

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

DEFENDANT BATTLE'S MOTION TO DISMISS

Defendant Jasmine Battle respectfully moves to dismiss all claims the Amended Complaint pursuant to Federal Rules of Procedure 12(b)(2) and 12(b)(6). The grounds for Defendant Battle's motion are set out in the attached memorandum of law. A proposed order also accompanies this motion.

Dated: March 30, 2006

Respectfully submitted,

/s/ Sean W. O'Donnell

Sean O'Donnell (D.C. Bar No. 90040392)

Michael Bekesa (D.C. Bar No. 995749)

JUDICIAL WATCH, INC.

425 Third Street SW, Suite 800

Washington, DC 20024

Tel: (202) 646-5180

Email: SODonnell@JudicialWatch.org

Counsels for Defendant Jasmine Battle

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

**MEMORANDUM OF POINTS AND AUTHORITIES
IN SUPPORT OF DEFENDANT BATTLE'S MOTION TO DISMISS**

TABLE OF CONTENTS

INTRODUCTION 1

BACKGROUND 2

I. MISMANAGEMENT AND CORRUPTION AFFLICTED PLAINTIFF’S AGENCY 3

 A. Letter from the Ranking Member of the Senate Foreign Relations Committee 3

 B. Prosecution of Plaintiff’s Finance Director 4

 C. Findings of Mismanagement and Failure to Report Fraud 5

 D. Jasmine Battle’s Tenure 8

 E. The Articles and the Statements Attributed to Defendant Battle 8

II. PLAINTIFF SUES..... 9

ARGUMENT 9

I. PLAINTIFF HAS FAILED TO ESTABLISH PERSONAL JURISDICTION..... 9

 A. Jurisdiction Has Not Been Established Under the District’s Long-Arm Statute 11

 B. Personal Jurisdiction Would Not Satisfy Due Process Requirements 14

II. PLAINTIFF HAS FAILED TO STATE A CLAIM 16

 A. Legal Standard 16

 B. The Amended Complaint Fails to Adequately Allege Published Statements 19

 C. Several Allegedly Defamatory Statements Connect Be Attributed by Implication 22

 D. Several of the Statements Are Substantially True..... 27

 1. The Tailor’s Bill Allegation Is True, and Plaintiff Admits It 28

| | | |
|----|--|----|
| 2. | The Hotel-Demand Allegation Is Not Alleged to Be False..... | 30 |
| E. | Statements Derived from Defendant Battle’s Affidavit Are Privileged..... | 32 |
| F. | Several Statements Are Protected Opinion or Are Not Objectively Verifiable | 33 |
| G. | The Amended Complaint Fails to Adequately Plead Actual Malice..... | 35 |
| H. | Plaintiff Cannot Prove an Actionable Injury..... | 37 |
| 1. | The allegedly defamatory statements do not constitute defamation per se | 39 |
| 2. | The Amended Complaint fails to adequately plead injury..... | 40 |
| | CONCLUSION..... | 44 |

TABLE OF AUTHORITIES

Cases

Armstrong v. Thompson, 80 A.3d 177 (D.C. 2013)..... 27, 35

Arpaio v. Zucker, 414 F. Supp. 3d 84 (D.D.C. 2019)36

Ashcroft v. Iqbal, 556 U.S. 662 (2009) 10, 19, 28, 35

Associated Producers, Ltd. v. Vanderbilt Univ., 76 F. Supp. 3d 154 (D.D.C. 2014)..... 9, 10, 11

Bell Atl. Corp. v. Twombly, 550 U.S. 544 (2007)..... 19

Benic v. Reuters Am., Inc., 357 F. Supp. 2d 216 (D.D.C. 2004)27

Bristol-Myers Squibb Co. v. Superior Court, 582 U.S. 255 (2017)..... 15, 16

Burger King Corp. v. Rudzewicz, 471 U.S. 462 (1985) 14

BYD Co. Ltd. v. All. for Am. Mfg., 554 F. Supp. 3d 1 (D.D.C. 2021) 17

Caldwell v. Hayden, 42 App. D.C. 166 (D.C. Cir. 1914)38

Caudle v. Thomason, 942 F. Supp. 635 (D.D.C. 1996)..... 19

Church of Scientology v. Cazares, 638 F.2d 1272 (5th Cir. 1981)21

Daimler AG v. Bauman, 571 U.S. 117 (2014)..... 10

Dall v. Pearson, 246 F. Supp. 812 (D.D.C. 1963)28

EEOC v. St. Francis Xavier Parochial School, 117 F.3d 621 (D.C. Cir. 1997) 17

Fairbanks v. Roller, 314 F. Supp. 3d 85 (D.D.C. 2018)..... 17

Farah v. Esquire Magazine, 736 F.3d 528 (D.C. Cir. 2013)28

Finkelstein, Thompson & Loughran v. Hemispherx Biopharma, Inc.,
774 A.2d 332 (D.C. 2001) 32

