



FISCAL YEAR 2025

Major Management Challenges



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

FISCAL YEAR 2025 MAJOR MANAGEMENT CHALLENGES

The Office of Inspector General (OIG) for the Export-Import Bank of the United States (EXIM) identifies the major management and performance challenges facing EXIM each year. This report provides Congress, EXIM's leaders, and the American taxpayers with OIG's independent assessment of the most significant challenges facing the agency in fiscal year (FY) 2025. As reflected in OIG's annual workplan,¹ OIG uses the challenges identified in this report to inform our discretionary oversight of EXIM's programs and operations.

Although the Reports Consolidation Act of 2000² requires that OIG identify EXIM's management challenges, OIG notes that these challenges also present opportunities for improvement—particularly with the recent arrival of EXIM's Presidentially appointed, Senate-confirmed President and Chairman. As described below, OIG is updating the challenges that OIG identified in FY 2024 to reflect OIG's FY 2025 published reports. OIG stands ready to partner with EXIM's incoming leadership to address these challenges and hopes this report will serve as a useful framework for improving EXIM in FY 2026 and beyond.

EXIM's Management Challenges Remain Unchanged

OIG determined that the four top management challenges OIG identified in FY 2024³ remain EXIM's top management challenges in FY 2025. OIG bases its identification of EXIM's top management challenges on OIG's published reports as well as interviews with EXIM's senior leadership. The U.S. Senate only recently—on September 18, 2025—confirmed Mr. John Jovanovic to serve at EXIM's President and Chairman. At the time of this report, EXIM was still in the process of filling key senior leadership vacancies. Accordingly, OIG was unable to conduct interviews with the agency's senior leadership to inform the development of this report. OIG intends to resume the practice of soliciting such inputs from EXIM's senior leadership in FY 2026.

OIG previously identified managing agency operations, improving organizational culture, advancing U.S. economic and strategic interests, and addressing portfolio risk as EXIM's top management challenges. OIG's published reports during FY 2025 demonstrate the continued relevance of these themes. Moreover, the new administration's efforts to improve the efficiency of government and use of EXIM's lending programs to advance U.S. national and economic security objectives underscore the continued relevance of these challenges.

At the time of this report's publication, ongoing transitions at EXIM and a lack of data from the Office of Personnel Management on employee morale limited OIG's ability to assess the agency's progress in addressing some of its management challenges. As previously noted,

¹ OIG, *Fiscal Year 2026 Oversight Work Plan* (OIG-O-25-09, September 30, 2025).

² The Reports Consolidation Act of 2000 requires inspectors general to summarize the most serious management and performance challenges facing their respective agencies. [Pub L. No. 106-531, 114 Stat. 2537](#) (November 2000).

³ OIG, *Fiscal Year 2024 Major Management Challenges* (OIG-O-24-12, September 2024).

EXIM's Chairman was only recently confirmed and the agency's full leadership team had not yet onboarded. Accordingly, OIG believes it would be premature to assess progress in managing the agency's day-to-day operations. Similarly, OIG previously identified challenges related to employee morale and organizational culture. The Office of Personnel Management deferred its administration of the annual Federal Employee Viewpoint Survey (FEVS) in FY 2025 to ensure its alignment with the new administration's objectives. FEVS data previously formed the basis for OIG's challenge related to employee morale. As a result, OIG is not able to fully assess the current state of EXIM's organizational culture.

OIG is reissuing the previous top management challenges along with a brief discussion of relevant changes since FY 2024. This report should be read in conjunction with OIG's *FY 2024 Major Management Challenges* report.⁴ OIG intends to fully reassess EXIM's major management challenges in FY 2026.

Managing Agency Operations

OIG previously identified the management of EXIM's operations as a top challenge for the organization. Included in this challenge were concerns about the day-to-day leadership of the organization, vacancies in key positions, and the need to strengthen the agency's internal controls. Despite these challenges, the agency's reduced workforce sustained EXIM's operations and, as described below, was on track to increase the total value of approved authorizations in FY 2025.

OIG continued to observe vacancies in key EXIM positions in FY 2025. EXIM also lost employees as a result of the Deferred Resignation Program⁵ and related government-wide efforts to reshape the federal workforce. For example, OIG found in a recent evaluation that more than half of the authorized positions in EXIM's Engineering and Environment Division were vacant, impacting EXIM's ability to conduct required technical reviews of transactions.⁶ EXIM officials told OIG the agency was working to hire for mission critical functions, including by seeking waivers to the government-wide hiring freeze.⁷ In early September, EXIM received a waiver from the Office of Personnel Management to hire 30 mission-critical positions, including engineers in EXIM's Engineering and Environment Division.

