



Office of Inspector General
Export-Import Bank of the United States



SEMIANNUAL

Report to Congress

April 1, 2023 to September 30, 2023

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ABOUT OUR ORGANIZATION

THE EXPORT-IMPORT BANK OF THE UNITED STATES (EXIM or agency) is the official export credit agency (ECA) of the United States. EXIM supports the financing of U.S. goods and services in international markets, turning export opportunities into actual sales that help U.S. companies of all sizes to create and maintain jobs in the United States. The agency assumes the credit and country risks that the private sector is unable or unwilling to accept. EXIM also helps U.S. exporters remain competitive by countering the export financing provided by foreign governments on behalf of foreign companies.

For more information, please see [EXIM's website](#).

THE OFFICE OF INSPECTOR GENERAL (OIG) is an independent oversight office within EXIM. EXIM OIG's mission is to promote the integrity, transparency, and efficiency of EXIM programs and operations by conducting and supervising audits, investigations, inspections, evaluations, and reviews related to agency programs and operations and preventing and detecting fraud, waste, abuse, and mismanagement. OIG's oversight work is conducted by the Office of Audits, the Office of Investigations, and the Office of Special Reviews and Communications, with the Immediate Office of the Inspector General, the Office of General Counsel, and the Office of Management providing leadership, legal, and administrative support, respectively.

OIG is dedicated to acting as an agent of positive change to help EXIM improve its efficiency and effectiveness. It keeps EXIM's President and Chair, and Congress fully informed about any problems and deficiencies along with positive developments relating to EXIM administration and operations.

Find more information about EXIM OIG, including reports of audits, inspections, and evaluations, and press releases on our [website](#). For more information on inspectors general in the U.S. Government, please see the [Council of the Inspectors General on Integrity and Efficiency](#) (CIGIE) and CIGIE's [Oversight](#) websites.

A MESSAGE FROM THE INSPECTOR GENERAL



I am pleased to present this Semiannual Report to Congress, covering the oversight activities of the Office of Inspector General (OIG) for the Export-Import Bank of the United States (EXIM) from April 1, 2023 to September 30, 2023. OIG is responsible for oversight of EXIM's exposure tied to outstanding loans, guarantees, and insurance; the agency reported its total exposure as \$35.4 billion in FY 2022. EXIM further reported that it authorized \$5.2 billion in transactions supporting approximately \$10.6 billion in U.S. export sales in FY 2022.

OIG published seven reports during this semiannual period that contained 28 recommendations to safeguard taxpayer resources, strengthen internal controls, and improve EXIM's ability to comply with its statutory mission. Of particular note, OIG issued its first-ever management alert after we found that EXIM had not fully complied with Antideficiency Act reporting requirements. During this semiannual period, OIG also continued its focus on investigating allegations of fraud related to EXIM transactions and transaction participants.

OIG is committed to ensuring oversight of EXIM that promotes positive change and reflects the agency's evolving mission. In September 2023, OIG published its FY 2023 major management challenges report. The challenges will inform OIG's oversight planning and frame discussions with congressional stakeholders to ensure OIG's discretionary oversight engagements address the most significant performance and management challenges facing the agency.

OIG's work would not be possible without the talent and dedication of the professionals at EXIM OIG. My thanks to them, and to the agency and Congress for their continued support of OIG's important oversight mission.

A handwritten signature in cursive script that reads "Parisa Salehi".

Parisa Salehi
Inspector General

OFFICE OF AUDITS

The Office of Audits (OA) conducts and oversees independent and objective audits to assess the efficiency and effectiveness of EXIM programs, operations, and transactions. The office may also conduct research projects. OIG audits are performed in accordance with the Government Auditing Standards issued by the Comptroller General of the United States.

From April 1, 2023 to September 30, 2023, OA issued four reports containing a total of 11 recommendations. At the end of the reporting period, OA had one engagement in progress. Summaries of OIG’s completed, and in-progress work are included below.

Reports Issued

Management Alert: EXIM Has Not Fully Complied with Antideficiency Act Reporting Requirements ([OIG-O-23-04](#), September 2023)

OIG found that EXIM has not reported an Antideficiency Act (ADA) violation in accordance with requirements outlined in 31 U.S.C. §§ 1351, 1517(b). Specifically, the ADA requires that the agency head report such violations immediately to the President and Congress. Office of Management and Budget (OMB) Circular A-11, Preparation, Submission, and Execution of the Budget (August 2023) includes specific guidance on how agencies should report an ADA violation. OIG determined that EXIM has yet to complete its reporting of an ADA violation that it initially reported to the OMB in FY 2021. OIG issued three recommendations for EXIM to complete the ADA reporting and establish processes for reporting future violations in a timely manner. EXIM management concurred with all recommendations.

Audit of EXIM’s Domestic and International Non-Sponsored Travel ([OIG-AR-23-07](#), September 2023)

OIG conducted an audit to determine whether EXIM implemented effective control over domestic and international non-sponsored travel. Specifically, (1) the effectiveness of the approval and billing of travel expenditures, and (2) whether the agency had effective policies and procedures in place for non-sponsored travel. OIG found that EXIM officials did not fully comply with domestic and international non-sponsored travel policy and procedures. OIG determined that EXIM needs to improve compliance with federal travel policies and implement internal procedures to ensure that the agency meets travel requirements. OIG issued four recommendations to improve the effectiveness of EXIM’s compliance with domestic and international non-sponsored travel policies and procedures. EXIM management concurred with all recommendations.

Independent Audit on the Effectiveness of EXIM’s Information Security Program and Practices Report for Fiscal Year 2023 ([OIG-AR-23-06](#), September 2023)

Under a contract overseen by OIG, an Independent Public Accounting (IPA) firm performed an audit of EXIM’s Information Security Program for FY 2023. The objective of the audit was to determine whether EXIM developed and implemented an effective information security program and practices as required by the Federal Information Security Modernization Act of 2014 (FISMA). The IPA firm found that EXIM’s information security program and practices were considered effective overall because all five of the FY 2023 Inspector General FISMA Reporting Functions scored at a Level 4, Managed and Measurable. The IPA firm determined that EXIM implemented corrective actions to remediate deficiencies and related recommendations identified in prior FYs. The report contained one recommendation to improve the effectiveness of EXIM’s information security program. EXIM management concurred with the recommendation.

