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Description of document: Closing documents for four (4) United States Agency for International Development (USAID) Inspector General (OIG) Investigations, 2011-2013

Requested date: 01-April-2016

Release date: 14-December-2018

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Source of document: FOIA Request
US Agency for International Development
Bureau for Management
Office of Management Services
Information and Records Division
1300 Pennsylvania Avenue, NW
Washington, D.C. 20523-2701
Room 2.7C RRB
Fax: (202) 216-3070
Email: foia@usaid.gov
[USAID FOIA Public Access Link](#)

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USAID
FROM THE AMERICAN PEOPLE

TRANSMITTED VIA EMAIL

Re: FOIA Request No. F-00192-16
Final Response

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

This is the final response to your April 1, 2016 FOIA request to USAID. You requested a copy of the final report, report of investigation, closing report, closing memo, referral memo, and referral letter for each of the following investigations concerning the Information Records Division ("IRD"):

- 1) International Relief and Development, Inc., opened August 18, 2008, closed October 30, 2013;
- 2) IRD-AVIPA Employee Soliciting Kickback, opened May 24, 2011, closed November 21, 2013;
- 3) International Relief Development, opened April 13, 2011, closed December 27, 2013;
and
- 4) International Relief Development, opened December 7, 2010, closed December 27, 2013.

For your information, Congress excluded three (3) discrete categories of law enforcement and national security records from the FOIA. See 5 U.S.C. § 552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all of our requesters and should not be construed as an indication that excluded records do, or do not, exist.

USAID conducted a comprehensive search of the Office of the Inspector General (OIG) for documents responsive to your request. The search produced a total of 32 pages. Of those pages we have identified 13 pages of responsive records which fall under the purview of the

Federal Bureau of Investigation (FBI). We have referred those pages to the FBI for a direct response to you. If you wish to contact the FBI concerning your request, please contact:

Mr. David M. Hardy, Chief
Record/Information Dissemination Section
Records Management Division
Federal Bureau of Investigation
Department of Justice
170 Marcel Drive
Winchester, VA 22602-4843

Of the remaining pages, we have determined that three (3) pages of the record are releasable in their entirety, and 16 pages are partially releasable pursuant to Title 5 U.S.C. § 552 (b)(6), (b)(7)(C), (b)(7)(D), and (b)(7)(E).

FOIA Exemption 6 exempts from disclosure information about individuals in personnel or medical files and similar files the release of which would cause a clearly unwarranted invasion of personal privacy. This requires a balancing of the public's right to disclosure against the individual's right to privacy. The privacy interests of the individuals in the records you have requested outweigh any minimal public interest in disclosure of the information. In this instance, the release of such information could subject the individuals to threats, intimidation, harassment, and/or violence. For these reasons, any private interest you may have in this information does not factor into the aforementioned balancing test. Within the records we withheld names, personal cellphone numbers, signatures, personal identifiers, and OIG case numbers.

FOIA Exemption 7(C) protects records or information compiled for law enforcement purposes that could reasonably be expected to constitute an unwarranted invasion of personal privacy. This exemption takes particular note of the strong interests of individuals, whether they are suspects, witnesses, or investigators, in not being unwarrantably associated with alleged wrongdoing/criminal activity. That interest extends to persons who are not only the subjects of the investigation, but also to those who may have their privacy invaded by having their identities and information about them revealed in connection with an investigation. Based upon the traditional recognition of strong privacy interest in law enforcement records, categorical withholding of information that identifies third parties in law enforcement records is ordinarily appropriate. As such, we have determined that the privacy interest in the identities of individuals in the records you have requested clearly outweigh any minimal public interest in disclosure of the information. Please note that any private interest you may have in that information does not factor into this determination. Within the records we withheld names, personal identifiers, and OIG case numbers.

FOIA Exemption 7(D) protects records or information compiled for law enforcement purposes, the release of which could reasonably be expected to disclose the identities of confidential sources.

