

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

**Semiannual Report to Congress
October 1, 2025 – March 31, 2026**



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 combat fraud, waste, and abuse in DFC's operations around the world. We conduct independent audits, investigations, inspections, and evaluations of DFC's projects, systems, employees, and contractors.

Our Core Values

1 Accountability

We promote accountability through independent and fair audits and investigations to ensure DFC is responsible for its results and the public resources entrusted to it.

2 Integrity

DFC OIG maintains the highest standards of integrity for the American people, Congress, the DFC Board of Directors, Chief Executive Officer, and senior officials. We strive to set an example for objectivity, accuracy, and transparency.

3 Respect

We have a deep respect for DFC's mission, and we work to promote a fair and professional work environment.

Message from Inspector General Loveland



I am pleased to present our Spring 2026 Semiannual Report to Congress, which summarizes our work during the reporting period of October 1, 2025 through March 31, 2026. Our team serves as an independent and objective oversight office that conducts audits, investigations, inspections, and evaluations of DFC programs and operations. As set forth by the Inspector General Act, our mission is to detect, prevent, and deter fraud, waste, and abuse.

During this reporting cycle, we completed two audits and worked on four audits and two inspections that

are in progress. Our investigations team received 21 complaints, opened 10 cases, and closed 8 cases. Each matter was handled with diligence and in accordance with established procedures and practices.

Through frank and open dialogue, we pride ourselves on maintaining a collegial relationship with DFC management. Since our office began, we have issued more than 70 audit and inspection recommendations aimed at improving efficiency and effectiveness. DFC has concurred with all of them, and often recommendations are closed before a final report is issued. Our work provides us with the opportunity to see DFC's projects in action through in-person site visits and fact-finding. And we have been impressed by the positive effects of DFC's investments. DFC's critical importance was demonstrated through bipartisan reauthorization in December 2025 that, among other things, increased DFC's investment cap to \$205 billion.

I arrived in late February and found at OIG a team of talented and dedicated public servants. During the reporting period, we began efforts to grow our office strategically to meet the needs of our mission, with a particular focus on the investigations team. It is an honor



to work with a team that is focused on fulfilling its statutory mission of service to the American people.

I am committed to working with DFC, the Board of Directors, and Congress to strengthen DFC's investments, improve processes and efficiencies, protect DFC's critical mission, and safeguard taxpayer funds.

Sincerely,



Daniel A. Loveland, Jr.
Inspector General

DFC OIG Results	
October 1, 2025 – March 31, 2026	
Audits 	<ul style="list-style-type: none">• Completed 2 Audits• Made 4 Recommendations• Closed 3 Recommendations
Investigations 	<ul style="list-style-type: none">• Received 21 Complaints• Opened 10 Cases• Closed 8 Cases



DFC OIG Hotline

DFC OIG's 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 DFC OIG.
- **Federal 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 DFC Investment Programs):** May report allegations of fraud, waste, abuse, corruption, and other misconduct to DFC OIG.

Report Fraud, Waste, Abuse, and Corruption to the DFC OIG Hotline



Submit a Hotline Complaint Online

<https://www.dfc.gov/oig/hotline>

General Information

www.dfc.gov/oig



Call the Hotline Toll-Free

+1 833-OIG-4DFC
(833-644-4332)



Submit a Complaint by Mail

U.S. International Development
Finance Corporation
ATTN: Office of Inspector General
1100 New York Avenue NW
Suite 270 West (2nd Floor)
Washington, DC 20527



Visit DFC OIG 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

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DFC projects in Aclara, Brazil and Pensana, Angola.



DFC is the United States’ international investment arm and offers debt financing, equity investments, investment funds, political risk insurance, and project development.¹ DFC partners with the private sector to invest in projects across sectors including infrastructure, critical minerals, energy, food security and agriculture, health, and financial services. DFC has active projects in Africa, the Middle East, Latin America and the Caribbean, the Indo-Pacific, and Europe.

