



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



SEMIANNUAL
Report to Congress
October 1, 2022 to March 31, 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 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 October 31, 2022 to March 31, 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 five reports during this semiannual period that contained important findings and recommendations to safeguard taxpayer resources, strengthen internal controls, and improve EXIM’s ability to comply with its statutory mission. For example, OIG’s review of EXIM’s default rate management practices found that EXIM’s default rate calculation underestimates risk within the agency’s active portfolio and that EXIM lacked centralized data on the performance of some credits.

During this semiannual period, OIG continued to focus on investigating fraud related to EXIM transactions and transaction participants. OIG investigators also continued working with a task force overseen by CIGIE’s Pandemic Response Accountability Committee (PRAC) to investigate Coronavirus Aid, Relief, and Economic Security (CARES) Act fraud. During the reporting period, OIG revised and updated certain policies in keeping with current investigative trends and guidance. Foremost of these efforts, OIG publicly posted its policy to govern the use of Body Worn Cameras.

As Inspector General, I am committed to ensuring OIG oversight promotes positive change and reflects EXIM’s evolving mission. OIG for the first time published our assessment of EXIM’s major management challenges as a separate report in September 2022, which will inform OIG’s future oversight of EXIM programs and operations. I also directed the creation of a new component office within OIG that will be tasked with leading oversight of newly created programs like EXIM’s China and Transformational Exports Program and the Make More in America domestic financing initiative. In future semiannual reports, I look forward to sharing the results of oversight performed by this office—the Office of Special Review and Communications—on these and other issues on public and congressional concern. I am also pleased to report that the Office of Investigations passed its peer review during this semiannual period with no deficiencies and was found to be in full compliance with required standards.

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 mission.

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 October 31, 2022 to March 31, 2023, OA issued two reports and had three engagements in progress. Summaries of OIG’s completed and in-progress work are included below.

Reports Issued

Independent Audit on the Effectiveness of EXIM’s Information Security Program and Practices – Fiscal Year 2022

([OIG-AR-23-04](#), March 2, 2023)

Under a contract overseen by OA, an IPA firm performed an audit of EXIM’s Information Security Program for FY 2022. 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 2022 Inspector General (IG) FISMA Reporting Functions scored at a Level 4: Managed and Measurable. While deficiencies were identified, the IPA firm determined that EXIM implemented corrective actions to remediate deficiencies and related recommendations identified in prior FYs. The audit report contained recommendations to improve the effectiveness of EXIM’s information security program. EXIM management concurred with the recommendations.

Audit of the Export-Import Bank of the United States Fiscal Year 2022 Financial Statements

([OIG-AR-23-02](#), November 14, 2022)

Under a contract overseen by OA an IPA firm performed an audit to issue an opinion on the accuracy and completeness of EXIM’s financial statements for FY 2022 and found:

1. The financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;
2. There were no material weaknesses in internal control over financial reporting; and
3. There were no instances of reportable noncompliance with provisions of laws and regulations tested or other matters.

Ongoing Projects

Audit of EXIM’s Financial Statements for Fiscal Year 2023

An IPA firm, working under OA 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, in the semiannual period ending March 31, 2024.

Audit of EXIM's Compliance with the Payment Integrity Information of 2019 for FY 2022

The audit objective is to determine whether EXIM was in compliance with the reporting requirements of PIIA in the payment integrity section of the FY 2022 Annual Management Report and accompanying materials. In addition, the audit will assess the accuracy and completeness of EXIM's improper payment reporting and efforts to prevent and reduce improper payments. The report will be issued in the semiannual reporting period ending September 30, 2023.

Audit of EXIM's Domestic and International Non-Sponsored Travel

The audit objective is to determine whether EXIM implemented effective control over agency domestic and international non-sponsored travel. Specifically, we will determine (1) the effectiveness of the approving and billing of travel expenditures, and (2) whether the agency had effective policies and procedures in place for non-sponsored travel. The audit will cover the period October 1, 2021, to October 31, 2022. The report will be issued in the semiannual reporting period ending September 30, 2023.

