbilling its time and charging for ghost employees.	There was no evidence discovered to support the allegations and the case was closed.
	03/18/2010 – 09/28/2010	Lebanon	OIG received an allegation that the USAID office in Lebanon did not follow established antiterrorism measures in vetting a contractor.	The allegation was disproven and the case was closed.







*Office of Inspector General*

**MAY 30 2012**

The Honorable Tom Coburn  
U.S. Senate  
Washington, DC 20510

Dear Senator Coburn:

I am writing in response to your letter of April 8, 2010, requesting biennial reports on investigations, evaluations, and audits conducted by our office that were not disclosed to the public.

From October 1, 2011 to March 31, 2012, USAID OIG did not issue any performance audits or reviews that were not disclosed to the public. OIG's financial and Federal Information Security Management Act (FISMA) audit reports are disclosed in our semiannual report to Congress covering October 1, 2011 through March 31, 2012. Lastly, the OIG closed 72 investigations in the first half of fiscal year 2012 and the enclosure to this letter provides specific information about these investigations.

Thank you for your interest in our work. If you or members of your staff have any questions or would like additional information, please contact me or James Charlifue, Chief of Staff, at 202-712-1150.

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



Michael G. Carroll  
Deputy Inspector General

Enclosure

cc: Senator Carl Levin, Chairman, Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs

U.S. Agency for International Development  
1300 Pennsylvania Avenue NW  
Washington, DC 20523  
[www.usaid.gov/oig](http://www.usaid.gov/oig)



Office of Inspector General

MAY 30 2012

The Honorable Charles E. Grassley  
U.S. Senate  
Washington, DC 20510

Dear Senator Grassley:

I am writing in response to your letter of April 8, 2010, requesting biennial reports on investigations, evaluations, and audits conducted by our office that were not disclosed to the public.

From October 1, 2011 to March 31, 2012, USAID OIG did not issue any performance audits or reviews that were not disclosed to the public. OIG's financial and Federal Information Security Management Act (FISMA) audit reports are disclosed in our semiannual report to Congress covering October 1, 2011 through March 31, 2012. Lastly, the OIG closed 72 investigations in the first half of fiscal year 2012 and the enclosure to this letter provides specific information about these investigations.

Thank you for your interest in our work. If you or members of your staff have any questions or would like additional information, please contact me or James Charlifue, Chief of Staff, at 202-712-1150.

(b)(6)



Michael G. Carroll  
Deputy Inspector General

Enclosure

cc: Senator Max Baucus, Chairman, Committee on Finance

U.S. Agency for International Development  
1300 Pennsylvania Avenue NW  
Washington, DC 20523  
www.usaid.gov/oig

**USAID OIG**  
**Undisclosed Performance Audits, Reviews, Financial Audits, and Investigations**  
**October 1, 2011–March 31, 2012**

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The U.S. Agency for International Development (USAID) Office of the Inspector General (OIG) conducts performance audits, reviews, financial audits, and investigations. These activities are subject to different OIG disclosure practices.

*Performance Audits and Reviews.* OIG posts completed performance audits, reviews, and surveys on its Web site, except for those containing sensitive information. From October 1, 2011 to March 31, 2012, OIG did not issue any performance audits that were not published on its Web site.

*Financial Audits.* In most cases, OIG does not post financial audits on its Web site because they contain proprietary information related to the entities that are the subject of the audit. Nevertheless, OIG reports on these financial audits in its semiannual reports to Congress, noting each report's findings. Because OIG discloses financial audits issued from October 1, 2011 through March 31, 2012 in its semiannual report to Congress, it is not providing additional information about them in the following pages.

Similarly, OIG's Federal Information Security Management Act of 2002 (FISMA) audits are also not posted online. However, FISMA audits are reported in OIG's semiannual reports to Congress as well.

*Investigations.* We provide limited information on closed civil and criminal investigations in semiannual reports to Congress and in press releases. From October 1, 2011 through March 31, 2012, we closed 72 investigations. The following tables contain information on those investigations.