Audit of EXIM’s Fiscal Year 2022 Compliance with The Payment Integrity Information Act of 2019 ([OIG-AR-23-05](#), May 2023)

OIG conducted an audit to determine whether EXIM complied with the Payment Integrity Information Act of 2019 (PIIA) and related guidance prescribed by OMB for FY 2022. OIG determined that EXIM did not comply with requirements of the Payment Integrity Information Act of 2019 during FY 2022. Specifically, OIG identified inconsistencies in the data EXIM used to inform its PIIA risk assessment for FY 2022, including multiple, signed versions of the risk assessment questionnaires and changes to program risk scores that were not vetted with process owners. As a result, OIG was unable to provide assurance that EXIM’s risk assessment process adequately concluded whether the programs were likely to make improper and/or unknown payments above the statutory threshold. OIG issued three recommendations to improve EXIM’s compliance with PIIA-related risk assessments, all of which the agency implemented in FY 2023. OIG will assess the extent to which these actions brought EXIM into compliance with PIIA during its next statutorily required audit in FY 2024.

Ongoing Projects

Audit of EXIM’s Financial Statements for Fiscal Year 2023

An IPA firm, working under OIG’s oversight, is conducting an audit to issue an opinion on the accuracy and completeness of EXIM’s financial statements for FY 2023. The report will be issued, along with a related management letter report, during the semiannual reporting period ending March 31, 2024.

OFFICE OF SPECIAL REVIEWS AND COMMUNICATIONS

The Office of Special Reviews and Communications (OSRC) is a multi-disciplinary office that conducts inspections, evaluations, special reviews, and other oversight projects related to EXIM's programs and operations. OSRC special reviews or projects address OIG oversight work not covered by an audit, inspection, evaluation, or investigation and may focus on high-profile, sensitive, unique, or emerging matters involving EXIM. Consistent with the practices of other OIGs, these special reviews or projects comply with the CIGIE *Quality Standards for Federal Offices of Inspector General* or *Quality Standards for Inspection and Evaluation*. In addition, the office serves as OIG's liaison to congressional staff and conducts outreach to develop and maintain relationships with external stakeholders. The office also performs OIG's public affairs and media relations functions.

From April 1, 2023, to September 30, 2023, OSRC issued two reports containing a total of 17 recommendations. At the end of the reporting period, OSRC had six engagements in progress. Summaries of OIG's completed, and in-progress work are included below.

Reports Issued

Comparative Analysis of U.S. and OECD Arrangement Export Credit Agencies ([OIG-EV-23-04](#), September 2023)

Under a contract overseen by OIG, an independent consulting firm conducted an evaluation to assess EXIM's assessment of its practices and policies in relation to other Organization for Economic Cooperation and Development (OECD) ECAs. The firm found that EXIM's competitiveness in relation to other OECD ECAs decreased over the past decade but that EXIM's product offerings remain competitive with other ECAs, particularly its loan guarantee. EXIM's competitors increasingly offer a wider variety of products in line with OECD's most current options such as untied loans and market window, which EXIM has limited ability to offer or match. The report contained 14 recommendations to address various areas where EXIM is not competitive with counterpart ECAs. EXIM management concurred with all recommendations.

Evaluation of the Relationship between Export-Import Bank of the United States and Private Export Funding Corporation ([OIG-EV-23-05](#), September 2023)

An independent consulting firm, working under OIG's oversight, conducted an evaluation of EXIM's relationship with the Private Export Funding Corporation (PEFCO). The objective of the evaluation was to provide an assessment of the structural and business relationships between EXIM and PEFCO, with particular emphasis on the added value of the partnership to EXIM's mission of supporting American jobs by facilitating the export of U.S. goods and services. The evaluation found that for the period covered by this evaluation—January 1, 2020, to October 31, 2022—both EXIM and PEFCO complied with the terms and conditions of the agreements that govern their relationship. However, PEFCO experienced a steep drop-off in the volume of transactions it could fund due to a decrease in EXIM's lending activities caused by a lapse in

authorization and lack of Board quorum from 2015 to 2019. In addition, PEFCO's loan portfolio also declined due to scheduled loan amortizations and prepayments. The evaluation also determined that PEFCO continues to provide value to EXIM by purchasing EXIM-guaranteed loans in the secondary market and operating PEFCO's Direct Loan Program. The report contained three recommendations to improve EXIM's relationship with PEFCO. EXIM management concurred with all recommendations.

Ongoing Projects

Review of Access Control Measures at EXIM Headquarters

OIG initiated a review of the access control measures at EXIM's headquarters building to determine the effectiveness of those controls to: (1) prevent unauthorized access, (2) safeguard EXIM personnel and resources, and (3) ensure personnel accountability in the event of an emergency at EXIM headquarters.

Inspections of the Sasan Power Limited and Samalkot Power Limited Projects

OIG initiated inspections of two EXIM-financed power plant projects in India. These inspections will encompass follow-up work related to OIG's 2015 inspection of the Sasan Project (OIG-INS-15-02), as well as an assessment of EXIM's efforts to identify, evaluate, and mitigate project risks related to both transactions in accordance with EXIM policies, project finance best practices, and applicable laws. OIG will make appropriate recommendations to enhance the efficiency of EXIM's project financing operations.

Evaluation of EXIM's Human Capital Function

Under a contract overseen by OIG, an independent consulting firm initiated an evaluation to assess the sufficiency and effectiveness of EXIM's human capital planning practices, to include addressing skill gaps and the agency's human capital resources; determining the effectiveness of EXIM's recruitment and retention activities; and assessing whether EXIM implemented effective standards and guidelines for its human resources management.

