



USAID
FROM THE AMERICAN PEOPLE

**OFFICE OF INSPECTOR GENERAL
SEMIANNUAL REPORT
TO THE CONGRESS**



October 1, 2006 - March 31, 2007



USAID
FROM THE AMERICAN PEOPLE

Mission

The mission of the Office of Inspector General (OIG) is to contribute to and support integrity, efficiency, and effectiveness in all activities of the organizations for which it has oversight responsibilities.

Values

In accomplishing our mission, OIG is committed to the following:

- Integrity
- Excellence
- Teamwork

Strategic Goals

- Keep the U.S. Agency for International Development, the African Development Foundation, the Inter-American Foundation, and Congress fully informed on those agencies' programs and operations and the need for, and progress of, corrective actions.
- Promote improvements in the way that USAID advances sustainable development and global interests.
- Help USAID achieve management and organizational excellence.
- Promote better management of significant and unplanned matters.
- Preserve and protect USAID program and employee integrity.

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MESSAGE FROM THE INSPECTOR GENERAL

This *Semiannual Report to Congress* (SARC) presents information on the work of the United States Agency for International Development, Office of Inspector General (USAID/OIG), and results achieved during the six-month period ending on March 31, 2007. It is issued in accordance with the requirements of the Inspector General Act of 1978, as amended, and specifically addresses OIG's oversight responsibilities for USAID, the African Development Foundation (ADF), and the Inter-American Foundation (IAF).

The work reported was planned and executed in support of OIG's five strategic goals for USAID, ADF, and IAF:

- Keep USAID, ADF, IAF, and Congress fully informed on those agencies' programs and operations and the need for, and progress of, corrective actions.
- Promote improvements in the way that USAID advances sustainable development and global interests.
- Help USAID achieve management and organizational excellence.
- Promote better management of significant and unplanned matters.
- Preserve and protect USAID program and employee integrity.

This SARC discusses significant OIG activity and achievements in support of these goals and provides comprehensive statistics and data regarding OIG efforts.

OIG continues to use a collaborative, proactive, and results-oriented approach in support of the integrity, efficiency, and effectiveness of USAID, ADF, and IAF programs and operations.

Donald A. Gambatesa
Inspector General

EXECUTIVE SUMMARY

During this reporting period, OIG continued its audit and investigative work in support of USAID, ADF, and IAF. OIG designed these efforts to further its five strategic goals and realize positive results overall as well as for each goal, as described below.

**Strategic Goal 1:
Keep the U.S. Agency for International Development, the African Development Foundation, the Inter-American Foundation, and Congress fully informed on those agencies' programs and operations and the need for, and progress of, corrective actions.**

The Inspector General testified before Congress on OIG's oversight of USAID's reconstruction and development efforts in Iraq, noting that 33 performance audits resulted in 55 recommendations with final action being taken on all but 4 recommendations. Financial audits identified \$20 million in questioned costs. The Inspector General briefed staff members of several committees on OIG work force matters and issues of interest, including the work force's composition; current priorities; coordination with the Government Accountability Office and the Special Inspector General for Iraq Reconstruction to ensure that work is not duplicated; plans for allocating resources to meet changing priorities; and challenges faced in times of budget constraints.

**Strategic Goal 2:
Promote improvements in the way that USAID advances sustainable development and global interests.**

OIG conducted three audits of the Public Law (P.L.) 480 Non-Emergency Monetization Program, as well as an audit of Azerbaijan's economic growth program and Egypt's Agricultural Exports and Rural Incomes Project and surveyed USAID's trade capacity building (TCB) programs. In addition, OIG prepared a summary audit report of the President's Emergency Plan for AIDS Relief, addressing USAID-wide issues identified during four audits.

**Strategic Goal 3:
Help USAID achieve management and organizational excellence.**

OIG audited USAID's financial statements for fiscal years 2005 and 2006 and continued auditing USAID's financial audit program for foreign recipients for compliance with financial audit requirements. In addition, OIG worked with foreign Supreme Audit Institutions and oversaw financial audits conducted on OIG's behalf.

**Strategic Goal 4:
Promote better management of significant and unplanned matters.**

OIG conducted audits of programs in Iraq and Afghanistan and of tsunami-related programs in Indonesia, India, the Maldives, Sri Lanka, and Thailand, and continued oversight activities in West Bank and Gaza.

**Strategic Goal 5:
Preserve and protect USAID program and employee integrity.**

OIG investigated all allegations of fraud, waste, and abuse received from USAID personnel, audit staff, contractors, grantees, the hotline and other sources. OIG referred actions to USAID for administrative action when appropriate. OIG referred investigative findings to the Department of Justice for criminal and/or civil action, as warranted.

**SUMMARY OF AUDITS CONDUCTED
AND THE RESULTS
AS OF MARCH 31, 2007**

TYPE OF REPORT	NUMBER OF REPORTS	MONETARY RECOMMENDATIONS (\$)*
FINANCIAL AUDITS		
USAID PROGRAMS AND OPERATIONS	1	0
FOUNDATIONS' PROGRAMS AND OPERATIONS	2	0
U.S.-BASED CONTRACTORS	54	10,025,132
U.S.-BASED GRANTEES	29	3,331,071
QUALITY CONTROL REVIEWS	8	0
FOREIGN-BASED ORGANIZATIONS	118	14,625,335
QUALITY CONTROL REVIEWS	5	0
ENTERPRISE FUNDS	1	0
PERFORMANCE AUDITS		
USAID ECONOMY AND EFFICIENCY	24	11,226,927
FOUNDATIONS' ECONOMY AND EFFICIENCY	0	0
OTHER	5	0
TOTAL	247	39,208,465

* Monetary recommendations include questioned costs and funds put to better use.

**SUMMARY OF INVESTIGATIVE ACTIVITY
AND THE RESULTS
AS OF MARCH 31, 2007**

USAID

INVESTIGATIVE ACTIONS

WORKLOAD		CIVIL	
CASES OPENED	53	CIVIL REFERRALS	1
CASES CLOSED	59	COMPLAINTS	0
		JUDGEMENTS/RECOVERIES	1
		SETTLEMENTS	1
CRIMINAL		ADMINISTRATIVE	
PROSECUTIVE REFERRALS	4	REPRIMANDS/DEMOTIONS	0
PROSECUTIVE DECLINATIONS	2	PERSONNEL SUSPENSIONS	2
INDICTMENTS	8	RESIGNATIONS/TERMINATIONS	4
CONVICTIONS	1	OTHER ADMINISTRATIVE ACTIONS	5
FINES	2	RECOVERIES	1
RESTITUTIONS	1	SUSPENSIONS/DEBARMENTS	1
		SAVINGS	1
		SYSTEMIC CHANGES	6

INVESTIGATIVE RECOVERIES

JUDICIAL RECOVERIES	\$3,088,076.00
ADMINISTRATIVE RECOVERIES	146,949.85
SAVINGS	224,914.00
TOTAL INVESTIGATIVE SAVINGS / RECOVERIES	\$3,459,939.85



SUMMARY OF RESULTS

**Strategic Goal 1:
Keep the U.S. Agency for International Development, African Development Foundation, Inter-American Foundation, and Congress fully informed on those agencies' programs and operations and the need for, and progress of, corrective actions.**

In accordance with the Inspector General Act of 1978, OIG keeps Congress and the leaders of USAID, ADF, and IAF informed about the status of significant OIG audit and investigative activities, problems, and issues. OIG produces reports on completed audits and investigations and meets periodically with key officials and congressional staff members to discuss matters of interest to them.

Inspector General Testifies Before Congress

The Inspector General testified before the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs on OIG's oversight of USAID's reconstruction and development efforts in Iraq. The Inspector General summarized OIG's work in Iraq and discussed coordination efforts with other inspector general offices. Notable among the 33 performance audits that OIG conducted were those focusing on increasing crop and livestock production; improving the country's

educational system; and sustaining power, water, and sanitation projects.

The Inspector General testified that OIG made 55 recommendations in connection with the 33 performance audits and reviews. USAID has taken final action on all but four recommendations and has made management decisions to address those that remain. Also noted by the Inspector General were \$20 million in questioned costs that USAID had agreed were not allowable. The questioned costs were identified by financial audits contracted for and supervised by OIG. The Inspector General reported to the Committee that OIG's investigations had resulted in two employee terminations, one employee resignation, a credit of approximately \$4.6 million, and refunds of nearly \$400,000.

Inspector General Meets With Senate Committee on Foreign Relations

The Inspector General briefed staff members of the Senate Committee on Foreign Relations on OIG's oversight activities and the composition of its work force. He told congressional staff that USAID administers foreign assistance programs in approximately 100 countries. Consequently, a significant portion of OIG's work takes place overseas from seven regional offices in Baghdad, Cairo, Dakar, Frankfurt, Manila, Pretoria, and San Salvador. OIG's work force consists of 181 employees: 56 auditors and 13 investigators based overseas and 112 staff members in Washington, D.C.

The Inspector General also briefed congressional committee staff on OIG's priorities, which include oversight of reconstruction and development in Afghanistan and Iraq, the President's Emergency Plan for AIDS Relief, alternative livelihood programs in the Middle East and Latin America, reconstruction of areas affected by the 2005 Asian tsunami, and development programs administered by the Millennium Challenge Corporation (MCC). OIG is working diligently to ensure that oversight resources are used effectively to address these and other vital programs. The Inspector General discussed the challenges facing USAID and MCC, as well as other issues of interest to the staff members, such as

coordination with the Government Accountability Office and the Special Inspector General for Iraq Reconstruction to ensure that audit and investigative work is not duplicated.

Inspector General Briefs House Appropriations Subcommittee on State, Foreign Operations, and Related Programs

The Inspector General also briefed staff members of the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs on OIG's oversight activities. Regarding the funding of OIG activities, the Inspector General provided congressional staff with appropriations data on OIG's Iraq operations since 2003 and discussed OIG's plans for allocating resources to meet changing priorities, such as increasing oversight activity of programs in Afghanistan. The Inspector General emphasized that OIG's mission is critical, particularly during this time of budget constraints and concerns about the use of taxpayer money. OIG brings value by identifying funds that can be put to better use, by recovering funds that otherwise would be lost to fraud, and by ensuring that programs operate as they are intended.

Inspector General Briefs Senate Committee on Appropriations

The Inspector General briefed staff members of the Senate Committee on Appropriations on OIG's oversight activities around the world, the status of its work force, and the challenges it faces in times of budget constraints. As in other congressional briefings, the Inspector General explained OIG's current priorities. He also provided background on OIG's appropriations history and how OIG's activities require prioritizing and judicious allocation of scarce resources. The Inspector General discussed with the staffers his plans for maintaining an office in Iraq and for increasing OIG audit and investigative oversight activities in Afghanistan.

Strategic Goal 2: Promote improvements in the way that USAID advances sustainable development and global interests.

Advancing sustainable development and global interests requires a proactive approach that improves peoples' lives and makes positive changes in their societies. An effective program in each of these key areas is critical to the overall success of U.S. foreign assistance. Health programs focus on the most serious health issues affecting mankind, including HIV/AIDS, tuberculosis, food security, and family planning. Programs in democracy and economic growth establish the structure for a stable and free society where individuals can work and see the positive results of their labors.

To support USAID's efforts, OIG audits those programs that improve health, education, and the environment; advance the growth of democracy and good governance; strengthen economic growth, development, and stability and agricultural programs; and minimize the human costs of displacement, conflicts, and natural disasters.

These audits help USAID ensure that effective systems are developed and implemented for managing and monitoring these programs.

SIGNIFICANT OIG WORK

Audit of USAID/Bolivia's Effectiveness in Complying with Tiahrt Requirements

Following USAID's reporting of noncompliance with the Tiahrt Amendment in Guatemala,¹ OIG audited the Tiahrt Amendment in Guatemala for compliance. OIG then expanded work to other countries, including Bolivia, to assess USAID's compliance with the family planning-related requirements of the Tiahrt Amendment.

Requirements of the Tiahrt Amendment apply to projects that receive USAID support for family planning projects. The provisions of the Tiahrt Amendment that were relevant to USAID/Bolivia were the following:

- Service providers and referral agents shall not implement or be subject to quotas relating to the number of births, the number of family planning acceptors, or the number of acceptors of a particular family planning method.
- The project shall not include payment of incentives to individuals in exchange for

becoming acceptors of a particular family planning method; or program personnel achieving targets or quotas related to the number of births, the number of family planning acceptors, or the number of acceptors of a particular family planning method.

- Rights or benefits may not be withheld from persons who decide not to use family planning services.
- The project shall provide comprehensible information on the health benefits and risks of the method chosen.

OIG found that USAID/Bolivia had implemented controls and procedures for ensuring that the mission and its partners complied with the requirements of the Tiahrt Amendment. However, OIG made three recommendations.

OIG recommended that USAID/Bolivia review all current awards that include family planning activities for inclusion of the Tiahrt Amendment standard provision, establish a plan so that future awards include the Tiahrt requirements, and implement controls and procedures to improve monitoring of compliance with Tiahrt Amendment requirements.

Final action was taken on all recommendations.

(Audit Report No. 1-511-07-004-P)

1. "Audit of Compliance with the Tiahrt Amendment Under USAID/Guatemala's Cooperative Agreements," August 21, 2006 (Audit Report No. 1-520-06-007-P).

Guidance Is Needed to Resolve Inconsistencies in Measuring the Progress of the President's Emergency Plan for AIDS Relief

The President's Emergency Plan for AIDS Relief (Emergency Plan) is a \$15 billion 5-year program that provides \$9 billion in new funding to accelerate the delivery of HIV/AIDS-related prevention, care, and treatment services in 15 focus countries. The Emergency Plan also allocates \$5 billion over 5 years to bilateral programs in more than 100 countries and increases the U.S. pledge to the Global Fund by \$1 billion over 5 years.

OIG audited USAID's progress in implementing the Emergency Plan to determine whether prevention and care activities progressed as expected toward the planned outputs in its grants, cooperative agreements, and contracts. OIG summarized results of audits conducted at USAID Missions in Tanzania, Nigeria, Guyana, and South Africa² in this report. The four missions had fiscal year 2005 funding levels totaling \$171.8 million.

OIG was unable to determine whether USAID's prevention and care activities progressed as expected because the start and cutoff dates for measuring progress and achievement of fiscal year 2005 outputs were not interpreted and applied uniformly by the missions audited.

In addition, OIG found that all four missions reported some problems with the quality of output data because of lack of adequate guidance, training, or procedures on the part of the USAID missions, prime partners, or both. Audit reports for all four missions contained at least one recommendation for addressing the data quality issue. Therefore, OIG did not make a recommendation in this summary report.

OIG recommended that the Office of HIV/AIDS Director meet with the Department of State's Office of U.S. Global AIDS Coordinator to clarify the start and cutoff dates for measuring progress and to issue guidance to all USAID missions with Emergency Plan activities to clarify these dates.

