



**Office of Inspector General
U.S. International Development Finance Corporation**

**Semiannual Report to Congress
October 1, 2024 – March 31, 2025**

U.S. International Development Finance Corporation

Office of Inspector General

Our Mission

The U.S. International Development Finance Corporation (DFC), Office of Inspector General's (OIG) mission is to prevent, detect, and deter fraud, waste, and abuse in DFC's programs and operations around the world by conducting audits, investigations, inspections, and evaluations of DFC's projects, systems, employees, and contractors.

Our Core Values

The OIG commits to carrying out its mission in accordance with the following values:

Accountability

Is the heart of the OIG's work. We provide accountability, through independent and fair audits and investigations that seek to ensure that DFC is accountable for its results and the resources the public invests into it.

Integrity

Is the OIG's foundation. The OIG maintains the highest standards of integrity for the American people, Congress, the DFC Board of Directors, Chief Executive Officer, and senior officials, and strives to set the example for objectivity, accuracy, and transparency.

Respect

Is central to the OIG's identity. We have a deep respect for DFC's mission, and we strive to promote a fair and professional work environment to maintain the highest standards of conduct.

Message

I am pleased to present the U.S. International Development Finance Corporation (DFC), Office of Inspector General’s (OIG) Semiannual Report to the United States Congress for the reporting period, October 1, 2024, to March 31, 2025. During the past six months, we conducted important work overseeing DFC’s programs and operations on behalf of the American people, a sampling of which is presented in this report. This report is being published in accordance with the Inspector General Act of 1978, as amended (IG Act), and the Better Utilization of Investments Leading to Development Act of 2018 (BUILD Act).

DFC finds itself at a pivotal crossroad with its current authorization expiring at the end of this fiscal year. This is an opportunity to explore the mission and global investment initiatives. DFC’s leadership and stakeholders have a unique opportunity to reshape DFC in a manner that reflects U.S. strategic priorities, strengthens national security, and assures the American taxpayer that their investment in international development has the necessary oversight.

DFC OIG’s lean staff oversees DFC’s more than \$48 billion global investment portfolio. Though our team is small, we have made a positive impact on the efficiency and effectiveness of DFC’s programs and operations. Since our inception, we have issued 77 audit recommendations for improving the performance and impact of DFC’s work. DFC has concurred with and implemented most of them.

OIG Audit Recommendations DFC Concurrence and Implementation 1st Quarter FY 2021 – 2nd Quarter FY 2025		
OIG Recommendations	DFC Concurred	DFC Implemented
77	77	67

Since inception, DFC OIG has investigated and closed nearly 70 cases involving allegations of fraud and other illegal activity, misconduct, and whistleblower retaliation. Through these investigations, we have identified bad actors posing as DFC officials, found solutions for

malicious attempts to compromise DFC systems, prevented fraud involving loan applications and disbursements, and protected whistleblowers’ rights.

Types of OIG Investigations 1st Quarter FY 2021 – 2nd Quarter FY 2025	
Fraudulent Financial Statements	Misconduct
Whistleblower Retaliation	Impersonating DFC Officials

During this reporting period, our work continued to focus on areas in which DFC can improve the efficiency and effectiveness of its operations, as well as ongoing efforts to detect and prevent fraud, waste, and abuse. Our 2024 audit of DFC’s goods and services contract acquisitions resulted in \$6.6 million in unsupported questioned cost due to DFC’s lack of a formal process that coordinates with participants needed to obtain major acquisitions. Additionally, our investigations have included allegations of fraud, bribery, misconduct, and illegal use of DFC’s name and logo. To date, DFC OIG has achieved a return-on-investment ratio of greater than seven to one (7:1), identifying more than \$100 million in questioned costs and cost avoidance.

It is a privilege to work with such dedicated professionals, and they continue to impress. Their dedication and willingness to take on significant challenges while realizing meaningful achievements, like those outlined in this report, are critical to our continued success in producing high-impact work on behalf of American taxpayers.

Thank you to Congress, DFC, the Board of Directors, and other stakeholders for your continued interest and support for our work. We trust that you will find this report informative.

Sincerely,



Gladis C. Griffith
Deputy Inspector General

DFC OIG Hotline

The OIG’s confidential hotline receives allegations of fraud, waste, abuse, corruption, and other misconduct.

- Federal employees must disclose fraud, waste, abuse, and corruption to appropriate authorities, such as the OIG.
- Contractors and recipients of U.S. funds must report allegations of fraud and misconduct based on mandatory disclosure requirements in federal law and agency-specific rules.
- Others, including beneficiaries of investment programs and employees of federal contractors and recipients, may also report allegations to the OIG.

Report Fraud, Waste, Abuse, Corruption DFC OIG Hotline

	<p>Submit Hotline Complaint Online https://www.dfc.gov/oig/hotline</p> <p>General Information www.dfc.gov/oig</p>		<p>OIG Hotline Toll-Free +1 833-OIG-4DFC (833-644-4332)</p> <p>General Information 202-312-2172</p>
	<p>Mailing Address U.S. International Development Finance Corporation ATTN: Office of Inspector General 1100 New York Avenue, NW Suite 270 West (2nd Floor) Washington, DC 20527</p>		<p>In-Person U.S. International Development Finance Corporation Office of Inspector General 1100 New York Avenue, NW Suite 270 West (2nd Floor) Washington, DC 20527</p>

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About DFC



DFC is the United States development finance institution and offers debt and equity investment funds, political risk insurance, feasibility studies, and technical assistance.¹ DFC partners with the private sector to invest in projects across sectors including energy, critical minerals, food and health security, infrastructure, technology, and financial services for small businesses. DFC currently has an active portfolio in Africa, the Middle East, Latin America and the Caribbean, the Indo-Pacific, and Europe. The European Energy Security and Diversification Act of 2019 also authorizes DFC to support certain energy and energy-related investments in eligible European and Eurasian countries without regard to host-country income classification.