Evaluation of EXIM's Sub-Saharan Africa Mandate

Under a contract overseen by OIG, an IPA firm initiated an evaluation to assess and measure EXIM's performance and efforts to promote the expansion of its financial commitments in sub-Saharan Africa through its programs, to include identifying the potential impact of EXIM's programs and policies that are directed at sub-Saharan Africa in increasing the export of U.S. goods and services and strengthening U.S. jobs, as well as identifying EXIM's potential impact of job creation in sub-Saharan Africa, resulting from the agency's programs and policies.

Evaluation of EXIM's Environmentally Beneficial Goods and Services Program

Under a contract overseen by OIG, an IPA firm initiated an evaluation to assess and measure EXIM's performance and impact on the environmental effects of exported goods and services

supported through its programs, to include identifying EXIM’s efforts to promote the exporting of U.S. goods and services related to renewable energy sources, energy efficiency, and energy storage, as well as determine the agency’s performance in achieving its goal of five percent of the applicable amount being made available each fiscal year for financing renewable energy.

Review of EXIM’s Master Guarantee Agreements

OIG is conducting a review of EXIM’s Master Guarantee Agreements (MGAs) to determine whether the MGAs should explicitly reference OIG’s authority to access the records of EXIM delegated authority lenders and require that these lenders directly notify OIG of suspected fraud related to EXIM-guaranteed loans.

OFFICE OF INVESTIGATIONS

The Office of Investigations (OI) conducts and coordinates investigations relating to alleged or suspected violations of federal laws, rules, or regulations occurring in EXIM programs and operations, which may result in criminal or civil prosecution and/or administrative sanctions. Subjects of OIG investigations may be program participants, contractors, agency management or employees, or individuals who target EXIM programs and participants. OIG investigations are supported by investigative and financial analysts who conduct tactical and strategic analysis.

Investigative Activity¹

Activity	Total
Investigations Open as of April 1, 2023	19
Investigations Opened During the Reporting Period	2
Investigations Closed During the Reporting Period	7
Hotline and Complaints Processed During Period	23
Referrals to EXIM or Other Organizations During Period	14
Criminal and Judicial Actions (including joint investigations)	Total
Individuals Referred for Federal Prosecution (pending)	2
Individuals Referred for State Prosecution (pending)	0
Individuals Accepted for Federal Prosecution	1
Individuals Accepted for State Prosecution	0
Individuals Declined for Federal Prosecution	3
Individuals Declined for State and Local Prosecution	0
Criminal Judgments	\$0
Civil Actions	\$0
Civil Recoveries	\$0
Prison Time (months)	0
Probation (months)	0
Fines, Assessments, Restitutions, and Forfeitures	\$0
Administrative Actions	2
Administrative Cost Savings and Repayments ²	\$0

¹ The metrics used in this report were obtained from a system of records entitled, “EIB-35-Office of Inspector General Investigative Records” also known as the Case Management Tracking System (CMTS). CMTS is a Structured Query Language database used by OIG to store its records related to criminal, civil, and administrative investigations. The database contains assignments, allegations, investigative activities, actions, dates, and identifying information about potential subjects and individuals related to these investigations. The system can generate metrics reports, which track judicial, administrative, and other investigative actions and activities. The database generates statistical reports on a variety of OI products including Hotline Reports, Complaints, Subpoenas, and Investigations.

² Administrative Cost Savings and Repayments are responses by EXIM to stop transactions, cancel policies, or protect funds at risk based on OIG investigative findings.

Administrative Employee Actions ³	\$0
Suspensions and Debarment referrals	3
E.O. on Advancing Effective, Accountable Policing & Criminal Justice Practices to Enhance Public Safety	Total
Use of force incidents involving OIG personnel	0
No-knock entries conducted by OIG personnel	0

Significant Referrals

Potential Ethics Violation by EXIM Official

In July of 2023, OIG received a complaint alleging that an EXIM employee may have violated Title 18 U.S.C. section 205, “Activities of officers and employees in claims against and other matters affecting the Government” by acting on behalf of an employee in their official capacity in an EXIM personnel matter. OIG referred this matter to the agency, which has since taken administrative action.

EXIM Employee Changed Payment Integrity Risk Assessment Responses

As part of a May 2023 audit, OIG determined that EXIM did not comply with requirements of the Payment Integrity Information Act of 2019 during FY 2022 ([OIG-AR-23-05](#)). OIG determined that EXIM’s noncompliance with Payment Integrity Information Act of 2019 during FY 2022 could have been avoided if more robust internal controls would have been in place to supervise and review the actions taken by the Director of ICC. As detailed in the audit report, OIG found evidence that an EXIM employee changed risk assessment responses from the initial answers agreed by the process owners and did not secure process owner concurrence for the responses changed. The report also identified that these inconsistencies prevented OIG from providing assurance that EXIM’s risk assessment process adequately concluded whether the programs were likely to make improper and/or unknown payments above the statutory threshold. In addition, an EXIM employee was not fully cooperative during OIG’s conduct of the subject audit. OIG referred this matter to EXIM, which has since taken administrative action.

EXIM Employees Referred for Potential Non-Compliance with Secondary Employment Policy

In July 2023, OIG in partnership with the Pandemic Response Accountability Committee (PRAC) conducted an examination of data³ related to EXIM employees who sought COVID-19 relief funding from the Small Business Administration’s (SBA) Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program (PPP). As a result of the examination, OIG identified six current EXIM employees whose EXIM records indicated a lack of pre-approval for secondary employment at the time they sought the funding. EXIM’s Policy for Outside Employment,

³ Administrative employee actions are responses by EXIM to terminate or discipline agency employees based on investigative findings.

authorized by 18 U.S.C. 203, 205, 208 & 209; 5 C.F.R. 2635; and 5 C.F.R. 6201, requires employees to obtain such approvals. OIG referred the six individuals to EXIM for potential administrative action in August 2023. In its referral, OIG noted that instances of potential non-compliance with EXIM’s policy on outside employment may represent a systemic deficiency in the agency’s implementation of the policy. In response to OIG’s referral, the Chief Ethics Officer told OIG that none of the employees required corrective action for potential violation of EXIM’s policy on outside employment, citing reasons such as a lack of income from the outside employment activity, employees’ current compliance with EXIM policy, and cases of identity theft or mistaken identity. The Office of Ethics also reported that it did not identify any systemic issues in the implementation of EXIM’s policy on outside employment. OIG has not further reviewed EXIM’s practices in this regard and can therefore not opine on the sufficiency of the agency’s conclusions.