In December 2025, DFC’s reauthorization increased its maximum contingent liability from \$60 billion to \$205 billion and expanded its authority to invest across the globe. DFC plays a critical role in advancing administration policies and investments to make our nation stronger, safer, and more prosperous. DFC is pursuing its dual mandate of economic development investments and strategic investments. For example, DFC has invested capital in the historic United States-Ukraine Reconstruction Investment Fund, which is intended to spur Ukraine’s economic recovery while securing an economic return for U.S. taxpayers.

DFC Priorities

Infrastructure and Critical Minerals

Energy

Food Security and Agriculture

Health

Small Business and Financial Services

\$40+ BILLION
invested across the globe

\$700+ MILLION
generated to *reduce* the deficit

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

Top Management Challenges Facing DFC in FY 2026

In November 2025, DFC OIG issued its [Top Management Challenges Facing DFC in FY 2026](#), which discusses three challenges facing DFC.²

- 1. Implementing the New Strategic Plan Due to Changes in Priorities and Leadership.** President Trump has established new government-wide priorities and has issued extensive guidance to federal entities to accomplish these new priorities. For DFC, this includes executive orders to fund mineral production, support American nuclear technology, promote American artificial intelligence (AI) technologies and standards, and promote American-made civil drones and related systems. Additionally, the U.S. government, in partnership with the Ukrainian government, has established the United States-Ukraine Reconstruction Investment Fund to catalyze investments in Ukraine. As an implementing agency for this partnership, DFC retains significant responsibility for the Fund's investment decisions and management. In light of DFC's recent reauthorization, which significantly raised DFC's maximum contingent liability, expanded the role of equity investments, and allowed greater investments in high-income countries, DFC should implement these new priorities, activities, and changes in its updated strategic plan.
- 2. Developing a Strategic Workforce Plan.** Since the beginning of 2025, DFC's workforce has undergone a reduction of approximately a quarter of its staff, with many employees accepting the deferred resignation

² The Reports Consolidation Act of 2000, Public Law 106-531, section (5)(b), states: "[E]ach program performance report shall contain an assessment by the agency head of the completeness and reliability of the performance data included in the report. The assessment shall describe any material inadequacies in the completeness and reliability of the performance data, and the actions the agency can take and is taking to resolve such inadequacies." Although this provision technically does not apply to DFC, DFC OIG proactively publishes its Top Management Challenges each fiscal year as a government-wide best practice.

program or retiring from federal service. For most of 2025, DFC had an acting CEO. The Presidentially Appointed and Senate confirmed CEO was sworn in October 2025. Developing a strategic workforce plan will help DFC ensure it has a workforce ready to respond to the Administration's priorities and invest in priority sectors with its existing human resources.

- 3. Streamlining the Origination Process.** All DFC investments go through an origination phase, during which projects undergo an application, screening, clearance, and approval process. Despite management's efforts to reduce the processing time, the origination phase continues to be lengthy and can take more than a year. DFC has contracted with three companies who will work with DFC to identify inefficiencies, propose improvements, and utilize AI to help streamline and shorten the origination timeframe.

Previous Top Management Challenges, including [Top Management Challenges Facing DFC in FY 2025](#), can also be found on our website: www.dfc.gov/oig.

About DFC OIG

Established by the [BUILD Act](#), DFC OIG exercises its oversight authorities in accordance with the [IG Act](#). DFC OIG was created to promote the integrity, transparency, and efficiency of DFC programs and operations. Through its audits, investigations, and inspections, DFC OIG prevents, detects, and deters fraud, waste, and abuse affecting DFC's investments, projects, systems, employees, and contractors. Given the importance of DFC's global mission, a strong oversight function is essential. As DFC's portfolio and global impact expands, OIG oversight is more critical than ever to maximize impact and safeguard American resources.

The DFC Inspector General is appointed by and reports to the DFC Board of Directors. Although DFC OIG is a component of and co-located with DFC, it operates independently under the framework of the IG Act. DFC OIG is one of the smallest among more than 70 federal Offices of Inspector General. The office comprises the Office of Audits and the Office of Investigations, with support from the General Counsel.