DFC added \$12 billion in commitments to its development portfolio in FY 2024, closed 181 transactions around the world focusing on health, infrastructure, energy, agribusiness, and small business support.

DFC Priorities and FY 2024 Impact



Source: [DFC Annual Report 2024](#)

¹ See www.dfc.gov and Appendix G to learn more about DFC products.

Top Management Challenges Facing DFC in FY 2025

As required by the Reports Consolidation Act of 2000 ([Public Law 106-531](#)), DFC OIG issued [Top Management Challenges Facing DFC in FY 2025](#), which discusses five challenges facing DFC that we expect will continue over the next several years.

1. **Secure Reauthorization while Improving Operations.** DFC's authorization is set to expire on October 6, 2025, and the Corporation is actively working with Congress to achieve reauthorization in FY 2025. Reauthorization presents significant external and internal challenges. Because DFC works with a myriad of investment partners to accomplish development objectives, negotiating investment agreements while reauthorization proposals are pending before Congress could add an extra layer of complexity to the investment process.
2. **Maintain Efficient Growth and Development.** Maintaining efficient growth and development has been a challenge for DFC since its inception. In many ways, DFC is still a new organization and accordingly, DFC OIG has identified efficient growth and development as a top management challenge for the past three years. This challenge is a significant element in DFC's plan to ensure it efficiently and effectively accomplishes its goals and objectives. This plan should include building a mission-critical workforce, developing an ideal organization structure, growing its support staff, and managing potential budgetary constraints.
3. **Improve Monitoring and Measurement of Actual Development Impact.** Project monitoring and measurement of actual development impact are areas where DFC needs to continually improve. Effectively measuring development impact is critical to ensuring DFC meets the intended purpose of its investments. The BUILD Act requires DFC to develop standards and methods for ensuring development outcomes, including measurement of the projected and actual development impact of each project. DFC must continue to take action to improve development impact measurement to show the effectiveness of DFC investments.
4. **Improve Traceability, Accuracy, and Availability of Project Data as DFC Grows.** DFC needs to improve the traceability, accuracy, and availability of project data collected and stored, which could assist with managing project and program performance. Specifically, the BUILD Act requires DFC to assess the development performance of its portfolio, which relies on data collected. DFC has previously struggled to meet this requirement due to a lack of formal procedures for the systematic collection and storing of documentation from site visits, which inhibited enterprise level tracking against strategic goals. However, DFC recently developed a process to collect, store, and report on-site visits.
5. **Balance Expectations of Congress and Stakeholders While Managing Reputational Risks.** DFC has many stakeholders, here in the U.S. and around the world, who are interested in what it does and how it does it. DFC faces difficult choices in making investments that balance competing stakeholder interests in development impact, foreign policy, and financial performance. The BUILD Act requires DFC to evaluate development projects and consider factors relating to environmental and social impact, worker rights, and human rights, among other considerations. DFC will face significant challenges in the constantly evolving global environment to advance development impact and foreign policy priorities through its investments while meeting the expectations of Congress and other stakeholders.

The OIG previously published [Top Management Challenges Facing DFC in FY 2024](#), which can be found on the DFC OIG website, www.dfc.gov/oig.

About DFC OIG

DFC OIG was established by the [BUILD Act](#) and gets its authority from the [IG Act](#). The OIG was created to promote the integrity, transparency, and efficiency of DFC programs and operations. Through its audits and investigations, the OIG prevents, detects, and deters fraud, waste, and abuse affecting DFC's investments, projects, systems, employees, and contractors. DFC has an important mission that benefits many people around the world. Accordingly, it is imperative that DFC OIG continue to build an effective and efficient oversight agency. DFC OIG is one of the smallest of more than 70 federal Offices of Inspectors General and is leanly staffed. The DFC Inspector General is appointed by and reports to the DFC Board of Directors. Although the OIG is located within DFC, it conducts its work within the framework of the IG Act and is independent of DFC. The OIG consists of the Office of Audits and Inspections and the Office of Investigations, supported by the General Counsel.

The Office of Audits and Inspections conducts a variety of independent statutorily mandated and discretionary audits and inspections of DFC programs and operations and makes recommendations to improve efficiencies and address internal control weaknesses.

The Office of Investigations conducts criminal, administrative, and civil investigations into allegations of fraud, misconduct, corruption, and other illegal activity, which may result in criminal convictions, fines, or other sanctions.

The General Counsel provides legal support for audit and investigative work and oversees legislative and public affairs matters, ethics, and Freedom of Information Act (FOIA) requests.

DFC OIG Administrative and Operational Activity

The OIG has made significant strides toward building an organization with the expertise, tools, resources, and support needed to accomplish its mission. The OIG's administrative and operational efforts provide critical tools that support our audit and investigative work.

Audits & Investigations

Office of Audits

The Office of Audits (OA) conducts and supervises a variety of independent statutorily mandated and discretionary performance audits, inspections, and evaluations assessing controls of DFC programs and operations to detect and deter waste, fraud, abuse, and mismanagement. Audits include evaluating the efficiency and effectiveness of DFC development finance investment programs and operations at headquarters and around the world. These audits lead to recommendations that may result in policy and programmatic changes to help DFC better accomplish its mission.