Investigations

During the reporting period, OIG closed or had significant investigative activity involving EXIM programs and operations. The following are notable examples:

Civil Judgement Against Exporter Results in OIG Suspension and Debarment Referral

In July of 2020, OIG initiated an investigation based on a non-payment allegation submitted to EXIM concerning an attempted wire fraud by a U.S. exporter misrepresenting itself as an EXIM City-State Partner (currently known as the EXIM Regional Export Promotion Program). The exporter attempted to facilitate an \$8 million purchase of N95 face masks by a medical supply company located in Connecticut. The proposed deal occurred during the height of the COVID-19 pandemic, when hospitals and healthcare workers needed personal protective equipment, specifically N95 face masks. The exporter falsely claimed its status as an EXIM City-State Partner giving it exclusive government discount pricing on the N95 face masks. When the exporter demanded up-front payment for the masks, without evidence of inventory or access, the medical supply company became suspicious and withdrew from the deal.

The investigation was consolidated into a related investigation in the Northern District of Iowa and in 2022 a civil judgement against the exporter was ordered in the amount of \$2,432,250.⁴ OIG subsequently recommended three suspension and debarment (S&D) proceedings to EXIM against the exporter and several associates affiliated with the company. At the time of this report’s issuance, the S&D actions were pending with the agency.

Exporter Target of Bank Fraud by Foreign Actors

In July of 2022, OIG initiated an investigation based on an allegation regarding attempted fraud involving multiple applications for Special Buyer Credit Limits (SBCL) under an existing EXIM short-term multi-buyer insurance policy. Under the policy, the insured South Carolina exporter

⁴ OIG is not reporting this in the summary table, above, because the civil judgement was issued outside the reporting period for this semi-annual report.

received two SBCL applications from buyers located in the country of Ghana for coverage of \$100,000. During the enhanced due diligence review by EXIM's export credit insurance division, it was discovered that the financial statements were nearly identical for the buyers involved in the potential transactions. EXIM ultimately withdrew the applications due to the fraud concerns.

OIG's investigation determined unidentifiable person(s) within the country of Ghana utilized social media and internet-based communication platforms to create fictional companies and documentation to submit false claims for potential payouts for shipments of goods from U.S. exporters. The case was declined for prosecution by the United States Attorney's Office (USAO) in the District of South Carolina. OIG subsequently closed the investigation.

Exporter Swindled in Foreign Business Scheme

On June 22, 2021, OIG initiated an investigation based on a non-payment allegation submitted to EXIM from a Silver Spring, MD exporter. The exporter sold \$199,992 in agricultural chemicals to a buyer located in Watford, Great Britain and shipped the goods to Kenya for further delivery to Uganda. OIG obtained and reviewed financial information, communications, and logistical documents. The investigation determined the exporter was swindled by unidentifiable person(s) located in Uganda. EXIM ultimately denied the exporter's claim and no payment was made. The case was declined for prosecution by the USAO in the District of Maryland. OIG subsequently closed the investigation.

OIG Collaboration with PRAC

In March 2020, the Pandemic Response Accountability Committee (PRAC) was created within CIGIE to coordinate oversight of the \$5 trillion in Federal funding related to the COVID-19 pandemic.

In November 2021 and November 2022, OIG and the PRAC entered into a memorandum of understanding that conferred on OIG the authority to investigate pandemic-related fraud. OIG agents are assigned PRAC cases while continuing to work their existing OIG caseload. This initiative allows OIG to make a broader contribution to the OIG community by assisting with investigations.

The following highlights OIG's PRAC MOU investigative activities:

Paycheck Protection Program Funding Returned

In June of 2021, OIG initiated an investigation based on an allegation received from the PRAC. It was alleged that a Washington, DC company provided false information to secure a \$402,990 PPP loan and subsequently engaged in suspicious financial transactions with the funding. During OIG's investigation, OIG determined that the Washington, DC company previously surrendered \$358,908 to associate law enforcement agencies investigating related allegations.

The surrendered funds were subsequently returned to the SBA. The USAO declined prosecution of OIG’s case in lieu of other prosecutorial remedies. OIG subsequently closed the investigation.

Pandemic Fraud Allegations Not Substantiated

In January of 2022, OIG initiated an investigation based on an allegation received from the PRAC. It was alleged that a Davidsonville, MD company received PPP loans of approximately \$2.7 million and used for the purchase of a vacation home. The investigation determined the funds obtained through the loan program were used for their intended purpose and that the supporting loan documentation was not fraudulent. OIG subsequently closed the investigation.

Pandemic Fraud Inquiry Not Substantiated

In July of 2023, OIG initiated an inquiry after developing information that an EXIM employee may have fraudulently sought COVID-19 relief funding from the SBA’s EIDL and PPP programs. The employee submitted multiple applications utilizing residential and business addresses. OIG’s review of details related to the employee’s loan applications determined the employee utilized legitimate information and the employee did not submit anything false to obtain funding. OIG subsequently closed the inquiry.

Investigations of Senior Officials⁵

Senior Official Accused of Engaging in Inappropriate Conduct

In June 2023, OIG received an allegation that a senior-ranking EXIM employee had engaged in inappropriate conduct in EXIM office space. OIG’s investigation did not substantiate the allegation of misconduct; therefore, OIG closed the investigation.

⁵ A senior government official is defined as anyone occupying a position classified at or above GS-15, or for those not on the General schedule, whose rate of basic pay is equal to or greater than 120 percent of the GS-15 minimum.

Intra and Inter-Agency Cooperation

- OIG attorneys participated in an interactive virtual reality use of force training hosted by the Department of Health and Human Services OIG in September 2023.
- In September of 2023, OIG Senior Special Agents (SSAs) were invited to participate in the development of a new course on financial fraud investigations to be offered by the CIGIE Inspector General Criminal Investigator Academy. The SSAs will also help deliver the training as instructors when the course is taught at various locations around the country.