FOIA Exemption 7(E) protects records compiled for law enforcement purposes, the release of which could disclose techniques and/or procedures for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law. We determined that disclosure of certain portions of the documents could reasonably be expected to risk circumvention of the law. Additionally, the techniques and procedures at issue are not well known to the public. Within the records we withheld OIG case numbers.

If you require any further assistance or would like to discuss any aspect of your request, you may contact Starr Lewis, the assigned FOIA Specialist by phone on (202) 712-1028 or at slewis@usaid.gov. You may also contact USAID's FOIA Public Liaison, Claire Ehmann, at foia@usaid.gov.

Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services offered:

Office of Government Information Services
National Records and Archives Administration
8601 Adelphi Road-OGIS
College Park, Maryland 20740-6001
E-mail: ogis@nara.gov
Telephone: (202) 741-5770; toll free at 1-877-684-6448
Fax: (202) 741-5769

You have the right to appeal this final response. Your appeal must be received by USAID no later than 90 days from the date of this letter. In order for it to be considered an official appeal, please address and send directly to the FOIA Appeal Officer:

Director, Office of Management Services
U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Ronald Reagan Building, Room 2.12.010
Washington, DC 20523

If you wish to fax your appeal, the fax number is (202) 216-3369. Both the appeal and envelope should be marked "**FOIA APPEAL**." Please include your tracking number F-00192-16 final release in your letter.

There is no charge for this FOIA request. As this concludes the processing of your request, it will be closed.

Thank you for your interest in USAID and continued patience.

Sincerely,



Claire Ehmann
FOIA Public Liaison
Bureau for Management
Office of Management Services
Information and Records Division

Enclosures: Responsive Records (19 pages)

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

REPORT OF INVESTIGATION

Case Title: International Relief and Development
Case Number:
Status: Closed
Period of Investigation: 04/01/11 – 08/23/13
OIG/I Office: Washington, DC

Synopsis:

On 04/06/2011, the USAID OIG Hotline received a complaint alleging that International Relief and Development (IRD) had committed program fraud by urging its employees to inflate the value of goods that were allegedly being used under the guise of a "Goods-in-Kind" expense of USAID grants and contracts between 2008 and 2009. The complainant also reported witnessing IRD solicit friends of IRD employees to locate discarded goods from places to include schools and/or hospitals that closed or were no longer in business.

Another allegation was that USAID allegedly paid \$5 million for IRD to procure and ship medicine to Iraq which was later destroyed because the vials were marked "Made in Israel."

Investigation by USAID OIG determined that due to the age and lack of specific information on the "Goods-in-Kind" allegation, there were not enough actionable items to investigate. USAID OIG investigated the allegation regarding destroyed medicine and determined that no loss to the U.S. Government occurred.

This case is closed.

Details of Investigation:

On 04/06/2011, the USAID OIG Hotline received a complaint alleging that International Relief and Development (IRD) had committed program fraud by urging its employees to inflate the value of goods that were allegedly being used under the guise of a "Goods-in-Kind" expense of USAID grants and contracts between 2008 and 2009. The complainant also reported witnessing IRD solicit friends of IRD employees to locate discarded goods from places to include schools and/or hospitals that closed or were no longer in business.

REPORT MADE BY:	Name: 	Date Signed:
	Signature: 	12/26/13
APPROVING OFFICIAL:	Name: 	Date Signed:
	Signature: 	12/26/13

Report of Investigation: [REDACTED]

04/01/11 – 08/23/13

Also, USAID allegedly paid \$5 million for IRD to procure and ship medicine to Iraq which was later destroyed because the vials were marked "Made in Israel."

On 06/04/13, USAID OIG interviewed [REDACTED] to discuss cost inflation committed by IRD under the "Goods-in-Kind" awards. [REDACTED] was a former employee of IRD. [REDACTED] articulated that as a part of the IRD Economic Growth team between 2007 and 2009, she heard several rumors and allegations, none of which she knew firsthand. For example, [REDACTED] of IRD [REDACTED]

[REDACTED] receiving a salary before officially joining the organization.

Another rumor [REDACTED] heard involved the information technology (IT) department.