Final action was taken on both recommendations.

(Audit Report No. 9-000-07-004-P)

USAID/Brazil Achieved Results for Its Health Program, But Improvements Are Needed

The World Health Organization identified 22 countries responsible for 80 percent of tuberculosis (TB) cases worldwide. Brazil ranks 16th among those countries and is one of the two countries responsible for 50 percent of TB cases reported in Latin America. More than 50 million people in Brazil are estimated to be infected with the bacterium that causes TB.

OIG conducted an audit of USAID/Brazil's Health Program to determine whether its health activities achieved planned results and provided stakeholders with complete and accurate information.

USAID achieved important results for its TB and HIV/AIDS program activities. For example, USAID/Brazil implemented Direct Observed Treatment, Short Course (the recommended strategy for TB control, in the majority of the 315 municipalities that account for 70 percent of all tuberculosis cases in the country). USAID/Brazil and its partners also carried out more than 25,000 HIV/AIDS prevention activities, reaching more than 1 million people. However, OIG could not measure or evaluate progress in achieving some targets, because documents for managing the program did not include results or baseline data and some program funding was delayed.

In addition, USAID/Brazil did not provide stakeholders with complete and accurate information, maintain official files supporting reported data, and perform data quality assessments. Required financial audits also were not conducted by USAID/Brazil, and suspected fraud involving USAID funds was not reported to OIG.

OIG made 12 recommendations, including that USAID/Brazil validate program results and disclose data limitations, conduct required financial audits, and report suspected fraud to OIG.

2. "Audit of USAID/Tanzania's Progress in Implementing the President's Emergency Plan for AIDS Relief," (Audit Report No. 9-621-06-006-P); "Audit of USAID/Nigeria's Progress in Implementing the President's Emergency Plan for AIDS Relief," (Audit Report No. 7-620-06-004-P); "Audit of USAID/South Africa's Progress in Implementing the President's Emergency Plan for AIDS Relief," (Audit Report No. 4-674-06-013-P); and "Audit of USAID/Guyana's Progress in Implementing the President's Emergency Plan for AIDS Relief," (Audit Report No. 1-504-06-005-P).

Management decisions were reached on 10 recommendations.

(Audit Report No. 1-512-07-007-P)

Family Planning Activities Were Successful, But Improvements Can Be Made

Family planning enables couples to determine whether, when, and how often to have children. Voluntary family planning has health, economic, and social benefits for families and communities, such as (1) reducing high-risk pregnancies; (2) protecting the health of children by allowing sufficient time between pregnancies; (3) reducing abortions by preventing unwanted pregnancies; (4) supporting women's rights and opportunities for education, employment, and full participation in society; and (5) protecting the environment by stabilizing population growth.

During this period, OIG continued to audit USAID's family planning programs³ in Guatemala and Bolivia. These countries have the two highest total fertility rates in Latin America. OIG conducted these audits to determine if (1) family planning activities achieved planned results stated in strategic plans, Congressional Budget Justifications, and agreements and contract documents and (2) USAID/Guatemala and its partners managed its family planning activities efficiently.

Both missions achieved their planned results, and USAID/Guatemala and its partners managed its family planning activities efficiently.

However, OIG made recommendations for improvements.

OIG recommended that USAID/Guatemala revise its couple-years of protection⁴ targets, disaggregate program targets between urban and rural areas, transfer excess contraceptives to locations where they can be used expeditiously, and make sure that only one organization has responsibility for determining contraceptive requirements for the nongovernmental organizations.

Management decisions were reached on all recommendations.

OIG recommended that USAID/Bolivia improve the quality of performance indicators and targets, strengthen the reliability of its data collection systems, improve its periodic data validation procedures, and perform data quality assessments.

Management decisions were reached on three recommendations, and final action was taken on the fourth.

[Audit Report Nos. 1-520-07-001-P (Guatemala) and 1-511-07-005-P (Bolivia)]

USAID's Economic Growth Program Had Mixed Results

During this period, OIG audited USAID's Economic Growth Programs in Azerbaijan and El Salvador.

Azerbaijan has one of the fastest growing economies in the world with its economy growing at an annual rate of 20 percent in fiscal year 2005.

Oil and gas production accounts for 90 percent of all exports and 30 percent of gross domestic product but only 1.5 percent of employment. USAID/Azerbaijan's Economic Growth Program seeks to strengthen and diversify Azerbaijan's economy. As of fiscal year 2006, USAID/Azerbaijan's economic growth portfolio consisted of eight projects with funding of approximately \$41 million.

OIG conducted an audit of USAID/Azerbaijan's Economic Growth Program to determine if it progressed as expected toward achieving planned outputs under its grants, cooperative agreements, and contracts.

OIG found that only one of the eight projects—Junior Achievement—achieved its planned outputs. The seven projects that were not progressing as expected included energy assistance, banking supervision, and rural enterprise competitiveness. Of these projects, one was terminated early, four did not deliver key outputs, and two were duplicative and restructured. The poor performance of these projects during fiscal year 2006 stemmed from a variety of implementation problems, some of which were beyond the Mission's control.

OIG made three recommendations, including updating local guidance and complying with USAID guidance.

Management decisions were reached on all recommendations.

3. During the previous period, OIG's audit was reported in "Audit of USAID/Egypt's Family Planning Activities," September 28, 2006 (Audit Report No. 6-263-06-01-P).

4. Couple-years of protection (CYP) is a common indicator used to measure the effect of family planning activities. CYP is the number of couples protected from unplanned pregnancies during a one-year period based on the number and type of contraceptives distributed during the period.

El Salvador's real per capita gross domestic product increased just 1.7 percent during the five-year period beginning in 2000. As of fiscal year 2006, USAID/El Salvador's economic growth portfolio consisted of 11 activities with obligations of approximately \$28 million.

OIG conducted an audit in El Salvador to determine if its economic growth activities achieved planned results and provided stakeholders with complete and accurate information.

OIG found that USAID/El Salvador met 14 of 16 targets. Examples of the successful results that exceeded target indicators included the number of people trained by business development and financial services programs and the number of active new borrowers of assisted microfinance institutions. OIG also found that USAID/El Salvador did not

provide stakeholders with complete and accurate information.

OIG made 12 recommendations, including revising performance targets; working with the Government of El Salvador on improving its tax structure; and requiring cognizant technical officers to sample and review implementing partners' data for completeness, accuracy, and consistency.

Management decisions were reached on nine recommendations, and final action was taken on one.

[Audit Report Nos. 8-112-07-001-P (Azerbaijan) and 1-519-07-006-P (El Salvador)]

USAID's P.L. 480 Non-Emergency Monetization Program Had Mixed Results

The objective of the P.L. 480 Non-Emergency Monetization Program (Title II) is to provide food aid to vulnerable groups in non-emergency situations and to promote development programs critical to long-term food security. When authorized by USAID, cooperating sponsors may either distribute the commodities directly to recipients or sell the commodities to generate foreign currency for supporting local development programs. The sale of U.S. agricultural commodities by cooperating sponsors (turning food assistance into program funds) is called "monetization."

During this period, OIG continued to audit the P.L. 480 Title II program,⁵ conducting audits in



Photograph of women in the village of Nagbingou, Burkina Faso, who obtained credit from the microfinance program. The credit enabled the women to start their own businesses, send their children to school, and take care of their families.



Photograph of a farmers' association member operating a water pump to irrigate vegetable plots in Muziva, Mozambique. This technique was introduced through USAID/Mozambique.

5. "Audit of USAID/Haiti's Management of P.L. 480 Non-Emergency Monetization Program," September 28, 2006 (Audit Report No. 9-521-06-010-P).

Burkina Faso, Guatemala, and Mozambique to determine if the program activities achieved planned outputs. Even though OIG found that the program in Burkina Faso achieved only 17 of 22 selected categories of planned outputs, these outputs were achieved at 90 percent or higher. Outputs included training farmers in agricultural production, water and soil conservation techniques, and construction of livestock enclosures and promoting microfinance activities. Three recommendations were made for improving monitoring and reporting activities.

Management decisions were reached on all recommendations.

OIG could not determine if planned outputs were achieved by Guatemala or Mozambique. In Guatemala, no development programs were funded by commodity sales, so no outputs were defined for USAID/Guatemala's monetization activities. Instead, monetization proceeds were used to defray expenses associated with distributing food assistance under the Title II food program and contributed indirectly to achieving the outputs that were defined for the food distribution program. However, OIG identified opportunities for improving program operations.

OIG made six recommendations, including that USAID/Guatemala move the program to a market-basket approach, sell to more than one buyer, and recover about \$300,000 in costs that should not have been charged to the program.

Management decisions have been reached on two of six recommendations.

In Mozambique, OIG could not determine if planned outputs were achieved, because the outputs reported could not be verified. OIG recommended that USAID/Mozambique perform a data quality assessment for its P.L. 480 Non-Emergency Monetization Program and emphasize to its staff the importance of documenting site visits.

Management decisions were reached on both of the recommendations.

[Audit Reports Nos. 7-624-07-001-P (Burkina Faso), 1-520-07-002-P (Guatemala), and 4-656-07-003-P (Mozambique)]

USAID's Trade Capacity Building Programs for Supporting Implementation of Free Trade Agreements Can be Strengthened

To encourage developing countries to participate more fully in the international market, the United States negotiates free trade agreements (FTAs) with developing countries. FTAs are enforceable contracts between two or more nations that reduce or remove trade barriers and give preferential market access in return.

OIG conducted a survey of USAID's TCB programs in response to a congressional request. OIG was asked to determine whether USAID provided guidance to the field and host countries on the reforms to be addressed in its TCB programs; whether USAID's TCB programs supported implementation of FTAs with developing countries; whether the Trade Promotion Coordinating Committee's 2006 National Export Strategy reflected USAID's current

and planned TCB accomplishments; and the status of USAID's small-business trade matchmaking efforts. OIG conducted this survey at USAID/Washington and at the Missions in El Salvador, Honduras, Nicaragua, the Philippines, and South Africa. USAID reported about \$695 million in TCB activities in 2005.

OIG found that USAID provided guidance to the field and host countries on the reforms to be addressed in its TCB programs and that many of the TCB programs tested supported implementation of FTAs with developing countries. However, OIG found that the Trade Promotion Coordinating Committee's 2006 National Export Strategy did not reflect USAID's current and planned TCB accomplishments. In addition, OIG determined that several missions that were surveyed support matchmaking activities although USAID does not currently fund a global small-business trade matchmaking program.

OIG made four recommendations, including that USAID improve its database Web site in two areas, develop and distribute mission-level TCB performance indicators, and appoint a USAID representative to the Trade Promotion Coordinating Committee.

Final action was taken on all four recommendations.

(Audit Report No. 9-000-07-002-S)

USAID/Egypt's Agricultural Exports and Rural Incomes Project Can Be Improved

USAID/Egypt's Agriculture Export and Rural Incomes Project was a 4-year \$57.3 million project designed to strengthen the environment for trade and investment. OIG conducted an audit to determine if the project had increased jobs and rural household incomes of project recipients. For the activities audited, the project had not increased jobs of planned participants, and the grantees were unable to support the income results they reported. In addition, several weaknesses existed in the mission controls for oversight and reporting.

OIG recommended that USAID/Egypt establish better targets for measuring progress, improve oversight of grantee reporting, verify reported results, and correct its Performance Monitoring Plan. Management decisions were reached on all recommendations.

(Audit Report No. 6-263-07-001-P)

Strategic Goal 3: Help USAID achieve management and organizational excellence.

OIG conducts audits of USAID's financial systems, oversees financial audits of USAID contractors and grantees, and promotes improvements in information technology infrastructure and security awareness.

In 2003, OIG issued its first unqualified opinion on USAID's financial statements and has issued an unqualified opinion each year since. This was achieved because of OIG's efforts and USAID's corrective actions in response to previously reported financial management challenges. USAID's programs are implemented through contractors and grantees, and USAID is required by Federal government regulations to obtain timely audits of its contractors and grantees. OIG provides oversight of these audit activities to help ensure that audits are conducted in accordance with appropriate standards and thereby enhance accountability.

In addition, OIG audited USAID's information technology infrastructure and security issues. OIG is continuing to monitor USAID's progress in this area

SIGNIFICANT OIG WORK

OIG Issued an Unqualified Opinion on USAID's Financial Statements, But Improvements Are Needed

OIG issued an unqualified opinion on USAID's fiscal years 2006 and 2005 financial statements. The opinion included one material weakness, five reportable conditions, and three instances of noncompliance with laws and regulations.

The material weakness related to USAID's accounting and reporting of accruals and required a \$123 million adjustment. OIG recommended that USAID prepare and complete quarterly reconciliations of its accruals system with its general ledger and update its accruals training course.

Reportable conditions included weaknesses in the reconciliation processes and inadequate controls for ensuring the accuracy of financial and performance data. OIG recommended that USAID perform scheduled reconciliations, develop and implement procedures for identifying invalid accounts at the appropriation level, and certify the accuracy of performance data.

OIG reported instances of noncompliance with laws and regulations related to USAID's account closing and deobligation process and reported two Anti-deficiency Act violations. OIG recommended that USAID research and resolve problems in system processes and ensure that obligations are not incurred before the commitment of funds and valid obligations.

Management decisions were reached on all recommendations and valid obligations are recorded.

In 2006, USAID fully deployed its new financial accounting system worldwide. OIG determined that USAID substantially complied with the Federal Financial Management Improvement Act of 1996.

(Audit Report No. 0-000-07-001-C)

USAID/Uganda's Compliance with Financial Audit Requirements Regarding Foreign Recipients Should Be Improved

USAID administers most of its foreign assistance programs by awarding contracts, grants, and cooperative agreements to U.S.-based and foreign organizations. To help ensure accountability over funds, USAID and OIG jointly have developed a financial audit program. Foreign nonprofit organizations expending more than \$300,000 of USAID funds during their fiscal years are required to have an annual financial audit.

During this period, OIG continued to audit USAID's financial audit program for foreign recipients⁵ by auditing USAID/Uganda's Compliance with Financial Audit Requirements Regarding Foreign Recipients. The objective of the audit was to determine if USAID/Uganda effectively managed its financial audit program in accordance with USAID policies and procedures for fiscal years 2004 and 2005.

OIG found that USAID/Uganda did not effectively manage its financial audit program. Specifically, USAID/Uganda did not ensure that planned audits of foreign recipients were performed in a timely manner or that delinquent audits were followed up and completed.

OIG recommended that USAID/Uganda develop and implement an audit-tracking system for better monitoring timely submittal of planned audits.

A management decision was reached on this recommendation.