Hotline and Complaints

OIG maintains a hotline to receive complaints or reports of fraud, waste, and abuse in EXIM programs and operations. As outlined above, during the reporting period OIG processed 23 complaints. Hotline reports are evaluated by our investigative team, and based on the available evidence, may result in the initiation of an investigation, audit, inspection, evaluation, referral to other law enforcement authorities, or referral to agency management for administrative action.

Hotline reports can be made by any of the following methods:

- Phone at 1-888-OIG-EXIM (1-888-644-3946);
- E-mail at IGHotline@exim.gov; or
- In person or mail/delivery service to OIG Hotline, Office of Inspector General, 811 Vermont Avenue, NW, Room 1052-1, Washington DC 20571.

OIG will not disclose the identity of a person making a report through the hotline without their consent unless the Inspector General determines such disclosure is unavoidable during an investigation.

APPENDIX A:

OPEN RECOMMENDATIONS FROM PRIOR REPORTING PERIODS

This table shows three open recommendations from two reports issued during the prior reporting period ending March 31, 2023. For the reporting period for FY 2022, the table shows 11 open recommendations from two issued reports. The remaining two open recommendations are from reports issued in FY 2017. As outlined in Appendix C, OIG considers both to be significant recommendations that were agreed to by EXIM but have not been implemented as of September 30, 2023. During the reporting period, EXIM requested that the target closure date for both recommendations be extended to March 31, 2024.

Reports from prior periods are no longer listed when all recommendations are closed.

Report No./ Date	Report Title	Recommendations				Latest Target Closure Date
		Total	Open	Closed	Unresolved	
Last Period (10/01/2022 – 03/31/2023)						
Audits						
OIG-AR-23-04 02 Mar 2023	Independent Audit on the Effectiveness of EXIM's Information Security Program and Practices – Fiscal Year 2022	7	1	6	0	12/31/2023
Inspections and Evaluations						
OIG-EV-23-01 14 Oct 2022	Review of EXIM's Default Rate Management Practices	3	2	1	0	3/31/2024
Last Period (04/01/2022 – 09/30/2022)						
Audits						
OIG-AR-22-07 30 Sep 2022	Audit of EXIM's Approach to Determining Additionality	3	1	2	0	10/31/2023
Last Period (10/01/2021 – 03/31/2022)						
Audits						
OIG-AR-22-01 8 Nov 2021	Independent Auditors' Report on EXIM's DATA Act Submission	12	10	2	0	1/31/2024

Report No./ Date	Report Title	Recommendations				Latest Target Closure Date
		Total	Open	Closed	Unresolved	
Prior Periods (prior to 10/01/2021)						
Inspections and Evaluations						
OIG-EV-17-01 2 Dec 2016	Evaluation of Risk Management Procedures and CRO Responsibilities	8	1	7	0	3/31/2024
OIG-EV-17-03 30 Mar 2017	Report on EXIM Bank's CGF Program	5	1	4	0	3/31/2024
Total		38	16	22	0	

APPENDIX B: AUDIT, INSPECTION, EVALUATION AND/OR REVIEWS ISSUED FROM APRIL 1, 2023 – SEPTEMBER 30, 2023

Report No./Date	Report Title	Management Decisions Reached on Recommendation	Total Questioned Cost	Unsupported Cost	Funds for Better Use	Disallowed Cost
1 OIG-AR-23-05 17 May 2023	Audit of EXIM's Fiscal Year 2022 Compliance with The Payment Integrity Information Act of 2019	3/3	\$0	\$0	\$0	\$0
2 OIG-AR-23-06 18 Sep 2023	Independent Audit on the Effectiveness of EXIM's Information Security Program and Practices – Fiscal Year 2023	1/1	\$0	\$0	\$0	\$0
3 OIG-AR-23-07 21 Sep 2023	Audit of EXIM's Domestic and International Non-Sponsored Travel	4/4	\$0	\$0	\$21,732	\$0
4 OIG-EV-23-04 29 Sep 2023	Comparative Analysis of U.S. and OECD Arrangement Export Credit Agencies	14/14	\$0	\$0	\$0	\$0
5 OIG-EV-23-05 29 Sep 2023	Evaluation of the Relationship between EXIM Bank of the US Private Export Funding Corporation	3/3	\$0	\$0	\$0	\$0
6 OIG-O-23-04 29 Sep 2023	Management Alert: EXIM Has Not Fully Complied with Antideficiency Act Reporting Requirements	3/3	\$0	\$0	\$0	\$0
Total			\$0	\$0	\$21,732	\$0

APPENDIX C:

SIGNIFICANT RECOMMENDATIONS FROM PREVIOUS SEMIANNUAL REPORTS ON WHICH CORRECTIVE ACTION HAS NOT BEEN COMPLETED

OIG identified two significant recommendations that were agreed to by EXIM but have not been implemented as of September 30, 2023. OIG is committed to working with agency management to expeditiously address the management decision and corrective action process, recognizing that certain initiatives will require long-term, sustained, and concerted efforts.

Evaluation of Risk Management Procedures and Chief Risk Officer Responsibilities ([OIG-EV-17-01](#), December 2, 2016)

Recommendation 1: To clarify the authority and responsibility of the Chief Risk Officer with respect to the current allocation of risk management responsibilities across the agency, EXIM Bank should formally document the risk management roles, responsibilities and authority of its line of defense functions; clarify responsibilities and interaction between different senior management committees and divisions; identify the individuals and functions to be responsible for each; and address any gaps in those responsibilities.

Expected implementation date: March 31, 2024.

Report on EXIM Bank's Credit Guarantee Facility Program ([OIG-EV-17-03](#), March 30, 2017)

Recommendation 5: Review and update the reach back policy for the CGF program to be consistent with actual practice and reduce the need for waivers. In reviewing and updating the reach back policy, the Bank should analyze the case-by-case determination of a reach back relative to the average policy date (i.e., operative date); consider establishing limits on the utilization of the facility for reach back transactions; set requirements for communicating analysis of reach back issues to decision makers including the Board; and establish procedures for consideration of waivers to the policy. This would include documenting the supporting evidence in the credit file.