[REDACTED] former colleague [REDACTED] expressed to [REDACTED] that an IRD employee stole IT materials valued at approximately \$25,000 between 2012 and 2013. This employee was consequently fired and prosecuted. According to [REDACTED] the items were allegedly sold on e-Bay and there is no indication that the money was recovered. [REDACTED]

[REDACTED] did not believe that this was reported to USAID/OIG. (*Attachment 1. Investigative Activity Report, Interview of [REDACTED] dated 06/04/2013*)

On 08/08/2013, USAID OIG interviewed [REDACTED] a current USAID OIG employee who was formerly employed with IRD. [REDACTED] was employed by IRD in 2008 to work with IRD in the "Goods-in-Kind" program to cover procurement costs for donated books, medical supplies, and other equipment. IRD would contact companies for old or used supplies of worthless value, permitting IRD to make a large profit from USAID-provided funds through "Goods-in-Kind" programs. [REDACTED] at IRD was [REDACTED]. In 2008, USAID paid \$5 million to IRD for procurement of medical supplies and shipment to Iraq. IRD paid \$10,000 to the NCC for cancer vaccines to send to Baghdad as per the USAID agreement. Upon arrival, American and Iraqi staff decided that the Islamic community would have strong feelings about medicine provided from Israel and the staff in Baghdad had little option but to burn the vaccine vials. [REDACTED] inquired about the branding with [REDACTED] who claimed to have no idea that Iraq would not like Israel. She left her position under [REDACTED] and at IRD due to inability to endure the lack of ethics.

When [REDACTED] was asked about the IRD employee that had stolen IT equipment, she had no firsthand knowledge of the incident and heard only rumor and speculation.

(*Attachment 2. Investigative Activity Report, Interview of [REDACTED] dated 08/08/2013*)

On 08/23/2013, USAID OIG interviewed [REDACTED] and IRD [REDACTED]. [REDACTED] recalled the 2008 request for medical donations from the Iraqi Ministry of Health in Baghdad, Iraq and that the "Goods-in-Kind" program was led

Report of Investigation: [redacted]

04/01/11 – 08/23/13

(b)(6);(b)(7)(C)

by [redacted] IRD received a donation from NCC for the medical supplies and [redacted] provided a letter from NCC detailing the donation contents. Missionary Expenditures also agreed to donate shipping costs in the sum of \$7,123.88. [redacted] was advised that the packaging was written in Hebrew and understood how this could become an issue. [redacted] was told that the labels had been destroyed, not the medicine itself. According to [redacted] the medicine was still used in the Medical City Teaching Hospital in Baghdad. [redacted] stated that this was tied to private financing and not U.S. Government funding. [redacted] emphasized that [redacted] was the primary contact for this project. [redacted] said this incident was never reported to USAID OIG because the donations were through private organizations, no U.S. Government funds were used in this transaction.

(b)(6);(b)(7)(C)

(b)(6);(b)(7)(C)

(b)(6);(b)(7)(C)

(b)(6);(b)(7)(C)

When [redacted] were asked about an incident regarding a theft of IRD IT equipment, [redacted] stated that that former IRD employee [redacted] stole IT equipment from IRD and subsequently sold it on e-Bay. According to [redacted] the incident was reported to the Arlington County, VA Police Department. [redacted] was found guilty in Arlington County Circuit Court. [redacted] was ordered to serve two years' probation, fined \$2,500.00 and ordered to pay \$840.00 in court costs and \$22,000.00 restitution. [redacted] stated that he reported this to the USAID Office of Acquisition and Assistance (OAA) on 10/04/12. At the conclusion of the interview, [redacted] provided copies of donation and shipping documents.

(b)(6);(b)(7)(C)

(Attachment 3 Investigative Activity Report, Interview of [redacted] dated 08/23/2013)

This case is closed with the submission of this report.