USAID OIG  
Closed Investigations, October 1, 2011–March 31, 2012

Closed Investigations, October 1, 2011–March 31, 2012					
Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	8/18/2008	12/2/2011	Iraq	OIG received a referral from FBI, Baghdad, regarding a bribery allegation against a British-based company, offering to pay a confidential source at another British-based company approximately \$50,000 for insider bid information on a subcontract managed by a USAID prime contractor, International Relief and Development, Inc.	OIG conducted a joint investigation with the FBI Major Crimes Task Force. Interviews identified local personnel, including a director, as receiving bribes. OIG/I sent a memo to the Acting USAID Administrator advising of the financial risk involved in the on-going program. USAID terminated the Community Stabilization Program -implemented activities in all locations in Iraq as well as all sub-contracts and sub-grants. An Iraqi magistrate issued arrest warrants against 12 Iraqi nationals; however, they remain at large. The case was presented to the Assistant United States Attorney. Prosecution of the case against the U.S. citizens involved was declined due to lack of evidence.
	4/6/2010	2/17/2012	Iraq	OIG received a copy of a complaint from the Defense Contract Audit Agency mentioning time-keeping and billing irregularities by International Relief and Development, Inc., in implementing the Community Stabilization Program in Iraq.	The case was appended to and investigated in conjunction with case (b)(2)
	11/26/2010	1/17/2012	Iraq	A Louis Berger Group (LBG) compliance and ethics officer, informed USAID OIG that LBG had received information from an individual alleging that an LBG sub-contractor and an LBG senior technical/engineer who had engaged in bribes and bidding irregularities, were members of Hezbollah, and that equipment was not being imported from Turkey or Jordan but rather from Syria, which is an excluded source.	The investigation did not substantiate the allegations. The case was closed.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	12/27/2011	2/13/2012	Iraq	OIG received an allegation that a local USAID employee directed awards to a USAID prime implementing partner. Subsequently, an employee of the implementer obtained a position with USAID and it was further alleged that the two USAID employees were receiving kickbacks for continuing to direct grants to the same implementer.	The investigation did not substantiate the allegations. The case was closed.
	6/8/2010	3/27/2012	Egypt	OIG received information that USAID/Egypt had an agreement to support an Avian Flu Unit at the Egyptian Ministry of Health (MOH). The staff of the Avian Flu unit was comprised of Government of Egypt (GOE) civil servants who were placed on a temporary leave of absence so they could work on the portion of the project supported by USAID. It was alleged that during this temporary assignment, the GOE/MOH employees received salaries funded by USAID that were substantially higher than what they were receiving as GOE/MOH employees. After receiving their salaries, the employees supporting the USAID project were expected to pay a portion of their salaries back into a pool of funds that were then used to increase the salaries of other GOE/MOH employees not funded by the USAID project.	An investigation was conducted that established that no USAID rules were violated. The case was closed.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	10/1/2010	12/2/2011	Egypt	American University in Cairo (AUC) Provost self-reported to the OIG financial irregularities in connection with two USAID grants.	Investigation by OIG resulted in an Associate Director at AUC admitting to submitting claims for and being paid \$32,025 in fraudulent claims for personal gain. AUC reimbursed USAID for the monetary loss. The Associate Director's employment was terminated and the individual was debarred.
	1/18/2011	12/2/2011	Egypt	OIG received an allegation that at least two former employees of a USAID prime implementing partner made false statements to USAID and the Department of State when obtaining permission to sell privately-owned vehicles.	The investigation did not substantiate the allegation because the vehicles in question had been in Egypt for more than three years and were no longer in duty-free status. Furthermore, the vehicles had been locally licensed. Accordingly, the two individuals did not make false statements because as non-diplomats, each was free to sell locally licensed vehicles at market rates.
	6/14/2011	2/15/2012	Kenya	OIG received an allegation that a USAID/Kenya Foreign Service Officer showed favoritism in hiring members of a particular tribe in Kenya.	The investigation disproved several of the allegations. The complainant did not respond to requests for further information. The case was closed.
	8/14/2011	11/25/2011	Mali	OIG Hotline received an allegation that USAID/Mali sent a check for \$373,315 to the Mali Ministry of Health (MMOH) but that MMOH did not receive it.	The investigation disproved the allegation. The case was closed.
	8/15/2011	2/16/2012	West Bank/Gaza	A complaint from a Gaza-based non-government organization alleged that the East Jerusalem Young Men's Christian Association and the International Orthodox Christian Charities fraudulently modified a recipient list to divert food aid to unauthorized individuals.	The investigation did not substantiate the allegations. The case was closed.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	9/9/2011	11/25/2011	Ethiopia	Counsel for Management Sciences for Health (MSH), a USAID implementing partner, self-disclosed to OIG that three employees of MSH in Ethiopia working on various USAID projects engaged in unethical activities in three separate incidents. The disclosure indicated that one employee was dismissed, another resigned, and the third did not have his contract renewed.	OIG conducted a review of MSH's records. MSH had identified \$16,204 in unallowed costs which were repaid to USAID. Due to the lack of timeliness of the notification of the disclosure, the personnel action taken by MSH, the refund of questioned costs, and the lack of independent evidence of a crime, OIG did not refer the case for further action. The case was closed.
	10/18/2011	11/30/2011	West Bank/Gaza	USAID/Tel Aviv funds the Palestinian Community Assistance Program (PCAP). Through this program, Mercy Corps awarded \$1,855,320 to Catholic Relief Services (CRS) to provide assistance to unemployed university graduate students in the Gaza Strip. OIG received allegations that CRS employees were stealing portions of unemployment payments meant for the graduate students.	The investigation disproved the allegation that CRS employees were stealing unemployment payments. The case was closed.
	1/24/2012	2/13/2012	West Bank/Gaza	OIG received a complaint from USAID/West Bank and Gaza Mission requesting an OIG investigation of the mission director's staff aide who requested information about a recent computer-aided job evaluation that resulted in a demotion of an employee.	The investigation did not identify any rule, regulation or law that had been violated. The case was closed.
	1/3/2012	3/29/2012	Sudan	Mercy Corps (MC) implemented a USAID-funded \$10 million grant in support of the Extending a Response to Darfur program. During an audit, OIG auditors learned from Mercy Corps that an MC Darfur Finance Officer had stolen \$65,000.	Documents requested and provided to OIG by MC showed an arrest warrant, an internal investigative report, a statement of facts letter to the Sudanese Police and photos of the subject MC employee. The subject was never apprehended. It was determined that there was no loss to USAID as MC had not drawn down on its letter of credit with the agency at the time the theft was discovered.



