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

Semiannual Report to Congress
April 1, 2025 – September 30, 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 of April 1 to September 30, 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's authorization expired in October 2025. Its reauthorization brings an opportunity to reshape the Corporation in a manner that reflects U.S. strategic priorities, strengthens national security, and assures the American taxpayers that investment in international economic development has the necessary oversight. During this reporting period, the United States and Ukraine signed an agreement to establish the United States-Ukraine Reconsturction Investment Fund, in which DFC plays an integral role. DFC has partnered with the government of Ukraine to support Ukraine's construction and long-term recovery, strengthen U.S. natural resources supply chains, and advance U.S. economic growth, security, and innovation.

DFC OIG's lean staff of twelve employees oversees DFC's more than $48 billion global investment portfolio. Though our team is small, our work has led to impactful results on DFC's programs and operations. Since our inception, we have issued 80 audit and inspection recommendations for improving the performance and impact of DFC's work. DFC has concurred with all of them, and only five recommendations remained open at the end of FY 2025. Through our investigations, we have addressed allegations of fraud and corruption affecting DFC's programs and investments, waste and misconduct affecting DFC's operations, and whistleblower reprisal affecting DFC's employees. Since our inception, we have investigated and closed 90 criminal, civil, and administrative cases.

During this reporting period, we issued our first ever inspection report. We visited two DFC projects in India to evaluate their compliance with agreement terms and progress with established impact metrics. Based on our findings, we made several recommendations to improve the efficiency and effectiveness of DFC's operations.

I am grateful to our dedicated OIG team, especially given the staffing reductions our office has faced this year. Their commitment to our mission has allowed us to continue producing high-quality work and impactful results.

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

Sincerely,

Naga Jujjavarapu
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

	Submit Hotline Complaint Online https://www.dfc.gov/oig/hotline General Information www.dfc.gov/oig		OIG Hotline Toll-Free +1 833-OIG-4DFC (833-644-4332)
	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		**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

Contents

About DFC

DFC is the United States' development finance institution 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 energy, infrastructure, critical minerals, food security and agriculture, health, and financial services for small businesses. DFC currently has active projects in Africa, the Middle East, Latin America and the Caribbean, the Indo-Pacific, and Europe. Additionally, in April 2025, the Trump administration announced that the Treasury Department and DFC would work together with the Government of Ukraine to establish a joint reconstruction investment fund for natural resource projects in Ukraine.

DFC Priorities and FY 2025 Impact

Source: www.dfc.gov

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

Top Management Challenges Facing DFC in FY 2026

DFC OIG recently issued its Top Management Challenges Facing DFC in FY 2026, which discusses three challenges facing DFC.[2]

1. **Updating the Strategic Plan Due to Changes in Priorities and Leadership.** The Trump administration 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 American mineral production, support American nuclear technology, promote the export of American artificial intelligence (AI) technologies and standards, and promote the export of 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. On behalf of the United States, DFC serves as the legal entity with ultimate responsibility for the Fund's investment decisions and management. DFC's authorization ended in October 2025, and Congress is currently considering changes to the Corporation's authorities, including significantly raising DFC's contingent liability, expanding the role of equity investments, and allowing greater investments in high-income countries. DFC should incorporate these new priorities, activities, and potential changes in an updated strategic plan, which will help create organizational alignment and provide a unified understanding across DFC of the corporation's goals and objectives to achieve organizational success.

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 program or retiring from federal service. DFC also did not have a permanent CEO for most of 2025. DFC will have a new focus on projects involving U.S. technologies, such as nuclear, drone, and artificial intelligence, and requires staff to have appropriate knowledge in these sectors. Developing a strategic workforce plan will help DFC take on these new responsibilities and prioritize investments in new sectors with fewer staff.

3. **Streamlining the Origination Process.** All DFC investment projects 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 project teams to identify pain points, propose improvements, and utilize AI to help streamline and shorten the origination timeframe.