Audit of EXIM's Human Capital Function

The Office of Inspector General (OIG) commenced an audit of the Export-Import Bank of the United States' (EXIM) human capital function. The audit objective is to assess the effectiveness and efficiency of EXIM's human capital function. The engagement is currently paused due to personnel constraints.

Office of Special Reviews and Communications

The Office of Special Reviews and Communications (OSRC) is a multi-disciplinary office that conducts inspections, evaluations, and special reviews or other projects of EXIM programs, operations, or other activities based on interests or requests from the Inspector General, or other sources, such as the OIG Hotline, Congress, the EXIM Chair, or the media. OIG inspections and evaluations are performed in accordance with the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). 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, to include senior agency officials. Consistent with the practices of other OIGs, these special reviews or projects comply with the CIGIE *Quality Standards for Federal Offices of Inspector General*.

In addition, the office serves as OIG’s liaison to congressional staff and conducts outreach to develop and maintain relationships with various external stakeholders, officials—to include foreign officials, and others. Furthermore, the office performs OIG’s public affairs and media relations function.

From October 1, 2022, to March 31, 2023, OSRC issued three reports and had two engagements in progress. Summaries of OIG’s completed, and in-progress work are included below.

Reports Issued

Management Advisory: Regional Office Concerns Identified ***([OIG-O-23-01](#), February 27, 2023)***

OIG issued an advisory to EXIM management regarding concerns identified during OIG’s meetings with EXIM employees within the regional offices. From September through December 2022, OIG conducted regional office meetings to increase employees’ awareness of OIG’s role and obtain feedback on the role of the regional offices with respect to EXIM’s programs and operations. In addition, OIG met with five EXIM delegated lenders. During OIG’s meetings with EXIM regional office staff, employees identified concerns related to the strategic management of EXIM’s regional offices as well as the agency’s human capital management and travel functions. Specifically, regional office employees told OIG that:

- EXIM lacked strategic outlook or vision regarding its regional offices, including their geographic placement;
- EXIM’s human capital initiatives commenced by EXIM’s Office of Human Capital went unimplemented and the agency left numerous regional office positions unfilled;
- EXIM’s succession planning, transparency, and professional growth were lacking, and the agency’s onboarding process for new regional office employees was ineffective;
- Regional and Headquarters employees often incurred travel expenses to attend conferences and meetings when local regional office employees could attend at little to no expense;

- Domestic and international travel by EXIM employees often lacked sufficient justification to support the need for the employees’ travel, and EXIM’s recently adopted trip request form process increased the agency’s overall travel expenses; and
- Regional office employees did not receive timely approvals to perform required travel, resulting in last-minute bookings, which increased travel costs.

The Management Advisory did not include any recommendations. Rather, OIG advised EXIM management to consider taking appropriate corrective actions to address employees’ concerns; and that OIG will include any specific recommendations, if necessary, as part of OIG’s ongoing audits of the agency’s human capital management and travel functions. EXIM management acknowledged it would follow-up on the issues raised and consider appropriate corrective actions.

Evaluation of EXIM’s Portfolio Risk Management Procedures and CRO Responsibilities
(OIG-EV-23-03, December 2, 2022)

Under a contract overseen by OIG, an independent consulting firm conducted an evaluation of EXIM’s portfolio risk management (PRM) procedures and Chief Risk Officer (CRO) responsibilities. OIG is statutorily mandated to perform this evaluation every three years, as required by the Export-Import Bank Reform and Reauthorization Act of 2015. The objectives of this evaluation were to (1) evaluate and provide an update on the status of EXIM’s PRM procedures and implementation of the duties assigned to the CRO, and (2) to assess the effectiveness of EXIM’s controls and procedures for monitoring and managing risks within its portfolio.