Audit Activity

During the reporting period, October 1, 2024 – March 31, 2025, OA completed two audits and had five audits and one inspection in progress. A summary of audit statistics followed by a summary of completed audit report findings and recommendations are below. Each audit report summary includes a link to the report located on the OIG’s external website. Appendix B provides additional statistical details, and Appendix C provides the definitions for audit metrics.

Summary of Audit Statistics October 1, 2024 – March 31, 2025

Audits Completed	2
Recommendations	15
Audits in Progress	5
Inspections in Progress	1
Recommendations Closed	13
Open / Unresolved Recommendations as of 3/31/2025	10

Summary of Completed Audit Reports October 1, 2024 – March 31, 2025

1. **DFC's Consolidated Financial Statements for FYs 2024 and 2023** ([DFC-25-001-C](#), issued November 15, 2024). The OIG contracted with an independent public accounting firm, RMA Associates, LLC (RMA), to audit DFC’s FYs 2024 and 2023 consolidated financial statements. The objectives were to obtain reasonable assurance about whether DFC’s consolidated financial statements, as a whole, were free from material misstatement, consider DFC’s internal control over financial reporting, and test compliance with certain provisions of laws, regulations, and contracts. RMA concluded that DFC’s consolidated financial statements as of September 30, 2024, and 2023 were presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles, had no material weaknesses or significant deficiencies over financial reporting, and had no reportable noncompliance with provisions of laws tested and other matters.
2. **DFC Can Improve the Acquisition of Goods and Services** ([DFC-25-002-C](#)), issued December 17, 2024). OIG contracted with RMA to determine whether DFC complied with applicable goods and services contract regulations, policies, and procedures. RMA evaluated six goods and services contracts, including one contract for hardware, one for technical support services, one large software purchase, one contract for legal services, and two contracts for consulting services. Between FYs 2022 and 2023, DFC executed 1,372 goods and services contracts totaling \$83.8

million. Over that timeframe, acquisitions staff had grown from nine individuals in early 2021 to 26 individuals as of July 31, 2024.

The audit found that DFC generally complied with applicable goods and services contract regulations, policies, and procedures. However, improvements can be made in the areas of process, strategy, policies and procedures, roles and responsibilities, and data reliability. For example, DFC had not created a formal acquisition strategy, defined what is a major acquisition, or developed a process to affirm best practices as Corporation-wide requirements. Specifically, DFC delegated much of the acquisition decision making processes and policies to the individual functional areas within DFC. DFC's lack of a formal coordination process resulted in \$6.6 million in unsupported questioned costs. The audit made 15 recommendations to the Chief Executive Officer that, if implemented, will improve goods and services contracting efforts. DFC has addressed 10 of the 15 recommendations.

Audits and Inspections in Progress

The Office of Audits has the following discretionary work in progress.

- **Audit of DFC's Workforce Planning and Management.** Announced in November 2024, this audit was to assess DFC's workforce planning in meeting its current and future staffing needs, and to evaluate DFC's workforce management strategies for recruiting, retaining, and effectively evaluating staff. Due to the ongoing changes in the federal workforce, work on this audit was suspended.
- **Inspections of DFC's First Solar India Ventures (First Solar) and Biological E. Limited (Bio E).** In October 2024, DFC OIG announced the inspections of two DFC projects located in India. First Solar received a DFC loan for their solar panel manufacturing facility, and Bio E received a DFC loan to increase their vaccine production capacity. The team had planned to travel to both facilities in February 2025; however, due to ongoing government restructuring, DFC OIG temporarily suspended the site visits and halted further work until DFC has more permanent leadership and a strategic vision is set for future DFC priorities and projects.

In addition to discretionary audits and inspections, the OIG is also conducting the following mandatory audits that will be reported in the next SARC.

- **DFC's Compliance with the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) for FY 2024.** The audit will assess, identify, and analyze the risks of illegal, improper, or erroneous charge card purchases and payments in accordance with requirements of the Charge Card Act, as well as Office of Management and Budget (OMB) and General Services Administration (GSA) requirements and standards.
- **DFC's FY 2025 Financial Statement.** This audit will include an opinion on whether DFC's financial statements are fairly presented in all material respects in accordance with U.S. generally accepted accounting principles, report on any significant internal control deficiencies and material weaknesses, and compliance with laws and other matters.

- **DFC's Compliance with the Payment Integrity Information Act of 2019 (PIIA) in FY 2024.** This audit will determine whether DFC complied with the PIIA of 2019 and will be conducted in accordance with OMB Circular A-123 Appendix C, and OMB Circular A-136, as revised for 2025.
- **Audit of DFC FY 2025 FISMA Program.** The audit will determine the effectiveness of DFC's information security program and practices and determine what maturity level DFC achieved for each of the core metrics outlines in the FY 2025 IG FISMA Reporting Metrics.

Office of Investigations

The Office of Investigations conducts investigations of suspected fraudulent, illegal, or unethical activities, which may result in criminal, civil, or administrative sanctions. Administrative investigations typically involve DFC employees or contractors and usually result in a report to DFC management. Civil investigations typically involve contractors and may result in a civil lawsuit brought by the U.S. Department of Justice (DOJ) to recover money and/or impose monetary penalties. Criminal investigations typically involve contractors or third parties (but may involve DFC employees) and may result in criminal prosecution brought by DOJ or referral to a foreign prosecutor. OIG investigations can originate from hotline or whistleblower complaints, congressional inquiries, or proactive initiatives. OIG investigations protect whistleblowers and address critical and sensitive issues affecting DFC's programs and investments, as well as U.S. foreign policy objectives and national security interests.