**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	9/15/2009	3/29/2012	USA	Information developed in conjunction with the U.S. Department of Agriculture Inspector General indicated that American Manufacturing and Packaging, Inc. (AMP) may have falsified the vitamin A content for fortified vegetable oil procured by USDA on behalf of USAID for distribution to over forty developing countries around the world.	USDA OIG and USAID OIG agents executed a federal search warrant on the premises of AMP's facilities. An AMP employee admitted to fraudulently submitting a Certificate of Conformance and Certificates of Analysis to the USDA by falsifying levels of Vitamin A in the oil. The information was submitted to the Department of Justice which declined prosecution. The USDA suspended the company but later removed the suspension as part of an Administrative Agreement whereby AMP agreed to implement mandatory remedial measures.
	1/8/2010	3/27/2012	Kenya	The OIG was notified by the Kenya office of Management Sciences for Health (MSH) of possible fraud in one of its programs. MSH obtained credible evidence that a senior employee in its Kenya office had engaged in unethical activities involving conflicts of interest and possible fraudulent activity related to one or more of their multiple contracts and cooperative agreements with USAID.	The OIG's investigation confirmed that MSH overpaid major MSH vendors for goods and services not rendered. Four employees either resigned or were terminated. MSH reimbursed USAID \$581,000 in losses.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	4/15/2010	3/27/2012	USA	OIG received an allegation that a USAID contracting officer technical representative (COTR) under a Global Health project violated the Procurement Integrity Act by (1) attempting to remove a key person from a contractor'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 the COTR was part of the Technical Evaluation Committee.	The investigation did not substantiate the allegation. However, the investigation discovered that the employee submitted a false claim of \$322 for a lodging expense he did not incur. The employee was suspended for five days for violation of standards governing the conduct of foreign service officers.
	6/21/2010	11/30/2011	Lebanon	OIG received an allegation that a former chief of party of a USAID implementing partner was wrongfully terminated for not abiding by a rule from the company headquarters to perform work outside of their contracted statement of work.	The investigation did not substantiate the allegation. The case was closed.
	6/24/2010	12/2/2011	Egypt	OIG received an allegation that a bonus was being added to the salary of a consultant employed by a USAID implementing partner so that the contractor could be reimbursed by USAID.	The investigation did not substantiate the allegation. The case was closed.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	7/2/2010	3/27/2012	Benin	OIG received an allegation stating that two procurement officers at the Millennium Challenge Account-Benin (MCA-Benin) had allegedly conspired to defraud MCA-Benin and a subcontractor in a \$15 million contract competition to build courthouses in Benin.	The investigation determined that the two individuals solicited and received a \$10,000 bribe in exchange for providing strategic bidding information. MCA-Benin terminated both individuals and disallowed the company from doing business with MCA-Benin. The Benin National Police arrested one of the individuals, but ultimately the charges were dismissed. MCA-Benin and the subcontractor took additional steps to prevent further misconduct. OIG referred the individuals involved for consideration of debarment or suspension, which was declined.
	8/17/2010	11/1/2011	USA	OIG received information indicating that USAID-funded medication was being diverted to countries for which it was not intended.	This investigation has been merged with another open OIG/I investigation. As the investigation is still active, additional information cannot be provided at this time.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	11/9/2010	2/9/2012	Iraq	OIG received a complaint concerning the USAID-funded Louis Berger Group (LBG) - Tijara Project (Tijara) in Iraq. The complainant alleged that there was a "ghost" employee on the Small and Medium Enterprise Banking and Development component of Tijara. This employee was purportedly an assistant to the chairman of a private Iraqi bank, and chairman of other institutions working with the Tijara program.	OIG Investigations confirmed discrepancies involving the employment of this individual. A review of pertinent timesheets revealed the certification of full-time employment, however, statements made by the employee and direct supervisor indicate the employee was a part-time employee. Statements made by LBG personnel indicated that the employee attended meetings at the LBG compound. However, the security company in charge of access to the compound had no record of any entry. The matter was referred to USAID/Iraq to assess the appropriateness of such a position and to determine whether the work hours claimed by Tijara and charged to USAID were properly supported. The USAID/Iraq supervisory contracting officer responded that the individual probably should not have been classified as an "employee," and that it would have been more appropriate to consider the employee as an outside consultant. The costs incurred for the employee services were documented and the payments were commensurate with the established value added of services provided. Tijara terminated the employee.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	11/10/2010	2/13/2012	Sudan	OIG/I received a complaint that the wife of a USAID Foreign Service National in Sudan was the director of a construction firm that received a roads rehabilitation sub-contract from the Louis Berger Group. The complaint also alleged that USAID awarded a roads reconstruction contract to the state minister for Western Equatoria who, at the time, was the USAID contracting officer's technical representative for the project. Lastly, the complaint alleged that two of the contracts awarded were overpriced.	The investigation did not substantiate the allegation. The case was closed.
	7/8/2011	11/2/2011	USA	A director of a USAID, Washington, DC office made a hotline complaint alleging that funds from a USAID internal office may have been misdirected by a contractor that provides services to that office.	The investigation established that the allegations appeared to be due to conflicting personalities and possible inappropriate behavior, which were corrected internally. The case was closed.
	4/26/2011	2/13/2012	Haiti	Pursuant to USAID/Office of Transition Initiatives (OTI) contract requirements for projects in Afghanistan and Haiti, Development Alternatives Incorporated (DAI) self-reported allegations of fraud committed by one of its employees. DAI informed OIG/I that the employee had engaged in fraudulent activities resulting in improper charges to USAID.	To remedy the situation, DAI credited USAID \$28,453. DAI also pursued criminal charges of the individual which resulted in the individual being convicted in Montgomery County, Maryland. OIG referred the individual for debarment and he was debarred by USAID.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	7/31/2009	11/1/2011	Zambia	OIG received an allegation that Land O'Lakes (I.O.L.), International Development Division (IDD) program funds intended to build investment properties in Lusaka, Zambia were being used fraudulently by the chief of party. I.O.L. is a subcontractor for Catholic Relief Services (CRS) which is receiving USAID funding under the Title II Food for Peace Program. The allegation estimates that the chief of party and other I.O.L. IDD associates embezzled between \$100,000 and \$250,000.	The investigation did not substantiate the allegation. The case was closed.
	7/13/2010	11/1/2011	Mali	OIG received an allegation that a previous US African Development Foundation (ADF) Mali program liaison officer was possibly working for Femmes Africa Solidarite (FAS) in Dakar, Senegal, while at the same time employed by USADF in Bamako, Mali.	The investigation did not substantiate the allegation. The case was closed.
	2/3/2011	3/29/2012	Nigeria	OIG received an allegation from an individual who stated he was forced to resign from Family Health International (FHI) that there was program fraud of USAID funds involving FHI which manages a \$200 million USAID HIV/AIDS program in Nigeria. The complainant alleges that FHI engages in corruption, kickbacks and misuse of US taxpayers' money involving the President's Emergency Plan for AIDS Relief GHAIN Project.	OIG established that before the allegation was received, FHI had learned of improprieties being committed by local FHI Nigeria senior staff, which included the same individual that later submitted the allegation. FHI had already conducted two internal investigations six months before the allegation was received by OIG. FHI terminated four local employees; one was the complainant, after discovering they were involved in fraudulent activities including extortion of a vendor, kickbacks, and false claims against a USAID project. After referral by the OIG to USAID, one of the individuals involved in the illegal activities was debarred.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	5/24/2011	1/26/2012	Rwanda	OIG received an allegation that a senior USAID personal services contractor (PSC) submitted fraudulent lodging receipts for a medical evacuation to the United States.	The investigation substantiated the allegation. OIG formally briefed the USAID mission director and also provided a referral for suspension or debarment. The matter was also referred to the Department of Justice, which declined prosecution in lieu of administrative action. The referral for debarment/suspension consideration was declined because the individual was due the money he claimed. Rather than submitting individual receipts for authorized expenses, he submitted a single receipt which accounted for the total amount due.
	7/8/2011	1/26/2012	Rwanda	OIG received an allegation that a personal services contractor (PSC) in USAID/Rwanda made personal phone calls and claimed they were official business calls.	The investigation substantiated the allegation. A bill of collection was issued which resulted in the payment of \$515.78 to the agency. The case was closed.
	8/14/2011	12/27/2011	Malawi	Management Sciences for Health (MSH) self-reported to OIG two separate situations in which MSH determined fraud had occurred on USAID-funded projects.	MSH commissioned an internal audit of the ten Malawi district offices and identified falsified expense claims that were reimbursed to the Ministry Of Health district staff in its Northern Zone office. The MHS audit identified \$24,512 in questioned costs. USAID was reimbursed for the loss. OIG referred the case to USAID for consideration for debarment of the individuals involved. USAID decided against debarment action citing the reliance on MSH reporting and no additional information obtained by OIG.
	8/15/2011	12/22/2011	South Africa	OIG received an allegation that a USAID foreign service national (FSN) allegedly retained travel advance funds to which he was not entitled.	The investigation substantiated the allegation. The FSN was issued a bill of collection for \$3,230, was given a letter of reprimand, and was suspended for three days.