The evaluation determined that EXIM strengthened its risk management, internal control processes, and Enterprise Risk Management (ERM) framework since the 2019 review. EXIM adopted several new policies and implemented enhanced ERM processes, as well as more clearly delineated the roles and responsibilities of risk management for staff. Although the evaluation determined that these high-level changes improved EXIM’s risk management architecture, framework, and communication within the organization, there were five recommendations made to improve EXIM’s PRM procedures and internal controls:

1. Assess the underwriting process to evaluate whether an independent review or other controls would be appropriate to ensure independence of the risk management function from underwriting for transactions that exceed the threshold for delegated authority. Based upon that cost-benefit assessment, EXIM should take the necessary steps to improve the independence in its risk management function over its underwriting.
2. Complete development of and implement its ERM training policy, including training to EXIM’s Enterprise Risk Committee members.
3. Strengthen EXIM’s internal controls review program by expanding it to apply to all operational processes. Once the internal controls review program is developed, EXIM

should communicate it to all business units for awareness and implement it agency-wide.

4. Determine whether EXIM can incorporate information for root cause events and intermediate events to measure and monitor as key risk indicators (KRIs).
5. Update its KRIs so that they are forward-looking and measurable through specific metrics and determine specific thresholds for KRIs above which EXIM would assess the need for further analysis of action.

EXIM management concurred with the recommendations.

Review of EXIM’s Default Rate Management Practices

(OIG-EV-23-01, October 14, 2022)

OIG conducted a review of EXIM’s default rate management practice with the objectives to: (1) determine whether EXIM was calculating the default rate in accordance with applicable statutory requirements; (2) describe the actions EXIM takes to manage the default rate; and (3) assess how EXIM’s default rate impacts the agency’s ability to execute its mission. OIG’s review determined that EXIM calculated and reported its default rate in accordance with statutory requirements; however, the review also found that EXIM’s default rate calculation underestimates risk within the agency’s active portfolio and EXIM lacked centralized data on the performance of some credits, which impeded EXIM’s ability to provide timely and accurate data on non-performing credits. OIG identified differences in how EXIM defined default based on transaction type, however its methodology for calculating the default rate was consistent with Office of Management and Budget guidance.

OIG issued three recommendations to improve EXIM’s risk management practices and better communicate the methodology for calculating the default rate:

1. Identify suitable aggregate measure(s) of portfolio risk to inform organizational decision-making.
2. Ensure EXIM has timely, accurate, and centralized information on all non-performing credits.
3. Revise the descriptions in EXIM’s default rate report to more clearly describe the methodology used to calculate the default rate in cases where management decisions are required to determine the treatment of specific credits.

EXIM management concurred with these recommendations.

Ongoing Projects

Evaluation Analyzing United States and Members of Organization of Economic Cooperation and Development Arrangement of Export Credit Agencies

An independent consulting firm, working under OIG’s oversight, is conducting an evaluation analyzing the U.S. and Members of the Organization of Economic Cooperation and Development (OECD) Arrangement export credit agencies (ECAs). The purpose of this evaluation is to provide an independent assessment of EXIM’s practices and product offerings

relative to other OECD Arrangement ECAs. The report will be issued in the semiannual period ending September 30, 2023.

Evaluation of Private Export Funding Corporation (PEFCO)

An independent consulting firm, working under OIG’s oversight, is conducting an evaluation of EXIM’s relationship with the Private Export Funding Corporation (PEFCO). The objective of the evaluation is 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 report will be issued in the semiannual period ending September 30, 2023.

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. The 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 in support of investigations.

Summary of Investigations

OIG evaluates all reports of possible fraud or illegality affecting EXIM programs and activities. Such reports are received from a variety of sources including agency employees, participants in EXIM transactions, other government agencies, and the EXIM OIG Hotline. Reviews that identify reasonable indications of fraud or illegality result in an investigation. These investigations are summarized in the tables below.

Activity	Investigations
Open as of October 1, 2022	26
Opened during period	6
Closed during period	2
Open as of March 31, 2023	30

Of the 30 current open investigations, the following table depicts the category of EXIM program affected by the investigation based on the allegations received:

Program	Number of Investigations
Export Credit Insurance	9
Loan Guarantee	4
Working Capital	4
Letter of Interest	1
Employee Integrity	0
Other (e.g., proactive investigations)	12

In November 2021 and November 2022, EXIM OIG and the Pandemic Oversight and Accountability Committee (PRAC) entered into a memorandum of understanding that conferred authority to investigate pandemic-related fraud to EXIM OIG. OIG agents are assigned PRAC cases while continuing to work their existing EXIM OIG caseload. This initiative allows EXIM OIG to make a broader contribution to the OIG community by assisting with investigations that might otherwise remain unstaffed. OIG agents are currently investigating 4 PRAC cases in addition to their EXIM OIG caseload.