(Audit Report No. 4-617-07-001-P)

OIG Identified \$28 Million in Questioned Costs

OIG maintains oversight of audit work conducted by federal and nonfederal auditors. OIG reviews Defense Contract Audit Agency (DCAA) reports and transmits them to USAID management. In addition, OIG performs oversight of nonfederal auditors who perform

audits of U.S.-based nonprofit and foreign organizations that receive USAID funds and conducts quality-control reviews to determine if the audits comply with U.S. Government requirements. During this period, OIG reviewed 202 audit reports that identified about \$28 million in questioned costs, covering about \$2.3 billion audited. OIG also issued 13 quality control review reports covering \$321 million.

Significant examples of OIG oversight occurred at USAID/Iraq and USAID/Pakistan. At USAID/Iraq, OIG transmitted three DCAA audit reports that identified about \$3.4 million in questioned costs covering about \$509.6 million audited.

OIG recommended that USAID/Iraq determine the allowability and collect, as appropriate, \$3.4 million in questioned ineligible costs.

At USAID/Pakistan, OIG reviewed an audit report prepared by nonfederal auditors that identified about \$2 million in questioned costs covering about \$3.2 million audited, one material internal control weakness, and seven material instances of noncompliance.

OIG recommended that USAID/Pakistan determine the allowability of and recover, as appropriate, \$2 million in questioned costs, and correct the internal control weakness and instances of noncompliance.

Management decisions are pending.

5. During the previous reporting period, OIG conducted six audits: "Audit of USAID/REDSO/ESA's Compliance with Financial Audit Requirements Regarding Foreign Recipients," May 22, 2006 (Audit Report No. 4-623-06-008-P); "Audit of USAID/Ethiopia's Compliance with Financial Audit Requirements Regarding Foreign Recipients," May 31, 2006 (Audit Report No. 4-663-06-009-P); "Audit of USAID/Tanzania's Compliance with Financial Audit Requirements Regarding Foreign Recipients," July 31, 2006 (Audit Report No. 4-621-06-010-P); "Audit of USAID/Kenya's Compliance with Financial Audit Requirements Regarding Foreign Recipients," July 31, 2006 (Audit Report No. 4-615-06-011-P); "Audit of USAID/Malawi's Compliance with Financial Audit Requirements Regarding Foreign Recipients," July 31, 2006 (Audit Report No. 4-612-06-012); and "Audit of USAID/Mozambique's Compliance with Financial Audit Requirements Regarding Foreign Recipients," September 22, 2006 (Audit Report No. 4-656-06-015-P).

Strategic Goal 4: Promote better management of significant and unplanned matters.

OIG partners with USAID to help ensure audit oversight of activities that are of significant interest to USAID and Congress.

USAID programs in Iraq, Afghanistan, the West Bank and Gaza, rebuilding the tsunami countries, and developing a tsunami warning system are high-priority programs. OIG has maintained an office in Iraq since 2003 that is staffed with seven auditors and two investigators who conduct audits and investigations of reconstruction and relief activities. OIG primarily conducts audits in Afghanistan and in the tsunami region from its Manila, Philippines, office. Work in the West Bank and Gaza is conducted from the OIG office in Cairo, Egypt.

OIG audits in Iraq focus on a variety of programs, including the power sector; building the capacity and increasing the quality of the country's educational system; building an agricultural sector; and strengthening civil societies through initiatives such as (1) civic education, (2) women's advocacy, (3) anticorruption, and (4) human rights.

In Afghanistan, OIG audits projects such as road, school, and clinic reconstruction and projects that provide local communities with labor-intensive work programs

in the key poppy-producing provinces, referred to as "alternative livelihoods."

In addition, OIG performs oversight of USAID activities in the West Bank and Gaza and conducts audits of tsunami programs.

SIGNIFICANT OIG WORK

USAID/Iraq's Agriculture Reconstruction and Development Program Is on Schedule to Achieve Most of Its Intended Outputs

The Iraq agricultural sector is marked by low productivity and lack of employment and income opportunities for the rural population. In October 2003, USAID initiated a comprehensive national plan for revitalizing the agricultural sector and awarded a contract for implementing USAID/Iraq's agriculture program. As of June 2006, the contract had total obligations of approximately \$101 million and disbursements of approximately \$80 million.

OIG conducted an audit of USAID/Iraq's Agriculture and Reconstruction Program to determine if its agricultural activities were achieving intended outputs.

OIG found that of the 29 activities reviewed, 16 achieved their intended outputs, 12 were on schedule to do so, and 1 was not likely to achieve its intended outputs. OIG also found that USAID/Iraq did not properly administer its contract for proper review of payment vouchers, documentation of key events, and annual evaluations of contractor performance reporting.

OIG recommended that USAID/Iraq verify that cognizant technical officers are documenting significant events and key decisions affecting the activities.

A management decision was reached on this recommendation.

(Audit Report No. E-267-07-002-P)

USAID/Iraq Can Improve Management of Its Civil Society Activities

In support of U.S. Government efforts to foster participatory democratic governance in Iraq, USAID/Iraq sought to strengthen civil society's role in the economic and political development of a broad group of civil society organizations (CSOs) in Iraq. To accomplish this goal, USAID/Iraq awarded a \$43 million contract. Through modifications, the funding increased to \$59.1 million. The program funded through the contact focused on fostering the growth and development of CSOs in civic education, women's advocacy, anticorruption, and human rights.

OIG conducted an audit of USAID/Iraq's civil society activities to determine if those activities were achieving their intended outputs. Of the 35 intended outputs included in the implementing partner's Performance Monitoring Plan (PMP), OIG found that 17 were achieved and 8 were reported as not met. In addition, 10 could not be determined because of a lack of sufficient documentation and nonspecific reported outputs.

OIG found that the contractor's PMP was neither complete nor achievable. It did not list intended outputs for all indicators, and security issues caused delays in implementing the program. In addition, some reported outputs were not specific, accurate, and documented.

OIG recommended that USAID/Iraq review the contractor's PMP to require that each indicator has measurable and achievable outputs

and that procedures are developed to ensure that specific and accurate outputs are reported and sufficiently documented.

Final action was taken on both recommendations.

(Audit Report No. E-267-07-001-P)

USAID/Afghanistan's Alternative Livelihoods Programs-Eastern Region Achieved Results, But Improvements Can Be Made

As part of the U.S. Government's five-pillar counternarcotics strategy, USAID/Afghanistan launched its Alternative Livelihoods Program (ALP) to provide economic alternatives to the production of opium poppy in Afghanistan. In February 2005, USAID/Afghanistan awarded a four-year \$108 million contract for implementing ALP/East (ALP/E) in the provinces of Kunar, Laghman, and Nangarhar. OIG

conducted an audit of USAID/Afghanistan's ALP/E to determine if it achieved planned results for fiscal year 2006.

In fiscal year 2006, ALP/E achieved significant results for 13 of 15 performance indicators. However, OIG did not measure the actual results achieved against the planned results because performance targets were set too late in the year to be useful. Two performance indicators could not be evaluated because sufficient information was not available or the activities were not fully implemented.

OIG made four recommendations related to updating performance indicators and documenting site visits.

Final action was taken on all recommendations.

(Audit Report No. 5-306-07-002-P)



Photograph of an Afghan woman working on a cash-for-work project to rehabilitate a fruit and vegetable wholesale market in Jalalabad, Afghanistan.



Photograph of Afghan men working on a cash-for-work project to build a flood-protection wall for the village of Binigah, Afghanistan.

USAID/Sri Lanka is Making Progress on Its Large-Scale Infrastructure Rebuilding Activities Under Its Tsunami Reconstruction Program, But Improvements Can Be Made

Following the tsunami in December 2004, President George W. Bush signed the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005. Of the \$656 million appropriated to USAID, \$134 million was provided to USAID/Sri Lanka.

OIG audited USAID's rebuilding activities in Sri Lanka under the Tsunami Reconstruction Program to determine whether the activities were achieving planned outputs and whether the outputs were being achieved within the cost estimates. The \$33.3 million project for rebuilding infrastructure damaged by the tsunami had not begun construction, so OIG's audit focused on preconstruction outputs and costs.

OIG found that activities either achieved or were achieving 43 of 54 planned preconstruction outputs and that the reported costs of the activities were within cost estimates.

OIG recommended that USAID/Sri Lanka modify its contract to delete a wastewater treatment facility and add the funds to work related to groundwater investigations, and develop written procedures for executing timely modifications for changes in the contract's scope of work.

Management decision was reached on the first recommendation, and final action was taken on the second.

(Audit Report 5-383-07-001-P)

USAID/RDMA's U.S. Indian Ocean Tsunami Warning Program Intended Results Not Achieved During the First Implementation Year

In response to the disaster in December 2004, the international community joined together to develop a tsunami warning and mitigation system for the Indian Ocean. As a U.S. Government direct contribution to the international effort, USAID/Regional Development Mission for Asia (RDMA) launched a two-year \$16.6 million U.S. Indian Ocean Tsunami Warning System (IOTWS) Program.

Under the program, scientists and experts from the United States share technical expertise to help build an early-warning system within the Indian Ocean region so that governments and communities will be able to detect and prepare for tsunamis and other coastal hazards. The program activities were located



Photograph showing half of the original Arugam Bay Bridge in Sri Lanka that survived the tsunami connected to a temporary bridge. The new bridge will be built adjacent to this bridge.



Photograph of drilling operations to determine the feasibility of using groundwater instead of surface water as the water source for the communities of Pottuvil and Panama, Sri Lanka.

primarily in the countries most affected by the tsunamis: Indonesia, India, the Maldives, Sri Lanka, and Thailand.

OIG conducted an audit of USAID/RDMA's U.S. IOTWS Program to determine whether critical activities achieved intended results following the first year of program implementation.

OIG found that critical activities had not achieved intended first-year results. Specifically, of the 11 performance indicators, 1 achieved its performance target, 5 did not achieve their performance targets, and 5 could not be evaluated because of lack of or inadequate documentation.

OIG recommended that USAID/RDMA develop and implement a plan that includes a timeline and steps needed to achieve planned performance targets on schedule, and a plan that will require that the cognizant technical officer provide technical direction and keep supporting documentation updated and readily available.

Final action was taken on both recommendations.

(Audit Report No. 5-486-07-003-P)

OIG's Oversight Activities Continue in the West Bank and Gaza

OIG's oversight activities in the West Bank and Gaza included audits of USAID's cash-transfer program to the Palestinian Authority and continuing audits of USAID's contractors and grantees.

USAID contracted with independent public accounting firms for conducting concurrent audits of cash transfers to the Palestinian Authority, as well as financial audits and agreed-upon procedures of contractors, grantees, subcontractors, and subgrantees. These audits help ensure the validity of costs claimed and compliance with Executive Order 13224 regarding blocking assistance to terrorist organizations. During this period, OIG issued 34 final reports, identified 16 reportable conditions in internal controls and 78 material instances of noncompliance, and questioned costs of approximately \$1 million of the \$63.4 million audited.

OIG oversight activities during this period did not identify any instances where terrorist organizations received USAID funds.

Strategic Goal 5: Preserve and protect USAID program and employee integrity.

OIG conducts investigations and audits to prevent and detect fraud, waste, and abuse in programs and operations and to preserve and protect program and employee integrity. To this end, OIG conducts worldwide investigations into allegations of criminal, civil, and administrative violations relating to USAID programs and operations; conducts financial and performance audits; maintains a hotline to make it easy to report allegations of fraud, waste, abuse, mismanagement, and misconduct in programs or operations; and provides fraud-awareness and financial management training to USAID staff, partners, local audit firms, and foreign Supreme Audit Institutions.

SIGNIFICANT OIG WORK

USAID Can Improve the Management of Its Federal Employees' Compensation Act Program

Congress enacted the Federal Employees' Compensation Act (FECA) in 1916 as a comprehensive workers' compensation program for federal civilian employees who suffer death or disability as a result of either a work-related injury or a disease. The Department of Labor's Office of Workers' Compensation

Programs administers the program governmentwide.

OIG audited the management of USAID's FECA Program to determine whether USAID has managed the program effectively.

OIG found that USAID has neither maintained sufficient records nor systematically reviewed quarterly Department of Labor preliminary billing reports to ensure that costs are appropriate. As a result, USAID did not undertake steps to identify and eliminate potential fraud, waste, and abuse by periodically reviewing a sample of cases for continued beneficiary eligibility and by verifying monetary obligations on Department of Labor billings. In addition, USAID did not adequately verify and account for "continuation of pay" benefits to ensure that those costs were authorized. Consequently, USAID made unauthorized continuation-of-pay benefits to one employee. USAID also did not adequately track the occurrence of workplace injuries and illnesses, follow procedures for sharing information, and revise and update internal guidance in a timely manner.

OIG made six recommendations, including verifying beneficiary eligibility and billings for accuracy and tracking and monitoring continuation-of-pay benefits.

Management decisions were reached on all recommendations.

(Audit Report No. 9-000-07-003-P)

OIG Conducts Financial Management Training

USAID's contracts and grants define the types of costs that are legitimate charges for supporting USAID programs. To increase awareness and compliance with cost principles, OIG conducts financial management training for overseas USAID staff, contractors, grantees, and others. The training provides a general overview of both U.S. Government cost principles and audit requirements. It also provides examples of concepts such as reasonableness of costs and allowable and unallowable costs.

During this period, OIG provided financial management training in 8 countries to about 400 individuals.

Investigations: Prevention and Fraud Awareness

OIG employs proactive strategies to prevent fraud. For example, fraud awareness training given to employees, contractors, grantees, and others alerts them to fraudulent practices and schemes and advises them on how to report fraud. When requested, the training is tailored to specific groups, such as contracting officers or cognizant technical officers.

Furthermore, investigations resulting in criminal and/or civil prosecution are publicized on USAID's Web site and in other publications, calling attention to prosecutorial action taken against individuals or organizations whose illegal activities have

targeted USAID programs. OIG hotline posters, flyers, and cards have been distributed worldwide. In an effort to expand OIG's outreach efforts, the materials are produced in English, Spanish, French, and Arabic.

During the reporting period, OIG received 7,810 hotline contacts. Of these contacts, 17 were referred for possible case openings, 237 were referred to USAID, 23 were referred to other federal agencies, 13 were referred to other law enforcement agencies, and 27 were found to be unsubstantiated. The remaining

contacts were solicitations for money, advertisements, or requests for general information that were non-OIG-related matters.