**USAID OIG**  
**Closed Investigations, October 1, 2011–March 31, 2012**

Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	9/7/2011	12/27/2011	Nigeria	OIG received a self-report from Management Sciences for Health (MSH) stating that, during a routine internal audit, MSH had identified fraud in a USAID cooperative agreement. The audit identified that an MSH accountant working for the Prevention and Organizational Systems-AIDS Care and Treatment (PRO-ACT) had added two fictitious names to a workshop participant register.	MSH expanded their review to 18 additional workshops involved and found 4 additional fictitious participants. MSH terminated the individual, notified USAID and USAID OIG, and reimbursed the USAID project for the monetary loss. With the information it received from MSH, OIG referred the individual to USAID for debarment but did not conduct its own investigation based on information already obtained and the low dollar amount in question (\$706). USAID decided against a debarment or suspension action, citing that OIG had not conducted an investigation and the basis for the recommendation was MSH's audit. The total dollar amount identified as fraudulent was \$706.
	10/4/2011	2/1/2012	Zimbabwe	OIG received an allegation that a non-government organization in Zimbabwe was abusing salary budgets, travel accounts, and lending money to other programs.	The investigation did not substantiate the allegations. The case was closed.
	12/28/2011	3/1/2012	South Africa	OIG received a Hotline complaint about "continuous/unfair unreasonable and highly suspicious conduct by an employee," however the allegation did not contain sufficient information to determine if fraud was involved.	The complainant sent additional details concerning the allegation. The additional details related to possible management issues but not fraud. No further investigative activity was required and the case was closed.



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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	12/16/2010	11/2/2011	Ecuador	A former manager for the Peace Corps in Ecuador pled guilty to one count of engaging in unauthorized activities. He separated from the Peace Corps and was hired by USAID under re-employment rights prior to any knowledge by USAID of his recent unauthorized activities while a Peace Corps employee. He was terminated by USAID shortly afterwards. At the time, the Peace Corps had no debarment authority and their OIG requested the assistance of USAID OIG for debarment.	OIG opened an investigation and referred the individual to USAID for debarment. In the meantime, the Peace Corps had obtained debarment authority and had successfully debarred the individual. The case was closed.
	7/20/2011	10/26/2011	USA	OIG received information that a USAID employee working at USAID headquarters had been arrested at his residence on two felony offenses related to child pornography.	OIG investigated whether the individual possessed child pornography in his USAID personal computer and if the USAID network had been utilized to access child pornography. OIG found no evidence of any violation of law involving USAID property or equipment. The individual's employment with USAID was terminated. The OIG investigation was closed.

