



October 31, 2007

The Honorable Jim Nussle, Director
Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, D.C. 20503

Dear Mr. Nussle:

This letter is submitted to fulfill the annual requirements contained in the Inspector General Act of 1978 (the Act), as amended found in U.S.C. title 5, Appendix 3, and covers the period October 1, 2006 to September 30, 2007.

The African Development Foundation (ADF, or the Foundation) is the only Federal agency that focuses exclusively on Africa. ADF is mandated by law to provide small grants of up to \$250,000 to nongovernmental indigenous entities in Africa to enable them to carry out sustainable development activities.

To meet the requirements of the Section 8G of the Act, the Office of the Inspector General (OIG) of the United States Agency for International Development (USAID) has jurisdiction over ADF for the purpose of conducting financial and programmatic audits. In addition, as a wholly-owned government corporation, the Foundation has an appointed Board of Directors. The Board is accountable for ADF's operations and has specific responsibility for overseeing processes related to the ADF's annual financial and programmatic audits.

During FY 2007 no matters relating to personnel, programs and operations of ADF were referred to prosecutive authorities.

On behalf of the African Development Foundation, I wish to thank you for your attention to this report and look forward to any comments or questions you may have regarding ADF's operations during FY 2007.

Yours sincerely,

Lloyd O. Pierson
President