

REPORTING FRAUD



USAID
FROM THE AMERICAN PEOPLE



A GUIDE FOR USAID IMPLEMENTERS



OBLIGATION TO REPORT FRAUD

USAID implementers have an affirmative obligation to immediately report allegations of fraud and other criminal activity related to USAID projects under both the Federal Acquisition Regulations (FAR) and USAID regulations. The timely reporting of these allegations allows the OIG, USAID, and implementer to efficiently protect taxpayer funds while moving forward with important program activities.

REPORTING REQUIREMENTS

(PERTAINS TO CONTRACTS AND SUBCONTRACTS)

FAR 52.203-13: The Contractor's internal control system requires timely disclosure, in writing, to the agency OIG and the Contracting Officer, whenever, in connection with any Government contract or a subcontract thereunder, the Contractor has credible evidence of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations.

COMBATING TRAFFICKING IN PERSONS

(PERTAINS TO CONTRACTS AND SUBCONTRACTS)

FAR 52.222-50: The Contractor must immediately report to the Contracting Officer information obtained that alleges that any employee, subcontractor, or subcontractor employee has engaged in severe forms of trafficking in persons, procured commercial sex acts, or used forced labor in the performance of the contract.

PROCEDURES TAKEN AFTER FRAUD IS REPORTED

1. Initial Notification

When a USAID implementer becomes aware of a potential situation involving fraud, corruption, false claims, or other criminal activity related to a USAID project, the OIG should be notified as soon as possible.

2. OIG Review & Consultation

The OIG will review the initial allegation and contact the organization submitting the report to further discuss the matter. If the allegation involves *ongoing criminal conduct*, the implementer should refrain from any activity that may interfere with any future or ongoing investigation.

3. Investigation by the OIG

In some cases, the OIG will initiate an investigation and will advise the implementer of what actions should be taken.

4. Investigation by Implementer

In other cases, the OIG and implementer may mutually agree that the implementer will conduct its own investigation. At the conclusion of the investigation, the implementer should provide the following:

1. A report of the investigation outlining the investigative steps completed and the results.
2. A copy of all original documentation substantiating the findings of the investigation and any personnel actions taken. Documentation should include copies of personnel actions, falsified documents, statements taken, relevant emails, etc.
3. A summary of the financial impact, if any, of the activity investigated. This should include a detailed summary of any potentially disallowable costs (in accordance with either the FAR or 22 CFR 226 as appropriate) as well as any losses due to fraud or other inappropriate activity.

5. Disclosure of Information to USAID Compliance Division

Once the investigation is completed, a copy of the above-listed documents should also be sent to the USAID Compliance Division at compliance@usaid.gov as well as to the servicing contracting or agreement officer.

WHEN IN DOUBT...REPORT IT!

USAID-PAKISTAN ANTI-FRAUD HOTLINE

TELEPHONE: 0092-21-35390408-9 TOLL FREE NUMBER: 0800-84700
E-MAIL: complaints@anti-fraudhotline.com FAX: 0092-21-35390410

US-BASED OIG HOTLINE (DC)

HOTLINE NUMBER: 1-800-230-6539 E-MAIL: ig.hotline@usaid.gov
ADDRESS: USAID/OIG, P.O. Box 657 Washington, DC. 20044-0657