Subjects:

International Development and Relief

Undeveloped Leads:

None

Disposition of Evidence, Contraband or Personal Property:

N/A

Judicial and Administrative Actions:

None

(b)(6);(b)(7)(C);(b)(7)(E)

Report of Investigation: [redacted]
04/01/11 – 08/23/13

Attachments:

- 1. Investigative Activity Report, Interview of [redacted] dated 06/04/2013
- 2. Investigative Activity Report, Interview of [redacted] dated 08/08/2013
- 3. Investigative Activity Report, Interview of [redacted] 08/23/2013

(b)(6);(b)(7)(C);
(b)(6);(b)(7)(C);
(b)(6);(b)(7)(C);

1

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

Investigative Activity Report

Case Title: International Relief & Development
Case Number: [REDACTED]
Date of Activity: 06/04/13
Type of Activity: Interview
Place of Activity: [REDACTED] Port-au-Prince

On 06/04/13, the Reporting Investigator (RI) interviewed ACS [REDACTED] regarding allegations that International Relief & Development (IRD), a nonprofit nongovernmental organization, pressured its employees to inflate the cost of goods that were to be used under the "Goods-in-Kind" category of awards with USAID. Prior to questioning, [REDACTED] was provided with the identity of the RI and nature of the interview. [REDACTED] provided the following information:

She worked for the IRD Economic Growth Team between 2007 and 2009. While working for IRD, many wrongdoings were observed and overheard. The first allegation involved people being on the payroll although they were not employed by IRD. She also overheard conversation between other employees that [REDACTED] of [REDACTED] had received monthly payments long before joining the organization. She had no proof of this, but she recommended that the OIG should look into the rumors.

The second allegation related to the IT Department, which was managed by the brother-in-law of [REDACTED]. Her colleague, [REDACTED] who presently worked for USAID in Washington, DC told her that a former employee stole approximately \$25,000 in IT materials and was fired, prosecuted and jailed after being found guilty. The employee (name unknown) stole items between 2012 and 2013, sent them to a family member located in another state, and the items were sold on eBay. There is no indication that the money was recovered. Since the IT Department was managed by a family member of the CEO, no questions were asked and the matter was not reported to USAID/OIG.

REPORT MADE BY:

Name:

Signature:

Date Signed: 06/04/13

Notice:

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(b)(6);(b)(7)(C);(b)(7)(E)

MOI: Amelia R. Runyon

Case Number: [REDACTED]

(b)(6);(b)(7)(C)

Page 2

[REDACTED] The third allegation concerned [REDACTED] and "Gifts-in-kind." [REDACTED] worked closely with the Department of Health. Many gifts such as medicines or baby supplies were intended to be sent to donors or countries where IRD operated, but [REDACTED] stole some of the items and gave them to friends and relatives. [REDACTED] once received priceless baby blankets that were intended to be given to mothers in Jordan, Iraq, or other places sometimes in 2008. He offered blankets to [REDACTED] from the Health Unit, and she accepted the "gifts" and took some home. [REDACTED] was present when that happened and immediately left to go back to her office.

(b)(6);(b)(7)(C)

(b)(6);(b)(7)(C)

(b)(6);(b)(7)(C)

The last allegation pertained to money that IRD spent every year for "team building" and "exercises" at the end of the year. Such activities were mandatory for all IRD employees and more than one hundred fifty attended the event that IRD financed at a five star resort between Thanksgiving and Christmas. While being employed at IRD, [REDACTED] took part to the team building activities between 2007 and 2008, which included a five-day trip to "Nemacolin Woodlands Resort" located in Uniontown, PA and involved lavish gifts given to most employees. [REDACTED] resigned on May 2009 at IRD.

(b)(6);(b)(7)(C)

(b)(6);(b)(7)(C)

(b)(6);(b)(7)(C)

(b)(6);(b)(7)(C)

2

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

Investigative Activity Report

Case Title: International Relief and Development
Case Number: [REDACTED]
Date of Activity: 08/08/13
Type of Activity: Interview of [REDACTED]
Place of Activity: USAID OIG/I

On 08/08/13, the Reporting Agent (RA) interviewed [REDACTED] USAID OIG. The purpose of the interview was to discuss an allegation that IRD purchased and shipped vaccines to Iraq valued at approximately \$5 million, which were later destroyed because the containers were marked, "Made in Israel." After being apprised of the agent's identity, [REDACTED] provided the following information:

In late 2008 [REDACTED] was employed with IRD and was involved with the "Gifts in Kind" process conducted by IRD, a USAID implementing partner. USAID paid IRD a large sum of money, often millions of dollars to procure books, medical supplies, clothes, food and other items. IRD would then contact companies and pay little to nothing for old or used books, equipment, clothing and expired medical supplies, or items that were of no use such as rusty beds or wheel chairs with missing wheels. These worthless goods permitted IRD to make a large profit at USAID's expense.