The Office of Audits conducts statutorily mandated and discretionary performance audits, as well as periodic discretionary inspections of DFC projects, and makes recommendations to improve the efficiency of DFC programs and operations and strengthen internal controls.

The Office of Investigations conducts criminal, civil, and administrative investigations into allegations of fraud, misconduct, corruption, and other illegal activity involving DFC's programs and operations.

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

Since its creation, DFC OIG has made substantial progress in building the expertise, infrastructure, and support needed to fulfill its mission. Its administrative and operational efforts are essential to sustaining effective audits and investigations. During FY 2025, DFC OIG's workforce was affected by the departure of four members of senior management, including the Inspector General. As a result, at the start of this reporting period, we had just 12 full-time employees (FTEs). DFC OIG has since grown to 13 FTEs with the appointment of the new Inspector General in February 2026. To keep pace with DFC's vital mission and its growing portfolio, DFC OIG is hiring new personnel in a thoughtful and efficient way to sustain effective oversight.

The background of the image shows a construction site at dusk or dawn. The sky is a deep, dark blue. In the foreground and middle ground, several construction workers are silhouetted against the lighter sky. They are working on a structure that appears to be a concrete frame with many vertical rebar rods protruding upwards. The workers are in various poses: some are standing, some are sitting on a ledge, and some are leaning over. The overall scene is one of active construction in a quiet, low-light environment.

Audits & Investigations

Office of Audits

The Office of Audits (OA) conducts independent audits, inspections, and evaluations of DFC programs and operations to assess internal controls and detect and deter waste, fraud, abuse, and mismanagement. These audits examine the efficiency and effectiveness of DFC investment projects and operations at headquarters and worldwide, leading to recommendations that support improvements and help DFC achieve its mission. Through close coordination with DFC leadership, DFC has accepted all of our recommendations, and most are resolved before our reports are issued.

Audit Activity

During the reporting period, October 1, 2025 – March 31, 2026, OA completed two audits. OA also had four additional audits and two inspections in progress during this timeframe. Below is a summary of audit and inspection statistics, followed by a summary of findings and recommendations from completed reports. Each summary includes a link to the report located on DFC OIG’s external website. Appendix B provides additional statistical details, and Appendix C provides the definitions for audit and inspection metrics.

Summary of Audit & Inspection Statistics October 1, 2025 – March 31, 2026

Audits Completed	2
Inspections Completed	0
Recommendations	4
Audits in Progress	4
Inspections in Progress	2
Recommendations Closed	3
Open / Unresolved Recommendations as of 3/31/2026	6*

* This number has been amended to include four open recommendations from the FY 2025 FISMA Audit Report. DFC management accepted these recommendations and reported that they had taken corrective action. Per standard practice, the recommendations will remain “open” until we are able to verify that the corrective action was taken in the FY 2026 FISMA Audit Report.

Summary of Completed Audit Reports October 1, 2025 – March 31, 2026

DFC's FY 2025 Financial Statement (DFC-26-001-C, issued November 14, 2025). DFC OIG contracted with the independent public accounting firm, RMA Associates, LLC (RMA), to audit DFC's FY 2025 consolidated financial statements. The objective was 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, 2025, 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.

Audit of Fiscal Year 2025 DFC Federal Information Security Modernization Act (FISMA) of 2014 (DFC-25-005-C, issued October 9, 2025). DFC OIG engaged RMA to evaluate the effectiveness of DFC's information security program and practices and to determine DFC's maturity level for each of the core metrics and supplemental metrics outlined in the FY 2025 Inspectors General (IG) FISMA Reporting Metrics. The audit revealed that DFC's information security program and practices were effective for FY 2025. In addition, DFC's information security program met the criteria required to be assessed at a maturity level of Managed and Measurable (Effective). However, the audit did identify two findings in the data protection and privacy and information security continuous monitoring domains. The report made four recommendations for DFC's Chief Information Officer to address the two findings and help further strengthen DFC's information security program.