**USAID OIG**  
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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	8/19/2011	12/2/2011	Bolivia	ACDI/VOCA is a private non-profit organization that has implemented a \$45 million, twelve-year USAID cooperative agreement in Bolivia. The President and CEO informed the USAID/Bolivia Mission of allegations of corruption, nepotism, poor management of funds and inefficiency in the implementation of this cooperative agreement.	OIG requested information from the complainant but received no response. OIG reviewed the results of an internal inquiry conducted by ACDI/VOCA which found no basis for the allegations and asserted that no USAID funds had been fraudulently used or abused. The case was closed due to lack of investigative merit.
	5/7/2010	1/25/2012	USA	OIG received information that a USAID security specialist was possibly falsifying official government investigative records.	The investigation confirmed that the security specialist submitted false and altered documents in place of official investigative background information. The individual was arrested and pled guilty to one charge of criminal information that charged him with making false statements. He was sentenced to 24 months of probation, a fine of \$6,888, and a special assessment of \$100. The individual was debarred by USAID. The individual was terminated from his position with USAID.
	6/25/2010	11/9/2011	Kosovo	A rule of law task order subcontractor charged with designing construction work for courtrooms, alleged that the prime, NCSC, and another subcontractor, Ceta, which did the construction work, conspired to lower construction standards while still charging the full price to USAID. Complainant also alleged collusion between Ceta and NCSC on bidding.	The investigation did not substantiate the allegations. The case was closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	5/3/2011	3/20/2012	Armenia	A confidential source informed OIG that the Millennium Challenge Account (MCA) in Armenia had awarded a \$36 million contract to a French company called Farmex Technologies (Farmex) to design and construct pump stations throughout Armenia. According to the source, Farmex allegedly purchased the pumps from Turkey at \$300,000 each, but fabricated false invoices to show MCA that the pumps had been purchased from France at \$1.2 million each. Farmex allegedly submitted the false invoices, and was reimbursed at the inflated cost. The source also alleged that the same thing has happened with other equipment supplied by Farmex on the same project.	OIG investigation determined that the Farmex contract with the MCA is a 'Fixed Price' contract, which allows a company to be paid an agreed price even when the company is able to procure equipment at a lower price, as was the case here. The investigation also established that part of the same contract sets up variation orders. Under these orders, Farmex bills the actual cost of equipment plus a 5% profit. Farmex billed MCA \$79,620 for the purchase of a 15 ton crane while the actual cost was only \$43,134. As a result of the investigation, Farmex reimbursed MCA Armenia for the overcharged amount.
	11/3/2011	1/19/2012	Ukraine	OIG received information on a locally employed individual who works as a full-time deputy chief of party for a project implemented by Management Systems International (MSI) had allegedly been also working part-time for another USAID project. It was also reported that when confronted, the individual claimed that they performed part-time consultancy work for the second project on her own time; however, this was questionable due to the fact that the individual had been seen by USAID staff at her secondary place of employment during regular work hours. It was also reported that the individual apparently used different first names with each employer.	The investigation confirmed that the individual was working full time for MSI while at the same time working part time for another project. The individual had not informed MSI that she was also working part time for the second project, which is a violation of her contract with MSI and MSI's ethics rules. As a result of the investigation, the employee resigned from her job with the second project, thus solving the problem of the dual employment. In addition, MSI gave the employee a formal reprimand and placed her on a six month probationary period with the company. There were no other issues to be investigated. This case was closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	11/3/2011	3/23/2012	Philippines	OIG received an allegation that two individuals with the USAID/Philippines-funded Growth with Equity in Mindanao (GEM) program, implemented by the Louis Berger Group (LBG), were “silently” participating in USAID-funded GEM projects as second-tier contractors by way of “royalty payment” to several firms for use of their Philippine Contractors Accreditation Board licenses. In addition, the allegation stated that the current GEM/BIP manager was a close, personal friend of the two individuals and implied that he provided them with subcontract prices/amounts for their BIP contract bids. Such pricing information has led to several subcontracts being awarded to the subcontractors listed above for various GEM/BIP projects.	An investigation determined that three individuals, all currently debarred by USAID, were managing and executing contracts that had been awarded to local construction companies, but their names were not on any of the contracts. It was further determined that the GEM/BIP manager had been notified of the involvement of the three individuals and did not report it. As a result of the investigation, two contracts totaling \$64,000 were cancelled, and the project manager was placed on administrative leave and given both an oral and a written reprimand for not reporting the fraud. There was no evidence to substantiate the allegation that the project manager shared the subcontract price amounts. This case has been closed.
	6/17/2009	12/21/2011	Pakistan	OIG received a complaint that the Regional Construction Manager for Camp Dresser McKee Constructors (CDM) had approved the hiring and appointment of unqualified quality control engineers. The complainant also alleged that the owner of HA Construction, Lahore, Pakistan, had paid a bribe to obtain a subcontract with CDM. The allegation also stated that CDM was using building materials that did not meet specifications for the projects covering the Government Girls' College, Arja, Bagh, Pakistan (GGC) and the Basic Health Unit, Rerrah, Bagh, AJK, Pakistan (BHU). CDM Constructors, Inc. is the USAID's implementing partner under a \$120 million Pakistan Earthquake Reconstruction & Recovery Program to design and build schools and basic health units in the earthquake affected areas.	The OIG investigation determined that there was no evidence to support the allegation that CDM had hired and appointed unqualified quality control engineers; and there was no evidence to support the allegation that the owner of HA Construction provided bribes in order to obtain a subcontract with CDM. Core sample testing by an independent laboratory determined that the materials used at the GGC and the BHU either met or exceeded engineering standards and contract specifications. This case has closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	5/7/2010	1/20/2012	Pakistan	OIG received an allegation of possible bid rigging in a drinking water supply project. A similar complaint alleging that a Pakistani Agency Engineer for the Bannu District Office was bribed by a contractor and allowed low grade PVC Pipes to be installed. The complainant also accused the engineer of allowing the contractor to install low grade pressure pumps. The complainant accused local contractors of bribing the local political administration and project management staff.	Both complaints were brought to the attention of the USAID Office of Transition Initiatives (OTI) Pakistan Country Director, the USAID OTI acting deputy country director, and the country representative for the International Organization of Migration (IOM). All were briefed on the complaints and were aware of problems with the Bannu drinking water supply project. They advised that several project members have since been terminated. This project is being closely monitored by OTI and IOM.