Expected implementation date: March 31, 2024.

APPENDIX D: OPEN RECOMMENDATIONS

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
Evaluation of Risk Management Procedures and Chief Risk Officer Responsibilities (OIG-EV-17-01, December 2, 2016)					
1	Open	3/31/2024	Agree	\$0	\$0
To clarify the authority and responsibility of the CRO with respect to the current allocation of risk management responsibilities across the agency, EXIM Bank should formally document the risk management roles, responsibilities, and authority of its line of defense functions; clarify responsibilities and interaction between different senior management committees and divisions; identify the individuals and functions to be responsible for each; and address any gaps in those responsibilities.*					
Report on EXIM Bank's CGF Program (OIG-EV-17-03, March 30, 2017)					
5	Open	3/31/2024	Agree	\$0	\$0
Review and update the reach back policy for the CGF program to be consistent with actual practice and reduce the need for waivers. In reviewing and updating the reach back policy, the Bank should analyze the case-by-case determination of a reach back relative to the average policy date (i.e., operative date); consider establishing limits on the utilization of the facility for reach back transactions; set requirements for communicating analysis of reach back issues to decision makers including the Board; and establish procedures for consideration of waivers to the policy. This would include documenting the supporting evidence in the credit file.*					

* As outlined in Appendix C, OIG considers both to be significant recommendations that were agreed to by EXIM but have not been implemented as of September 30, 2023. During the reporting period, EXIM requested that the target closure date for both recommendations be extended to March 31, 2024.

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
Independent Auditors' Report on EXIM's DATA Act Submission (OIG-AR-22-01, November 8, 2021)					
1	Open	1/31/2024	Agree	\$0	\$0
Determine the root cause of the errors in EXIM-provided data identified during the testing of the second quarter FY 2021 Files D1 and D2, and take necessary corrective action to: (a) correct the errors for records shown in USASpending.gov; (b) identify the risk of reporting incorrect data for each data element containing the error; and (c) update the policies and procedures for recording data in Comprizon, FPDS, and FABS to address the risks and include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.					
2	Open	1/31/2024	Agree	\$0	\$0
Continue to improve the design of its review of the procurement award data in FPDS and financial assistance award data submissions to FABS by identifying the root cause for the exceptions in those data elements for which EXIM is responsible, and by developing more effective review procedures for those data elements, as well as the data elements that the SAO and DATA Act Working Group identify as having a high risk of not being accurate, complete, or reported timely.					
3	Open	1/31/2024	Agree	\$0	\$0
Review EXIM's policies and procedures for submitting contract award data in FPDS, including procedures for reviewing and confirming the accuracy of the CAR, to ensure proper design and compliance with FAR guidelines for timeliness. Update the policies and procedures based on this review, as necessary, to ensure EXIM meets FAR timeliness guidelines.					

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
4 Review EXIM’s policies and procedures that address timelines for submitting complete and accurate FABS files containing financial assistance award data, to ensure proper design and compliance with DAIMS guidance. Update the policies and procedures based on this review, as necessary, to ensure EXIM meets DAIMs timeliness guidelines.	Open	1/31/2024	Agree	\$0	\$0
5 Complete a data inventory for File D1 that defines each data element based on government-wide financial data standards, and that EXIM seeks clarification from OMB and Treasury, as necessary, in order to ensure appropriate interpretation of the DATA Act Standards.	Open	1/31/2024	Agree	\$0	\$0
6 Establish policies and procedures to help ensure that all data reported in FABS and included in EXIM’s certified File D2 are reported as intended by the Data Act Standards, and that EXIM seek clarification from OMB and Treasury, if necessary, in order to ensure appropriate interpretation of the Data Act Standards.	Open	1/31/2024	Agree	\$0	\$0
7 Complete a data inventory for each of Files A through D1 to govern EXIM’s DATA Act activities and help ensure compliance with government-wide financial data standards.	Open	1/31/2024	Agree	\$0	\$0
8 Develop and document a review process of the data inventories for Files A through D2 that EXIM will perform at regular intervals and after each DAIMS update.	Open	1/31/2024	Agree	\$0	\$0

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
9	Open	1/31/2024	Agree	\$0	\$0
Develop, test, and implement a DQP that covers significant milestones and major decisions pertaining to: (a) Organizational structure and key processes providing internal control activities for spending reporting; (b) Management's responsibility to supply quality data to meet the reporting objectives for the DATA Act in accordance with OMB Circular No. A-123; (c) EXIM's testing plan and identification of high-risk reported data, including: (1) specific data the agency determines to be high-risk that are explicitly referenced by the DATA Act; and (2) confirmation that these data are linked through the inclusion of the award identifier in the agency's financial system, and reported with plain English award descriptions; and (d) Actions taken to manage identified risks.					
10	Open	1/31/2024	Agree	\$0	\$0
Continue to implement its corrective action plan to ensure that object class codes are accurately and completely reported in all financial and award data submissions (Files B and C).					
Audit of EXIM's Approach for Determining Additionality (OIG-AR-22-07, September 30, 2022)					
1	Open	10/31/2023	Agree	\$0	\$0
Update the additionality guidelines and checklist to: a) explicitly state the minimum documentation requirements for establishing additionality whether that be source documentation or contemporaneous memos with the required elements of source, timing, and context.					
Review of EXIM's Default Rate Management Practices (OIG-EV-23-01, October 14, 2022)					
1	Open	3/31/2024	Agree	\$0	\$0
Identify suitable aggregate measure(s) of portfolio risk to inform organizational decision-making					
2	Open	3/31/2024	Agree	\$0	\$0
Ensure EXIM has timely, accurate, and centralized information on all nonperforming credits					