The OIG's Top Management Challenges Facing DFC in FY 2025 can be found on our website: www.dfc.gov/oig.

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[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, the OIG proactively publishes its Top Management Challenges each fiscal year as a government-wide best practice.

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 office. DFC OIG is one of the smallest of more than 70 federal Offices of Inspectors General. The DFC Inspector General is appointed by and reports to the DFC Board of Directors. Although the OIG is a component of DFC and is co-located with 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 the Office of Investigations, supported by the General Counsel.

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

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 our inception in 2020, 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. During FY 2025, DFC OIG's workforce was impacted by the deferred resignations and retirements of four members of senior management, including the Inspector General. At the start of FY 2025 the OIG had 16 full-time employees (FTEs), with plans to grow. By the end of this reporting period the OIG's headcount had been reduced by 25% to just 12 FTEs.

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 investment projects 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, April 1, 2025 – September 30, 2025, OA completed two audits and one inspection. OA also had two additional audits and one inspection in progress during this timeframe. 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 and inspection metrics.

Summary of Audit & Inspection Statistics
April 1, 2025 – September 30, 2025

Audits Completed	2
Inspections Completed	1
Recommendations	3
Audits in Progress	2
Inspections in Progress	1
Recommendations Closed	4
Open / Unresolved Recommendations as of 9/30/2025	5

Summary of Completed Audit Reports
April 1, 2025 – September 30, 2025

1. **Inspection of DFC's First Solar India Ventures (First Solar) and Biological E. Limited (Bio E)** (DFC-25-001-IE, issued September 30, 2025). The OIG conducted this inspection to evaluate each project's compliance with agreement terms and progress with established impact metrics. DFC's loan agreements with First Solar and Bio E totaled $500 million and $50 million, respectively. OIG found that DFC officials did not receive the annual environmental and social (E&S) reports for Bio E required under the finance agreement. Additionally, DFC's oversight of the First Solar project could be strengthened to monitor ongoing E&S compliance with deliverable requirements under the finance agreement. The OIG found mixed progress on the impact outcomes for both projects. The inspection made three recommendations to DFC's Vice Presidents of the Office of Development Policy and of Portfolio Monitoring and Management that would further strengthen the monitoring and oversight of DFC's investments. This included the review of project files to ensure all required documentation had been uploaded and to obtain missing deliverables. DFC has addressed two of the three recommendations.

Image of Bio E pharmaceutical manufacturing Facility

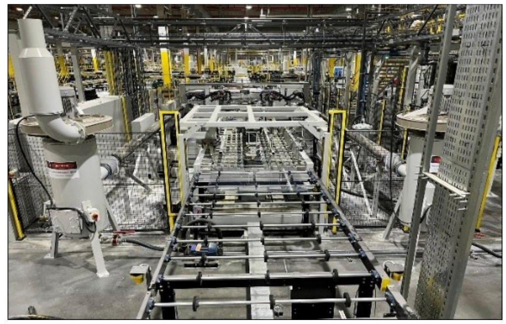

Image of First Solar manufacturing facility

2. **DFC's Fiscal Year 2024 Compliance with the Payment Integrity Information Act of 2019 (PIIA)** (DFC-25-003-C, issued May 14, 2025). The OIG's independent contracting firm, RMA Associates, LLC (RMA), reviewed DFC's compliance with PIIA. The objective was to determine if DFC complied with PIIA for FY 2024 and to review DFC's risk assessment process and efforts to prevent and reduce improper and unknown payments. RMA determined that DFC complied with PIIA for FY 2024. RMA also noted that DFC performed risk assessments in FY 2024 using criteria defined by the Office of Management and Budget (OMB) Circular A-123, conformed to this guidance for preventing and reducing improper payments and unknown payments, and had completely and accurately reported payment recapture reporting information on PaymentAccuracy.gov.