Her [REDACTED] at IRD was [REDACTED] [REDACTED] had a reputation for being corrupt. In 2008, USAID paid \$5 million to IRD to procure and ship medicine to Iraq. Lanning and IRD paid \$10,000 to a group called the National Cancer Coalition (NCC) for cancer vaccines and had the vaccines shipped to Baghdad as per the USAID agreement. When USAID staff in Baghdad opened the crates, the vials were marked "Made in Israel." The American and Iraqi staff discussed the matter and felt the Islamic community in Iraq would have strong feelings about being treated with medicine manufactured in Israel. [REDACTED] said the staff in Baghdad had little option but to burn the vaccine vials.

When she asked [REDACTED] about the branding, [REDACTED] said that he had no idea that Iraq did not like Israel. She could not endure the lack of ethics and morals with [REDACTED] and IRD. She left the company shortly afterwards.

[REDACTED] has provided additional information to USAID OIG.

Name:
Signature:

Date Signed:
08/09/13

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3

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

Investigative Activity Report

Case Title: International Relief and Development
Case Number: [REDACTED]
Date of Activity: 08/23/13
Type of Activity: Interview of [REDACTED]
Place of Activity: IRD, 1621 North Kent Street, Fourth Floor, Arlington, VA.

On 08/23/13, the Reporting Agent (RA) interviewed [REDACTED] International Relief and Development (IRD). The purpose of the interview was to discuss the allegation that IRD purchased and shipped vaccines to Iraq valued at approximately \$5 million which were later destroyed because the containers said "Made in Israel." After being apprised of the agent's identity, [REDACTED] provided the following information:

[REDACTED] stated in late 2008, IRD received a request for medical donations from the Iraqi Ministry of Health, Baghdad, Iraq. Former employee [REDACTED] was spearheading this particular program. IRD received a "goods-in-kind donation from the National Cancer Coalition (NCC) for cancer medicines for Iraq. [REDACTED] referred to a letter from NCC dated 12/12/08 (Attachment 1) addressing the contents of the donation. Missionary Expenditures agreed to donate the shipping costs in the sum of \$7,123.88 (Attachment 2).

According to [REDACTED] he was advised that unbeknownst to him, some of the packaging was written in Hebrew. [REDACTED] said he has never been to Iraq, however could understand how much of an issue this could become. [REDACTED] was told that some of the packaging with the Hebrew markings were destroyed but not the medicine itself. The medicine was still used by patients in the Medical City Teaching Hospital in Baghdad.

[REDACTED] said there was no USAID/U.S. Government funding used in this transaction, it was all privately funded. [REDACTED] reiterated that [REDACTED] was the primary point of contact on this project.

Documents Reviewed:

1. Letter from NCC dated 12/12/08
2. Missionary Expenditures agreement to donate shipping costs.

Name:
Signature:

Date Signed:
08/26/13

Notice:

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

REPORT OF INVESTIGATION

Case Title: International Relief and Development
Case Number: [REDACTED]
Status: Closed
Period of Investigation: 11/26/10 to 06/04/13
OIG/I Office: Baghdad, Iraq

Synopsis:

This investigation was initiated on 11/26/10 based upon allegations from International Relief and Development (IRD) [REDACTED]. During an audit conducted by the USAID Office of Inspector General (OIG), [REDACTED] stated to an auditor that IRD staff members working on the USAID/Iraq Community Action Program III (CAP III) project embezzled funds and received bribes. On 12/05/10, [REDACTED] emailed the OIG and stated that [REDACTED] allegations were based on hearsay and that [REDACTED] had no proof. After reviews and analyses of documents between 04/17/12 and 01/23/13, the allegations were unsubstantiated.