Audits and Inspections in Progress

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

Inspection of DFC's Onex Elefsis Shipyards and Industries, S.A. (Onex) in Greece. DFC's Onex project is a \$125 million loan for the rehabilitation and expansion of the Onex shipyard in Elefsina, Greece. Once rehabilitation and expansion are complete, the shipyard is projected to have the capacity to repair and upgrade up to 300 ships per year. The inspection objective is to

assess DFC's compliance with agreement terms and progress with established impact metrics. A site visit to the shipyard was conducted in March 2026.

Inspection of DFC's Yilport Terminal Operations (Yilport) in Ecuador. DFC's Yilport project is a \$150 million loan supporting the expansion of Puerto Bolivar (the port), located in El Oro Province, Ecuador. The project aims to increase the port's annual capacity. Construction activities to achieve this include a new berth, dredging, a refrigerated storage facility, a container storage yard, and installation of new equipment. The objective of this inspection is to assess DFC's compliance with agreement terms and progress with established impact metrics.

Audit of DFC's Fiscal Year 2026 Financial Statement. This audit will opine about whether DFC's financial statements are fairly presented in all material respects and in accordance with U.S. generally accepted accounting principles; report any significant internal control deficiencies and material weaknesses; assess compliance with laws; and address other matters.

Audit of DFC's Fiscal Year 2026 Federal Information Security Modernization Act (FISMA) of 2014. 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 outlined in the FY 2026 IG FISMA Reporting Metrics.

DFC's Fiscal Year 2025 Compliance with the Payment Integrity Information Act of 2019 (PIIA). This audit will determine whether DFC complied with the PIIA of 2019 and will be conducted in accordance with Office of Management and Budget (OMB) Circular A-123 Appendix C, and OMB Circular A-136, as revised for 2026.

DFC Implemented an Effective Government Charge Card Program for Fiscal Year 2025. 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 OMB and General Services Administration requirements and standards.

Office of Investigations

The Office of Investigations (OI) investigates suspected fraudulent, illegal, or unethical activities, which may result in criminal, civil, or administrative sanctions. Administrative investigations typically involve DFC employees or contractors and can result in a report to DFC management. Civil investigations typically involve contractors or investment partners 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, investment partners, or third parties (but can involve DFC employees) and may result in a criminal prosecution brought by DOJ or a referral to a foreign prosecutor. OIG investigations may be initiated in response to hotline or whistleblower complaints, congressional inquiries, information received from other agencies, or proactive initiatives. OI provides essential oversight by protecting whistleblowers and addressing critical and sensitive issues affecting DFC's programs, investments, and broader U.S. foreign policy and national security interests.

Challenges and Concerns

Staffing has remained OI's most significant challenge. During this reporting period, DFC OIG maintained an investigative staff of just two: an Assistant Inspector General for Investigations and an Investigative Analyst. This staffing level is insufficient to investigate allegations of fraud, corruption, and misconduct involving a \$40.3 billion portfolio of complex international investments and hundreds of domestic and international employees, contractors, and investment partners. With the arrival of the new Inspector General, OI has created a comprehensive hiring plan focused on critical needs and efficiency. New employees are expected to join our team by Summer 2026.

Investigative Activity

During this reporting period, October 1, 2025 – March 31, 2026, DFC OIG continued to investigate a broad spectrum of allegations ranging from misconduct by DFC employees to fraud, bribery, and other illegal activity involving DFC projects. 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, 2026, OI had 16 open cases.

**Summary of Investigation Statistics
October 1, 2025 – March 31, 2026**

Complaints Received	21
Cases Initiated (Opened)	10
Cases Open at the Beginning of the Reporting Period	14
Cases Closed During the Reporting Period	8
Cases Open at the End of the Reporting Period	16
Investigative Reports Issued	0
Persons Referred for Criminal Prosecution (DOJ)	0
Persons Referred for Criminal Prosecution (State, Local, and Foreign Authorities)	0
Cases Referred to Agency Management for Administrative Action	0