	5/29/2010	3/21/2012	Pakistan	OIG received allegations that the Competitiveness Support Fund (CSF) chief executive officer (CEO) lied about having a PhD in Economics, traveled business class in violation of USAID policy, awarded non-competitive subcontracts to his former employer, JE Austin & Associates (JEAA), poorly led and managed CSF, and had an apparent conflict of interest with the USAID agreement officer's technical representative (AOTR) for CSF.	The investigation found that the CSF CEO signed and submitted a false biographical data sheet indicating he had a PhD when he did not; violated USAID travel policy and flew unrestricted business class; and had a conflict of interest with JEAA. The investigation did not find evidence of an improper relationship between the CEO and USAID AOTR. The CEO resigned on February 22, 2011. The case was closed.
	1/7/2011	1/24/2012	Pakistan	OIG received information that furniture procured from Happy Furnishers might be the cause of a significant foul odor and illnesses affecting Pakistan mission personnel.	The investigation found that the office had more than twice the allowable threshold of formaldehyde levels because the furniture was not properly sealed. This allowed toxic levels of formaldehyde to escape into the air. OIG informed the Pakistan mission director of the problem. The mission director took steps to mitigate the issue with the purchased furniture and added corrective steps to be taken in the future for furniture procurement. The case was closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	6/1/2011	3/22/2012	Pakistan	OIG received allegations that a civil servant for the Government of Pakistan was hired by the National Rural Support Program (NRSP) to work on the USAID-funded Ambassador's Fund and Small Grants Program in Balochistan, Pakistan. The source stated that the individual is not authorized to hold employment because of his status as a Government of Pakistan civil servant. Additionally, the source claimed that the individual engaged in unethical and unlawful acts to include corruption, bribery, and misuse of funds, and assault and threatening others during his employment at United Nations Development Program (UNDP).	The investigation found that the individual is a Government of Pakistan civil servant but received permission to work for the UNDP on the NRSP project on a leave of absence for a period of 5 months to 2 years. None of the allegations of the individual's wrongdoing were related to USAID-funded projects and only related to the individual's previous employment with UNDP. The source could not identify specific incidents of individual's alleged criminal behavior. The allegations were forwarded to UNDP for their attention. The case was closed.
	12/5/2009	12/9/2011	Afghanistan	OIG received an allegation that USAID funds were being used to fund illegal private militias that were carrying illegal weapons in Helmand Province in southern Afghanistan. According to the source, International Development and Relief Inc. (IDRI), a prime USAID contractor, executed a \$400 million cooperative agreement in Afghanistan and used DORA Construction Company as a subcontractor to implement the USAID-funded road project. DORA hired locals as security guards and provided them with guns but not uniforms giving the local security personnel the appearance of insurgents.	The investigation found that the local security personnel were carrying guns in accordance with Afghan Government law for allowable security weapons. Based on the agreement between IDRI and DORA, DORA was not required to use professional or registered security firms and instead was encouraged to hire the locals to provide employment opportunities and prevent neighbors from shooting at them. The case was closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	2/3/2010	2/15/2012	Afghanistan	OIG received an allegation that a Development Alternative Inc. (DAI) engineer obtained a list of companies competing for various DAI projects and sold the information. The engineer offered to get the companies contracts from DAI in exchange for a percentage of the total amount of each contract. It was further alleged that the companies who paid the engineer received confidential financial information for upcoming projects to help them submit more competitive bids.	The investigation substantiated the allegations. OIG worked on the case in conjunction with Special Inspector General for Afghanistan Reconstruction (SIGAR) and Federal Bureau of Investigation (FBI) to gather evidence. Options for criminal prosecution were considered but deemed to be not viable for this case. Consequently, the agencies shared the evidence with DAI to take whatever action they deemed appropriate. DAI terminated and USAID debarred the 22 individuals who were listed as subjects of the investigation. In addition, DAI credited and did not bill USAID \$220,198 for projects that were canceled due to the findings of the investigations. The case was closed.
	2/25/2010	11/15/2011	Afghanistan	A USAID audit report found potential fraud in a USAID-funded project implemented by International Development and Relief (IRD). The audit found high incidents of irregularities, specifically with fingerprints used to certify receipt of distributed goods and timesheets for cash-for-work projects.	The investigation did not substantiate the allegations because, according to the farmers who participated in the Afghanistan Vouchers for Increased Productive Agriculture (AVIPA) Program, they received their promised relief goods and USAID auditors requested reimbursements for questioned costs associated with the discrepancies they identified. The case was closed.
	7/22/2010	1/19/2012	Afghanistan	OIG received an allegation that a program consultant for the International Organization for Migration (IOM) attempted to facilitate and extort \$175,000 as a bribe from potential subcontractors in exchange for subcontracts on USAID projects.	The investigation substantiated the allegations. The IOM program consultant pleaded guilty in the U.S. District Court for the District of Columbia to one count of accepting illegal payments as an agent of an organization receiving federal funds. The IOM program consultant was sentenced to 22 months in prison, 2 years' probation, \$10,000 forfeiture, and a \$100 special assessment. The case was closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	11/1/2010	1/19/2012	Afghanistan	OIG received an allegation that the owner/director of Alyas Afghanistan Construction Company (AACC) paid bribes to have contracts awarded to his company, created false documents, and submitted fraudulent invoices on contracts which were awarded to AACC by the implementing partner DAI- Local Governance and Community Development (LGCD). AACC was awarded six contracts totaling \$809,189 throughout Afghanistan from 2008 to 2010.	The investigation did not substantiate the allegation. One of the projects was cancelled due to the disclosure of the owner's behavior resulting in no loss to DAI or payment of any bribes or kickbacks. The case was closed.
	1/24/2011	10/12/2011	Afghanistan	OIG received an allegation of the theft of money by Central Asian Development Group's (CADG) local grantee employee. CADG is a USAID-funded Community Development Program.	The investigation revealed a loss to USAID of approximately \$30,000 due to lack of procedural guidance and theft of funds by a USAID grantee employee. The employee was found to be the perpetrator and immediate action was taken to terminate him. The CADG implemented new procedures for the processing and handling of cash, and reimbursed USAID for the monetary loss. The case was closed.
	5/9/2011	1/18/2012	Afghanistan	OIG received an allegation of theft related to a USAID-Chemonics International three-year Cooperative Agreement of \$160 million. It was alleged that an employee of Chemonics gave a local employee \$62,398 in cash to transport and make a tax payment to the Afghan Ministry of Finance but the employee disappeared with the cash.	The employee returned the money and turned himself in to the local authorities. The employee was terminated by Chemonics International. The investigation found no financial loss to the U.S. Government. The employee was referred for debarment by OIG and the individual was debarred. The case was closed.
	6/1/2011	1/19/2012	Afghanistan	OIG received an allegation that a USAID employee had entered into a marriage with an Afghan National without following proper disclosure protocol. The allegation was referred to the Department of State (DOS), Diplomatic Security for further investigation.	The investigation did not substantiate the allegation. DOS Diplomatic Security found that the employee followed proper protocol in reporting the marriage. The case was closed.



