



USAID
FROM THE AMERICAN PEOPLE

OFFICE OF INSPECTOR GENERAL

**AUDIT OF THE ACCURACY OF
BIOGRAPHICAL DATASHEETS
PROVIDED BY
INTERNATIONAL RESOURCES
GROUP TO USAID FOR
CONTRACTS IN IRAQ**

AUDIT REPORT NO. 9-267-06-001-P
October 6, 2005

WASHINGTON, DC



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Office of Inspector General

October 6, 2005

MEMORANDUM

TO: ANE/SAA Program Officer, Ross Wherry

FROM: IG/A/PA Director, Steven H. Bernstein /s/

SUBJECT: Audit of the Accuracy of Biographical Datasheets Provided by International Resources Group to USAID for Contracts in Iraq.
(Report No 9-267-06-001-P)

This memorandum is our final report on the subject audit. In finalizing this report, we considered your comments on our draft report and have included your response in Appendix II.

This report does not contain any recommendations for your action.

Once again, I want to express my sincere appreciation for the cooperation and courtesy extended to my staff during the audit.

CONTENTS

Summary of Results	1
Background	2
Audit Objective	2
Is selected information on the biographical data sheets provided to USAID by International Resources Group accurate?	
Audit Finding	3
Evaluation of Management Comments	5
Appendix I – Scope and Methodology	6
Appendix II – Management Comments	7

SUMMARY OF RESULTS

The Performance Audits Division of the Office of Inspector General (OIG) conducted an audit of selected information, based on a sample of the biographical data sheets provided to USAID by International Resources Group (IRG), to determine if the information was accurate (see pages 2 and 3).

No significant discrepancies were noted on the biographical data sheet information that was tested during the audit. Additionally, the audit noted that IRG ensured this accuracy by verifying information, such as education, salary and citizenship shown on the form (see page 3). Based on the results of this audit, no recommendations are being made (see page 4).

Management comments are included in the report at Appendix II (see page 7). USAID Asia and Near East Bureau expressed its agreement with the contents of the report.

BACKGROUND

On May 1, 2003, U.S. President George W. Bush announced that major combat operations in Iraq had ended. At the same time, the USAID Asia and Near East Bureau deployed a number of technical staff to prepare for immediate reconstruction requirements. The USAID Mission in Iraq implements programs supporting four objectives: (1) restoring essential infrastructure; (2) supporting essential education, health, and social services; (3) expanding economic opportunity; and, (4) improving government efficiency and accountability. These activities include reconstruction and rehabilitation of ports, roads, bridges, airports, communications networks, water systems, sewage systems, sanitation systems, housing and community facilities, schools, hospitals and clinics, and electricity generation, transmission, and distribution. They also include the provision of clean water and health services for Iraqis affected by disaster.

USAID had two contracts with International Resources Group (IRG) to provide experienced personnel in assisting USAID to manage reconstruction and rehabilitation activities in Iraq. The total value of these two contracts was \$57,993,046. The first contract (Contract No. EMT-C-00-03-00007), which became effective February 5, 2003, had a base period of 90 days and two 12-month options. The second option was never exercised. The second contract (Contract No. 517-C-00-04-00106-00), which became effective May 5, 2004, has a base period of 18 months and two 12-month options.

IRG, established in 1978, is a for-profit international professional services firm that helps governments, the private sector, communities, and households manage critical resources to build a cleaner, safer, and more prosperous world. In addition to providing general management and institutional strengthening services to public and private sector clients in the United States and around the world, IRG provides professional services through contracts to USAID.

AUDIT OBJECTIVE

This audit was added to the fiscal year 2005 audit plan because of Office of Inspector General (OIG) concerns that inaccuracies on IRG's biographical data sheets may be a systemic and widespread problem. Thus, the OIG performed this audit to answer the following question:

- Is selected information on the biographical data sheets provided to USAID by International Resources Group accurate?

Appendix I contains a discussion of the audit's scope and methodology.

AUDIT FINDING

No significant discrepancies were noted on the biographical data sheet information that was tested during the audit. Additionally, the audit noted that International Resources Group (IRG) ensured this accuracy by verifying information, such as education, salary, and citizenship shown on the form. Based on the results of this audit, no recommendations are being made.

As a requirement of the contract agreements,¹ the contractor must furnish to the Contracting Officer on AID Form 1420-17, "Contractor Employee Biographical Data Sheet," biographical information on the following individuals to be employed in the performance of the contract: (1) all individuals to be sent outside of the United States or (2) any employees designated as "key personnel." Also, in signing and submitting the Contractor Employee Biographical Data Sheet, the Contractor certifies that reasonable steps have been taken to verify the information contained in the aforementioned form. IRG ensured this accuracy by performing educational, salary, and citizenship verifications.

IRG's Recruitment Assistant was responsible for verifying education credentials² reflected on the USAID biographical data sheets and accompanying resumes for:

1. New technical staff, where a biographical data sheet may be submitted to USAID for proposal or project purposes.
2. Proposed long-term experts.
3. Short-term experts upon contracting, if a position or labor category requires specific education qualifications.
4. Situations when a full biographical data verification was required prior to submission to USAID.

Educational credentials were verified either by contacting the school directly or online through the National Student Clearinghouse or DegreeCheck.com.

Salary verifications were performed by contacting the employer by one of the following methods:

- Calling the reference name given on the biographical data sheet or speaking with the Human Resources department.
- E-mailing the name of the person on the biographical data sheet, requesting the information needed.
- Faxing the Human Resources department, attaching either the signed biographical data sheet or the IRG release form.