Details of Investigation:

On 11/26/10, allegations were forwarded to the OIG reporting that IRD staff members who worked at the USAID/Iraq CAP III project had embezzled funds and received bribes. It was specifically alleged that:

1. [REDACTED] embezzled \$500,000 in lodging allowances and per diem.
2. [REDACTED] and two [REDACTED] received kickbacks for selling IRD Bill of Quantities (BOQ) information to prospective bidders.
3. [REDACTED] accepted bribes from contractors and sold BOQ information to prospective bidders.
4. [REDACTED] accepted bribes from contractors for approving [REDACTED] that was incomplete and/or of substandard quality. On [REDACTED]

REPORT MADE BY:

Name: [REDACTED]

Date Signed: 09/24/13

Signature: [REDACTED]

APPROVING OFFICIAL:

Name: [REDACTED]

Date Signed: 10/07/13

Signature: [REDACTED]

several occasions, [redacted] allegedly [redacted] penalties imposed by contracts for delayed completed work.

5. [redacted] falsified travel vouchers on several occasions and joined three [redacted] to sell BOQ information to contractors. (*Attachment 1, Letter of allegations, forwarded by [redacted] dated 11/24/10*)

On 12/05/10, [redacted] indicated via e-mail that [redacted] did not have any supporting documentation to corroborate the allegations against [redacted] and the allegations against [redacted] and [redacted] were based solely on hearsay. (*Attachment 2, [redacted] e-mail to OIG, dated 12/05/10*)

On 04/17/12, the OIG requested IRD to provide personnel file and payment information (excluding salaries) regarding [redacted] and payment information regarding [redacted] [redacted] (*Attachment 3, OIG letter to IRD, dated 04/17/12*)

On 05/29/12, the OIG conducted a records review of IRD payments to [redacted] [redacted] Law enforcement information indicated that [redacted] was formerly known as [redacted] The review identified that the payee of the IRD payments was [redacted] a different person. (*Attachment 5, Investigative Activity Report-Records Review of IRD rental office 6, dated 05/29/12*)

On 01/23/13, the OIG requested IRD to provide personnel file and payment information (excluding salaries) for [redacted] (*Attachment 4, OIG letter to IRD, dated 01/23/13*)

On 04/02/13, 06/03/13, and 06/04/13, the RA conducted record reviews of IRD's production of documents. Nothing was identified to warrant additional reviews or substantiate the allegations of illegal activities. (*Attachment 6, Investigative Activity Report-Records Review of IRD production, dated 06/04/13*)

On 06/04/13, the RA conducted a records review of [redacted] cash advances and cash disbursements. No information was identified to substantiate allegations of illegal activities. (*Attachment 7, Investigative Activity Report-Records Review of [redacted] cash advances and cash disbursements, dated 06/04/13*)

This case is closed.

Subjects:

[redacted]

Period: 11/26/10 to 06/04/13

Page 3

(b)(6);(b)(7)(C)
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[Redacted]
Address: [Redacted]

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(b)(6);(b)(7)(C)
E-mail: [Redacted]

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Mobile No.: [Redacted]

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Address: [Redacted]

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E-mail: [Redacted]

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[Redacted]
Address: Hay [Redacted]

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Iraqi Mobile: [Redacted]

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(b)(6);(b)(7)(C)
(b)(6);(b)(7)(C)
[Redacted]
Formerly known as [Redacted]

Undeveloped Leads:

None

Disposition of Evidence, Contraband or Personal Property:

None

Judicial and Administrative Actions:

N/A

Attachments:

1. Allegations forwarded by the USAID OIG Office of Audit, dated 11/24/10
2. [redacted] e-mail to OIG, dated 12/05/10
3. OIG request letter to IRD, dated 04/17/12
4. IAR-Records Review of IRD rental office 6, dated 05/29/12
5. OIG request letter to IRD, dated 01/23/13
6. IAR-Records Review of IRD documents, dated 06/04/13
7. IAR-Records Review of [redacted] cash advances and cash disbursements, dated 06/04/13