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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	8/12/2011	11/10/2011	Afghanistan	OIG received an allegation that an employee of a USAID contractor took two weeks of leave in order to attend training sponsored by his company and then attempted to charge the training time to USAID.	The investigation did not substantiate the allegation and the case was closed.
	8/15/2011	1/18/2012	Afghanistan	OIG received an allegation of possible fraud related to the Ambassador's Small Grants Program (ASGP), a \$38 million USAID Cooperative Agreement, implemented by Creative Associates International (Creative). Many discrepancies were reported, to include possible conflict of interest, ghost organizations, and duplicate projects related to ASGP.	The investigation did not substantiate the allegations of ghost organizations or duplicate projects. However, the investigation did find a conflict of interest issue with one of the projects. Due to the conflict of interest issue, Creative immediately cancelled all future disbursements. Creative calculated a total loss of \$4,944, which USAID recovered as a result of the investigation. The case was closed.
	8/18/2011	1/18/2012	Afghanistan	OIG received an allegation that four schools in Helmand Province did not receive information technology (IT) equipment they were to have received as part of the Education Stabilization Initiative managed by Creative Associates International (Creative). The total value of the missing equipment was \$9,900.	The investigation found that two Creative employees were responsible for the IT equipment theft. OIG recovered \$7,885 of stolen IT equipment, which was transferred to the Ministry of Education. The mission did not seek further reimbursement for the remainder of the equipment since it determined there was no gross negligence by the contractor. The case was closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	3/13/2008	2/24/2012	Afghanistan	OIG received allegations associated with United States Protection and Investigations, LLC (USPI) regarding widespread fraud, waste, and abuse with a number of its projects in Iraq and Afghanistan. Specifically, the allegations involved billing fraud and payoffs/kickbacks made to local Afghan officials. USPI is a Houston-based security firm that was a subcontractor for Louis Berger Group Inc. (LBGI), a prime USAID contractor.	The investigation found evidence of fabricated documents by USPI provided to auditors to support \$17 million in questionable costs. Four employees of USPI were arrested and indicted in Washington, DC on seven counts of conspiracy, wire fraud, and major fraud against the U.S. Government. The subjects indicted were referred to USAID for debarment and were debarred. The CEO pled guilty to seven counts, was sentenced to 48 months' probation and ordered to pay a special assessment of \$700. The president of USPI pled guilty to one count, was sentenced to 20 months' probation and ordered to pay a special assessment of \$100. The CEO and president, husband and wife, were also ordered to pay USAID \$3 million in restitution. The operations manager's trial ended in a hung jury and DOJ, deciding not to seek a retrial, dismissed the indictment. The fourth individual in this case was a foreign national who was prosecuted by foreign authorities, receiving a sentence of 20 months to serve in jail and a fine of \$400. The case was closed.
	9/1/2009	2/29/2012	Albania	OIG received an allegation that the National Albanian American Council (NAAC), the recipient of a \$2,975,000 grant from USAID, used grant funds to pay for lavish annual dinners and to pay for a consulting firm, Interaction Associates (IAA), owned by a NAAC employee already being paid from the grant.	The investigation did not substantiate the allegation regarding NAAC's annual dinners. However, OIG did find \$60,973 in questionable costs related to IAA. Specifically, the senior consultant of IAA, who is also the Chief Financial Officer of NAAC, was only approved for \$70,000 but billed \$101,250 for work on the USAID grant. The case was presented to the Assistant United States Attorney for prosecution but declined due to the low dollar amount in question. It was referred to the USAID/Hungary Regional Contracting Officer for administrative action. The case was closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	10/4/2010	11/16/2011	Philippines	OIG received an allegation of procurement fraud involving the director, USAID/Philippines, Office of Economics Development and Governance (OEDG). It was alleged that the director made a fraudulent statement on a certification with regards to the unsolicited nature of an application submitted for a USAID/Philippines award. Additionally, it was alleged that the director stated in front of staff members that the Visayan Forum Foundation, Inc. (VFF) application was really a "solicited, unsolicited proposal" a proposal invited outside any open Agency solicitation which was contrary to her certification.	The investigation found that the Director did not make the alleged statement concerning a "solicited unsolicited proposal" in front of the staff. There was no evidence that the director actually solicited an unsolicited proposal from the VFF. It was verified that the certification was based on VFF's initial unsolicited proposal, and that the Mission review committee invited VFF to submit a broader proposal. The case was closed.
	3/9/2011	11/21/2011	Mongolia	OIG received an allegation the Land Systems, Inc. (L.S.) partnered with MonMap, I.I.C. as its subcontractor to bid on an upcoming Millennium Challenge Account (MCA)/Mongolia. Specifically, the information received alleged an arrangement whereby, if L.S. submitted a bid for a legislative tender, MonMap would assure that L.S. won the award. Additionally, information OIG received alleged that the MCA/Mongolia property rights director attended, without the country director's approval, a land surveyor conference in Australia for which MonMap paid.	The investigation did not substantiate the allegations. The property rights director was terminated from MCA/Mongolia as a result of another investigation, and the findings regarding his trip being paid for by MonMap were inconclusive. The case was closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	10/26/2011	12/21/2011	Afghanistan	OIG received an allegation of a possible conflict of interest issue involving a USAID program, the Sustainable Water Supply and Sanitation (SWSS) program, worth \$37.1 million implemented by ARD Tetra Tech. It was alleged that a brother of a USAID contracting officer technical representative (COTR) was hired as a construction manager at the project's regional office in the Parwan District of Afghanistan.	The investigation found that the USAID/COTR's brother was employed by SWSS. The COTR was required to approve technical personnel hired by SWSS. Consequently, the COTR approved his brother's technical background but did not file a formal disclosure with USAID. The matter was referred to USAID-Kabul executive officer for possible administrative action. The executive officer issued the COTR a letter of reprimand for 10-day suspension without pay. The case was closed.
	8/27/2011	3/21/2012	Afghanistan	OIG received a self-disclosure report of fraud from ARD Tetra Tech (ARD) regarding two of their employees. ARD implemented a USAID program known as the Rule of Law Stabilization (RLS) program worth \$86,516,189 in Kabul, Afghanistan. ARD reported that two of their local employees submitted expense reports with fake invoices for project-related travel. ARD determined a total loss to USAID of \$5,689.61 due to the fraudulent activity.	OIG did not conduct an investigation into the allegation. ARD provided OIG with an audit report. The employees were terminated and the funds reimbursed to USAID. OIG referred the two employees for suspension and debarment. Suspension and debarment for the individuals was declined due to a reliance on ARD's reporting.
	3/27/2011	1/20/2012	Pakistan	A bidder for the \$818,300 USAID-funded project to Rehabilitate the Shabi Bagh Park in Peshawar filed a complaint alleging bidding irregularities.	The complaint was referred to USAID Pakistan. The case was closed.