Investigative Activity

During this reporting period, October 1, 2024 – March 31, 2025, the OIG continued to investigate a broad spectrum of allegations ranging from internal complaints of misconduct by DFC employees to external complaints of fraud against DFC. A summary of investigative statistics is provided below, as well as a summary of selected closed cases. Appendix D provides definitions for investigative metrics. As of March 31, 2025, the Office of Investigations had 19 open cases.

**Summary of Investigation Statistics
October 1, 2024 – March 31, 2025**

Complaints Received	16
Cases Initiated (Opened)	11
Cases Open at the Beginning of the Reporting Period	19
Cases Closed During the Reporting Period	11
Cases Open at the End of the Reporting Period	19
Investigative Reports Issued	0
Persons Referred for Criminal Prosecution (DOJ)	1
Persons Referred for Criminal Prosecution (State, Local, and Foreign Authorities)	0
Cases Referred to Agency Management for Administrative Action	0

Summary of Selected Closed Investigations
October 1, 2024 – March 31, 2025

Alleged Wrongdoing by Borrowers	The OIG concluded three separate cases involving alleged fraud or other wrongdoing by DFC borrowers. In one case, the OIG found no evidence to support the allegations. In another case, the OIG found insufficient evidence to warrant prosecution. In the third case, the loan commitment was cancelled.
Alleged Misconduct and Waste of Funds	The OIG investigated a complaint that DFC employees had engaged in misconduct and wasted government funds. The OIG found that the allegations were not supported by the evidence.
Email Fraud Scheme	The OIG investigated a complaint by an individual who was the target of an email scam involving DFC. The perpetrators falsely used DFC’s name and logo, as well as the name and title of a DFC senior official, to try to get email recipients to send money to open an account to (supposedly) receive a multi-million-dollar grant from DFC and other entities. The OIG stopped the complainant from becoming a victim of the fraud scheme and reported the scheme to relevant parties.

Investigations Related to Trafficking in Persons

The Trafficking Victims Prevention and Protection Reauthorization Act of 2022 requires Offices of Inspectors General to report to Congress certain data regarding investigations related to trafficking in persons.² During this reporting period, DFC OIG did not receive any complaints, does not have any active or open pending investigations, and did not complete any investigations related to trafficking in persons.

Suspension and Debarment

During this reporting period, DFC adjudicated its first debarment request from the OIG. DFC denied the OIG’s request and decided to take no action against the parties proposed for debarment. The OIG submitted a request for reconsideration, which is pending.

² [Trafficking Victims Prevention and Protection Reauthorization Act of 2022 \(Public Law 117-348\)](#)

Senior Executive & Whistleblower Reprisal Investigations

DFC OIG investigates allegations of improprieties by DFC staff and contractors—including DFC senior executives. The OIG also investigates allegations of reprisal against whistleblowers. We review all such complaints in a timely and thorough manner, in accordance with applicable law. Ensuring individuals’ right to report wrongdoing without fear of reprisal is essential to our mission. The OIG prioritizes assessing and responding to allegations of whistleblower reprisal by DFC management or DFC’s partners and contractors.

- During this reporting period, DFC OIG did not investigate any cases of alleged whistleblower reprisal.

OIG Mandate to Investigate Whistleblower Complaints

DFC employees, as well as DFC contractors, subcontractors, and partners, have the right to report what they reasonably believe to be evidence of wrongdoing, without reprisal for doing so. Retaliation against whistleblowers is a prohibited personnel practice under civil service laws. Managers who retaliate may be subject to disciplinary action up to and including removal. Protected disclosures include the disclosure of information that the employee reasonably believes provides evidence of:




- A violation of law, rule, or regulation
- Gross mismanagement
- Gross waste of funds
- An abuse of authority
- A substantial and specific danger to public health or safety

A disclosure is protected even if the whistleblower is mistaken in their belief, as long as the whistleblower believes in good faith that the disclosure is true. The whistleblower cannot be discharged, demoted, or otherwise discriminated against in retaliation for their good faith protected disclosure. Below is a summary of where federal employees and contractors can make a protected disclosure.

Federal Employee Disclosures (See 5 U.S.C. § 2302(b)(8))	Contractor Disclosures (See 41 U.S.C. § 4712)
<ul style="list-style-type: none">• Disclosures can be made internally within DFC or externally, provided the disclosure is not prohibited by law or executive order. Examples include:<ul style="list-style-type: none">○ Congress○ U.S. Office of Special Counsel (OSC)○ Offices of Inspectors General○ Co-workers or managers○ Independent government watchdog organizations○ The media	<ul style="list-style-type: none">• An Inspector General• The Government Accountability Office (GAO)• Congress• A federal employee responsible for contract or grant oversight or management• An authorized official of the Department of Justice or other law enforcement agency• A court or grand jury• A manager or other employee of the contractor, grantee, or personal services contractor who has responsibility for investigating, discovering, or addressing misconduct



DFC OIG’s statutorily designated Whistleblower Protection Coordinator educates employees about their right to make protected disclosures and the protections available should they choose to come forward. The Whistleblower Protection Coordinator:

	Educates agency employees on their legal right to disclose fraud, waste, abuse, and other misconduct, free from reprisal.
	Ensures that information about whistleblower protections is presented at each DFC New Employee Orientation, as well as quarterly via an OIG newsletter to DFC employees. We also provided DFC’s executive management and Union a presentation on DFC employees’ legal rights and whistleblower protections.
	Works with our Office of Investigations to ensure DFC employees and employees of DFC partners and contractors receive information on whistleblower rights and remedies. The OIG’s General Counsel also works with DFC’s Office of General Counsel to effectively address any personnel or other actions taken or not taken because of whistleblower activity.