**Selected Closed Investigations
October 1, 2025 – March 31, 2026**

<p>Alleged Abusive Employment Practices by DFC Borrower</p>	<p>DFC OIG received a complaint from a former employee of a DFC borrower who alleged that the borrower engaged in abusive termination practices and refused to pay legally required severance. DFC OIG investigated the complaint and referred it to DFC’s Office of Portfolio Management.</p>
<p>Alleged Predatory Lending Practices by DFC Borrower</p>	<p>DFC’s Office of Accountability (a/k/a Independent Accountability Mechanism) referred a complaint to DFC OIG, which alleged that a DFC borrower had engaged in unfair lending practices regarding the complainant’s small business loan, including charging exorbitant interest in violation of the terms of</p>

	<p>the loan. The complaint further alleged that this was not an isolated incident and that other small businesses in the country were being harmed by the lender’s predatory practices. DFC OIG investigated the complaint and referred it to DFC’s Office of Portfolio Management.</p>
<p>Assistance with Leak Investigation</p>	<p>A federal law enforcement agency contacted DFC OIG and requested assistance with an investigation of a suspected leak of unclassified but controlled information. DFC OIG investigated the suspected leak and determined that no DFC personnel were involved.</p>
<p>Alleged Money Laundering by DFC Borrower</p>	<p>DFC OIG received a complaint alleging that a DFC borrower, a foreign bank, was under investigation for facilitating illegal transactions and money laundering through the bank’s point-of-sale (POS) infrastructure. The complainant alleged that the illegal activity took place with the knowledge and involvement of bank personnel. DFC OIG notified FinCEN and DFC’s Office of Portfolio Management and investigated the allegations. The investigation found that no charges had been filed against the bank or its employees, and there was no evidence that bank personnel were aware of or involved in illegal activity connected with the bank’s POS system.</p>

Investigations Related to Trafficking in Persons

The Trafficking Victims Prevention and Protection Reauthorization Act of 2022 requires Offices of Inspector General to report to Congress certain data regarding investigations related to trafficking in persons.³ During this reporting period DFC OIG did not receive any complaints, did 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 there were no suspension or debarment actions pending with DFC.

Senior Executive & Whistleblower Reprisal Investigations

DFC OIG investigates allegations of misconduct by DFC staff and contractors, including senior executives. DFC OIG also investigates allegations of whistleblower reprisal. We review all such complaints promptly and thoroughly, consistent with applicable law. Safeguarding the right of individuals to report wrongdoing without fear of reprisal is fundamental to our mission. Therefore, DFC OIG prioritizes the assessment of and response to allegations of whistleblower reprisal by DFC management, 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, contractors, subcontractors, and partners have the right to report conduct they reasonably believe constitutes wrongdoing without fear of reprisal. Retaliation against whistleblowers is prohibited by civil service laws. Those who engage in retaliation may be subject to disciplinary action, up to and including removal.

³ [Trafficking Victims Prevention and Protection Reauthorization Act of 2022 \(Public Law 117-348\)](#).

Protected disclosures include information 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 remains protected even if the whistleblower is mistaken, so long as the whistleblower made the disclosure with the good faith belief that it was true. A whistleblower may not be discharged, demoted, or otherwise subjected to retaliation for making a good faith disclosure. Below is a summary of where federal employees and contractors can make a protected disclosure.

Federal Employee Disclosures <i>(See 5 U.S.C. § 2302(b)(8))</i>	Contractor Disclosures <i>(See 41 U.S.C. § 4712)</i>
<p>Disclosures can be to:</p> <ul style="list-style-type: none"> • Offices of Inspector General • Congress • U.S. Office of Special Counsel • Co-workers or managers • Independent government watchdog organizations • The media 	<p>Disclosures can be made to:</p> <ul style="list-style-type: none"> • Offices of Inspector General • Congress • Government Accountability Office • 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 management official or other employee of the contractor who has responsibility for investigating, discovering, or addressing misconduct

DFC OIG Whistleblower Protection Coordinator Responsibilities



Educates agency employees on their legal right to disclose fraud, waste, abuse, and other misconduct, free from reprisal.




Helps the Inspector General consider and handle protected disclosures and allegations of reprisal in a timely and appropriate manner.