Investigative Results

OIG undertook the following investigative actions during this reporting period:

Description	OIG	Joint Activities*	Total
Matters Referred for Prosecution Consideration	1	1	2
Matters Referred for State and Local Consideration	0	0	0
Criminal Indictments, Informations, Complaints	0	0	0
Guilty Pleas Entered	0	0	0
Criminal Judgments	0	0	0
Civil Actions	0	0	0
Civil Recoveries	\$205,000	0	\$205,000
Prison Time (months)	0	0	0
Probation (months)	0	0	0
Court Ordered Fines, Assessments, Restitutions, and Forfeitures	0	0	0
Administrative Actions**	0	0	0
Administrative Employee Actions***	0	0	0
Administrative Cost Savings and Repayments	0	0	0
Suspensions and Debarments	0	0	0

* Joint investigations with other law enforcement agencies.

** Administrative actions are responses by EXIM to stop transactions, cancel policies, or protect funds at risk based on investigative findings.

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

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 "CMTS". CMTS is a Structured Query Language (SQL) database used by OI 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 is able to 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: Hotlines, Complaints, Subpoenas, and Investigations.

Investigations

During the reporting period, successful investigative efforts involving EXIM programs include:

Civil Settlement in Ongoing EXIM OIG Investigation

On January 30, 2023, a Civil Settlement was reached between a subject company and the United States of America for an amount of \$205,000. The case is currently open and involves fraudulent shipments to foreign buyers funded by a defaulted EXIM-guaranteed loan resulting in a claim previously paid by EXIM. A previous Civil Settlement was reached between another defendant for an amount of \$100,000. This case remains open pending additional settlement agreements with foreign borrowers which are being pursued by the United States Department of Justice Civil Division through local counsel.

Other Investigative Results

During this SARC period, AmeriCorps OIG also conducted and completed a Qualitative Assessment Review (QAR) of EXIM-OIG OI’s investigative operations. On February 22, 2023, AmeriCorps OIG issued its final report rating EXIM-OIG OI as compliant with the standards required by CIGIE and applicable Attorney General’s guidelines. The QAR noted no deficiencies. AmeriCorps OIG also identified two “Best Practices” or notable positive investigative operations attributes, namely OI’s timeliness and documentation of FBI notifications and its enhanced due diligence referral process for allegations outside the purview of an OI investigation.

Lastly, during this period OI also revised and updated certain OI policies in keeping with current investigative trends and guidance. Foremost of these efforts, OI publicly posted its policy to govern the use of Body Worn Cameras (BWC), which is in compliance with Executive Order 14074- Advancing Effective, Accountable Policing and Criminal Justice Practices To Enhance Public Trust and Public Safety.

Intra and Inter-Agency Cooperation

To the extent permissible, OI special agents work collaboratively to share investigative information with EXIM’s Office of General Counsel (OGC), Office of Risk Management, and Asset Management Division to help identify potential and suspected fraudulent activity within EXIM transactions and to protect taxpayer resources. When possible, OI also shares information with EXIM through OGC concerning potential wrongdoing by entities which have applied for or held EXIM financial products. During the current reporting period, OI made six such referrals to OGC for enhanced due diligence by EXIM. These referrals did not involve ongoing OIG criminal investigations. Additionally, OI participates in the Export Enforcement Coordination Center (E2C2), a multi-agency center with representation from eight U.S. Government departments and 15 federal agencies, which was established to coordinate and enhance criminal, administrative, and other export enforcement activities. E2C2 promotes inter-agency coordination and collaboration while minimizing the duplication of efforts by deconflicting targets of investigations. OI investigative analysts responded to over 700 deconfliction requests from the various E2C2 entities during this reporting period.

EXIM’s suspension and debarment program serves as a critical tool to prevent fraud, waste, and abuse, and to protect the federal government. During this reporting period, OI continued to coordinate with EXIM’s Suspension and Debarment officials in furtherance of suspending and debarring additional investigative subjects and entities.