DFC OIG also provides information about whistleblower rights and remedies on its public website at <https://www.dfc.gov/oig> and [DFC OIG Whistleblower Rights and Protections](#).

Outreach & Other Activities

Outreach and Other Activities

DFC OIG’s outreach and engagement efforts give stakeholders, oversight partners, and the public timely and relevant information about the OIG’s work. The OIG also seeks stakeholder input to inform its work and strengthen partnerships with other oversight offices worldwide. In addition, the OIG engages in ongoing discussions with congressional officials, policymakers, researchers, and high-level government officials on DFC programs and challenges. The OIG also has conducted numerous outreach activities with DFC’s Board of Directors, executives, and other personnel to inform DFC about who we are, what we do, and why we perform audits, investigations, and other reviews.

Outreach

As DFC OIG continues to perform its oversight role, we recognize that it is important to inform our stakeholders—Congress; DFC’s Board of Directors, CEO, and employees; the international development finance industry; domestic and international law enforcement partners; and the American public—about our mission and work. During this reporting period, we conducted the following outreach.



DFC Board of Directors. The Board was kept informed of OIG activity, including investigations, audit announcements, and reports.

DFC Chief Executive Officer. Met regularly with the former DFC CEO and Deputy CEO.

DFC Executives and Employees. In addition to meetings between IG Zakel and DFC executives, the OIG issued one newsletter to DFC employees. The newsletter is designed to communicate directly to DFC employees to share who we are and what we do. In addition, it provides contact information for the Hotline and provides fraud awareness tips. The OIG presented information about OIG’s work to new DFC employees, including how to reach us and how we protect whistleblowers.



DFC Office of Accountability. The OIG meets regularly with DFC’s Office of Accountability Director.



Congressional Appropriation and Oversight Committee Briefings. The OIG regularly briefed congressional committee staff on our operations progress, audits, and investigations. During this reporting period we held briefings with the following:

- House Foreign Affairs Committee and relevant Subcommittees
- Senate Appropriations Subcommittee



Meetings with Other Offices of Inspectors General. The OIG continues to engage with other OIGs on many operational and mission-specific topics. During this reporting period, the OIG communicated with the following:

- Export/Import Bank (EXIM Bank) OIG, USAID OIG, U.S. Department of State, and Peace Corps OIG to discuss coordination on matters of mutual interest.

- DOD OIG, State OIG, USAID OIG, and other OIGs and federal agencies through working groups focused on Ukraine oversight and fraud prevention. See Appendix H for more information.

Other Activities



Council of the Inspectors General on Integrity and Efficiency. DFC OIG is an active participant in the Council of the Inspectors General on Integrity and Efficiency (CIGIE), which is a statutorily created, independent entity within the executive branch. Congress established CIGIE to address integrity, economy, and effectiveness issues that transcend individual Federal Government agencies and to aid in the establishment of a professional, well-trained, and highly skilled workforce in the Offices of Inspectors General. During this reporting period, the OIG participated in the following:

- The IG participates in CIGIE’s Legislative Committee and the Small/Unique OIG Working Group, reviewing existing and proposed legislation and regulations to make recommendations concerning their impact on the IG community.
- The OIG’s attorneys participate in the Council of Counsels to the Inspectors General (CCIG). CCIG holds monthly meetings and maintains a listserv for attorneys to ensure legal advice in the OIG community is consistent, current, and reflects best practices. CCIG develops training and provides support to new and experienced attorneys. CCIG has many focus groups for specialized assistance, including on investigations, personnel matters, FOIA, and smaller OIGs. DFC OIG attorneys participate in several of these CCIG subgroups, including ones for investigative attorneys, small OIGs, and Deputy IGs, as well as one that creates training modules for attorneys new to the OIG community to guide them on how to advise on investigations.
- The OIG participates in CIGIE’s subgroup for Inspectors General and Deputy Inspectors General reporting to Boards, the professional development committee, a mentoring committee, investigative attorneys committee, the legislative subcommittee, and the GAO-CIGIE coordination meeting.
- The OIG’s Office of Audits participated in the CIGIE Inspection & Evaluation Expansion Working Group.

Overseas Contingency Operations Joint Planning Group (OCO JPG), Ukraine Oversight Interagency Working Group. OIG participates in this joint group hosted by the Department of Defense OIG.

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Required Reporting

Appendix A: Required Reporting

The following includes results from this reporting period, October 1, 2024 – March 31, 2025, that comply with reporting requirements under 5 U.S.C. Section 405, of the Inspector General Act of 1978, as amended.