3. **DFC Implemented an Effective Government Charge Card Program for Fiscal Year 2024** (DFC-25-004-C, issued September 23, 2025). The OIG's independent contracting firm, RMA, audited DFC's charge card program in accordance with the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act). The Charge Card Act requires the OIG to conduct periodic reviews of DFC's charge card program for illegal, improper, or erroneous transactions to prevent fraud, delinquency, or misuse. RMA found that DFC implemented an effective Government Charge Card Program for FY 2024. As a result, there were no recommendations. RMA concluded that based on the results of its review of the current information, the results of its sample testing, and Appendix B guidance, that the next audit of the charge card program should be in FY 2026 for FY 2025 transactions.

Audits and Inspections in Progress

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

1. **Inspection of DFC's Onex Elefsis Shipyards and Industries, S.A. (Onex) in Greece.** In May and June 2025, DFC OIG announced the inspections of five projects—one in Greece, three in Georgia, and one in Ecuador. Due to travel restrictions and competing priorities, the projects in Georgia and Ecuador were suspended. 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 200 ships per year. The objective of this inspection is to assess DFC's compliance with agreement terms and progress with established impact metrics.

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

2. **DFC's FY 2025 Financial Statement.** RMA has been engaged to report on DFC's FY 2025 consolidated financial statements, which is comprised of the consolidated balance sheet as of September 30, 2025, and the related consolidated statements of net cost, changes in net position, and combined budgetary resources, for the year ended, and the accompanying notes to the consolidated financial statements. 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. We anticipate issuing the final report in November 2025.

3. **Audit of Fiscal Year 2025 DFC Federal Information Security Modernization Act (FISMA) of 2014.** RMA has been engaged 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 outlines in the FY 2025 IG FISMA Reporting Metrics. The final report was issued in October 2025 (FY 2026) and therefore, will be reported in the next SARC.

Office of Investigations

The Office of Investigations (OI) 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 may 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, and/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 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.

Challenges and Concerns

The biggest challenge facing OI has been the need for greater staffing. Throughout this reporting period, the OIG had an investigative staff of just two, an Acting Assistant Inspector General for Investigations and an Investigative Analyst. This level of staffing is inadequate to investigate allegations of fraud, corruption, and misconduct involving a $48 billion portfolio of complex international investments and hundreds of domestic and international employees, contractors, and investment partners. Due to the hiring freeze during the reporting period, the OIG was unable to fill critical vacancies for investigators and a data analyst.

Another area of concern for OI is access to records and witnesses. While the OIG has access to DFC records and personnel, it often does not have adequate access to the records and personnel of DFC's international investment partners. The OIG's administrative subpoena power generally ends at the U.S. border. This lack of access can impede investigations and is a critical weakness. The OIG has asked Congress, through the reauthorization process, to mandate a standard clause in DFC's investment agreements requiring investment partners to give the OIG access to relevant records and personnel, as this will strengthen the OIG's ability to gain access to the information and evidence needed to oversee and protect those investments.[3]

Investigative Activity

During this reporting period, April 1, 2025 – September 30, 2025, the 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 September 30, 2025, OI had 14 open cases.

[3] The OIG has also requested that Congress mandate that DFC insert a clause in its investment agreements requiring that investment partners report suspected violations of Federal criminal law to the OIG, in accordance with Federal regulations.

Summary of Investigation Statistics
April 1, 2025 – September 30, 2025

Complaints Received	21
Cases Initiated (Opened)	6
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	14
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

Summary of Selected Closed Investigations
April 1, 2025 – September 30, 2025

Travel Policy Complaint	The OIG investigated a complaint involving a change to DFC's policy for return travel from temporary duty (TDY) assignments when a traveler takes personal leave during the TDY. The investigation revealed that DFC adopted the new policy to curb perceived abuses and reduce costs. The OIG found no evidence that the policy was instituted for a discriminatory purpose or applied in an inconsistent manner.
Alleged Bribery by Loan Recipient	The OIG investigated an allegation that a DFC loan recipient solicited bribes from a sub-loan recipient. The OIG interviewed the alleged bribery victim and several other sub-loan recipients. The OIG found insufficient evidence to warrant a criminal referral.

