

USAID Overseas Fraud and Aid-Diversion Investigations

Selected Cases and Investigative Records

Introduction

The U.S. Agency for International Development (USAID) and its Office of Inspector General (OIG) have been involved in investigations concerning alleged fraud, corruption, embezzlement, kickbacks, money laundering, and diversion of U.S.-funded assistance overseas. These cases have involved foreign government programs, contractors, nonprofit organizations, international organizations, and humanitarian aid recipients.

An investigation, an audit finding, a criminal charge, a conviction, and a recovery of funds are not the same thing. Allegations should not be presented as proven criminal conduct unless supported by a conviction, admission, or other established finding.

1. Ukraine: Direct Budget Support and Recipient Oversight

In September 2025, USAID OIG reported investigations into allegations involving false disability certifications, improper pension payments, fictitious employees used to claim reimbursements, and a USAID award recipient's handling of suspected fraud.

These allegations concerned programs receiving U.S. assistance. They should not be interpreted as proof that all U.S. assistance to Ukraine was fraudulent.

Source: USAID Office of Inspector General, *USAID IG's Active and Ongoing Investigations*, September 2025.

https://oig.usaid.gov/sites/default/files/2025-09/USAID%20IG%27s%20Active%20and%20Ongoing%20Investigations%20Sept.%202025_0.pdf

2. Ethiopia: Diversion of Food Assistance

USAID OIG reported concerns that U.S.-funded food commodities intended for humanitarian aid recipients were diverted and routed for sale by elements of Ethiopian and Tigrayan forces. Investigators also reported concerns about food distribution points that did not exist.

Food diversion is particularly consequential because assistance intended for people experiencing hunger may be sold, withheld, or redirected to other recipients.

Source: USAID Office of Inspector General, Investigations Archive.

<https://oig.usaid.gov/our-work/investigations>

3. Syria: Humanitarian Aid Diversion

USAID OIG reported food-diversion concerns at al-Hol camp in northeastern Syria.

In November 2024, U.S. authorities also charged a Syrian national with allegedly diverting \$9 million in U.S.-funded humanitarian assistance to a terrorist organization affiliated with al-Qaeda. A criminal charge is an allegation, not a conviction, and the status of the individual case should be verified through the relevant court record.

Source: USAID Office of Inspector General, Investigations Archive.

<https://oig.usaid.gov/our-work/investigations?page=3>

4. Pakistan: Kickbacks on a U.S.-Funded Power Project

USAID OIG reported a foreign national's conviction and sentencing in a kickback scheme involving a U.S.-funded power-grid project. The case concerned a contractor logistics manager who accepted kickbacks associated with services under a USAID-funded power distribution program.

This case illustrates how fraud involving foreign contractors can affect projects intended to improve public infrastructure.

Source: U.S. Department of Justice, case record concerning a former contractor associated with a USAID-funded program.

<https://www.justice.gov/usao-dc/pr/former-contractor-usaid-funded-program-extradited-united-states-convicted-and-sentenced>

5. Zambia: Embezzlement at a Nonprofit Organization

USAID OIG reported cases involving the embezzlement of U.S. government funds by personnel associated with a Zambian nonprofit organization. An August 2026 investigative summary reported the recovery of \$193,295 in funds embezzled by a senior finance officer.

The underlying investigative summary should be consulted to establish the precise circumstances, the individual's role, and the procedural status of the case.

Source: USAID Office of Inspector General, Investigations Archive.

<https://oig.usaid.gov/our-work/investigations>

6. Namibia: Alleged Fraud in a Health Program

In February 2026, USAID OIG reported evidence of fraud involving 22 employees of a recipient organization funded through the President's Emergency Plan for AIDS Relief (PEPFAR) and USAID.

The OIG also reported a separate investigation concerning a medical circumcision program. These matters should be distinguished and examined through their individual investigative summaries rather than treated as a single case.

Source: USAID Office of Inspector General, Investigations Archive.

<https://oig.usaid.gov/our-work/investigations?page=1>

7. Kenya: Alleged Fraud, Money Laundering, and Medical Commodity Diversion

In February 2026, USAID OIG published an investigative summary concerning allegations of large-scale fraud and money laundering in Kenya. In September 2026, the office also announced work to combat the diversion of U.S.-funded medical commodities.

These investigations raise questions about the oversight of public health funding, the distribution of medical supplies, and the potential misuse of money intended for assistance programs.

The announcements alone do not establish that every alleged scheme was proven.

Source: USAID Office of Inspector General, Investigations Archive.

<https://oig.usaid.gov/our-work/investigations>

8. Gaza: Allegations of Humanitarian Aid Theft and Diversion

USAID OIG reported investigating allegations of Hamas interference, theft, and diversion of humanitarian assistance in Gaza, along with allegations concerning humanitarian shipments and personnel associated with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

These are separate investigative questions. Evidence of aid diversion in a particular incident does not establish that all aid deliveries were compromised, and allegations concerning individual personnel must be assessed independently.

Source: USAID Office of Inspector General, Investigations Archive.

<https://oig.usaid.gov/our-work/investigations>

Reported Investigative Workload

A September 2025 USAID OIG report listed the following figures for its investigative workload:

- **300 ongoing investigative matters**
- **149 active investigations**
- **35 matters accepted by the U.S. Department of Justice for criminal prosecution**

- **16 matters accepted by the Department of Justice as civil fraud matters**

These figures describe the reported workload during that period. They are not counts of proven fraud cases and do not establish what percentage of foreign assistance was stolen.

Source: USAID Office of Inspector General, *USAID IG's Active and Ongoing Investigations*, September 2025.

https://oig.usaid.gov/sites/default/files/2025-09/USAID%20IG%27s%20Active%20and%20Ongoing%20Investigations%20Sept.%202025_0.pdf

Primary Research Sources

USAID Office of Inspector General: Investigations Archive

<https://oig.usaid.gov/our-work/investigations>

This archive is a starting point for finding investigative summaries, prosecutions, debarments, aid-diversion cases, and findings concerning allegations that could not be substantiated.

U.S. Department of Justice

<https://www.justice.gov/>

The Department of Justice publishes criminal charges, plea agreements, convictions, sentencing announcements, civil fraud actions, and other records concerning the misuse of U.S. government funds.

Conclusion

The cases described above illustrate several categories of alleged or documented misconduct involving overseas U.S.-funded assistance: fraudulent reimbursement claims, fictitious personnel, food aid diversion, contractor kickbacks, nonprofit embezzlement, health program fraud, money laundering, and alleged diversion of humanitarian assistance.

The cases differ in their countries, funding mechanisms, evidence, and legal status. Establishing the scale of the problem requires examining the individual investigative records, identifying the amounts involved, determining whether funds were recovered, and distinguishing allegations from proven misconduct.

This document is a selected overview rather than an exhaustive list of USAID-related overseas fraud investigations. Before using it as a formal research or publication document, verify each case against its original OIG, Department of Justice, or court record.