IG Act Section	Requirement Definition	Results	Page Number
405(b)(8)	Statistical Summary of Audit-Related Accomplishments (October 1, 2024 – March 31, 2025)		10
405(b)(17)	Statistical Summary of Investigative-Related Accomplishments (October 1, 2024 – March 31, 2025)		13
405(b)(1)(2)	Significant Problems, Abuses, and Deficiencies Related to the Administration of Programs and Operations and Related Recommendations		10, 14
405(b)(3)	Significant Recommendations Described in Previous Semiannual Reports to Congress on Which Corrective Action Has Not Been Completed		25
405(b)(4)	Summary of Matters Referred to Prosecutive Authorities and the Prosecution and Convictions Which Have Resulted	None	~
405(b)(5)	Summary of Instances Where Information or Assistance Was Refused or Not Provided	None	~
405(b)(6), (8), (9)	Listing of, Subdivided by Subject Matter, of Each Audit and Inspection Report, Including the Total Dollar Value of Questioned Costs, Unsupported Costs, and Funds Put to Better Use	1	25
405(b)(7)	Summary of Each Particularly Significant Report	2	10
405(b)(10)	Unresolved Reports-Unresolved Audit and Other Reports Issued Prior to Reporting Period for Which No Management Decision Has Been Reached	None	~
405(b)(10)(B)	Reports for Which No Agency Comment Was Returned to the OIG Within 60 Days of Issuance	None	~
405(b)(10)(C)	Outstanding Unimplemented Recommendations, Including Aggregate Potential Cost Savings	10	25
405(b)(11)	Significant Revised Management Decisions	None	~
405(b)(12)	Significant Management Decisions with Which the OIG Disagreed	None	~
405(b)(13)	Unmet Intermediate Target Dates Established by the Agency Under the Federal Financial Management Improvement Act of 1996	None	~
405(b)(14), (15)	Peer Review Results	None	29

IG Act Section	Requirement Definition	Results	Page Number
405(b)(16)	List of Any Peer Reviews Conducted by DFC OIG of Another OIG	None	29
405(b)(17)(A)	Investigative Reports Issued	None	~
405(b)(17)(B)	Numbers of Persons Referred to the U.S. Department of Justice for Criminal Prosecution	1	13
405(b)(17)(C)	Number of Persons Referred to State and Local Prosecuting Authorities	None	~
405(b)(17)(D)	Indictments and Criminal Information that Resulted from Prior Referrals to Prosecuting Authorities	None	~
405(b)(18)	Description of the Metrics Used for Developing the Investigative Data for the Statistical Tables Under 405(a)(17)		27
405(b)(19)	<p>Report on Each Investigation Conducted by the OIG Involving a Senior Governmental Employee Where the Allegations of Misconduct were Substantiated, Including the Name of the Senior Government Official (as defined by the department or agency) if Already Made Public by the OIG, and a Detailed Description of:</p> <ul style="list-style-type: none"> (A) The facts and circumstances of the investigations; and (B) The status and disposition of the matter, including – <ul style="list-style-type: none"> (i) If the matter was referred to the Department of Justice, the date of the referral; and (ii) If the Department of Justice declined the referral, the date of the declination 	None	~
405(b)(20)(A)	Detailed Description of Instances of Whistleblower Retaliation, Including Information About the Official Found to Have Engaged in Retaliation	None	~
405(b)(20)(B)	What, if any, Consequences the Establishment Actually Imposed to Hold the Official Described in Subparagraph 405(b)(20)(A) Accountable	None	~
405(b)(21)	<p>Description of Attempt by the Establishment to Interfere with OIG Independence, including</p> <ul style="list-style-type: none"> (A) With budget constraints designed to limit the capabilities of the OIG; and (B) Incidents where the establishment has resisted or objected to oversight activities of the OIG or restricted or significantly delayed access to information, including the justification of the OIG for such action; 	None	~

IG Act Section	Requirement Definition	Results	Page Number
405(b)(22)(A)	Description of Audits or Inspections Closed but Not Disclosed to the Public	None	~
405(b)(22)(B)	Description of Investigations Involving Senior Government Employees that were Closed but Not Disclosed to the Public	None	~

Appendix B: Audit Tables

Table 1: Audit and Other Reports Issued During the Reporting Period

Report Number	Report Title	Open Significant Recs	Open Other Recs	Value of Potential Cost Savings
DFC-25-001-C	DFC's Consolidated Financial Statements for FYs 2024 and 2023	None	None	\$0
DFC-25-002-C	DFC Can Improve the Acquisition of Goods and Services	None	5	\$6.6 Million

Table 2: Audit and Other Reports with Questioned or Unsupported Costs

Requirement	Number	Unsupported Questioned Costs	Amount
405(b)(6), (8), (9)	DFC-25-002-C	DFC Can Improve the Acquisition of Goods and Services	\$6.6 Million

Table 3: Open Recommendations from Prior Reports

Report Number	Report Title (Date Issued)	Rec Number	Recommendation
DFC-24-006-MA	DFC's Compliance with the Whistleblower Protection Enhancement Act of 2012 (Issued September 27, 2024)	1	DFC CEO should ensure all settlement agreements that contain nondisclosure provisions are coordinated with OGC and contain the required WPEA anti-gag provision.
		3	DFC CEO should ensure completed anti-gag provision is posted on the DFC website, along with a list of the controlling executive orders and statutory provisions, as required by the WPEA. While DFC must post the provision to the external website, the OIG recommends that DFC post the required language on the internal website, as well.
DFC-24-005-C	Fiscal Year 2024 DFC Federal Information Security Modernization Act of 2014 Audit (Issued September 25, 2024)	1	DFC's Chief Information Officer fully implement event logging requirements in accordance with Office of Management and Budget, Memorandum M-21-31.
DFC-24-004-C	DFC's Fiscal Year 2023 Compliance with Payment Integrity Information Act of 2019 (Issued May 21, 2024)	1	Respond to the OMB Annual Data Call as required.
		2	Revise DFC's PIIA procedures to include more effective steps to respond to the OMB Annual Data Call.