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.[4] 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.

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

Suspension and Debarment

DFC adjudicated its first debarment request from the OIG in December 2024. 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. During this reporting period, DFC issued a response affirming its original decision to decline debarment action.

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)**
• Disclosures can be made internally within DFC or externally, provided the disclosure is not prohibited by law or executive order. Examples include: o Congress o U.S. Office of Special Counsel (OSC) o Offices of Inspectors General o Co-workers or managers o Independent government watchdog organizations o The media	• 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 management official or other employee of the contractor or subcontractor 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 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, Acting 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 Acting Chief Executive Officer. The OIG met regularly with the DFC Acting CEO.

DFC Office of Accountability. The OIG met 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:

- Department of Defense (DoD) OIG, Department of State 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 was an active participant in the Council of the Inspectors General on Integrity and Efficiency (CIGIE) until its recent lapse in funding. CIGIE 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 Deputy IG participated 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.

- The OIG participated 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 Acting Assistant Inspector General for Investigations participated in meetings of CIGIE's Investigations Committee and its Investigative Policy Working Group.

- The Acting Assistant Inspector General for Audit participated in a panel discussion for GAO International Auditor Fellows.

- 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. DFC OIG participates in this joint group hosted by DoD OIG. More information on this working group can be found in Appendix H.

Required Reporting

Appendix A: Required Reporting

The following includes results from this reporting period, April 1, 2025 – September 30, 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 (April 1, 2025 – September 30, 2025)		10
405(b)(17)	Statistical Summary of Investigative-Related Accomplishments (April 1, 2025 – September 30, 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	None	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	None	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	5	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	~

IG Act Section	Requirement Definition	Results	Page Number
405(b)(16)	List of Any Peer Reviews Conducted by DFC OIG of Another OIG	1	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	0	~
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)	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: (A) The facts and circumstances of the investigations; and (B) The status and disposition of the matter, including – (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)	Description of Attempt by the Establishment to Interfere with OIG Independence, including (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-25-003-C	DFC's Fiscal Year 2024 Compliance with Payment Integrity Information Act of 2019	None	None	None
DFC-25-004-C	DFC Implemented an Effective Government Charge Card Program for Fiscal Year 2024	None	None	None
DFC-25-001-IE	Inspection of DFC's First Solar and Bio E Projects	None	1	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-25-002-C	DFC Can Improve the Acquisition of Goods and Services (Issued December 17, 2024)	7	DFC CEO should develop and implement an agency-wide process for the development, review, and approval of the corporation's policies and procedures.
		8	DFC CEO should reassess the corporation's position on adherence to OMB Circular No. A-130 and update the Office of Information Technology Directive.
		10	DFC CEO should approve a policy that clearly defines how The Clinger-Cohen Act applies to DFC, particularly the CIO's reporting structure.
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 should fully implement event logging requirements in accordance with Office of Management and Budget, Memorandum M-21-31.

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	Includes several investigative results, the most significant of which are the following, relating to employees and personal services contractors: • **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.[5]

DFC OIG Peer Reviews of Other OIGs

During this reporting period, we conducted a peer review of the Farm Credit Administration's (FCA's) OIG. The objective was to determine whether FCA OIG's audit organization's system of quality control was suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable professional standards. A system of quality control encompassed FCA OIG's organizational structure, the policies adopted, and procedures established to provide it with reasonable assurance of conforming, in all material respects, with *Government Auditing Standards* and applicable legal and regulatory requirements. The elements of quality control are described in *Government Auditing Standard*s.

We determined that FCA OIG's audit organization's system of quality control had been suitability designed. Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. FCA OIG received an external peer review rating of *pass*. The final peer review report can be found here.

[5] 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. During this reporting period, the OIG also reviewed recent executive orders and administration guidance affecting DFC and the 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 $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.
	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.
	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 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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