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
Independent Audit on the Effectiveness of EXIM’s Information Security Program and Practices – Fiscal Year 2022 (OIG-AR-23-04, March 2, 2023)					
1	Open	12/31/2023	Agree	\$0	\$0
Update and implement the Enterprise Risk Management program, including applicable policies and procedures, to align with the new requirements outlined in the NIST SP 800-53, Rev. 5, Security and Privacy Controls for Information Systems and Organizations, dated September 23, 2020.					
Audit of EXIM’s Domestic and International Non-Sponsored Travel (OIG-AR-23-07, September 21, 2023)					
1	Open	9/21/2024	Agree	\$0	\$0
Develop and implement procedures to ensure that travelers have complied with all pre-travel training requirements.					
2	Open	9/21/2024	Agree	\$0	\$21,732
Develop and implement procedures to ensure that travel vouchers are submitted within five business days upon return from travel.					
3	Open	9/21/2024	Agree	\$0	\$0
Develop and implement training that ensures all staff and approving officials are aware of their roles, responsibilities, and requirements for the travel process.					
4	Open	9/21/2024	Agree	\$0	\$0
Develop and implement a process to communicate travel policy and requirement updates to staff in a periodic manner.					
Comparative Analysis of U.S. and OECD Arrangement Export Credit Agencies (OIG-EV-23-04, September 29, 2023)					
1	Open	9/29/2024	Agree	\$0	\$0
Direct staff to conduct an analysis to determine suggested policy changes to further reduce the impact of a potential future loss of a Board quorum on EXIM’s medium- and long-term lending.					
2	Open	9/29/2024	Agree	\$0	\$0
Direct staff to conduct an analysis to determine what changes should be made to further mitigate the risks to EXIM’s medium- and long-term export credit financing that were generated by the lack of Board quorum.					

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
3 Direct staff to conduct a study exploring the potential for varying EXIM's domestic content requirement by industry or sector for all exporters—not just those that qualify under the narrow exceptions of the CTEP program—and adopt policy changes to reflect any modifications or revisions to domestic content requirements based on the results of the study.	Open	9/29/2024	Agree	\$0	\$0
4 In advance of EXIM's next reauthorization, request that EXIM's Senior Vice President for Congressional and Intergovernmental Affairs engage with interagency stakeholders to develop legislative proposals that address the challenges associated with the default rate cap.	Open	9/29/2024	Agree	\$0	\$0
6 Direct the Senior Vice President for Policy Analysis and International Relations to seek updates to EXIM's MOU with MARAD to reflect changes in EXIM's policies and priorities and consider revisiting the \$20 million threshold for U.S.-flagged shipping.	Open	9/29/2024	Agree	\$0	\$0
7 Develop a comprehensive plan, in coordination with MARAD, to provide clearer and more effective guidance on EXIM's website for U.S. exporters to assist them in complying with EXIM's domestic shipping requirements and procedures, including processes for requesting a MARAD waiver on the use of U.S. flagged vessels.	Open	9/29/2024	Agree	\$0	\$0
8 In advance of EXIM's next reauthorization, engage with interagency stakeholders to develop proposals that address the challenges associated with the impact on EXIM's competitiveness of requiring exporters to use U.S. flagged shipping vessels.	Open	9/29/2024	Agree	\$0	\$0
9 Direct staff to conduct a study exploring the potential for adopting a policy of implementing future changes to the OECD Arrangement automatically if no constraints exist in EXIM's charter or enabling legislation.	Open	9/29/2024	Agree	\$0	\$0

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
10 In advance of EXIM’s next reauthorization, engage with interagency stakeholders to develop legislative proposals that would modify the agency’s charter to address the limitation in Sec. 2(a)(2), which prevents EXIM from matching recent updates to the OECD Arrangement.	Open	9/29/2024	Agree	\$0	\$0
11 Direct staff to conduct a study exploring the potential for revising EXIM’s domestic content policy so that lowering minimum down payments to 5 percent would not also require exporters to meet or exceed a heightened 95 percent domestic content threshold (rather than the standard 85 percent threshold) to receive full financing and down payment support.	Open	9/29/2024	Agree	\$0	\$0
12 Have the Office of General Counsel support efforts to consider recommendation of revisions to the Board’s delegated authority policy to allow for expedited reviews of larger deals, particularly when there is no Board quorum.	Open	9/29/2024	Agree	\$0	\$0
13 Have the Office of Chief Information Officer and Office of Chief Management Officer pair with the Office of General Counsel to develop a plan for decreasing the administrative burden on EXIM underwriters and third-party lenders and increasing employee expertise to facilitate faster transaction execution, to include technology options that may help in streamlining its processes and reduce cycle time, as well as centralize the administrative process and decrease the time spent by underwriters on compliance.	Open	9/29/2024	Agree	\$0	\$0
14 Support a study led by the Office of Human Capital, strategic planning, and other internal stakeholders, to identify specific factors impacting EXIM’s ability to attract and retain staff and implement recommendations to address workforce recruitment, retention, and succession planning needs in this area.	Open	9/29/2024	Agree	\$0	\$0

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
Evaluation of the Relationship between EXIM Bank of the US Private Export Funding Corporation (OIG-EV-23-05, September 29, 2023)					
1	Open	9/29/2024	Agree	\$0	\$0
Direct staff to conduct a study and make recommendations to build additional resiliency in the EXIM-PEFCO partnership.					
2	Open	9/29/2024	Agree	\$0	\$0
Amend the SOP between EXIM and PEFCO to ensure both organizations are measuring and incentivizing educational outreach.					
3	Open	9/29/2024	Agree	\$0	\$0
Direct staff to revise the EXIM-PEFCO SOP to better define the required elements and frequency of reporting requirements.					
Management Alert: EXIM Has Not Fully Complied with Antideficiency Act Reporting Requirements (OIG-O-23-04, September 29, 2023)					
1	Open	9/29/2024	Agree	\$0	\$0
Coordinate with OMB, and if necessary, obtain clearance for EXIM to immediately report the 2019 Antideficiency Act violation the agency identified, consistent with 31 U.S.C. § 1517(b) and the requirements of OMB Circular A-11.					
2	Open	9/29/2024	Agree	\$0	\$0
If applicable, and after obtaining clearance from OMB, EXIM’s President and Chair should immediately report the 2019 Antideficiency Act violation the agency identified to the President, Congress, and the Comptroller General, consistent with 31 U.S.C. § 1517(b).					
3	Open	9/29/2024	Agree	\$0	\$0
Formally document EXIM’s internal processes for maintaining records and reporting future Antideficiency Act violations to all required parties in a timely manner.					
Total				\$0	\$21,732

APPENDIX E: PEER REVIEW REPORTING

Pursuant to 5 U.S.C. § 405(a)(8)-(10), this section provides information on peer reviews of EXIM OIG's audit, inspection, evaluation, and investigation functions.