Appendix C: Metrics for Audit Reporting

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) published [Toolkit for Identifying and Reporting Monetary Impact](#) (Toolkit) on June 18, 2024 and updated the metrics for questioned cost, unsupported cost, and funds put to better use. CIGIE designed the Toolkit to promote consistency and aid federal OIGs in the consideration, estimation, and reporting of monetary impact from audit, inspection, and evaluation work. It also assists to ensure stakeholders are accurately informed of the monetary impact from OIG efforts.

Metric	Description
Questioned Cost	A cost that is unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, and contract.
Unsupported Cost	A cost that is not supported by adequate documentation. Unsupported costs are included with the amounts shown as Unsupported Questioned Costs.
Funds Put to Better Use	Funds that could be used more efficiently by implementing recommended actions.
Total Number of Reports Issued	The number of audit reports issued during the reporting period.
Recommendations	Recommendations highlight actions that will improve entity performance when implemented. The appropriate and timely implementation of audit recommendations agreed to by management is an important part of realizing the full benefit of an audit.
Unresolved Recommendations	A recommendation that management has not concurred with and for which a resolution has not been reached between the OIG and management. These recommendations remain open until resolved.

Appendix D: Metrics for Investigative Reporting

Metric	Description
Investigation Opened	When a complaint or disclosure meets the following conditions: There is identifiable evidence of a potential violation of a law or policy with a nexus to DFC. The allegation falls within a stated management priority, or an investigation of it can otherwise be justified. OIG management is committed to expending the necessary resources to fully investigate the matter.
Investigations Closed	When all investigative activity has concluded, all legal and administrative actions have been finalized, and all case results have been recorded in OIG's case management system.
Total Number of Reports Issued	Referrals of investigative activity are referred to one or more recipients outside of OIG. As part of the referral process, OIG provides referral recipients with a written summary of its investigative findings that inform decision-makers considering potential administrative action.
Prosecutive Referrals	Referrals: Matters referred by OIG to the appropriate entity responsible for initiating criminal prosecution when investigative activity identifies evidence of potential violations of criminal law.
Arrests	Instances in which an individual has been seized pursuant to legal process and taken into custody in connection with an OIG investigation.
Criminal Indictments / Information	Indictment: An accusation in writing found and presented by a grand jury, legally convoked and sworn, to the court in which it is impaneled, charging that a person therein named has done some act, or been guilty of some omission, which by law is a public offense, punishable on indictment. A formal written accusation originating with a prosecutor and issued by a grand jury against a party charged with a crime. An indictment is referred to as a "true bill," whereas failure to indict is called a "no bill." Information: An accusation exhibited against a person for some criminal offense, without an indictment. An accusation in the nature of an indictment, from which it differs only in being presented by a competent public officer on his oath of office, instead of a grand jury on their oath. A written accusation made by a public prosecutor, without the intervention of a grand jury.
Convictions	An adjudication of a criminal defendant's guilt; specifically, it is the act or judicial process of finding a criminal defendant guilty of a charged offense.
Sentencings	The formal legal consequences associated with a conviction.
Fines	Monetary penalties are imposed on a defendant as part of sentencing.
Special Assessments	Monetary penalties are imposed on a defendant as part of sentencing. Special assessments are applied on a per-count basis and are collected in the same manner as fines for criminal cases.
Restitution	Monetary penalties are imposed on a defendant as part of sentencing. Restitution serves as recompense to a victim for injury or loss.
Personnel Suspensions	The placement of Federal employees in a temporary non-duty status for disciplinary reasons.
Resignations	Voluntary separation of employees from the Federal agency. Employees who tender their resignations as the result of an OIG investigation typically do so in lieu of removal.
Removals	The involuntary separation of agency employees from the agency.
Suspensions	The temporary disqualification of firms or individuals from receiving U.S. government awards.
Debarments	Actions are taken by a debarring official to exclude a contractor or grantee, or individual from government contracting and assistance awards for a specified period.
Judicial Recoveries	Monetary amounts are recovered from firms or individuals as part of a criminal or civil sentencing or settlement.

Administrative Recoveries	Funds that were already distributed and for which the agency formally issued a bill of collection or another recovery mechanism after an OIG investigation revealed that the funds were lost, misappropriated, stolen, or misused, and all or a portion of the recovery was paid back.
Fraud loss prevented or saved based on investigative findings.	Funds that were obligated, but not yet distributed, to be spent as part of an agency's award that were preserved and made available for better uses after an OIG investigation revealed evidence that those funds were vulnerable to fraud or waste; and funds that were not yet obligated and subsequently set aside and made available for other uses as a result of an OIG investigation.
Other	<p>Includes several investigative results, the most significant of which are the following, relating to employees and personal services contractors:</p> <ul style="list-style-type: none"> • Reprimand: An official written rebuke, censure, or disapproval of a specific action or actions. • Demotion: A change of status to a lower grade or a position with a lower rate of pay. • Audit Scheduled: An instance in which the responsible organization schedules an audit of the organization or program that OIG's investigation deems to be vulnerable to fraud, waste, or abuse resulting from an investigation.

Appendix E: Peer Reviews

CIGIE requires OIGs to conduct and undergo periodic external peer reviews of their audit and investigation programs. Section 405(b)(14)(A), (15), (16) of the IG Act requires the results of these peer reviews to be published in the semiannual report to Congress.