FRAUD AWARENESS BRIEFINGS CONDUCTED WORLDWIDE AS OF MARCH 31, 2007

Month	Location	Sessions	Attendees	Professional Affiliation
OCT	San Salvador, El Salvador	1	40	South American Intelligence and Law Enforcement Personnel
NOV	Kabul, Afghanistan	2	46	USAID Personnel
	Cairo, Egypt	1	34	USAID/RIG Personnel
	Mexico City, Mexico	1	29	USAID Personnel
	Jerusalem, Israel	1	20	Israeli Accounting Firms
	E. Jerusalem, Israel	1	102	USAID Personnel
	Sofia, Bulgaria	1	27	USAID Personnel
DEC	Washington, D. C.	1	15	USAID New Entry Professionals
	Amman, Jordan	3	141	USAID Personnel
JAN	Nothing to Report			
FEB	Baghdad, Iraq	2	40	USAID and Contractor Personnel
	Frankfurt, Germany	2	32	Regional Procurement Support Office, U.S. Consulate
	Cairo, Egypt	1	13	USAID Personnel
	Washington, D.C.	1	29	USAID New Entry Professionals
	Brussels, Belgium	1	21	European Union Anti-Fraud Office Personnel
MAR	Cairo, Egypt	1	47	Pathfinder International Employees
	Frankfurt, Germany	1	8	General Services Operations, U.S. Consulate
	Washington, D.C.	1	6	USAID/ANE Bureau Employees
	Washington, D.C.	1	21	USAID New Entry Professionals
	Tel Aviv, Israel	1	79	USAID Personnel
	Antipolo, Philippines	2	52	USAID Personnel
	Pasig City, Philippines	1	30	USAID Personnel
	Mindanao, Philippines	2	81	USAID Personnel
	Baghdad, Iraq	1	16	Baghdad State Department Chancery
TOTAL		30	929	

PROGRAM INTEGRITY

Investigation Leads to Imprisonment and Debarment

An OIG investigation revealed that a USAID subcontractor for a Virginia-based private voluntary organization submitted fraudulent travel receipts and vouchers to USAID and the U.S. Department of Agriculture for reimbursement.

The subject pled guilty and was sentenced in U.S. District Court. The subject is debarred from all U.S. Government procurement contracts for one year. The debarment is subsequent to the District Court sentence of five days or two weekends in jail, two years supervised release, a \$1,000 fine, a \$100 special assessment fee, and full restitution.

Organization's Chief Financial Officer Resigns as a Result of Investigation for Misappropriation of USAID Funds

An organization's Chief Financial Officer (CFO), performing services pursuant to a USAID cooperative agreement, resigned as a result of an OIG investigation. The investigation included coordination with OIG auditors and a USAID mission and uncovered several operational irregularities, including the use of "shell companies."

As a result of the investigation, the organization is revamping its business practices and accounting procedures to meet USAID regulations; implementing a separation-of-duties policy; hiring

a new CFO; and establishing a new position of director who will share responsibilities with the current president.

Investigation Leads to Former Chief Operating Officer's Indictment and Guilty Plea for Wire Fraud

A USAID-funded nonprofit foundation supporting improvements in coffee production and the industry's global work force was the victim of a theft of \$170,000. An OIG investigation determined that the former Chief Operating Officer (COO) for the foundation made several unauthorized funding transfers. More than \$400,000 was embezzled from the foundation's parent company, which then employed the subject as COO.

As a result of the OIG investigation, the COO was indicted and pled guilty in U.S. District Court to one count of "Honest Services Wire Fraud." Sentencing is scheduled for later this year.

Investigation Results in Termination of Subgrant

One USAID-financed subgrant was terminated, resulting in savings of \$224,914 and recovery of funds totaling \$21,589 after the investigation revealed that the director of a USAID-funded nonprofit organization was improperly disbursing funds to family members; double billing for salaries, supplies, and construction materials; and using funds to purchase equipment for a project financed by another international donor organization. The funding was provided to the organization

for establishing alternative learning centers for teaching classes to more than 7,000 children.

Investigation Leads to \$2.9 million in Criminal and Civil Penalties

After a lengthy OIG investigation, a USAID-funded contractor company admitted to criminal wrongdoing in connection with overbilling the government on various USAID contracts around the world and agreed to a payment of \$2.9 million in criminal fines, restitution, and civil recovery. The company admitted that from May 1999 through April 2002, it submitted more than 110 false invoices to USAID on cost-plus-fixed-fee contracts based in Egypt, South Africa, Zambia, Dominican Republic, Guatemala, Honduras, and Rwanda, overbilling USAID for foreign labor costs.

In addition to the monetary settlement, the company agreed to abide by a Compliance and Ethics section in a deferred prosecution agreement whereby it agreed to hire a third-party auditor to prepare a written report and certify that it is billing USAID in accordance with its contractual agreements with the government, improve its supervision of foreign-site accounting and finance personnel, and implement an on-the-spot employee cash-award system for encouraging employees to uncover and report significant government billing errors. The U.S. Attorney's Office for the District of Massachusetts agrees to dismiss the criminal information that was filed in federal court and will not prosecute the company for the false claims submitted to the United States

provided the company fully complies with the terms of the agreement for 27 months. USAID also entered into a separate corporate compliance agreement with the company.

Investigation Leads to Indictments and Arrests for Fraud

A joint USAID/OIG, Federal Bureau of Investigation, Internal Revenue Service-Criminal Investigations Division investigation operating under the auspices of the Department of Justice Joint Terrorism Task Force resulted in the indictment of five individuals working for an American nonprofit organization. Subsequent to the indictments, four of the five individuals were placed under arrest. In addition to several other charges, the defendants have been indicted under 18 U.S.C. Section 666 – “Theft or Bribery Concerning Programs Receiving Federal Funds.”

Beginning around January 1, 1997, the defendants had entered into a series of agreements with USAID for projects for providing relief in Mali, Africa, totaling approximately \$2.3 million. The agreements were terminated by USAID on December 19, 1999. The indictment states that the defendant organization failed to provide matching funds as required by the USAID-funded agreements; that the defendants retained and failed to return \$84,922 in USAID funds as required after the agreements were terminated; and that the defendants knowingly converted and intentionally misapplied USAID funds for other than the intended and contracted purpose.

EMPLOYEE INTEGRITY

Investigation Results in Administrative Action for USAID Employees for Computer Misuse

An OIG investigation discovered evidence of computer misuse by approximately four USAID mission employees. The investigation initially found sexually explicit materials (SEM) on USAID computers in one mission and found links to USAID employees in other missions. Specifically, e-mails were found containing SEM or SEM attachments. All employees involved were counseled and issued letters of admonishment stipulating that any subsequent infractions would result in disciplinary action. Further, the Regional Legal Advisor will conduct ethics sessions emphasizing USAID’s policy regarding appropriate computer use.

Investigation Results in Administrative Action for USAID Employees for Filing False Travel Vouchers

An OIG investigation revealed that two USAID Foreign Service National (FSN) financial analysts were receiving reimbursement based on fraudulent travel vouchers they submitted. As a result of the OIG investigation, the two FSNs each received a three-day suspension without pay and are required to reimburse USAID for the overpayments.

Investigation Leads to Resignation of USAID Employee

A USAID direct-hire employee resigned from USAID following an investigation into whistleblower-retaliation allegations brought against the employee. The investigation revealed that the employee coerced a USAID contractor company into withdrawing an employment offer made to an individual who had previously worked for the employee as a third-country national (TCN) on USAID projects. The former TCN employee claimed that the employee’s conduct was in retaliation for the TCN employee’s reporting of inappropriate conduct by the employee.

Investigation Leads to Employee Termination

An OIG investigation revealed that an FSN employee engaged in a scheme to defraud USAID employees and the mission of funds related to travel arrangements booked by the FSN through local travel agencies. As a result of initial investigative efforts, the mission terminated the employee.

GENERAL STRATEGY FOR THE AFRICAN DEVELOPMENT FOUNDATION (ADF) AND THE INTER-AMERICAN FOUNDATION (IAF)

ADF provides grants directly to community groups in Africa. Congress appropriated \$23 million to ADF in fiscal year 2007, and ADF currently supports approximately 228 projects in 16 African countries. IAF provides development grants directly to local organizations in Latin America and the Caribbean. Congress appropriated \$19.3 million to IAF in fiscal year 2007, and IAF currently supports 230 projects in 26 countries. Both foundations are U.S. Government corporations.

OIG conducts audits of ADF and IAF. OIG also contracts with nonfederal auditors to perform financial audits and provides ongoing technical audit advice

and oversight. OIG issues annual financial statement audits of ADF and IAF.

Audits of ADF's and IAF's financial statements for fiscal years 2005 and 2006 were performed under OIG oversight by public accounting firms. The audits resulted in unqualified opinions with no recommendations.

[Audit Reports Nos. 0-ADF-07-002-C and 0-IAF-07-003-C]



REPORTING REQUIREMENTS



USAID FINANCIAL AUDIT REPORTS ISSUED October 1, 2006 through March 31, 2007

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
		--PROGRAMS AND OPERATIONS--		
0-000-07-001-C	11/15/06	Report on the Audit of USAID's Financial Statements for Fiscal Years 2006 and 2005		
		--FOREIGN-BASED ORGANIZATIONS--		
0-000-07-014-D	12/20/06	RedR -- Engineers for Disaster Relief, Report on Follow-up Audit of Accounting System		
0-000-07-020-D	02/06/07	Medicins du Monde-Greece, Report on Audit of Pre-Award Accounting System Survey		
1-527-07-001-N	11/22/06	Closeout Audit of the Fund Accountability Statement of the "Transparency and Control of the Decentralization Process," Grant Agreement No. LA-527-0402-CG-01, Managed by the Controller General of the Republic of Peru, for the Period from October 29, 2002 to April 30, 2004	22 1	QC UN
1-526-07-001-R	10/04/06	Financial Statement Audit of Programs No. 526-A-00-03-00060-00, National Environmental Reform and Ecoregional Planning of the Northern Block of the Interior Atlantic Rainforest, Health Decentralization and Community Participation, Managed by the Instituto de Derecho y Economia Ambiental for the Year Ended December 31, 2005	2	QC
1-525-07-002-R	10/05/06	Audit of the Financial Statements of the Ecological Trust Fund of Panama Under the Natural Resources Management Project, Agreement No. 525-0308, Managed by the Foundation for the Conservation of Nature Resources, for the Year Ended December 31, 2005		
1-511-07-002-N	12/04/06	Close-Out Audit of the Fund Accountability Statement of the Health Program for Municipalities of the Yungas Region, Cooperative Agreement No. 511-A-00-01-00058-00, Managed by Servicios Educativos (SERVIR), for the Period from January 1, 2005 to January 31, 2006	87 40	QC UN
1-522-07-003-N	02/01/07	Audit of the Financial Statements of the Government of Honduras Resources Under the Trust Fund Agreement, Managed by USAID/ Honduras, for the Period From October 1, 2003 to September 30, 2005		
1-527-07-003-R	10/05/06	Close-Out Financial Statement Audit of Coalition for Congressional Reform, Agreement No. 527-A-00-02-00167-00, Managed by Movimiento Manuela Ramos, for the Period From January 1, 2005 Through July 21, 2005		

BU--Better Use of Funds
 QC--Questioned Costs
 UN--Unsupported Costs
 Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
I-527-07-004-R	10/10/06	Financial Statement Audit of the Program "Acciones de Prevencion y Atencion de la Salud Mental y los Derechos Humanos en el Marco del Programa Integral de Reparaciones," Agreement No. 527-G-00-04-0080-00, Managed by Centro de Atencion Psicosocial for the Period from June 7, 2004 to December 31, 2005		
I-522-07-005-R	10/06/06	Closeout Audit of USAID Resources Managed by the Public Ministry Under Project No. 522-0394, Strengthened Rule of Law and Respect for Human Rights Program, for the Period January 1, 2005 to September 30, 2005	92 87	QC UN
I-522-07-006-R	10/11/06	Close-Out Audit of the Fund Accountability Statement of "Sustainable Improvements in Family Health Program," Cooperative Agreement No. 522-G-00-02-00-354-00, Managed by the Asociacion Hondurena de Planificacion de Familia, for the Period from October 1, 2004 to December 31, 2005		
I-527-07-007-R	10/11/06	Financial Statement Audit of Reproductive Health in the Community Project, Agreement No. 527-0355-A-00-5372-00, Managed by Movimiento Manuela Ramos, for the Year Ended December 31, 2005		
I-527-07-008-R	10/11/06	Close-Out Financial Statement Audit of Reproductive Health in the Community Project, Agreement No. 527-0355-A-00-5372-00, Managed by Movimiento Manuela Ramos, for the Period from January 1, 2006 to July 31, 2006		
I-527-07-009-R	10/16/06	Financial Audit of the Projects Financed by the United States Agency for International Development (USAID) and Administered by Asociacion Benefica Prisma and the Asociacion Benefica Prisma Institutional Financial Statements for the Period Between January 1, and December 31, 2005		
I-527-07-010-R	10/17/06	Financial Audit of the Project "Transparencia en las Adquisiciones Estatales," Under the Letter of Understanding No. 527-0402, Managed by the Consejo Superior de Contrataciones y Adquisiciones del Estado, for the Period from February 13, 2003 to December 31, 2005		
I-527-07-011-R	10/26/06	Financial Statement Audit of the Bilateral Grant Agreement No. 527-0391, "Addressing the Threats of Emerging and Reemerging Infectious Diseases - VIGIA Project," Managed by the National Institute of Health for the Period from January 1, 2004 to December 31, 2005	8 5	QC UN
I-523-07-012-R	10/23/06	Report on the Fund Accountability Statement in Accordance With the Agreement Made Between the Mexican Nature Conservation Fund and the United States Agency for International Development for the National Enabling Environment for Mexico Program for the Period From January 1 to December 31, 2005		

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
I-523-07-013-R	10/27/06	Financial Statement Audit of the Trust Fund Established Under Cooperative Agreement No. 523-4007-A-6001-00, Managed by the Mexican Nature Conservation Fund, A.C., for the Year Ended December 31, 2005		
I-511-07-014-R	10/27/06	Audit of the Fund Accountability Statement of the Donation Agreement No. 511-A-00-02-00282-00, Managed by Sustainable Technologies Promotion Center, for the Year Ending December 31, 2004		
I-511-07-015-R	10/27/06	Audit of the Fund Accountability Statement of the Donation Agreement No. 511-A-00-02-00282-00, Managed by Sustainable Technologies Promotion Center, for the Year Ending December 31, 2005		
I-526-07-016-R	10/27/06	Financial Statement Audit of the Program No. 526-A-00-00-00125-00, "Strengthening the Sustainable Management of the Chaco and Pantanal Ecoregions," Managed by the Fundacion Para el Desarrollo Sostenible del Chaco, for the Year Ended December 31, 2005		
I-596-07-017-R	10/30/06	Fund Accountability Statement Audit of the Project "Improved Environmental Management in the Mesoamerican Biological Corridor," USAID Project No. 596-0185, Managed by Secretaria General de la Integracion Centro Americana and Comision Centro Americana de Ambiente y Desarrollo, for the Period October 1, 2004 Through September 30, 2005		
I-527-07-018-R	11/07/06	Financial Audit Report of USAID Agreement No. 527-0407, "STEM Project," Managed by the National Environmental Council, for the Period From January 1, 2005 Through December 31, 2005		
I-520-07-019-R	11/07/06	Audit of the Fund Accountability Statement of the PL-480 Title II Program, Agreement No. FFP-A-00-03-00015-00, Managed by the Asociacion SHARE of Guatemala, for the Year Ended December 31, 2005		
I-511-07-020-R	11/27/06	Closeout of the Financial Statement Audit of the Program for the Communication Strategy Supporting Health Organizations in the Public and Private Sectors of Bolivia, Cooperative Agreement No. 511-A-00-01-0067-00, Managed by the Center for Communication Programs Bolivia, for the Period from January 1 (Inception) to November 30, 2005		
I-511-07-021-R	11/27/06	Fund Accountability Statement Audit of the Integral Health Project Chapare, Grant Agreement No. 511-0660, Managed by the Ministry of Health and Sport, for the Period from September 1 (Inception) to December 31, 2005		
I-596-07-022-R	11/30/06	Close-Out Audit of the Fund Accountability Statement of the Small Grants for the Environmental Management Program, Cooperative Agreement No. 596-A-00-03-00058-00, Managed by the Centro Agronomico Tropical de Investigacion y Ensenanza for the Period from January 1, 2005 to December 31, 2005		