Ford Motor Co. v. Mont. Eighth Judicial Dist. Court, 592 U.S. 351 (2021) 10, 15

Garrison v. Louisiana, 379 U.S. 64 (1964) 19

Gertz v. Robert Welch, Inc., 418 U.S. 323 (1974)..... 35, 38, 40, 41

Goodyear Dunlop Tires Operations, S. A. v. Brown, 564 U.S. 915 (2011) 10, 15

Grossman v. Goemans, 631 F. Supp. 972 (D.D.C. 1986) 38

GTE New Media Servs. v. BellSouth Corp., 199 F.3d. 1343 (D.C. Cir. 2000)..... 10

Guilford Transp. Indus., Inc. v. Wilner, 760 A.2d 580 (D.C. 2000) 34

Harmon v. Liss, 116 A.2d 693 (D.C. 1955) 38

Harte-Hanks Communications, Inc. v. Connaughton, 491 U.S. 657 (1989) 37

Helicopteros Nacionales de Colombia, S.A. v. Hall, 466 U.S. 408 (1984)..... 14

Hindu Am. Found. v. Viswanath, 646 F. Supp. 3d 78 (D.D.C. 2022)..... 27

Hourani v. Psybersolutions LLC, 164 F. Supp. 3d 128 (D.D.C. 2016) 36

Howard Univ. v. Best, 484 A.2d 958 (D.C. 1984)..... 18

Johnson v. Johnson Publishing Co., 271 A.2d 696 (D.C. 1970)..... 38

Kaempe v. Myers, 367 F.3d 958 (D.C. Cir. 2004)..... 3, 8

Kahl v. National Affairs, Inc., 856 F.3d 106 (D.C. Cir. 2017) 17

Larue v. Johnson, No. 16-cv-00504,
2018 U.S. Dist. LEXIS 238815 (D.D.C. Feb. 22, 2018) 38

Liberty Lobby, Inc. v. Dow Jones & Co., 838 F.2d 1287 (D.C. Cir. 1988) 19, 36

Libre by Nexus v. BuzzFeed, Inc., 311 F. Supp. 3d 149 (D.D.C. 2018)..... 18

Mason v. American Prospect, Inc., No. 23-cv-2238,
2024 U.S. Dist. LEXIS 176674 (D.D.C. Sept. 30, 2024) 35

Masson v. New Yorker Magazine, Inc., 501 U.S. 496, 516-17 (1991) 28, 37

McBride v. Merrell Dow and Pharmaceuticals, Inc., 717 F.2d 1460 (D.C. Cir. 1983) 23

McFarlane v. Esquire Magazine, 74 F.3d 1296, 1300 (D.C. Cir. 1996)..... 12

Milkovich v. Lorain Journal Co., 497 U.S. 1 (1990)..... 18, 33

Moldea v. New York Times Co., 22 F.3d 310 (D.C. Cir. 1994) 19, 28, 35

Moncrief v. Lexington Herald-Leader Co., 807 F.2d 217 (D.C. Cir. 1986) 13

Murray v. Shaw, No. 24-cv-00640,
2025 U.S. Dist. LEXIS 56247 (D.D.C. Mar. 26, 2025)..... 25, 39

New York Times Co. v. Sullivan, 376 U.S. 254 (1964).....35

Ollman v. Evans, 750 F.2d 970 (D.C. Cir. 1984) 33, 34

Oparaugo v. Watts, 884 A.2d 63 (D.C. 2005) 18

Philadelphia Newspapers, Inc. v. Hepps, 475 U.S. 767 (1986)..... 28, 32

Raboya v. Shrybman & Assocs., 777 F. Supp. 58 (D.D.C. 1991)..... 38, 40

Ratchford v. Café Dupont, LLC, No. 24-cv-2062,
2025 U.S. Dist. LEXIS 156747 at **3-5 (D.D.C. Aug. 14, 2025)..... 16

Rush v. Savchuk, 444 U.S. 320 (1980)..... 11

Second Amendment Found. v. United States Conf. of Mayors,
274 F.3d 521 (D.C. Cir. 2001) 10