OI staff also joined Homeland Security Investigations (HSI) as a Task Force Officer, during this SARC period, which involved training and familiarization with HSI divisions, regulations, and Title 19 Customs Law. Historically, OI agents have successfully investigated cases jointly with HSI agents. The purpose of this effort is to facilitate further collaboration and information sharing on cases that have a nexus to both EXIM and HSI while also serving as a force multiplier for complex cases that span multiple agencies/jurisdictions.

Lastly, OI staff also participated this period in the CIGIE Top Management and Performance Challenges workgroup. The goal of the workgroup is the issuance of a Government-Wide report based on the identification and discussion of challenges faced by federal agencies. These challenges involve managerial aspects of information technology security, human capital,

finance, procurement, grants, performance and accountability, and facilities and security. This is the third time this CIGIE workgroup has been formed with the most recent report issued in 2021.

Hotline Activity

EXIM OIG maintains a hotline to receive reports of fraud, waste, and abuse in EXIM programs and operations. 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.

EXIM OIG received nine hotline reports during this semiannual reporting period. Seven were resolved and closed by the hotline operator, and two were referred to another EXIM OIG component.

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 EXIM OIG Hotline, Office of Inspector General, 811 Vermont Avenue, NW, Room 1052-1, Washington DC 20571.

EXIM 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 that 15 recommendations from 4 reports issued up to September 30, 2022, remain open at the end of this reporting period. Twelve open recommendations are from a report issued in FY 2022. The remaining 13 open recommendations are from reports issued in FY 2017. 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 (04/01/2022 – 09/30/2022)						
Audits						
OIG-AR-22-05 28 Jun 2022	Independent Auditors' Report on EXIM's Compliance with the Payment Integrity Information Act of 2019 for FY 2021	4	4	0	0	09/30/2023
OIG-AR-22-06 30 Sep 2022	Audit of EXIM's Contracting Process for Awarding Task Orders Under OASIS SB	7	1	6	0	09/28/2023
OIG-AR-22-07 30 Sep 2022	Audit of EXIM's Approach to Determining Additionality	3	3	0	0	09/28/2023
OIG-AR-22-08 30 Sep 2022	Audit of EXIM's Implementation of Key Provisions of the 2019 Reauthorization Act and Other Priorities	1	1	0	0	09/28/2023
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	12	0	0	09/30/2023
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	09/30/2023
OIG-EV-17-03 30 Mar 2017	Report on EXIM Bank's CGF Program	5	1	4	0	09/30/2023
Total		40	23	17	0	

APPENDIX B

Audit, Inspection, Evaluation and/or Reviews Issued from October 1, 2022 – March 31, 2023

	Report No./Date	Report Title	Management Decisions Reached on Recommendation	Total Questioned Cost	Unsupported Cost	Funds for Better Use	Disallowed Cost
1	OIG-EV-23-01 14 Oct 2022	Review of EXIM's Default Rate Management Practices	3/3	\$0	\$0	\$0	\$0
2	OIG-AR-23-02 14 Nov 2022	Audit of the Export-Import Bank of the United States' Fiscal Year 2022 Financial Statements	0/0	\$0	\$0	\$0	\$0
3	OIG-EV-23-03 2 Dec 2022	Evaluation of EXIM's Portfolio Risk Management Procedures and CRO Responsibilities	5/5	\$0	\$0	\$0	\$0
4	OIG-O-23-01 27 Feb 2023	Management Advisory: Regional Office Concerns Identified	0/0	\$0	\$0	\$0	\$0
5	OIG-AR-23-04 2 March 2023	Independent Audit on the Effectiveness of EXIM's Information Security Program and Practices – Fiscal Year 2022 (FISMA)	7/7	\$0	\$0	\$0	\$0
Total				\$0	\$0	\$0	\$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 March 31, 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: September 30, 2023.

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: September 30, 2023.