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
I-5111-07-023-R	12/04/06	Fund Accountability Statement Audit of Integrated Health Project, Grant Agreement No. 5111-0658, Managed by the Ministry of Health and Sport, for the Period May 1 (Inception) to December 31, 2005	14 1	QC UN
I-5111-07-024-R	12/04/06	Close-Out Fund Accountability Statement of the Integrated Health Project, Grant Agreement No. 5111-0644, Managed by the Ministry of Health and Sport, for the Period from January 1, 2005 to June 30, 2006	4	QC
I-5111-07-025-R	12/07/06	Fund Accountability Statement Audit of "Promoting the Full Exercise of Sexual and Reproductive Rights of Bolivian Women, Men and Adolescents," Cooperative Agreement No. 5111-A-98-0015800, and "Family Planning and Reproductive Health Services," Cooperative Agreement No. 5111-A-00-04-00298-00, Managed by the Center for Research, Education and Services, for the Year Ended December 31, 2005	725 296	QC UN
I-518-07-026-R	12/07/06	Financial Statement Audit of "Program of Financial Sustainability and Strategic Alliances," Agreement No. 518-A-00-98-00-00187-00, and the "Program to Strengthen Local Governments in Ecuador," Agreement No. 518-A-00-04-00-00142-00, Managed by Fundacion Esquel - Ecuador, for the Year Ended December 31, 2005		
I-527-07-027-R	01/03/07	Fund Accountability Statement of the Cooperative Agreement No. EDG-A-00-02-00036-00, "Centro Andino de Excelencia Para la Capacitacion de Maestros (Andean Center of Excellence for Teacher Training)," Managed by Universidad Peruana Cayetano Heredia, for the Year Ended December 31, 2005	6 6	QC UN
I-521-07-028-R	01/12/07	Financial Statement Audit of USAID Resources Under Cooperative Agreement No. 521-A-00-04-00040-00, Managed by the Child Health Institute, for the Period From September 23, 2004 to December 31, 2005	1 1	QC UN
I-521-07-029-R	01/12/07	Financial Statement Audit of USAID Resources Under Cooperative Agreement No. 521-A-00-99-00070-00, Managed by Fondation Haitienne de l'Enseignement Prive, for the Period From August 1, 2004 to July 31, 2005		
I-5111-07-030-R	01/12/07	Close-Out Fund Accountability Statement Audit of the PROSIN II Chapare/Yungas Project, Grant Agreement No. 5111-0660 for the Period From January 1 to July 31, 2006, Managed by the Integrated Health Project II Under the Ministry of Health and Sport		
I-518-07-031-R	01/12/07	Fund Accountability Statement Audit of the Program for Strengthening Democracy in Ecuador; Agreement No. 518-A-00-03-00054-00, Managed by the Citizen Participation Corporation, for the Year Ended December 31, 2005	39 26	QC UN

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
I-520-07-032-R	01/12/07	Closeout Audit of the Fund Accountability Statement of the “Emergency Response to Tropical Storm Stan” Project, Agreement No. 520-G-00-06-00018-00, Managed by the Asociacion SHARE of Guatemala, for the Period From October 31, 2005 to August 31, 2006		
I-511-07-033-R	01/26/07	Close-Out Fund Accountability Statement of the Integrated Health Project II, Grant Agreement No. 511-0643, Managed by the Ministry of Health and Sport, for the Period from January 1 to July 31, 2006		
I-520-07-034-R	01/26/07	Audit of the Fund Accountability Statement of the Program to Strengthen the Competitiveness of Guatemalan Trade and Products, Cooperative Agreement No. 520-A-00-05-00009-00, Managed by the Asociacion Gremial de Exportadores de Productos no Tradicionales de Guatemala, for the Period From October 14, 2004 to December 31, 2005		
I-521-07-035-R	02/02/07	Closeout Audit of the Fund Accountability Statement of USAID Program for the Recovery of the Economy in Transition, Under Cooperative Agreement No. 521-A-00-99-00073-00, Managed by the Societe Financiere Haitienne de Development S.A., for the Period From October 1, 2004 to September 30, 2005	33 33	QC UN
I-527-07-036-R	02/01/07	Closeout Fund Accountability Statement of the Institute for High-Quality Health Care -- Max Salud, Cooperative Agreement 527-A-00-99-00307-00, for the Period From January 1, 2006 to September 30, 2006		
I-522-07-037-R	02/05/07	Audit of the Fund Accountability Statement for the Rural Water and Sanitation Program, Under Implementation Letters No. 522-0410.03-193 and No. 522-0410.05-137, Managed by the Fondo Hondureno de Inversion Social Through the Directorate of Major Infrastructure, for the Period From October 1, 2005 Through March 31, 2006		
I-518-07-038-R	02/13/07	Close-out Financial Statement Audit of the “Strategic Communication in the Condor Bioreserve” Project No. 518-A-00-03-00153-00, Managed by the OIKOS Corporation (Corporacion de Gestion Tecnologica y Cientifica Sobre el Ambiente), for the Period from April 1, 2005 to June 30, 2006		
I-522-07-039-R	02/16/07	Financial Statement Audit of the Central American and Dominican Republic Centers of Excellence for Teacher Training Program, Cooperative Agreement No. 522-A-00-02-00348-00, Managed by Universidad Pedagogica Nacional Francisco Morazan, for the Year Ended September 30, 2005	701 701	QC UN
I-511-07-040-R	02/15/07	Close-out Fund Accountability Statement Audit of Integrated Health Project II, Grant Agreement No. 511-0658, Managed by the Ministry of Health and Sport, for the Period January 1, 2006 to July 31, 2006		

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
1-511-07-041-R	02/28/07	Financial Statement Audit of the Primary Attention in Integrated Health Program and the Community Health Project, Cooperative Agreement Nos. 511-A-00-98-00156-00 and 511-A-00-05-00113-00, Managed by the Integrated Health Coordination Program, for the Year Ended December 31, 2005	31 16	QC UN
1-518-07-042-R	02/28/07	Audit of the Fund Accountability Statement for the Activity, "Program in Favor of Community Strengthening Initiatives in Northern Ecuador," Cooperation Agreement No. 518-A-00-01-00010-00, Managed by the International Organization for Migration, for the Period From January 1, 2005 to December 31, 2005		
1-511-07-043-R	02/28/07	Close-out Fund Accountability Statement Audit of USAID Resources Under Cooperative Agreement No. 511-A-00-04-00207, Managed by the Federacion de Asociaciones Municipales de Boliva, for the Period August 16, 2004 to April 28, 2006		
1-511-07-044-R	03/12/07	Fund Accountability Statement Audit of the Projects: (1) Social Marketing, Agreement No. 511-A-00-02-00295-00, and (2) Partners for Development, Agreement No. 511-A-00-02-00261-00, for the Year Ended December 31, 2005; and (3) PROSALUD Institutional Consolidation, Agreement No. 511-A-00-01-00262-00, for the Quarter Ended March 31, 2005 (Close-out), Managed by the Asociacion de Proteccion a la Salud (PROSALUD)	25 25	QC UN
1-596-07-045-R	03/29/07	Closeout Audit of the Fund Accountability Statement of the "Greater Competitiveness For Central America in the Global Markets" Project , Agreement No. 596-0184.20, Managed by the Secretariat for the Central American Economical Integration (SIECA) for the Period From January 1, 2005 to May 31, 2006		
4-623-07-001-R	10/04/06	Audit of the Regional Centre for Quality of Health Care Under USAID Limited Scope Grant Agreement No. 6230010.40-00002 for the Period July 1, 2002 to June 30, 2004	26 8	QC UN
4-656-07-001-N	12/18/06	Close-Out Audit of the USAID Resources Managed by CTA - Confederacao das Associacoes Economicas de Mocambique Under the Mission's Special Objective, Improved Enabling Environmental for Private Sector-led Growth and Development, Cooperative Agreement No. 656-A-00-99-00022 for the period June 29, 1999 to September 30, 2004	2,646 2,060	QC UN
4-617-07-002-R	10/31/06	Close-Out Audit of The Environmental Conservation Trust Under USAID Award No. 617-A-00-01-00002-00, for the six months period ended June 30, 2005	52	QC
4-661-07-002-N	12/19/06	Close-Out Audit of the USAID Resources Managed by The Commercial Bank of Eritrea and The Rural Enterprise Unit Under Project Number 661-0009 for the period January 1, 2004 to December 31, 2005	286 109	QC UN

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
4-623-07-003-R	12/19/06	Audit of USAID Resources Managed by The Commonwealth Regional Health Community for East, Central and Southern Africa (CRHC-ECSA) Under Limited Scope Grant Agreement No. 6980483.23-80003 for the Period July 1, 2003 to June 30, 2005	13 8	QC UN
4-615-07-003-N	03/26/07	Close-Out Audit of the USAID Resources Managed by Egerton University Under TAMPA I & II and STAK Programs Per Strategic Objective Grant Agreement No. 615-007 and Project Agreement No. 615-0268; Project Implementation Letters (PIL) Nos. 3, 5, 7, 10, 12, 21, 28, 29, 32, 37 & 41 for the Period May 1, 2001 to September 30, 2005	2,902 2,204	QC UN
4-615-07-004-R	12/21/06	Audit of the Kenya Agricultural Research Institute Under USAID Award Nos. 615-007 (PIL No. 3) 617-0007 (PIL No. 7), and 615-0268 (PIL No. 51) for the Period July 1, 2004 to June 30, 2005	188 188	QC UN
4-615-07-004-N	03/26/07	Close-Out Audit of the USAID Resources Managed by the Institute for Civic Affairs and Development Per Grant Agreement No. 615-0266-G-00-00108 for the Period September 28, 2000 to August 31, 2005	191 88	QC UN
4-674-07-005-R	03/20/07	Close-out Audit of USAID Resources Managed by Nelson Mandela Children's Fund Under Grant Agreement No. 674-G-00-00-00071-00 for the Period April 1, 2003 to November 30, 2004	2,797 1,378	QC UN
4-656-07-006-R	03/30/07	Audit of USAID Resources Managed by Foundation for Community Development Under Kulhuvuka Cooperative Agreement No. 656-A-00-01-00077-00 for the Period October 1, 2003 to September 30, 2004	72 61	QC UN
5-492-07-001-O	12/07/06	Report on Agreed-Upon Procedures Performed on Financial Records of USAID/Philippines' Education Quality and Access for Learning and Livelihood Skills Project, Managed by the Notre Dame Foundation for Charitable Activities Inc. - Women in Enterprise Development Under Its Sub-Awards with Creative Associates International Inc. and Education Development Center, for the Period from April 1, 2005, to November 11, 2006	859 257	QC UN
5-492-07-001-D	03/15/07	Closeout Audit of the Program Titled "Private Sector Family and Reproductive Health System," USAID/Philippines Cooperative Agreement No. 492-A-00-01-00020-00, Managed by FriendlyCare Foundation, Inc., for the Period from January 1, 2005, to December 31, 2005	17	QC
5-367-07-001-R	10/04/06	Financial Audit of the Program for Enhancement of Emergency Response, USAID/Nepal Cooperative Agreement No. 367-A-00-03-00075-00, Managed by the National Society for Earthquake Technology-Nepal, for the Period from October 1, 2004 to September 30, 2005	9	QC

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
5-367-07-002-R	10/20/06	Closeout Audit of the Kathmandu Valley Earthquake Risk Management Action Plan Implementation Project, USAID/Nepal Grant Agreement No. 367-G-00-00-00080-00, Managed by the National Society for Earthquake Technology-Nepal, for the Period from October 1, 2004, to August 31, 2005	2	QC
5-367-07-003-N	11/22/06	Financial Audit of the Department of Health Services, Government of Nepal, Under USAID Strategic Objective Grant Agreement, Project No. 367-02A1 Implementation Letter No. 36, for the Period from July 17, 2002, to July 16, 2003	23 3	QC UN
5-442-07-003-R	11/27/06	Financial Audit of the Institutional Development and Service Delivery Support Project, USAID/Cambodia Cooperative Agreement No. 442-A-00-99-00033-00, Managed by the Reproductive Health Association of Cambodia, for the Period from January 1, 2005, to December 31, 2005		
5-492-07-004-R	12/08/06	Financial Audit of the Program Titled "Provision of Flood Early Warning to Flood Vulnerable Communities in the Lower Mekong River Basin, USAID/Philippines Cooperative Agreement No. 492-A-00-03-00003-00, Managed by The Mekong River Commission, for the Period from January 1, 2003, to December 31, 2005	4	QC
5-497-07-005-N	03/02/07	Financial Audit of Costs Incurred and Billed by PT Wijaya Karya to Implement the Aceh road, Bridge Reconstruction and Rehabilitation Project, Contract No. 497-C-00-05-00044-00, for the Period from August 23, 2005, to March 31, 2006	12 5	QC UN
5-442-07-005-R	12/12/06	Financial Audit of the Institutional Development/Maternal/Child Health/Reproductive Health Project, USAID/Cambodia Cooperative Agreement No. 493-A-00-04-00005-00, Managed by the Reproductive and Child Health Alliance, for the Period from January 1, 2005, to December 31, 2005	14 10	QC UN
5-391-07-006-R	01/12/07	Financial Audit of the Four Year Bachelor's Degree Program, USAID/Pakistan Grant Agreement No. 391-G-00-04-01036-00, Managed by Forman Christian College, Lahore, for the Period from August 23, 2004, to June 30, 2005		
5-391-07-007-R	01/12/07	Financial Audit of the Enterprise Development Facility Program, Cooperative Agreement No. 391-A-00-03-01010-00, Managed by the Pakistan Poverty Alleviation Fund for the Period from October 1, 2003, to June 30, 2005	2,000 360	QC UN
5-497-07-008-R	01/30/07	Financial Audit of the Program Titled "Promoting Forest Certification and Combating Illegal Logging in Indonesia", USAID/Indonesia Cooperative Agreement, for the Period from July 1, 2005, to June 30, 2006		