During FY 2025, OIG observed some improvements in EXIM's implementation of internal controls. For example, OIG's audits of EXIM's information security program and compliance

⁴ *Ibid.*

⁵ The Deferred Resignation Program is a voluntary federal program designed by the Office of Personnel Management to reduce the federal civilian workforce. The program allows employees who opt into the program to receive a period of paid administrative leave prior to resigning or retiring.

⁶ OIG, *Evaluation of EXIM's Environmental Effects Consideration* (OIG-EV-25-01, September 29, 2025).

⁷ A freeze on hiring for civilian positions across the executive branch (i.e., a hiring freeze) began on January 20, 2025. The hiring freeze has continued throughout 2025, and most recently was extended until October 15, 2025.

with the Payment Integrity Information Act contained no findings.⁸ However, OIG identified shortcomings related to approximately \$56,000 in improper locality payments made to EXIM employees and the insufficient protection of personally identifiable information stored on agency IT systems.⁹

Improving Organizational Culture

OIG first identified EXIM's organizational culture as a top management challenge in FY 2023. OIG previously reported that EXIM experienced a significant decline in employee morale since 2021, as evidenced by EXIM's performance relative to peer organizations in the annual FEVS survey. In FY 2024, OIG found that these morale issues extended to the agency's senior leadership team. As previously noted, it would be premature to assess the state of EXIM's organizational culture because EXIM's President and Chairman was just recently confirmed and due to the lack of updated agency FEVS results.

Advancing U.S. Economic and Strategic Interests

OIG previously reported that EXIM faced significant competition from foreign export credit agencies (ECA) and struggled to modernize its business practices. EXIM's most recent competitiveness report concludes that the agency's policies and practices have not kept pace with those of its competitors, rendering EXIM the "ECA of last resort."¹⁰ Similarly, EXIM's annual report shows that EXIM's total authorizations declined from \$8.77 billion in FY 2023 to \$8.39 billion in FY 2024.¹¹ Although authorizations supporting EXIM's sub-Saharan Africa, environmentally beneficial, and China and transformational exports mandates increased during the same period, authorizations supporting U.S. small businesses declined from \$2.02 billion to \$1.66 billion between FY 2023 and FY 2024. Although actual performance will not be reported until early FY 2026, EXIM estimated that it would authorize \$10.3 billion in total authorizations FY 2025—a 17.4 percent increase (\$1.53 billion) over FY 2024 levels.¹²

Addressing Portfolio Risk

OIG previously identified challenges associated with EXIM's management of default and transaction risks. OIG oversight in FY 2025 underscores that risk management remains a challenge for the agency. Specifically, OIG found that EXIM had policies and procedures for

⁸ OIG, *Independent Audit on the Effectiveness of EXIM's Information Security Program and Practices Report for Fiscal Year 2025* (OIG-AR-25-04, August 22, 2025) and OIG, *Audit of EXIM's Fiscal Year 2024 Compliance with the Payment Integrity Information Act of 2019* (OIG-AR-25-03, May 27, 2025).

⁹ OIG, *Management Alert: Agency Employees May Have Received Improper Locality Payments* (OIG-O-25-03, January 8, 2025) and OIG, *Management Alert: EXIM Did Not Appropriately Safeguard Personally Identifiable Information* (OIG-O-25-02, January 2, 2025).

¹⁰ Export-Import Bank of the United States, [Report to the U.S. Congress on Global Export Credit Competition](#) (June 2025).

¹¹ Export-Import Bank of the United States, [Honoring Legacy, Charting Tomorrow: 2024 Annual Report](#).

¹² Export-Import Bank of the United States, [FY 2026 Congressional Budget Justification](#).

conducting annual risk reviews of its portfolio. However, OIG's work found that EXIM did not document impairment assessments for the associated collateral of commercial aircraft transactions, increasing the risk that EXIM may not recover the estimated value of the collateral in the event of a default.¹³ Similarly, a recent OIG audit of EXIM's direct loan program identified \$10.9 million in question costs due to EXIM not sharing exposure fee¹⁴ reductions proportionally with foreign ECAs.¹⁵ As a result, EXIM received less compensation for its share of the risk of non-payment for the \$907.46 million the transaction.

¹³ OIG, *Review of Stranded Assets Risk to EXIM's Portfolio* (OIG-SR-25-03, September 30, 2025).

¹⁴ An exposure fee is the percentage of the loan, loan guarantee, or insurance policy that EXIM charges to cover the risk of nonpayment.

¹⁵ OIG, *Audit of EXIM's Direct Loan Program* (OIG-AR-25-05, September 23, 2025).

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