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

REPORT OF INVESTIGATION

Case Title: IRD-AVIPA Employee Soliciting Kickbacks
Case Number: [REDACTED]
Status: Complete
Period of Investigation: 3/11/10- 12/5/12
OIG/I Office: Kabul, Afghanistan

Summary of Investigation:

On March 11, 2011, [REDACTED] IRD-AVIPA [REDACTED] informed USAID/OIG agents that [REDACTED] IRD-AVIPA's, [REDACTED] of national liaison, along with two unknown Afghan individuals were arrested by the Afghan National Police (ANP) in Helmand Province for allegedly soliciting a kickback from an IRD-AVIPA subcontractor.

As a result, [REDACTED] was allegedly sentenced to six years imprisonment in Helmand province, Afghanistan. USAID OIG agents attempted to gather [REDACTED] arrest records to forward to UAID OAA COPP division for suspension and debarment actions against [REDACTED]. Despite numerous attempts, OIG agents were unable to obtain [REDACTED] arrest and court records from the Afghan Attorney General's office.

Details of Investigation:

On March 11, 2011, [REDACTED] IRD-AVIPA [REDACTED] informed USAID/OIG agents that [REDACTED] IRD-AVIPA's, [REDACTED] national liaison, along with two unknown Afghan individuals were arrested by the Afghan National Police (ANP) in Helmand Province for allegedly soliciting a kickback from an IRD-AVIPA subcontractor [REDACTED]. The conversation was secretly tape recorded by the victim, [REDACTED] (See Attachment 1- Allegation e-mail from [REDACTED])

REPORT MADE BY: Name: [REDACTED] Date Signed: [REDACTED]

Signature: [REDACTED]

12/11/12

APPROVING OFFICIAL: Name: [REDACTED] Date Signed: [REDACTED]
Signature: [REDACTED]

12/11/12

COP [redacted] dated 3/12/11)

On March 14, 2011, [redacted] reported IRD-AVIPA placed [redacted] on administrative leave without pay until further notice. He also said the other two individuals arrested along with [redacted] were not associated with IRD-AVIPA. [redacted] concluded by stating he would forward an English-translated copy of the taped conversation. (See Attachment 2- Suspension Letter- dated 3/12/11)

On March 30, 2011, [redacted] sent OIG agents a copy of the English-translated summary of the voice recorded conversation between [redacted] and a third unknown person. The conversation purportedly took place inside a vehicle in Helmand, Afghanistan on March 10, 2011. During the conversation, [redacted] introduced himself as [redacted] aide and as the in-country [redacted] for IRD. [redacted] then told [redacted] that the [redacted] road construction programs had serious quality defects and that if [redacted] reported these issues to IRD-AVIPA, [redacted] reputation would be tarnished and that receiving future contracts from IRD and USAID would be difficult. He then asked [redacted] for a \$25,000 bribe to assist him in rectifying the situation. The conversation concluded with the parties agreeing to meet the following morning to exchange a down payment of \$10,000. (See Attachment 3- English-Translated Taped Conversation)

On March 30, 2011, [redacted] informed OIG agents that [redacted] presently remains incarcerated in Helmand and that his employment was officially terminated by IRD-AVIPA. [redacted] also provided a comprehensive inspection report of the roads built by [redacted]. The inspection report found some discrepancies with the roads and IRD indicated it would work with [redacted] to fix the identified discrepancies. According to [redacted], [redacted] was not been paid for any of the performed road work. [redacted] concluded by stating there were no monetary losses to IRD-AVIPA or USAID resulting from [redacted] action. (See Attachment 4- Records Review of AVIPA's Road Inspection Report, dated- 3/31/11)

