

ORAL TESTIMONY OF DONALD A. GAMBATESA, INSPECTOR GENERAL
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BEFORE THE APPROPRIATIONS SUBCOMMITTEE ON STATE, FOREIGN
OPERATIONS, AND RELATED PROGRAMS
U.S. HOUSE OF REPRESENTATIVES

OVERSIGHT OF ASSISTANCE PROGRAMS IN IRAQ
BY
USAID'S OFFICE OF INSPECTOR GENERAL

FEBRUARY 8, 2007

Madame Chairwoman, members of the committee, it is an honor to appear before you today to testify on behalf of the Office of Inspector General (OIG) for the US Agency for International Development (USAID). I have submitted a written statement that I will synopsise; however, before doing so I would like to take a moment to make a few comments not included in my written statement.

I have been the Inspector General at USAID for about one year and in that period of time I have developed a great appreciation and respect for the employees of USAID, especially our Office of Inspector General employees.

The men and women of USAID are individuals whose life work is committed to the betterment of those less fortunate around the world. Many of these dedicated professionals live and work in places that are sometimes challenging and at times dangerous. Unquestionably, Iraq is one of those places where USAID employees are risking their lives every day. During our discussions today, we will undoubtedly comment and make reference to reconstruction and development programs in Iraq that have not been fully successful. This is certainly no reflection on the dedication and talent of the men and women who are trying to implement these programs under the most dire conditions. I am especially proud of the auditors and investigators currently working in Iraq, and those who have served there in the past, all of whom volunteered to work in this very dangerous place. They certainly have my support and gratitude.

As outlined in my written statement, our office has completed a significant body of work in Iraq over the past 3 years. Our auditors have completed 33 performance audits and reviews; and our investigators have closed 26 investigations and are currently working 13 open cases. Fraud-awareness training has been provided to USAID employees and implementers of the programs, and the Defense Contract Audit Agency, under contract with our office, has completed 86 financial audits. We have issued 54 recommendations to improve USAID programs and have questioned \$57 million in program costs. Our investigations have resulted in adverse employment actions, and financial savings and recoveries of US tax payer dollars. Additionally, the Department of Justice is currently reviewing four of our cases for possible prosecution. We will continue to work cooperatively with the Special Inspector General for Iraq Reconstruction, the State Department Office of Inspector General, and other agencies to ensure proper oversight of reconstruction and development funds being expended in Iraq.

Madame Chairwoman, members of the committee, thank you for providing me this opportunity to discuss our role in Iraq. I am very proud of the work performed by our staff and am willing to answer your questions.

Thank You.