



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

December 23, 2022

The Honorable Rick Scott
U.S. Senate
Washington, D.C. 20510

Dear Senator Scott:

Thank you for your November 1, 2022, letter regarding oversight of U.S. Agency for International Development (USAID) funds for disaster relief in Cuba following Hurricane Ian. Oversight of USAID's humanitarian assistance programming is of highest priority to my office in ensuring that taxpayer dollars are not subject to fraud, waste, abuse, corruption or diversion.

Below I address each of your inquiries as listed in your letter.

1. "Please provide the list of non-governmental international organizations this money will be channeled through."

On November 4, 2022, USAID's Bureau of Humanitarian Assistance (BHA) awarded a grant to the International Federation of Red Cross and Red Crescent Societies (IFRC) for the sum of \$2 million to provide support to the "Hurricane Ian – Response Operation". The IFRC is a public international organization. This is the only award to date provided by USAID for Hurricane Ian support.

2. "Please provide the amount of funding distributed to each non-governmental international organization and the specific purpose, project, or program designated for those funds."

The \$2 million grant was awarded to IFRC to support emergency shelter repairs through the distribution of tool kits and roof repair kits. The agreement requires IFRC to distribute hygiene supplies, kitchen supplies, and solar lamps to help affected Cubans. The IFRC will be reimbursed for all allowable costs incurred during the period from November 8, 2022, to November 7, 2023. To date, no funds have been disbursed to IFRC under this award.

3. "Did USAID officials manage and oversee the distribution of funds and operations of the non-governmental international organizations on the ground in Cuba?" According to USAID, it will not have an on-the-ground presence in Cuba due to the level of funding provided. However, USAID has planned for the staff at U.S. Embassy Havana to conduct site visits and if invited, USAID staff will join them on a temporary basis.

4. “How will USAID ensure this aid is distributed exclusively to and for the sole benefit of the Cuban people?”

The IFRC confirmed in their technical application to USAID that distributions will be coordinated by Cuban Red Cross (CRC) and IFRC teams deployed in Cuba, and the agreement states that “the items will go directly to beneficiaries and not to the government depots.” The Cuban Red Cross is affiliated with the IFRC and not part of the Cuban government.

5. “How will USAID prevent Cuban officials in any branch of the government or the Communist Party from favoring themselves or place themselves ahead of the non-governmental workers or non-Party members?”

USAID’s agreement requires that the award’s implementation, including the procurement, transportation, distribution, and beneficiary selection be independent of the Cuban government. The award requires that the recipient promptly inform USAID about any event, consideration, or situation that interferes or might interfere with the successful implementation of any activity financed by the Agency.

Implementation of the award is being conducted by the CRC and supported by IFRC personnel present in country and at regional level, i.e., by the IFRC Regional Logistics unit. Families with damaged or destroyed houses, single-mother households, households with dependent elderly adults, households with children under 5 years of age and/or pregnant women, and households with persons of disabilities will be given priority during beneficiary selection.

USAID has created mechanisms to address actual or potential interference in USAID funded activities. For example, the award includes an audit clause that requires the recipient:

- 1) to maintain books, records, documents, and other evidence in reasonable detail, that accurately and fairly reflect the transactions of the agreement for at least three years and
- 2) to confirm that its financial statements relating to the agreement will be subject to an audit in accordance with the applicable financial regulations, rules, policies, and procedures of the recipient. The recipient will notify USAID when the reports are available from the recipient’s external and internal oversight bodies. Upon USAID’s reasonable request, the recipient will provide relevant information from the report related to USAID funded activities.

The agreement also requires prompt reporting of allegations of financial fraud and sexual exploitation and abuse directly to USAID Office of Inspector General.

As the implementation of this award has just begun, we have not conducted a full audit of these funds, but reserve the right to do so. You can be assured that all allegations of fraud, diversion, or other misuse of USAID funds in the Agency’s response to Hurricane Ian will be thoroughly reviewed by OIG’s law enforcement personnel for prosecutorial consideration or other enforcement remedies. If you or members of your staff would like more information, please contact OIG’s Director of Congressional and Public Affairs, Adam Kaplan at (202) 413-8369. Thank you for your interest in how USAID OIG is meeting oversight requirements over programming in Cuba, and for your ongoing support of the inspector general community.

Sincerely,

Toayoa Aldridge

Toayoa Aldridge
Assistant Inspector General
for Audit,
on behalf of
Nicole Angarella
Acting Deputy Inspector
General, performing the
duties of the Inspector
General