On July 12, 2011, OIG agents interviewed [redacted] of the Helmand District Court. [redacted] stated that on June 28, 2011, the primary court in Helmand reviewed [redacted] case and determined this was more of an administrative issue and could not be prosecuted. As soon as [redacted] found out about the primary court's decision to decline the case for prosecution, he re-assigned the case to the Helmand District Provincial Court for prosecution because [redacted] believed that soliciting kickbacks was a criminal offense and that there was sufficient evidence to support the claim. [redacted] expected a trial to take place within the next two weeks. [redacted] remained incarcerated awaiting his sentencing. (See Attachment 5- Memorandum of Interview, [redacted] dated- 7/12/11)

On January 19, 2012, OIG agents interviewed [redacted] of the Helmand District Court. [redacted] was sentenced to six years of jail time by the Helmand Primary Court in December 2011. [redacted] subsequently protested the court's sentencing decision and filed a complaint to the Afghan Supreme Court for a re-trial. The

Supreme Court reviewed [redacted] petition and determined that [redacted] should have been sentenced by an Anti-Corruption Tribunal instead of the ordinary District Court. The Supreme Court subsequently ordered [redacted] be immediately transferred from Helmand to the Anti-Corruption Tribunal located in Kabul for a re-hearing of [redacted] sentencing. (See Attachment 6- Memorandum of Interview, [redacted] dated- 1/19/12)

On May 14, 2012, OIG agents re-interviewed [redacted] of the Helmand District Court. [redacted] said that on February 2012, [redacted] case was transferred to Kabul and that he has no further information about the case because as of March 2012, he is no longer working for the Helmand District Court. [redacted] was unable to provide a name or point of contact for the person currently responsible for [redacted] case. (See Attachment 7- Memorandum of Interview, [redacted] dated- 5/14/12)

On November 10, 2012, OIG agents interviewed [redacted] Afghan Attorney General's Office, Anti Corruption Unit (ACU). Agents requested copies of any arrest or conviction records for [redacted] conducted a search of the ACU's Case Management System (CMS), and concluded ACU could not find any records of [redacted] files. [redacted] stated his office has not received any information about [redacted] and therefore could not provide any information about [redacted] case. (See Attachment 8- Memorandum of Interview, [redacted] dated- 11/10/12)

On December 05, 2012, OIG agents interviewed [redacted] of Helmand province. The purpose of the interview was to solicit information about [redacted] case and to request a copy of [redacted] sentencing documents. [redacted] provide the following information:

[redacted] was initially sentenced to six years of imprisonment by a primary court in Helmand province around December 2011. After [redacted] filed a motion to protest the court's decision, his case was referred to an appeal court. The appeal court reviewed [redacted] petition and determined [redacted] action was in violation of Afghan laws and therefore, announced the same prison-term he was given by the primary court. [redacted] stated he could not locate copy of the court documents, and therefore, could not provide it to USAID OIG. (See Attachment 9- Memorandum of Interview, [redacted] dated- 12/3/12)

This matter is closed

Defendants/Suspects:

Name: [redacted]
[redacted]
[redacted]

Undeveloped Leads:

None

Disposition of Evidence, Contraband or Personal Property:

There are no items in evidence or any seized contraband.

Judicial and Administrative Actions:

None

(b)(6);(b)(7)(C)

Attachments:

1. Attachment 1: Allegation e-mail from [REDACTED] dated- 3/12/11
2. Attachment 2: Suspension Letter, dated- 3/12/11
3. Attachment 3: English-Translated Taped Conversation
4. Attachment 4: Records Review of AVIPA's Road Inspection Report, dated- 3/31/11
5. Attachment 5: Memorandum of Interview, [REDACTED] dated- 7/12/11
6. Attachment 6: Memorandum of Interview, [REDACTED] dated- 1/19/12
7. Attachment 7: Memorandum of Interview, [REDACTED] dated- 5/14/12
8. Attachment 8: Memorandum of Interview, [REDACTED] dated- 11/10/12
9. Attachment 9: Memorandum of Interview, [REDACTED] dated- 12/5/12

(b)(6);(b)(7)(C)
(b)(6);(b)(7)(C)

(b)(6);(b)(7)(C)
(b)(6);(b)(7)(C)