Coordinates with the U.S. Office of Special Counsel, the Council of the Inspectors General on Integrity and Efficiency (CIGIE), DFC, Congress, and other relevant entities regarding protected disclosures, allegations of reprisal, and implementation of whistleblower protection laws, rules, and regulations.

Additional information about whistleblower rights and remedies may be found at <https://www.dfc.gov/oig>.

An aerial photograph of a shipping yard, showing numerous stacks of intermodal containers in various colors (blue, red, white, yellow). A large gantry crane is visible in the center, positioned over a stack of containers. The image is overlaid with a semi-transparent dark blue filter. The text "Outreach & Other Activities" is centered in white, bold, sans-serif font.

Outreach & Other Activities

Outreach and Other Activities

Our outreach and engagement efforts provide stakeholders, oversight partners, and the public with information about our work. DFC OIG also solicits stakeholder input to shape its work and strengthen relationships with oversight partners worldwide. In addition, DFC OIG maintains ongoing dialogue with congressional officials, policymakers, researchers, and high-level government officials on DFC programs and related challenges. DFC OIG has likewise conducted extensive outreach to DFC’s Board of Directors, executives, and other personnel to increase understanding of DFC OIG’s role and the purpose of its 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 Management. DFC OIG met regularly with DFC management.



DFC Office of Accountability. From October until the Director’s departure in February, DFC OIG met regularly with the Director of DFC’s Office of Accountability. In February, DFC’s Board of Directors temporarily appointed the Inspector General to serve as Director until the hiring process for a new Director is completed.



Congressional Appropriation and Oversight Committee Briefings. DFC 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
- Senate Foreign Relations Committee
- House Appropriations Committee
- Senate Appropriations Committee



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

- Our office directly engaged with OIGs from the Department of State (State), U.S. Postal Service, Export-Import Bank, Peace Corps, and others on best practices.
- Our office coordinated with Department of War OIG, State OIG, and other OIGs and agencies through working groups focused on Ukraine oversight and fraud prevention. See Appendix H for more information.



Council of the Inspectors General on Integrity and Efficiency.

Throughout this reporting period, DFC OIG has been an active participant in the Council of the Inspectors General on Integrity and Efficiency (CIGIE). 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 Inspector General. During this reporting period, DFC OIG engaged in the following CIGIE activities:

- The new Inspector General attended his first CIGIE meeting.
- DFC OIG's attorneys participated in the Council of Counsels to the Inspectors General (CCIG), which facilitates trainings and serves as a resource for legal issues. DFC OIG attorneys participate in several of these CCIG subgroups, including ones for investigative attorneys, small OIGs, and Deputy IGs.
- DFC OIG participated in a CIGIE subgroup for board-run federal entities and the Government Accountability Office-CIGIE meeting. We also worked with committees and policy working groups for professional development, mentoring, investigations, and legislation.



Department of Justice.

- The Inspector General provided a training to Department of Justice (DOJ) prosecutors on grand jury practice and interview techniques.
- DOJ provided our office and the Export-Import Bank OIG with a training about fraud prevention and prosecution.
- The Inspector General coordinated with DOJ about issues related to fraud and investigative practices.



Required Reporting

Appendix A: Required Reporting

The following includes results from this reporting period, October 1, 2025 – March 31, 2026, 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, 2025 – March 31, 2026)		12
405(b)(17)	Statistical Summary of Investigative-Related Accomplishments (October 1, 2025 – March 31, 2026)		16
405(b)(1)(2)	Significant Problems, Abuses, and Deficiencies Related to the Administration of Programs and Operations and Related Recommendations		12, 15-16
405(b)(3)	Significant Recommendations Described in Previous Semiannual Reports to Congress on Which Corrective Action Has Not Been Completed	None	29
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	None	29
405(b)(7)	Summary of Each Particularly Significant Report	2	13

IG Act Section	Requirement Definition	Results	Page Number
405(b)(10)(A)	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	6	29
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	~
405(b)(16)	List of Any Peer Reviews Conducted by DFC OIG of Another OIG	None	34
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	None	~
405(b)(17)(C)	Number of Persons Referred to State and Local Prosecuting Authorities	None	~