Peer Reviews of DFC OIG



During this reporting period, DFC OIG has not undergone a peer review of its audit or investigation operations. In a prior reporting period, DFC OIG's Office of Audit successfully passed a Quality Assurance Review conducted by the U.S. Federal Trade Commission (FTC) Office of Inspector General. At the conclusion of the review, FTC OIG's June 15, 2023, letter noted that DFC OIG had no deficiencies in the oversight of audits conducted by our Independent Public Accountants.³

DFC OIG Peer Reviews of Other OIGs

During this reporting period, DFC OIG has not conducted a peer review of another OIG. However, DFC OIG is scheduled to conduct a peer review of another OIG in FY 2025.

³ [Federal Trade Commission Office of Inspector General Peer Review Results](#), June 15, 2023

Appendix F: Testimony, Legislation and Regulations



Congressional Testimony

The DFC OIG might be requested to provide oral and/or written testimony to Congressional oversight and appropriations committees. During this reporting period, DFC OIG was not requested to provide oral or written testimony.

Legislation and Regulations

The IG Act directs the OIG to review proposed legislation and regulations relating to the programs and operations of DFC. Although DFC's Congressional Affairs Division reviews all regulations relating to the programs and operations of DFC's activities, the OIG independently reviews proposed legislation that could affect its operations and legislation that relate to waste, fraud, or abuse in DFC's programs and operations.

Acronyms

DFC Products

Ukraine Oversight

Appendix G: Acronyms and DFC Products







Acronyms

Term	Definition
BUILD Act	Better Utilization of Investments Leading to Development Act of 2018
CEO	Chief Executive Officer
CIGIE	Council of the Inspectors General on Integrity and Efficiency
DFI	Development Finance Institution
DOJ	U.S. Department of Justice
FISMA	Federal Information Security Modernization Act of 2014
FOIA	Freedom of Information Act
FTC	U.S. Federal Trade Commission
HIC, LIC, LMIC, UMIC	High Income Country; Low Income Country; Lower Middle-Income Country; Upper-Middle-Income Country
OA	Office of Audit
OSC	Office of Special Counsel
OI	Office of Investigations
OIG	Office of Inspector General
OIT	Office of Information Technology
OMB	Office of Management and Budget
OPIC	Overseas Private Investment Corporation
PIIA	Payment Integrity Information Act of 2019
SME	Small and Medium Enterprise
WPEA	Whistleblower Protection and Enhancement Act of 2012

DFC Products





















DFC products include debt financing, equity investments, feasibility studies, investment funds, political risk insurance, and technical assistance. Below is a brief description of DFC products and learn more by visiting its website at www.dfc.gov.

	DFC Product Descriptions
	Debt Financing. Direct loans and guarantees of up to \$1 billion for tenors as long as 25 years, with specific programs targeting small and medium U.S. businesses. DFC provides financing of more than \$50 million to projects in critical infrastructure, energy, and other projects requiring large investments.
	Equity Investments. DFC direct equity investments can provide critical support to companies committed to creating developmental impact. Equity investments can be highly developmental because of their ability to support early and growth-stage companies that would otherwise not be able to take on debt, especially companies in low and lower-middle-income countries.
	Feasibility Studies. Support for the analysis of a potential DFC project. In most cases, grants for feasibility studies and technical assistance will be designed to increase the developmental impact or improve the commercial sustainability of a project that has received or may receive, DFC financing or insurance support.
	Investment Funds. Support for emerging market private equity funds to help address the shortfall of investment capital. DFC can invest debt and equity into emerging market private equity funds to help address the shortfall of private equity capital in developing countries and help these economies access long-term growth capital, management skills, and financial expertise, all of which are key factors in expanding economic development and creating new opportunities for people in low-income and developing nations.
	Political Risk Insurance. Coverage of up to \$1 billion against losses due to currency inconvertibility, government interference, and political violence including terrorism. DFC also offers reinsurance to increase underwriting capacity.
	Technical Assistance. Support to increase the developmental impact or commercial sustainability of existing DFC projects or develop potential DFC projects.

Appendix H: Ukraine Oversight

The federal oversight community, recognized early on that the U.S. Government's Ukraine response is bigger than any one department or agency and details can be found on the dashboard at www.ukraineoversight.gov. We have been working together to deliver the whole-of-government independent oversight that the scale, speed, and scope of the Ukraine response effort requires. DFC OIG is one of 24 federal oversight agencies in the Ukraine Oversight Interagency Working Group. The Special Inspector General for Operation Atlantic Resolved has a website, www.ukraineoversight.gov. To report fraud, waste, and abuse of funding related to the United States Ukraine assistance, visit the website's **Hotline**.

Ukraine Oversight Interagency Working Group Agencies

	Department of Defense OIG		Social Security Administration OIG
	Department of State OIG		Export-Import Bank of the United States OIG
	U.S. Agency for International Development OIG		International Development Finance Corporation OIG
	Government Accountability Office		Defense Logistics Agency OIG
	Department of Agriculture OIG		U.S. European Command OIG
	Department of Commerce OIG		U.S. Army Europe and Africa OIG
	Department of Energy OIG		Defense Contract Audit Agency
	Department of Health and Human Services OIG		Air Force Audit Agency
	Department of Homeland Security OIG		Army Audit Agency
	Department of Justice OIG		Naval Audit Service
	Department of the Treasury OIG		Nuclear Regulatory Commission OIG
	Intelligence Community OIG		Peace Corps OIG



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