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Case Number	Date Opened	Date Closed	Country	Allegation Summary	Case Outcome
(b)(2)	3/29/2011	1/20/2012	Pakistan	The USAID OIG Pakistan Anti-Fraud Hotline received a complaint alleging fraud by a subcontractor to the United Nations World Food Program (UNWFP) implementing flood relief efforts in the Khyber Pakhtunkwa district.	The complaint was referred to the UNWFP who responded that there was no USAID nexus in that program. The case was closed.
	4/1/2011	12/7/2011	USA	A complainant alleged that a USAID/Washington employee working as an agreement officer's technical representative improperly shared procurement sensitive information with employees of the Academy for Educational Development (AED), a recipient of numerous USAID awards including a \$104.7 million global health-related cooperative agreement.	During the investigation, the USAID employee admitted requesting an AED deputy director to write the government's request for applications (RFA) that USAID was going to use to solicit applications from prospective bidders before the contract action was released to the public. As a result of the investigation, the AED employee resigned from her position. The USAID employee retired from federal service.
	3/2/2012	3/2/2012	Pakistan	As the only one of its kind in existence, the USAID OIG Pakistan Anti-Fraud Hotline (AFH) managed by Transparency International provides a unique means for the Pakistani people to register complaints against civilian assistance programs in the country. Although it was developed and implemented for the purpose of capturing complaints related to USAID-funded efforts in Pakistan, the AFH receives many complaints about other agency's civilian assistance programs. During the last quarter of fiscal year 2011 (October–December), the AFH received a total of 74 complaints referencing various other agencies delivering assistance in Pakistan. Specifically, the complaints alleged service delivery (60), solicitation of bribes (3), requests for aid (9), procurement fraud (1) and other (1).	Although, the complaints had no nexus to USAID-funded programs, they were summarized and referred to the Food for Peace Officer, USAID/Pakistan and the Head of the Internal Audit, U.K. Department for International Development.

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