



U.S. International Development Finance Corporation Office of Inspector General

MEDIA RELEASE

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DFC OIG issues a letter identifying four critical issues the DFC CEO should consider

WASHINGTON –U.S. International Development Finance Corporation, Office of Inspector General (DFC OIG) sent a letter to the DFC Chief Executive Officer (CEO) identifying four critical issues the DFC CEO should consider as he leads DFC. The letter, [DFC OIG Letter to DFC CEO](#) was issued on March 21, 2022 and has recently been shared with the public. The four critical issues include the following.

- (1) **Improving Monitoring and Evaluation of Development Impact.** Because prior audits have identified weaknesses resulting in fraud and compliance issues, DFC must find a reliable way to verify projects are meeting development impact goals as they progress. To find and implement best practices, DFC should evaluate prior Overseas Private Investment Corporation (OPIC) site monitoring processes.
- (2) **Managing Organizational Transition.** The most important asset of any organization is its people and the transition to DFC from OPIC and USAID’s Office of Development Credit Authority has introduced management challenges such as low employee morale. Strong leadership is needed to blend the agencies into the DFC and create its own culture to ensure it successfully achieves its goals.
- (3) **Meeting Heightened Expectations of Congress and Stakeholders.** DFC will need to demonstrate it has achieved, or at least made significant progress toward addressing heightened expectations. One issue raised by stakeholders and members of Congress is the lapse in time between when DFC publicly announces investment decisions and when funds are dispersed. DFC leadership should educate stakeholders and Congress on its decision-making process, and clearly communicate information about its investment decisions to set expectations especially when delays are beyond its control.
- (4) **Implementing the BUILD Act.** DFC’s seven-year authorization expires in September 2025, making the next three years critical. Some of the most pressing issues DFC faces in implementing the BUILD Act include understanding the challenges and reducing the risk in lower-income and lower-middle income country development projects and strengthening collaboration with agencies such as USAID, Department of State, and the Millennium Challenge Corporation, other development finance institutions, and banks.

- (5) DFC OIG is currently conducting an audit assessing DFC’s implementation of the BUILD Act and expects to provide DFC management, Board of Directors, and Congress the audit results later this summer.

*“The OIG remains committed to open, cooperative, and productive communication with DFC while also providing independent, effective and timely reviews of DFC’s operations and programs,” said **Inspector General Anthony “Tony” Zakel**. “This letter is one of the many ways we plan to keep the lines of communication open.”*

Additional OIG publications, reports, and information about the agency can be found on the website, <https://www.dfc.gov/oig>.

To report fraud, waste, abuse, or mismanagement of DFC programs and operations or DFC employee or contractor misconduct, please contact the DFC OIG Hotline toll free at 1-833-OIG-4DFC or online at [DFC OIG Hotline](#).

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About DFC OIG

The U.S. International Development Finance Corporation, Office of Inspector General (DFC OIG) was created by the same legislation that created DFC, the Better Utilization of Investments Leading to Development Act of 2018 (BUILD Act). DFC OIG derives its authority from the Inspector General Act of 1978, as amended, and provides independent oversight of DFC by conducting and supervising audits and investigations of its investments, projects, systems, employees, and contractors. DFC OIG is also mandated to provide policy guidance on DFC programs and operations. Please send inquiries to contactdfcoig@dfc.gov.