Office of Audits

The latest peer review of EXIM OIG's audit function was conducted by the Federal Elections Commission OIG; the associated report was issued on June 29, 2021. OA received an external peer review rating of pass on the system of quality control for the audit function. There are no outstanding recommendations from this peer review.

The next peer review of EXIM OIG's audit function is scheduled to be completed during FY 2024. The peer review is scheduled to be performed by the National Labor Relations Board.

Office of Special Reviews and Communications

The latest peer review of EXIM OIG's inspection and evaluation (I&E) function was conducted by the Peace Corps OIG; the associated report was issued on September 20, 2022. The review team concluded that EXIM's inspection and policy manual was consistent with the standards in CIGIE's Quality Standards for Inspection and Evaluation, December 2020.

The next peer review of EXIM OIG's inspection and evaluation function is scheduled to be completed during the third quarter of FY 2025. The peer review is scheduled to be performed by the General Services Administration OIG. In addition, EXIM OIG is scheduled to perform a peer review of the National Science Foundation OIG's inspection and evaluation function during the first quarter of FY 2025.

Office of Investigations

On February 22, 2023, the AmeriCorps OIG issued its final report on the system of quality control for OIG's investigation function. The AmeriCorps OIG issued a rating of compliant with the standards required by CIGIE and applicable Attorney General's guidelines; OIG is scheduled for its next investigations peer review in FY 2026. OIG is scheduled to perform Tennessee Valley Authority OIG's peer review in the spring of 2024.

APPENDIX F:

INSPECTOR GENERAL ACT REPORTING REQUIREMENTS

Inspector General Act Citation	Requirement Definition	Page
5 U.S.C. Sec. 405(a)(1)	Significant Problems, Abuses, and Deficiencies	3-6
5 U.S.C. Sec. 405(a)(2)	Prior Recommendations for which Corrective Action has not been completed (including potential savings costs)	14-15; 17-25
5 U.S.C. Sec. 405(a)(3)	Summary of Significant Investigations Closed	8-12
5 U.S.C. Sec. 405(a)(4)	Identification of total number of convictions (resulting from investigations)	None
5 U.S.C. Sec. 405(a)(5)	Audit, Inspection and Evaluation Products Issued Including Total Dollar Values of Questioned Costs, Unsupported Costs, and Recommendations That Funds Be Put to Better Use	16
5 U.S.C. Sec. 405(a)(6)	Management Decisions made during the reporting period with respect to Audits, Inspections, and Evaluations from previous period	3-6
5 U.S.C. Sec. 405(a)(7)	Reporting in Accordance with Section 804(b) of the Federal Financial Management Improvement Act of 1996 Remediation Plan	None
5 U.S.C. Sec. 405(a)(8)	Results of Peer Review Conducted by Another IG; or Date of Last Peer Review If No Peer Review Conducted During Reporting Period	26
5 U.S.C. Sec. 405(a)(9)	List of Outstanding Recommendations from Peer Review Conducted by Another IG That Have Not Been Fully Implemented	None
5 U.S.C. Sec. 405(a)(10)	List of Peer Reviews of Another IG During the Reporting Period Including Outstanding Recommendations from Previous Peer Review That Remain Outstanding or Have Not Been Fully Implemented	None
5 U.S.C. Sec. 405(a)(11)(A) – (D)	Total Investigative Reports, Referred to the DOJ, Number of Persons Referred to State and Local Authorities, Total Indictments, etc. That Resulted from Prior Referral to Prosecuting Authorities	8
5 U.S.C. Sec. 405(a)(12)	Metrics Used for Developing Data for Statistical Tables	8
5 U.S.C. Sec. 405(a)(13)(A) – (B)	Senior Government Employee Substantiated Misconduct, Facts, Disposition	None
5 U.S.C. Sec. 405(a)(14)	Whistleblower Retaliation	None
5 U.S.C. Sec. 405(a)(15)(A) – (B)	Interfered with OIG Independence Through Withholding Budget or Causing Delay	None
5 U.S.C. Sec. 405(a)(16)(A) – (B)	Report or Investigation Involving a Senior Government Employee Closed but Not Disclosed to the Public	12

APPENDIX G: ABBREVIATIONS

ADA	Antideficiency Act
CGF	Credit Guarantee Facilities
CIGIE	Council of the Inspectors General on Integrity and Efficiency
ECA	Export Credit Agency
EIDL	Economic Injury Disaster Loans
EXIM	Export-Import Bank of the United States
FISMA	Federal Information Security Modernization Act of 2014
I&E	Inspection and Evaluation
IPA	Independent Public Accounting
MGAs	Master Guarantee Agreements
MOU	Memorandum of Understanding
OA	Office of Audits
OECD	Organization for Economic Cooperation and Development
OI	Office of Investigations
OIG	Office of Inspector General
OMB	Office of Management and Budget
OSRC	Office of Special Reviews and Communications
PEFCO	Private Export Funding Corporation
PIIA	Payment Integrity Information Act of 2019
PPP	Paycheck Protection Program
PRAC	Pandemic Response Accountability Committee
S&D	Suspension and Debarment
SBA	Small Business Administration
SBCL	Special Buyer Credit Limits
SSAs	Senior Special Agents
USAO	United States Attorney’s Office

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If you fear reprisal, contact EXIM OIG's Whistleblower Protection Coordinator at
oig.whistleblower@exim.gov

For additional resources and information about whistleblower protections and unlawful retaliation, please visit [the whistleblower's resource page](#) at [oversight.gov](https://www.oversight.gov).