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
5-367-07-009-R	02/21/07	Financial Audit of the Project Titled "Certification and Sustainable Marketing of Non-Timber Forest Product," USAID/Nepal Cooperative Agreement No. 367-A-00-02-00209-00, Managed by the Asia Network for Sustainable Agriculture and Bioresources, for the Period from January 1, 2005, to September 30, 2005	1	QC
5-391-07-010-R	02/22/07	Financial Audit of the Fullbright-USAID Scholarship Program, Grant Agreement No. 391-G-00-04-01035-00, Managed by the United States Educational Foundation in Pakistan, for the Period from September 1, 2004, to August 31, 2005		
5-386-07-011-R	03/08/07	Financial Audit of USAID Funds Managed by the ICICI Bank Limited, for the Year Ended March 31, 2006		
6-263-07-001-R	12/14/06	Financial Audit of USAID Resources Managed and Expenditures Incurred by Egyptian Foundation for Enterprise Development, USAID/Egypt Cooperative Agreement No. 263-A-00-03-00049-00, for the Period From January 1, 2005, Through December 31, 2005		
6-263-07-002-R	12/24/06	Financial Close-Out Audit of USAID Resources Managed by the Ministry of Health and Population, Healthy Egyptians 2010, Project No. 263-0287.04, Implementation Letter No. 3, for the Period From June 1, 2004, Through July 31, 2006		
6-263-07-003-R	02/05/07	Financial Audit of USAID Resources Managed by the Ministry of Health and Population, Project No. 263-0287-05, Implementation Letter No. 2, Fund Accountability Statements of Communication for Healthy Living Project for All Sectors and Close-Out Financial Audit of Focus on Family Health Sector for the Period From October 1, 2003, Through December 31, 2005		
6-278-07-004-R	03/08/07	Financial Audit of USAID Resources Managed by the Royal Society for the Conservation of Nature, Social-Economic Development for Nature Conservation, Under Cooperative Agreement No. 278-A-00-00-00212-00, for the Period From June 1, 2004, Until April 30, 2006		
6-294-07-005-N	11/09/06	Audit of the Fund Accountability Statement of USAID Resources Managed by American Near East Refugee Aid Implemented by Israel Palestine Centre for Research and Information Under Award No. 294-G-00-03-00219-00, "Agricultural Pesticides Workshops for Gaza Farmers," for the Period from September 12, 2003, to June 30, 2005		
6-263-07-005-R	03/21/07	Financial Close-Out Audit of USAID Resources Managed and Expenditures Incurred by the National Population Council/ Institutional Development Project, USAID/Egypt Grant Agreement No. 263-0287.02 Implementation Letter No. 3, for the Period From April 1, 2003, to December 31, 2005	17	QC

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
6-294-07-006-N	11/09/06	Audit of the Fund Accountability Statement of USAID Resources Managed by Ma'an Development Center Sub-Grant Under World Vision Cooperative Agreement No. 294-A-00-02-00226-00, "Job Opportunities through Basic Services Program," for the Period from September 1, 2002, to August 31, 2005	5	QC
6-294-07-008-N	11/30/06	Examination Procedures Related to An-Nuwei'meh Charitable Society's Compliance With Grant Terms And Conditions Awarded By Associates In Rural Development Inc. Under USAID Prime Contract No. 294-C-00-02-00211-00 For The Emergency Assistance Program for January 3, 2004, to May 31, 2005		
6-294-07-009-N	11/30/06	Examination Procedures Related to Beit Lahiya Development Association's Compliance With Grant Terms and Conditions Awarded By Associates In Rural Development Inc. Under USAID Prime Contract No. 294-C-00-02-00211-00 For the Emergency Assistance Program For the Period From January 14, 2004, to October 19, 2004		
6-294-07-010-N	11/30/06	Examination Procedures Related to Elderly Home Charitable Society's Compliance With Grant Terms and Conditions Awarded By Associates In Rural Development Inc. Under USAID Prime Contract No. 294-C-00-02-00211-00 For the Emergency Assistance Program For the Period From June 25, 2003, to January 31, 2005		
6-294-07-012-N	12/20/06	Examination Procedures Related to Palestinian Early Childhood Educational Programs' Compliance With Grant Terms and Conditions Awarded by Associates in Rural Development Inc. Under USAID Prime Contract No. 294-C-00-02-00211-00 for the Emergency Assistance Program for the Period July 15, 2003, to September 5, 2005		
6-294-07-013-N	12/28/06	Audit of USAID Resources Managed by Save the Children Federation Under Cooperative Agreement No. 294-A-00-04-00220-00 "Palestinian Infrastructure for Needed Employment Program" for the Period From September 28, 2004, to September 30, 2005		
6-294-07-014-N	12/28/06	Audit of USAID Resources Managed by Palestinian Trade Center Under Cooperative Agreement 294-A-00-04-00214-00 for the Period From September 20, 2004, to September 19, 2005	3	QC
6-294-07-015-N	02/11/07	Audit of USAID Resources Managed by Save the Children Federation Under Cooperative Agreement No. 294-A-00-02-00233-00, "Job Opportunities through Development of Small Scale Basic Community Infrastructure Program," for the Period from August 1, 2003, to September 30, 2005		

BU--Better Use of Funds
 QC--Questioned Costs
 UN--Unsupported Costs
 Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
6-294-07-020-N	02/28/07	Examination of ARAR General Contracting Company's Compliance with Contract Terms and Conditions Under Sub-Contract No. IQC-SWIFT-807-002 "Tulkarem and Shoufeh Water Improvements" with Camp Dresser and McKee International, Inc., Funded by U.S. Agency for International Development for the Period from May 25, 2004, to August 25, 2004		
6-294-07-023-N	03/04/07	Audit of Arabtech Jardaneh Subcontract Costs Under CH2MHILL's Integrated Water Resources (Phase III) Contract With USAID Contract No. 294-C-00-00-00063-00 for the Period From September 5, 2001, to September 30, 2004	98	QC
6-294-07-024-N	03/11/07	Examination of the Palestinian Tractor and Equipment Company's Compliance With the Terms and Conditions Under Sub-Contract Number EOC-803-022 with Camp Dresser and McKee International, Inc., Funded by U.S. Agency for International Development, Installation of Thirteen Generators at Different Municipalities, for the Period From March 18, 2003, to November 11, 2003		
6-294-07-026-N	03/12/07	Examination of Alkhiesi Company's Compliance With the Contract Terms and Conditions Under Its Sub-Contract No. G-EOC-806-015 With Camp Dresser & McKee International, Inc., Funded by U.S. Agency for International Development, "Rafah Wastewater Treatment Plant Pump Installation Project," for the Period From June 13, 2004, to September 5, 2004		
6-294-07-027-N	03/14/07	Examination of the Engineering Center for Heating and A.C. Company's Compliance with Contract Terms and Conditions Under Its Sub-Contract No. EOC-806-028-04 with Camp Dresser and McKee International, Inc., Azzoune South Well and Booster Station Project, for the Period from June 14, 2004, to December 27, 2004		
6-294-07-029-N	03/18/07	Audit of the Fund Accountability Statement of USAID Resources Managed by Palestinian Trade Center Under Award No. 294-A-00-01-00103-00, "Increased Trade and Investments in the West Bank and Gaza," for the Period From March 20, 2001, to March 19, 2004	283	QC
6-294-07-030-N	03/19/07	Examination of Alkhiesi Company's Compliance With the Contract Terms and Conditions Under Sub-Contract Number G-EOC-812-006 With Camp Dresser and McKee International, Inc., "Gaza City Sewerage Project," for the Period From April 10, 2004, to September 5, 2004		
6-294-07-032-N	03/21/07	Examination Procedures Related to Resources Provided to the Palestinian Authority Through the Ministry of Finance Under the Cash Transfer Grant Agreement Dated July 16, 2003, "USAID Activity Number 294-W-008," for the Period from October 1, 2005, to December 31, 2005 (Eighth Reporting Period)		

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
7-608-07-001-R	10/31/06	Audit of USAID Resources Managed by the Rural Girl's Support Committee (CSSF) Under Cooperative Agreement No. 608-A-00-02-00137-00 for the Period September 1, 2002 through August 31, 2003 and the Period September 1, 2003 through August 31, 2004		
7-641-07-001-D	12/29/06	Close-out Audit of the USAID/Ghana Resources Managed by MOLTENO, Under Cooperative Agreement No. 641-A-00-04-00048 for the Period December 17, 2003 to September 30, 2004	177 71	QC UN
7-675-07-002-R	11/30/06	Audit of USAID Resources Provided to the Agricultural Marketing Agency for the Period October 1, 2001 through September 30, 2004	110 15	QC UN
7-624-07-001-N	03/29/07	Consolidated Audit of USAID and Other Donor Resources Granted to the Permanent Interstate Committee for Drought Control in the Sahel for the Period January 1, 2005 to December 31, 2005		
8-118-07-001-N	11/08/06	Audit of Moscow School of Political Studies, for USAID Cooperative Agreement No. 118-A-00-03-00090, for Year Ended December 31, 2005		
8-000-07-001-R	10/10/06	Close-Out Audit of Christian Aid, Covering Nine USAID Awards, for the Period April 1, 2001 through March 31, 2005		
8-000-07-002-R	11/13/06	Audit of Save the Children UK, for Multiple USAID Awards, for the Period April 1, 2002 through March 31, 2004		
8-118-07-003-R	11/13/06	Audit of Regional Public Organization the "Initiative" Kuzbass Center Under Two USAID Cooperative Agreements, for the Year Ended December 31, 2005		
8-118-07-004-R	12/21/06	Audit of ANO Internews Russia, for USAID Grant No. 118-G-00-04-00054-00, for Year Ended December 31, 2005		
8-118-07-005-R	01/09/07	Audit of the Moscow Public Science Foundation, Under USAID Cooperative Agreement No. 118-A-00-02-00135-00, for the Year Ended December 31, 2005		
8-118-07-006-R	01/09/07	Audit of Krasnodar Regional Nonprofit Organization "Southern Regional Resource Center" for Two Cooperative Agreements for the Year Ended December 31, 2005		
8-118-07-007-R	01/11/07	Audit of USAID-Funded Programs Implemented by the Foundation for Independent Radio Broadcasting in 2005		
8-000-07-008-R	02/21/07	Audit of Tearfund for Various Grants in Burundi, Sierra Leone, and Sudan, for the Year Ended March 31, 2006	7	QC
8-118-07-009-R	01/24/07	Audit of the Center for Fiscal Policy Under USAID Cooperative Agreement No. 118-A-00-03-00084, for the Year Ended December 31, 2005	12	QC

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
8-000-07-010-R	03/08/07	Audit of Three USAID-Funded Programs Implemented by the Association Handicap International in 2005		
8-000-07-011-R	02/22/07	Audit of Five USAID-Funded Programs Implemented by Merlin in 2005		
8-118-07-012-R	02/14/07	Audit of USAID-Funded Program Implemented by the Foundation for Information Policy Development in 2005		
8-000-07-013-R	03/13/07	Audit of Seven USAID-Funded Programs Implemented by Solidarites, for the Year Ended December 31, 2005		
8-121-07-014-R	03/07/07	Audit of International Charitable Organization "Center for Ukrainian Reform Education," Under Grant No. 121-A-00-02-00002-00, for the Year Ending December 31, 2005	1	QC
8-118-07-015-R	3/26/07	Audit of the Institute for the Economy in Transition, USAID Cooperative Agreement No. 118-A-00-00-00130-00, for the Year Ending December 31, 2005	7	QC
E-267-07-003-D	10/19/06	Audit of Fiscal Year 2006 Floor Check and Review of Timekeeping Procedures Under Contract No. 267-C-00-05-00505-00		
		--U.S.-BASED CONTRACTORS--		
0-000-07-001-D	12/18/06	Management Systems International, Inc., Audit on Incurred Costs for Fiscal Years Ended April 30, 2003 and April 30, 2004	109	QC
0-000-07-002-D	12/18/06	Montgomery Watson Harza Americas, Inc., Report on MWH Americas FY 2003 Incurred Cost	56	QC
0-000-07-003-D	12/18/06	Management Sciences for Development, Inc., Report on Audit of Incurred Costs for FY Ended December 31, 2002	385	QC
0-000-07-004-D	12/18/06	Management Sciences for Development, Inc., Report on Audit of Incurred Costs for Fiscal Year Ended December 31, 2001	2,385	QC
0-000-07-005-D	12/18/06	Management Sciences for Development, Inc., Report on Audit of Incurred Costs for FY Ended December 31, 1999	632	QC
0-000-07-006-D	12/20/06	Bechtel National, Inc., Report on Audit of Incurred Costs, Period January 1, 2003 through December 31, 2003	495	QC
0-000-07-007-D	12/20/06	Louis Berger Group, Inc. -- International, Review of Louis Berger Fiscal Year 2000 Incurred Cost Response	2,502	QC
0-000-07-009-D	12/20/06	International Management and Communications Corporation, Report on Audit of Fiscal Years 2000 and 2001 Final Indirect Rates and Incurred Cost		
0-000-07-010-D	12/20/06	Management Sciences for Development, Inc., Report on Audit of Incurred Costs for Fiscal Year Ended December 31, 2000	332	QC

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
0-000-07-011-D	12/20/06	Management Sciences for Development, Inc., Report on Audit of Incurred Costs for Fiscal Year Ended December 31, 1998	263	QC
0-000-07-012-D	12/20/06	Creative Associates International, Inc., Audit Report on Billing System		
0-000-07-013-D	12/20/06	Creative Associates International, Inc., Audit Report of Estimating System		
0-000-07-015-D	12/20/06	Community Consulting International, Audit of Calendar Year 1997 Incurred Costs	1	QC
0-000-07-016-D	12/20/06	Z Systems Corp., Report on Audit of Calendar Year 2003 Incurred Cost		
0-000-07-017-D	02/22/07	Mendez England & Associates, Inc. (formerly Fomentco, Inc.), Report on Audit of Incurred Costs for Fiscal Year Ended December 31, 1997	180	QC
0-000-07-018-D	02/06/07	Mendez England & Associates, Inc. (formerly Fomentco), Report on Audit of Incurred Costs for Fiscal Year Ended December 31, 1999	239	QC
0-000-07-021-D	02/22/07	DPK Consulting, Report on Audit of Fiscal Years 2003, 2004 and 2005 Incurred Costs		
0-000-07-022-D	02/06/07	Mendez England & Associates (formerly Fomentco, Inc.), Report on Audit of Fiscal Year 2000 Incurred Costs	168	QC
0-000-07-023-D	02/06/07	Mendez England & Associates (formerly Fomentco, Inc.), Report on Audit of Fiscal Year 2001 Incurred Costs	247	QC
0-000-07-024-D	03/16/07	Financial Markets International, Inc., Supplemental Report on Audit of Fiscal Year 2000 Incurred Costs	47	QC
0-000-07-025-D	03/16/07	Financial Markets International, Inc., Supplemental Report on Audit of Fiscal Year 2002 Incurred Costs		
0-000-07-026-D	02/16/07	IBM Global Business Services, Public Sector/Federal, Report on Examination of Paid Vouchers		
0-000-07-027-D	03/16/07	BearingPoint, Inc. (formerly KPMG Consulting), Report on Audit of Fiscal Year 2001 Incurred Costs		
0-000-07-028-D	03/16/07	University Research Corporation, LLC, Report on Audit of Fiscal Year 1999 Incurred Costs	3	QC
0-000-07-029-D	03/16/07	Development Associates, Inc., Report on Audit of Fiscal Years 2003 and 2004 Incurred Costs		
0-000-07-030-D	03/16/07	University Research Corporation, LLC, Report on Audit of Fiscal Year 2000 Incurred Costs	140	QC
0-000-07-031-D	03/16/07	International Science and Technology Institute, Inc., Report on Audit of Fiscal Years 2000, 2001, and 2002 Incurred Costs	48	QC