IG Act Section	Requirement Definition	Results	Page Number
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)	~	31–33
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	~

IG Act Section	Requirement Definition	Results	Page Number
405(b)(21)	Description of Attempt by the Establishment to Interfere with OIG Independence, including <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	~
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-26-001-C	DFC's Consolidated Financial Statements for Fiscal Year 2025	None	None	None
DFC-25-005-C	Fiscal Year 2025 DFC Federal Information Security Modernization Act of 2014 Performance Audit	None	4	None

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

Requirement	Number	Unsupported Questioned Costs	Amount
405(b)(6), (8), (9)	None	None	None

Table 3: Open Recommendations from Prior Reports

Report Number	Report Title (Date Issued)	Rec Number	Recommendation
DFC-25-001-IE	Inspection of DFC's First Solar and Bio E Projects (Issued September 30, 2025)	3	Continue to monitor First Solar's impact, including through the June 30, 2026 Annual Development Outcomes Survey and midpoint performance assessments, to have relevant information for assessing the project's core impacts and metrics.
DFC-24-005-C	Fiscal Year 2024 DFC Federal Information Security Modernization Act of 2014 Audit (Issued September 25, 2024)	1	We recommend that DFC's Chief Information Officer fully implement event logging requirements in accordance with OMB Memorandum M-21-31.

Appendix C: Metrics for Audit Reporting

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) published the 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	<p>When a complaint or disclosure meets the following conditions:</p> <ul style="list-style-type: none"> • 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. <p>OIG management is committed to expending the necessary resources to fully investigate the matter.</p>
Investigations Closed	<p>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.</p>
Total Number of Reports Issued	<p>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.</p>
Prosecutive Referrals	<p>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.</p>
Arrests	<p>Instances in which an individual has been seized pursuant to legal process and taken into custody in connection with an OIG investigation.</p>
Criminal Indictments / Information	<p>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.”</p> <p>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.</p>

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 did not undergo a peer review of its audit or investigation operations.

DFC OIG Peer Reviews of Other OIGs

During this reporting period, DFC OIG did not conduct a peer review of another OIG's audit or investigation operations.

Appendix F: Testimony, Legislation and Regulations



Congressional Testimony

As part of its oversight responsibilities, the DFC OIG may be requested to provide oral and/or written testimony to congressional oversight and appropriations committees. During this reporting period, no such testimony was requested.

Legislation and Regulations

The IG Act directs DFC 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, DFC 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. During this reporting period, DFCOIG also reviewed recent executive orders and administration guidance affecting DFC and DFC OIG to ensure compliance.



**DFC Products
&
Ukraine
Oversight**

Appendix G: DFC Products



DFC products include debt financing, equity investments, project development, investment funds, and political risk insurance. 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 approximately \$5 billion for tenors as long as 25 years, with specific programs targeting small and medium U.S. businesses. DFC 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.
	Investment Funds. Support for investment funds to help address investment capital gaps. DFC can provide debt and equity into investment funds operating across a range of markets, helping expand access to long-term growth capital, management expertise, and financial resources.
	Political Risk Insurance. Coverage of up to approximately \$5 billion against losses due to currency inconvertibility, government interference, and political violence including terrorism. DFC also offers reinsurance to increase underwriting capacity.
	Project Development. DFC complements its finance and insurance tools with project development support for feasibility studies, front-end engineering design work, environmental and social impact assessments, transaction structuring, and other work that will advance a project's eligibility for further investment.

Appendix H: Ukraine Oversight

The federal oversight community recognized early that the U.S. Government’s Ukraine response extends beyond any single department or agency. To meet the scale, speed, and scope of that effort, oversight agencies have worked collaboratively to provide coordinated, whole-of-government, independent oversight. DFC OIG is one of 24 federal oversight agencies participating in the Ukraine Oversight Interagency Working Group. Additional information is available at www.ukraineoversight.gov, which also includes a **Hotline** for reporting fraud, waste, and abuse related to U.S. assistance to Ukraine.

Ukraine Oversight Interagency Working Group Agencies





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