¹ USAID Acquisition Regulation (AIDAR) 48 CFR Chapter 7, 752.7001 Biographical Data (July 1997).

² Usually this verification is limited to the highest/most recent degree earned as academic institutions usually check previous academic history.

Salary histories were verified to comply with USAID requirements on the submission of a signed USAID biographical data sheet for a cost plus fixed fee contract. Verification can also be triggered if a review of the information provided on a biographical data sheet is not consistent with a candidate's resume. IRG staff also conducted random salary verifications for non-cost plus fixed fee contracts as a regular business practice.

The verification of citizenship was substantiated by ensuring that every IRG employee completes a U.S. Department of Justice Form I-9, "Employment Eligibility Verification." The employee must also provide documents that establish both his/her identity and employment eligibility.³ IRG staff then records the document title, issuing authority, document number, and expiration date, if any.

In addition, we conducted independent educational credential, salary, and citizenship verifications. A sample size of 21 employees was judgmentally selected through methods discussed in the scope and methodology section of this report. A request for verification of claimed information was sent to each of the 21 selected employees' previous employers and educational institutions, for a total of 42 verifications. Of the 42 confirmations sent, 35 responses were received.⁴

Of the 21 requested educational verifications, 19 confirmations were received. These confirmations substantiated the major, degree awarded, dates attended and graduation date. Of the aforementioned 19, no significant discrepancies were noted.

Of the 21 requested verifications of prior salary and work experience, 16 confirmations were received. Each of the 16 verifications substantiated the date of employment, position title, and annual salary. No issues were noted.

Through USAID's Office of Security and a review of the U.S. Department of Justice's I-9 Forms, we verified the citizenship of the selected IRG employees. We found that all of the selected employees were legal U.S. citizens.

³ Some acceptable forms of documentation are, but not limited to, U.S. Passport, Certificate of U.S. Citizenship, U.S. driver's license, and U.S. social security card.

⁴ Second notices were sent for the remaining unconfirmed items and additional efforts were made via, fax, e-mail, and telephone calls; however, at the time this report was written, responses for the remaining seven had not been received.

EVALUATION OF MANAGEMENT COMMENTS

Management comments are included in Appendix II.

USAID Asia and Near East Bureau agreed with the contents of this audit report.

SCOPE AND METHODOLOGY

Scope

The Office of Inspector General conducted this audit in accordance with generally accepted government auditing standards. The fieldwork was performed between April 7, 2005 and September 15, 2005 at USAID and International Resources Group (IRG) offices in Washington, D.C. The audit covered two USAID contracts⁵ in which 17 vouchers were selected from the period February 5, 2003 through December 31, 2004. Internal controls relevant to the audit objective, such as USAID's contract requirements, USAID Acquisition Regulation (AIDAR) policy and IRG's internal policy on credential checks (biographical data, education, and salary verification) were reviewed.

Methodology

In planning and performing our audit work related to the objective, we reviewed two USAID contracts with IRG, IRG's internal policy on credential checks, selected IRG public vouchers for those two contracts, biographical datasheets of selected IRG employees, AIDAR 752-7001 "Biographical Data," and the False Claims Act. We reviewed the contracts to determine IRG's responsibility, as well as USAID's responsibility, to obtain and verify the accuracy of the information provided by the IRG employees on the biographical datasheets. From a list of IRG issued vouchers for the USAID/Iraq contracts, we judgmentally selected 17 high-dollar amount vouchers covering the performance period from February 5, 2003 through December 31, 2004, of both contracts, including option years. From those 17 vouchers, we developed our universe of 107 IRG employees. This universe was utilized to judgmentally select a sample of 21 employees to verify the accuracy of the information provided on the biographical datasheets. We sent requests for verification to each of the 21 selected employees' previous employers and educational institutions, for a total of 42 verifications in all. Of the 42 verifications sent, 35 responses were received.⁶ We compared the information received from the previous employer or educational institution against the information reflected on the biographical data sheets. We also, with the help of USAID's Office of Security, verified the citizenship of the 21 selected IRG employees.

The materiality threshold for this audit was such that, if any discrepancy was discovered, it would have been a reportable finding.

⁵ Contract numbers: EMT-C-00-03-00007 and 517-C-00-04-00106-00

⁶ Second notices were sent for the remaining unconfirmed items and additional efforts were made via, fax, e-mail, and telephone calls; however, at the time this report was written, responses for the remaining seven had not been received.

MANAGEMENT COMMENTS

MEMORANDUM

TO: IG/A/PA Director, Steven H. Bernstein

FROM: ANE/OIR Director, Ross Wherry

DATE: September 22, 2005

SUBJECT: Daft Report on audit on the Accuracy of Biographical Datasheets Provided by International Resources Group to USAID for Contracts in Iraq. (Report No 9-267-06-00X-P)

Thank you for the opportunity to review the draft subject audit memorandum.

The result of this audit clearly indicates that IRG took appropriate measures to ensure the accuracy of biographical data of its employees by verifying information, such as education, salary and citizenship. Their efforts to assure due diligence are also recognized.

No actions will be taken to implement Inspector General recommendations as none were cited in this report.

The IG's investigative staff is to be commended for conducting such a thorough examination of documentation which ruled out significant discrepancies on IRG biographical data sheet information tested.

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