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
0-000-07-032-D	03/16/07	University Research Corporation, LLC, Report on Audit of Fiscal Year 2002 Incurred Costs	123	QC
0-000-07-033-D	03/16/07	University Research Corporation, LLC, Report on Audit of Fiscal Year 2001 Incurred Costs	153	QC
0-000-07-034-D	03/16/07	Nathan Associates, Inc., Report on Audit of Fiscal Year 1999 Incurred Costs		
0-000-07-035-D	03/16/07	Nathan Associates, Inc., Report on Audit of Fiscal Year 2000 Incurred Costs	1	QC
0-000-07-036-D	03/16/07	Electrotek Concepts, Inc., Report on Audit of Fiscal Years 1999, 2000, 2001, and 9 Month Period of April 1, 2001 through December 31, 2001	682	QC
0-000-07-037-D	03/16/07	Electrotek Concepts, Inc., Report on Audit of Fiscal Years 2002, 2003, and 2004 Incurred Costs		
0-000-07-038-D	03/16/07	Nathan Associates, Inc., Report on Audit of Fiscal Year 2001 Incurred Costs	6	QC
5-306-07-001-N	10/16/06	Financial Audit of Local Costs Incurred by the Louis Berger Group, Inc. to Implement the Rehabilitation of Economic Facilities and Services Program, USAID/Afghanistan Contract No. 306-C-00-02-00500-00, for the Period from April 1, 2006, to June 30, 2006		
5-306-07-004-N	12/11/06	Financial Audit of Local Costs Incurred by the Louis Berger Group, Inc. to Implement the Rehabilitation of Economic Facilities and Services Program, USAID/Afghanistan Contract No. 306-C-00-02-00500-00, for the Period from July 1, 2006, to September 30, 2006		
6-294-07-002-N	11/05/06	Audit of USAID Resources Managed by Academy for Education Development Under Task Order No. EEE-I-04(805)-01-00010-00 "Higher Education Support Initiative," for the Period from October 1, 2003, to September 12, 2004		
6-294-07-003-N	11/07/06	Audit of the Fund Accountability Statement of USAID Resources Managed by Financial Markets International Under Award No. PCE-I-04-99-00010-00 "Commercial Transparency, Capital Markets Development Initiative Program" for the Period From October 1, 2002, to March 31, 2005	52	QC
6-294-07-004-N	11/07/06	Audit of the Fund Accountability Statement of USAID Resources Managed by Financial Markets International Under Task Order No. PCE-I-806-99-00010-00, "Financial Markets Reform Program - Phase II for USAID/West Bank and Gaza" for the Period From September 26, 2003, to September 25, 2004	8	QC
6-294-07-007-N	11/21/06	Audit of USAID Resources Managed by Academy for Educational Development Under Task Order No. EEE-I-07-810-01-00010-00 "The Presidential Scholarship Program" for the Period from September 30, 2003, to September 30, 2004	5	QC

BU--Better Use of Funds
 QC--Questioned Costs
 UN--Unsupported Costs
 Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
6-294-07-011-N	12/11/06	Audit of the Fund Accountability Statement of USAID Resources Managed by Save the Children Under Cooperative Agreement No. 294-A-00-04-00205-00, "Community Psychosocial Support Program" for the Period From July 1, 2004, to September 30, 2005		
6-294-07-016-N	02/12/07	Audit of the Fund Accountability Statement of USAID Resources Managed by Camp Dresser and McKee International, Inc., Under Task Order 806, Contract No. HRN-I-806-99-00011-00, "Village Water and Sanitation Program and Emergency Water Operations Center," for the Period from September 29, 2003, to January 31, 2005	1	QC
6-294-07-017-N	02/14/07	Audit of the Fund Accountability Statement of USAID Resources Managed by Camp Dresser and McKee International, Inc. Under Task Order 803, Contract No. HRN-I-803-99-00011-00, "Village Water and Sanitation Program," for the Period from October 1, 2002, to January 31, 2005	230	QC
6-294-07-018-N	02/15/07	Final Closeout Audit of the Fund Accountability Statement of USAID Resources Managed by Camp Dresser and McKee International, Inc. Under Task Order 812, Contract No. LAG-I-00-98-00034-00, "Small Water Infrastructure Fast Track," for the Period from September 29, 2003, to January 31, 2005	54	QC
6-294-07-019-N	02/28/07	Examination of American Intercontinental Constructors, LLC. Compliance with Contract Terms and Conditions Under USAID Contract No. 294-C-00-04-00216-00 "Eastern Hebron Bulk Water Supply System - Package 4B," for the Period from September 29, 2004, to September 30, 2005		
6-294-07-021-N	02/28/07	Audit of the Fund Accountability Statement of USAID Resources Managed by IBM Corporation Under Contract No. 294-C-00-01-00110-00, "Improved Maternal Child Health - Maram Project," for the Period from July 1, 2003, to April 30, 2005	7	QC
6-294-07-022-N	02/28/07	Audit of the Costs Incurred by Chemonics International Incorporated Under Contract No. DFD-I-00-00171-00 for the Period from October 1, 2004, to September 30, 2005		
6-294-07-028-N	03/18/07	Audit of the Cost Representation Statement of USAID Resources Managed by Chemonics International Inc. Under Contract No. 294-C-00-00-00077-00, Civil Society and Democracy Strengthening Project, for the Period From October 1, 2002, to September 30, 2005	98	QC
6-294-07-031-N	03/19/07	Audit of the Cost Representation Statement of USAID Resources Managed by Development Alternatives, Inc., Under Task Order No. PCE-I-815-99-00009-00, "The Palestinian Enterprise Revitalization Project," for the Period From October 1, 2003, to September 30, 2005	153	QC
6-294-07-033-N	03/26/07	Audit of the Cost Representation Statement of USAID Resources Managed by Financial Markets International Under Task Order No. PCE-I-806-99-00010-00 "Financial Markets Reform Program", for the Period From October 1, 2004, to September 30, 2005		

BU--Better Use of Funds

QC--Questioned Costs

UN--Unsupported Costs

Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
E-267-07-002-D	10/02/06	Audit of the Accounting System of Unity Resources Group Under Subcontract No. IDG 31-2 with Research Triangle Institute Under Contract No. 267-C-00-05-00505-00		
E-267-07-004-D	10/25/06	Audit of Billed Costs by SkyLink Air and Logistic Support (USA), Inc. Under USAID Contract No. DFD-C-00-03-00026-00 for the Period October 1, 2004 through January 31, 2005, and Determination on the Allowability of Previously Questioned Serco, Inc. Costs	50 2	QC UN
E-267-07-007-D	12/18/06	Audit of Costs Incurred and Billed by Research Triangle Institute (RTI) Under Contract No. 267-C-00-05-00505-00 for the period May 9, 2005 through December 31, 2005	68	QC
E-267-07-009-D	03/15/07	Audit of Costs Incurred and Billed by Bechtel National, Inc. Under Contract No. EEE-C-00-03-00018-00 for the Period October 1, 2005 through February 28, 2006 and Contract No. SPU-C-00-04-00001-00 for the Period October 1, 2005 through October 31, 2006	105	QC
		--U.S.-BASED GRANTEES--		
0-000-07-001-T	11/28/06	Initial Review of the Audit of The Centre for Development and Population Activities for the Fiscal Year Ended December 31, 2003		
0-000-07-001-E	01/04/07	Review of Audit Report of the Czech and Slovak American Enterprise Fund for the Fiscal Year Ended September 30, 2004		
0-000-07-002-T	11/28/06	Initial Review of the Audit of the Pan American Development Foundation for the Fiscal Year Ended September 30, 2003		
0-000-07-003-T	11/28/06	Review of the Audit of Africare for the Fiscal Year Ending June 30, 2003		
0-000-07-004-T	12/13/06	Initial Review of Audit Report of Winrock International Institute for Agricultural Development, for the Fiscal Year Ended December 31, 2003		
0-000-07-005-T	12/13/06	Initial Review of Audit Report of The Vaccine Fund, for the Year Ending December 31, 2003		
0-000-07-006-T	12/14/06	Initial Review of Audit Report of Sesame Workshop, for the Fiscal Year Ended June 30, 2003		
0-000-07-007-T	12/14/06	Initial Review of Audit Report of International Research and Exchanges Board, Inc., for the Fiscal Year Ended June 30, 2003		
0-000-07-008-T	12/14/06	Initial Review of Audit Report of National Democratic Institute for International Affairs, for the Fiscal Year Ended September 30, 2003		
0-000-07-008-D	12/20/06	Living Water International, Report on Audit of Pre-Award Accounting System Survey		

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
0-000-07-009-T	12/14/06	Initial Review of Audit Report of Partnership for Child Healthcare, Inc., for the Fiscal Year Ended September 30, 2003		
0-000-07-010-T	12/14/06	Initial Review of Audit Report for The Urban Institute for the Fiscal Year Ended December 31, 2003		
0-000-07-011-T	12/15/06	Initial Review of Audit Report for Family Health International for the Fiscal Year Ended September 30, 2003		
0-000-07-012-T	12/15/06	Review of Audit Report for the Elizabeth Glaser Pediatric AIDS Foundation for Fiscal Year Ending December 31, 2003		
0-000-07-013-T	12/15/06	Review of Audit Report for the Elizabeth Glaser Pediatric AIDS Foundation for Fiscal Year Ending December 31, 2004		
0-000-07-014-T	12/15/06	Initial Review of Audit Report for Concern Worldwide (U.S.), Inc., for the Fiscal Year Ended December 31, 2003		
0-000-07-015-T	12/15/06	Initial Review of Audit Report for Concern Worldwide (U.S.), Inc., for the Fiscal Year Ended December 31, 2004		
0-000-07-016-T	12/18/06	Review of Audit Report for Center for Excellence in Education for Fiscal Year Ending December 31, 2003		
0-000-07-017-T	12/20/06	Initial Review of Audit Report for Children's Resources International, Inc., for the Fiscal Year Ended December 31, 2003		
0-000-07-018-T	12/20/06	Initial Review of Audit Report for Children's Resources International, Inc., for the Fiscal Year Ended December 31, 2004		
0-000-07-019-T	12/20/06	Initial Review of Audit Report for Citizens Development Corps, Inc., for the Fiscal Year Ended September 30, 2003		
0-000-07-019-D	02/06/07	U.S. Ukraine Foundation, Report on Audit of Accounting and Billing System		
6-294-07-001-N	10/04/06	Audit of the Fund Accountability Statement of USAID Resources Managed by Academy for Educational Development, Under Award No. 294-A-00-02-00228-00, "Support to Local Initiatives for Non-violent Conflict Resolution," for the Period From September 1, 2002, to August 31, 2003		
6-294-07-025-N	03/12/07	Audit of the Fund Accountability Statement of Locally Incurred Costs of USAID Resources Managed by Young Men's Christian Association, Under Cooperative Agreement No. 294-A-00-02-00227-00, Job Opportunities Through Basic Services, for the Period From October 1, 2004, to September 30, 2005	I	QC

BU--Better Use of Funds

QC--Questioned Costs

UN--Unsupported Costs

Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
6-294-07-034-N	03/28/07	Audit of USAID Resources Managed by East Jerusalem YMCA, Sub-Grant Agreement No. SC/CPSP 010, Under Save the Children's Community Psychosocial Support Program in the West Bank and Gaza, USAID Cooperative Agreement No. 294-A-00-01-00115-00, for the Period From October 1, 2002, to January 31, 2004		
E-267-07-001-D	10/01/06	Audit of Direct Costs Incurred and Billed by the International Republican Institute through the Consortium for Elections and Political Process Strengthening Under USAID Agreement No. AFP-A-00-04-00014-00 for the Period July 9, 2004 through October 31, 2005		
E-267-07-005-D	11/06/06	Audit of Costs Incurred and Billed by International Relief and Development, Inc. Under Cooperative Agreement No. AFP-A-00-03-00002-00 from August 1, 2004 through October 31, 2005	71 59	QC UN
E-267-07-006-D	11/06/06	Audit of Costs Incurred and Billed by the National Democratic Institute of International Affairs, Under Cooperative Agreement No. REE-A-00-04-00050-00 from July 26, 2004 to October 31, 2005		
E-267-07-008-D	01/03/07	Audit of Costs Incurred and Billed by the Research Foundation of the State University of New York (SUNY) Under Its Cooperative Subagreement No. 04-04465-IRA.0-408 with National Democratic Institute Under USAID Cooperative Agreement No. REE-A-00-04-00050-00 for the Period July 26, 2004 through December 31, 2005		
E-267-07-010-D	03/27/07	Audit of Costs Incurred and Billed by the International Foundation for Election Systems Under Cooperative Agreement No. 267-A-00-04-00405-00 from September 1, 2004 through September 30, 2005	3,259 2,773	QC UN