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	03/31/2023	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	09/30/2023	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.					
Independent Auditors' Report on EXIM's DATA Act Submission (OIG-AR-22-01, November 8, 2021)					
1	Open	09/30/2023	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					

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
<p>address the risks and include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.</p> <p>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.</p>					
<p>2</p> <p>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.</p>	Open	09/30/2023	Agree	\$0	\$0
<p>3</p> <p>Review EXIM’s policies and procedures that address timeliness 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.</p>	Open	09/30/2023	Agree	\$0	\$0
<p>4</p> <p>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.</p>	Open	09/30/2023	Agree	\$0	\$0
<p>5</p> <p>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</p>	Open	09/30/2023	Agree	\$0	\$0
<p>6</p>					

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
7 Act Standards, and that EXIM seek clarification from OMB and Treasury, if necessary, in order to ensure appropriate interpretation of the Data Act Standards. 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	09/30/2023	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	09/30/2023	Agree	\$0	\$0
9 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.	Open	09/30/2023	Agree	\$0	\$0
10 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).	Open	09/30/2023	Agree	\$0	\$0
11 Design and implement a reconciliation mapping process that includes all GL accounts that comprise each File-A data element and use it consistently for each reconciliation.	Open	09/30/2023	Agree	\$0	\$0
12 Ensure that it fully documents the nature, cause, and resolution of variances that exist in the reconciliations.	Open	09/30/2023	Agree	\$0	\$0

Independent Auditors’ Report on EXIM’s Compliance with the Payment Integrity Information Act of 2019 for FY 2021 (OIG-AR-22-05, June 28, 2022)

	Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
1	Update its policy and procedures to ensure that they are consistently following the most recent improper payment guidance and requirements particularly as they relate to the OMB Data Call requirements and reporting in the accompanying materials to the annual financial statements.	Open	06/28/2023	Agree	\$0	\$0
2	Ensure the annual review adequately addresses each program or activity that may be susceptible to significant improper payments. For example, this would include correcting the FY 2021 risk assessment to address payments to employees that are assessed as part of cash control disbursements.	Open	06/28/2023	Agree	\$0	\$0
3	Update the annual review policy and procedures to implement a structured and systematic approach that recognizes the potential for improper and unknown payments as well as a process to ensure adequate management oversight and review. The policy and procedures should also include a process to revise the risk assessment for compliance with the most recent improper payments requirements.	Open	06/28/2023	Agree	\$0	\$0
4	Develop and implement a formalized training plan for agency staff to ensure a thorough understanding of the requisite guidance and requirements.	Open	06/28/2023	Agree	\$0	\$0
Audit of EXIM's Contracting Process for Awarding Task Orders Under OASIS SB (OIG-AR-22-06, September 30, 2022)						
1	Review the two task orders and determine whether they should be terminated and rebid to comply with the order requirements for multiple-award, indefinite delivery/indefinite quantity contracts.	Open	09/28/2023	Agree	\$4.1MM	\$0
Audit of EXIM's Approach for Determining Additionality (OIG-AR-22-07, September 30, 2022)						
1	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; and b) establish a reason code for additionality for applications	Open	09/28/2023	Agree	\$0	\$0

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
denied or withdrawn due to additionality requirements. EXIM should include this information in EXIM's Annual Additionality Report.					
2 Establish a formal policy assigning independent oversight responsibility for additionality determinations. Ensure that all transactions and supporting evidence are reviewed for consistent application of additionality policies and procedures.	Open	09/28/2023	Agree	\$0	\$0
3 Conduct refresher training or briefing with loan officers on revised additionality procedures and requirements.	Open	09/28/2023	Agree	\$0	\$0
Audit of EXIM's Implementation of Key Provisions of the 2019 Reauthorization Act and Other Priorities (OIG-AR-22-08, September 30, 2022)					
1 Develop a plan to increase transactions in support of congressional-directed target allocations.	Open	09/28/2023	Agree	\$0	\$0
Review of EXIM's Default Rate Management Practices (OIG-EV-23-01, 14 Oct 2022)					
1 Identify suitable aggregate measure(s) of portfolio risk to inform organizational decision-making	Open	10/14/2023	Agree	\$0	\$0
2 Ensure EXIM has timely, accurate, and centralized information on all nonperforming credits	Open	10/14/2023	Agree	\$0	\$0
Evaluation of EXIM's Portfolio Risk Management Procedures and CRO Responsibilities (OIG-EV-23-03, December 2, 2022)					
1 Assess the underwriting process to evaluate whether an independent review or other controls would be appropriate to ensure independence of the risk management function from underwriting for transactions that exceed the threshold for delegated authority. Based upon that assessment, EXIM should take the necessary steps to improve the independence in its risk management function over its underwriting.	Open	12/2/2023	Agree	\$0	\$0
2 Complete development of and implement its enterprise risk management (ERM) training policy, including training to EXIM's enterprise risk committee (ERC) members.	Open	12/2/2023	Agree	\$0	\$0
3 Strengthen EXIM's internal controls review program by expanding it to apply to all operational processes. Once the internal controls review program is	Open	12/2/2023	Agree	\$0	\$0

Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
4 developed, EXIM should communicate it to all business units for awareness and implement it agency-wide. Determine whether EXIM can incorporate information for root cause events and intermediate events to measure and monitor as key risk indicators (KRIs). Update its KRIs so that they are forward-looking and measurable through specific metrics and	Open	12/2/2023	Agree	\$0	\$0
5 determine specific thresholds for KRIs above which EXIM would assess the need for further analysis or action.	Open	12/2/2023	Agree	\$0	\$0

Independent Audit on the Effectiveness of EXIM's Information Security Program and Practices – Fiscal Year 2022
OIG-AR-23-04, March 2, 2023)

1 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.	Open	3/2/2024	Agree	\$0	\$0
2 Implement and test controls within the newly implemented GRC system.	Open	3/2/2024	Agree	\$0	\$0
3 Recommendation redacted per exemptions (b)(4) and (b)(7)(E) of the Freedom of Information Act.	Open	3/2/2024	Agree	\$0	\$0
4 Recommendation redacted per exemptions (b)(4) and (b)(7)(E) of the Freedom of Information Act.	Open	3/2/2024	Agree	\$0	\$0
5 Recommendation redacted per exemptions (b)(4) and (b)(7)(E) of the Freedom of Information Act.	Open	3/2/2024	Agree	\$0	\$0
6 Recommendation redacted per exemptions (b)(4) and (b)(7)(E) of the Freedom of Information Act.	Open	3/2/2024	Agree	\$0	\$0
7 Recommendation redacted per exemptions (b)(4) and (b)(7)(E) of the Freedom of Information Act.	Open	3/2/2024	Agree	\$0	\$0
Total				\$4.1MM	\$0

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.

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 (Blue Book).

Office of Investigations

On February 22, 2023, the AmeriCorps OIG issued its final [report](#) on the system of quality control for the EXIM Bank OIG’s investigation function. The AmeriCorps OIG issued a rating of compliant with the standards required by CIGIE and applicable Attorney General’s guidelines.

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	3-8
5 U.S.C. Sec. 405(a)(2)	Prior Audit Recommendations for which Corrective Action has not been completed (including potential savings costs)	16-21
5 U.S.C. Sec. 405(a)(3)	Summary of Significant Investigations Closed	None
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	14
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	3-8
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	21
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	10
5 U.S.C. Sec. 405(a)(12)	Metrics Used for Developing Data for Statistical Tables	10
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 Closed but Not Disclosed to the Public	None

HOW TO REPORT FRAUD, WASTE, AND ABUSE

The Inspector General Act of 1978, as amended (5 U.S.C. §§ 401-424), empowers the Inspector General (IG) to receive and investigate complaints or information concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety. Whether reporting allegations via telephone, mail, or in person, EXIM OIG will not disclose the identity of persons making a report without their consent unless the IG determines such disclosure is unavoidable during the investigation. You may submit your complaint or information by these methods:

In person

Office of Inspector General
Export-Import Bank of the U.S.
811 Vermont Avenue, NW
Washington, D.C. 20571

Telephone

1- 888-OIG-EXIM
(1-888-644-3946)

Mail

Office of Inspector General Hotline
Export-Import Bank of the U.S.
811 Vermont Avenue, NW
Washington, D.C. 20571

E-mail

IGHotline@exim.gov

For information about EXIM OIG's Whistleblower Protection Coordinator, you may contact 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).

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