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

USAID PERFORMANCE AUDIT REPORTS ISSUED October 1, 2006 through March 31, 2007

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
		--ECONOMY AND EFFICIENCY--		
I-520-07-001-P	10/06/06	Audit of USAID/Guatemala's Family Planning Activities	81	BU
I-520-07-002-P	11/27/06	Audit of USAID/Guatemala's Management of Its P.L. 480 Non-Emergency Monetization Program		
I-518-07-003-P	12/14/06	Audit of USAID/Ecuador's Democracy and Governance Activities		
I-511-07-004-P	12/26/06	Audit of USAID/Bolivia's Effectiveness in Complying with Tiahrt Requirements		
I-511-07-005-P	01/22/07	Audit of USAID/Bolivia's Family Planning Program		
I-519-07-006-P	03/06/07	Audit of USAID/El Salvador's Economic Growth Program	11,146	BU
I-512-07-007-P	03/20/07	Audit of USAID/Brazil's Health Program		
4-617-07-001-P	12/05/06	Audit of USAID/Uganda's Compliance With Financial Audit Requirements Regarding Foreign Recipients		
4-690-07-002-P	12/18/06	Audit of USAID Activities in Limited-Presence Countries Managed by USAID/Southern Africa		
4-656-07-003-P	12/22/06	Audit of USAID/Mozambique's Management of P.L. 480 Non-Emergency Monetization Program		
4-674-07-004-P	02/14/07	Audit of USAID Activities in Limited-Presence Countries Managed by USAID/South Africa		
5-383-07-001-P	11/30/06	Audit of USAID/Sri Lanka's Large-Scale Infrastructure Rebuilding Activities Under Its Sri Lanka Tsunami Reconstruction Program		
5-306-07-002-P	02/13/07	Audit of USAID/Afghanistan's Alternative Livelihoods Program-Eastern Region		
5-486-07-003-P	02/27/07	Audit of Critical Activities Financed by USAID Regional Development Mission/Asia's U.S. Indian Ocean Tsunami Warning System Program		
6-263-07-001-P	02/21/07	Audit of USAID/Egypt's Agricultural Exports and Rural Incomes Project		
7-624-07-001-P	02/27/07	Audit of USAID/West Africa's Management of the P.L. 480 Non-Emergency Monetization Program in Burkina Faso		

BU--Better Use of Funds
 QC--Questioned Costs
 UN--Unsupported Costs
 Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
8-112-07-001-P	12/15/06	Audit of USAID/Azerbaijan's Economic Growth Program		
9-000-07-003-P	12/04/06	Audit of the Management of USAID's Federal Employees' Compensation Act (FECA) Program		
9-000-07-004-P	12/22/06	Audit of USAID's Progress in Implementing the President's Emergency Plan for AIDS Relief		
9-000-07-005-P	02/08/07	Audit of USAID's Start-Up of the Supply Chain Management System for the President's Emergency Plan for AIDS Relief		
A-000-07-001-P	11/15/06	Audit of USAID's Security Controls Over Financial Management and General Support Systems for Fiscal Year 2006		
E-267-07-001-P	11/05/06	Audit of USAID/Iraq's Civil Society Activities		
E-267-07-002-P	01/22/07	Audit of USAID/Iraq's Agriculture Reconstruction and Development Program		
E-267-07-003-P	02/04/07	Follow-Up Audit of USAID/Iraq's Education Activities		

BU--Better Use of Funds
 QC--Questioned Costs
 UN--Unsupported Costs
 Note: UN is part of QC

**PERFORMANCE AUDIT REPORTS ISSUED
October 1, 2006 through March 31, 2007**

ADF

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
		--PROGRAMS AND OPERATIONS--		
0-ADF-07-002-C	11/15/06	Audit of the African Development Foundation's Financial Statements for Fiscal Years 2006 and 2005		

IAF

<i>Report Number</i>	<i>Date of Report</i>	<i>Report Title</i>	<i>Amount of Findings (\$000s)</i>	<i>Type of Findings</i>
		--PROGRAMS AND OPERATIONS--		
0-IAF-07-003-C	11/15/06	Audit of Inter-American Foundation's Financial Statements for Fiscal Years 2006 and 2005		

BU--Better Use of Funds
 QC--Questioned Costs
 UN--Unsupported Costs
 Note: UN is part of QC

USAID MISCELLANEOUS REPORTS ISSUED October 1, 2006 through March 31, 2007

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
		--QUALITY CONTROL REVIEWS--		
0-000-07-001-Q	01/16/07	Quality Control Review of PricewaterhouseCoopers, LLP's Audit of International Medical Corps for the Fiscal Year Ending June 30, 2003		
0-000-07-002-Q	01/19/07	Quality Control Review of Deloitte & Touche, LLP Audit of Winrock International Institute for Agricultural Development for the Fiscal Year Ended December 31, 2003		
0-000-07-003-Q	01/23/07	Quality Control Review of PricewaterhouseCoopers LLP's Audit of World Vision Inc. for the Fiscal Year Ending September 30, 2003		
0-000-07-004-Q	02/13/07	Quality Control Review of Charchalis & Company, P.A. Audit of U.S. - Ukraine Foundation for Fiscal Year 2004		
0-000-07-005-Q	02/13/07	Quality Control Review of the Deloitte & Touche, LLP Fiscal Year 2004 Audit of The Asia Foundation		
0-000-07-006-Q	02/13/07	Quality Control Review of the Raffa, P.C. Fiscal Year 2003 Audit of Pan American Development Foundation		
4-674-07-001-Q	01/31/07	Quality Control Review of the Closeout Audit of the READ Educational Trust Under USAID Cooperative Agreement No. 674-A-00-01-00002-00, for the Period April 1, 2002 to March 31, 2003		
5-391-07-001-Q	10/06/06	Quality Control Review of the Audit Report and Audit Documentation for the Financial Audit Conducted by KPMG Taseer Hadi & Co. of the Aga Khan University – Examination Board, USAID/Pakistan Cooperative Agreement No. 391-A-00-03-01003-00, for the Period From July 1, 2003, to December 31, 2004		
6-294-07-001-Q	10/30/06	Quality Control Review on the Audit of USAID Resources Managed by Youth Project Developing Council Under Su-Grant No. SC/VSP 001 From the Save the Children Federation Under USAID Award No. 294-A-00-00-00073-00, for the Period From May 1, 2001, to September 30, 2003		
6-294-07-002-Q	11/30/06	Quality Control Review of the Audit of USAID Resources Managed by Catholic Relief Services Under Grant Numbers: 294-A-00-02-000221-00 (JOBS) and 294-A-00-04-000217-00 (PINE) for the Period from October 1, 2004, to September 30, 2005		

BU--Better Use of Funds
 QC--Questioned Costs
 UN--Unsupported Costs
 Note: UN is part of QC

Report Number	Date of Report	Report Title	Amount of Findings (\$000s)	Type of Findings
7-688-07-001-Q	11/30/06	Quality Control Review of FAACIM-Sarl Regarding the Audit of Local Currency Expenses Incurred by the Ministry of Agriculture Under the Sustainable Economic Growth Objective Program in Mali for the Period May 1, 1999 through December 31, 2003, Project No. 688-0273		
8-118-07-002-Q	12/18/06	Quality Control Review of RTF's Audit of The Institute for the Economy in Transition, for Fiscal Year Ended December 31, 2006		
8-169-07-001-Q	02/05/07	Quality Control Review of KPMG's Audit of the Special Purpose Fund Accountability Statement of America's Development Foundation, for the Period July 15, 2001 to September 30, 2005		
		--OTHER--		
5-492-07-002-N	11/20/06	Financial Audit of USAID/Philippines' Peso Trust Fund for Operating Expenses, for the Period from January 1, 2005 to December 31, 2005		
9-000-07-001-S	10/13/06	Survey of USAID's Office of Transition Initiatives		
9-000-07-002-S	11/30/06	Survey of USAID's Trade Capacity Building Programs to Support Implementation of Free Trade Agreements		
A-000-07-001-S	11/28/06	Agreed Upon Procedures for Assessing USAID's Protection of Remote Personally Identifiable Information in Information Systems		
A-000-07-002-O	12/19/06	Independent Auditor's Report on Applying Agreed-Upon Procedures for Assessing USAID's Implementation of Section 522 of the Consolidated Appropriations Act of 2005		

BU--Better Use of Funds
QC--Questioned Costs
UN--Unsupported Costs
Note: UN is part of QC

**AUDIT REPORTS OVER SIX MONTHS OLD
WITH NO MANAGEMENT DECISION***
As of March 31, 2007

<i>Report Number</i>	<i>Auditee</i>	<i>Issue Date</i>	<i>Current Recommendation Status</i>	<i>Desired Decision Target Date</i>
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NOTHING TO REPORT

*Applies to USAID, ADF, and IAF.

**SIGNIFICANT AUDIT RECOMMENDATIONS
DESCRIBED IN PREVIOUS SEMIANNUAL
REPORTS WITHOUT FINAL ACTION
As of March 31, 2007**

USAID

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
0-000-03-001-C	Report on USAID's Consolidated Financial Statements Internal Controls and Compliance for Fiscal Year 2002	01/24/03	2.2	01/24/03	06/07
9-000-05-001-P	Field Support Mechanisms in the Global Health Bureau	12/07/04	3	12/07/04	04/07
9-615-05-007-P	USAID/Kenya's Implementation of the President's Emergency Plan for AIDS Relief	07/21/05	4	07/21/05	09/07
9-000-06-003-P	USAID's Reasonable Accommodation Policies and Procedures	12/13/05	3	12/13/05	06/07
A-000-06-001-P	USAID's Information Technology Governance Over Its Phoenix Overseas Deployment and Procurement System Improvement Program Projects	02/21/06	2	02/21/06	06/07
			3	02/21/06	06/07
			4	02/21/06	06/07
			5	02/21/06	06/07
			6	02/21/06	06/07
I-526-06-003-P	USAID/Paraguay's Reproductive Health and Family Planning Activities	01/13/06	5	01/13/06	04/07
			6	01/13/06	04/07
4-674-06-013-P	USAID/South Africa's Progress in Implementing the President's Emergency Plan for AIDS Relief	08/11/06	3	8/11/06	05/07
9-521-06-010-P	USAID/Haiti's Management of P.L. 480 Non-Emergency Monetization Program	09/28/06	1	09/28/06	04/07

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
9-000-06-009-P	USAID's Development Credit Authority	09/25/06	1	09/25/06	04/07
			2	09/25/06	04/07
			3	09/25/06	04/07
			4	09/25/06	04/07
4-623-06-014-P	USAID Activities in Limited-Presence Countries in Eastern Africa	09/21/06	1	09/21/06	06/07
			2	09/21/06	06/07
			3	09/21/06	06/07
			5	09/21/06	06/07
1-523-06-006-P	Completeness of USAID/Mexico's Work Plan Deliverables	06/02/06	1	06/02/06	04/07
			2	02/01/07	05/07
9-000-06-007-P	USAID's Procurement Evaluation Program	05/11/06	2	05/11/06	04/07
4-663-06-009-P	USAID/Ethiopia's Compliance with Financial Audit Requirements Regarding Foreign Recipients	05/31/06	2	05/31/06	06/07
4-615-06-011-P	USAID/Kenya's Compliance with Financial Audit Requirements Regarding Foreign Recipients	07/31/06	5	10/13/06	11/07
			7	07/31/06	06/07
4-656-06-015-P	USAID/Mozambique's Compliance with Financial Audit Requirements Regarding Foreign Recipients	09/22/06	1	12/18/06	04/07
			2	09/22/06	06/07
			3	09/22/06	04/07
			4	09/22/06	06/07
			5	09/22/06	04/07
			6	09/22/06	04/07
			7	09/22/06	06/07

Report Number	Subject of Report	Issue Date	Rec. No.	Management Decision Date	Final Action Target Date
A-000-06-003-P	USAID's Implementation of Key Components of a Privacy Program for Its Information Technology Systems	06/08/06	2	06/08/06	05/07
			3	06/08/06	05/07
			4	06/08/06	05/07
			5	06/08/06	05/07
			7	06/08/06	05/07
A-000-06-005-P	Selected Application Controls Over the Annual Report Application System	09/27/06	1	09/27/06	07/07
			2	09/27/06	07/07
			3	09/27/06	07/07
			4	09/27/06	07/07
			5	09/27/06	07/07
E-267-06-003-P	USAID/Iraq's Local Governance Activities	07/10/06	3	10/30/06	04/07

**SIGNIFICANT AUDIT RECOMMENDATIONS
DESCRIBED IN PREVIOUS SEMIANNUAL
REPORTS WITHOUT FINAL ACTION
As of March 31, 2007**

ADF

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
9-ADF-05-008-P	African Development Foundation's Monitoring, Reporting and Evaluation System	08/17/05	1	08/17/05	09/07
			14	08/17/05	09/07

IAF

<i>Report Number</i>	<i>Subject of Report</i>	<i>Issue Date</i>	<i>Rec. No.</i>	<i>Management Decision Date</i>	<i>Final Action Target Date</i>
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NOTHING TO REPORT

REPORTS ISSUED WITH QUESTIONED AND UNSUPPORTED COSTS

October 1, 2006 through March 31, 2007

USAID

Reports	Number of Audit Reports	Questioned Costs	Unsupported Costs ¹
A. For which no management decision had been made as of October 1, 2006	61	\$112,181,049 ^{2,3}	\$19,285,421 ^{2,3}
B. Add: Reports issued October 1, 2006 through March 31, 2007	84	\$27,981,538 ⁴	\$10,882,067 ⁴
Subtotal	145	\$140,162,587	\$30,167,488
C. Less: Reports with a management decision made October 1, 2006 through March 31, 2007	70 ⁵	\$103,911,925 ⁶	\$20,168,517 ⁶
i. Value of Recommendations Disallowed by Agency Officials		\$73,073,161	\$1,594,974
ii. Value of Recommendations Allowed by Agency Officials		\$30,838,764	\$18,573,543
D. For which no management decision had been made as of March 31, 2007	61	\$36,250,662 ⁷	\$9,998,971 ⁷

1. Unsupported Costs are included in Questioned Costs, but are provided as additional information as required by the Inspector General Act Amendments of 1988 (P.L. 100-504).
2. The ending balance at September 30, 2006, for Questioned Costs totaling \$101,808,446 was increased by \$10,372,603 to reflect adjustments in prior period recommendations due to additional audit work performed; the ending balance at the same period for Unsupported Costs of \$19,468,880 was decreased by \$183,459 for the same reason.
3. Amounts include \$94,699,605 in Questioned Costs and \$18,305,159 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.
4. Amounts include \$12,941,467 in Questioned Costs and \$2,905,593 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.
5. Unlike the monetary figures of this row, this figure is not being subtracted from the subtotal.
6. Amounts include \$95,009,052 in Questioned Costs and \$18,366,707 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.
7. Amounts include \$12,698,812 in Questioned Costs and \$2,885,206 in Unsupported Costs for audits performed for the OIG by other federal audit agencies.

**REPORTS ISSUED WITH RECOMMENDATIONS
THAT FUNDS BE PUT TO BETTER USE
October 1, 2006 through March 31, 2007**

USAID

<i>Reports</i>	<i>Number of Audit Reports</i>	<i>Dollar Value</i>
A. For which no management decision had been made as of October 1, 2006	0	\$0
B. Add: Reports issued October 1, 2006 through March 31, 2007	2	\$11,226,927
Subtotal	2	\$11,226,927
C. Less: Reports with a management decision made October 1, 2006 through March 31, 2007	2	\$226,927
i. Value of Recommendations Agreed to by Agency Officials		\$226,927
ii. Value of Recommendations Not Agreed to by Agency Officials		\$0
D. For which no management decision had been made as of March 31, 2007	1	\$11,000,000



USAID
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