Shaheen v. Smith, 994 F. Supp. 2d 77 (D.D.C. 2013) 14

Shoppers Food Warehouse v. Moreno, 746 A.2d 320 (D.C. 2000) 15

Solers, Inc. v. Doe, 977 A.2d 941 (D.C. 2009)..... 18

Southern Air Transport, Inc. v. American Broadcasting Companies, Inc.,
877 F.2d 1010 (D.C. Cir. 1989) 23

St. Amant v. Thompson, 390 U.S. 727 (1968) 19, 37

Stevens v. Tillman, 855 F.2d 394 (7th Cir. 1988) 35

Stith v. Chadbourne & Parke, LLP, 160 F. Supp. 2d 1 (D.D.C. 2001) 32

Stovell v. James, 810 F. Supp. 2d 237 (D.D.C. 2011)..... 19

Tah v. Global Witness Publ., Inc., 991 F.3d 231 (D.C. Cir. 2021)..... 37

Trump v. Comm. on Ways & Means, 415 F. Supp. 3d 98 (D.D.C. 2019)..... 10

Weyrich v. New Republic, Inc., 235 F.3d 617 (D.C. Cir. 2001) 18, 19

White v. Fraternal Order of Police, 909 F.2d 512 (D.C. Cir. 1990)..... 23, 24

World-Wide Volkswagen v. Woodson, 444 U.S. 286 (1980))..... 15

Zimmerman v. Al Jazeera Am., LLC, 246 F. Supp. 3d 257 (D.D.C. 2017) 18

Statutes

D.C. Code § 12-301(a)(4) 16

D.C. Code § 13-422 10

D.C. Code § 13-423(a)(3) 11

D.C. Code § 13-423(a)(4) 13, 14

INTRODUCTION

Plaintiff Travis Adkins presided over one of the most corrupt federal agencies in recent memory. During his tenure as president of the United States African Development Foundation,¹ the Senate Foreign Relations Committee named him personally as potentially “complicit in, corrupt and potentially unlawful practices” and placed a congressional hold on the agency’s funding. His own chief financial officer pleaded guilty to public corruption for acts that ran through every year of Plaintiff’s leadership. The USAID Office of Inspector General issued a management advisory addressed to Adkins personally, finding that senior officials under his watch had known of or suspected grant fund misuse and failed to report it to the proper authorities. The U.S. Government Accountability Office found that the agency had no strategic approach to fraud prevention and that its procurement officials had engaged in “questionable practices.”

Defendant Jasmine Battle, a seasoned and well-respected administrative professional, whose career included working with former cabinet-level officials witnessed this dysfunction firsthand, served as Plaintiff’s assistant for seven months in 2022. What she saw troubled her, and she did what conscientious public servants are supposed to do. She reported it to Plaintiff, to the EEOC, and to oversight bodies like Congress. Plaintiff, now under a microscope for what occurred during his tenure as president, is seeking to silence her. And now Defendant Battle finds herself in a seemingly partisan crossfire because she had the courage to be a whistleblower. The irony here is that she is not even the most prominently featured whistleblower in Plaintiff’s Amended Complaint.

¹ The USADF president also holds the title of chief executive officer. For purposes of this motion, this additional title will be omitted.

Plaintiff’s Amended Complaint fails at every level. It fails because Plaintiff has not established that this Court has personal jurisdiction over Defendant Battle, a private Maryland resident whose alleged communications with a Virginia-based reporter have no demonstrated nexus to the District of Columbia. It also fails because the Complaint does not actually allege, as a matter of fact rather than inference, that Defendant Battle made the specific statements attributed to an anonymous former assistant. The Amended Complaint pleads liability only conditionally, “to the extent Defendant Battle published” the challenged statements, an acknowledgment of uncertainty that is not a pleading of fact. It fails because the two statements most directly attributed to Defendant Battle—that Adkins sent a tailor’s bill to the agency and that he demanded expensive hotels—are either true by Plaintiff’s own admission or undenied in the Amended Complaint. It fails because the defamatory implications alleged by Plaintiff flow entirely from the other defendants’ editorial choices, none of which are attributable to a source who communicated facts privately to a reporter. And it fails because even if the per se theory were viable, Plaintiff is a public figure who must plead actual injury causally connected to specific statements allegedly made by Defendant Battle. The claims against Defendant Battle should be dismissed.

BACKGROUND

Plaintiff Travis Adkins became the USADF’s president in January 2022 after serving as a political appointee at USAID during the administration of President Biden. (Am. Compl. ¶¶ 11, 36; *id.* Ex. C Luke Rosiak, *This Foreign Aid Agency Locked Its Doors to Keep DOGE Out. Now We Know Why.*, THE DAILY WIRE (May 14, 2025), at *4.)² According to Plaintiff, USADF board

² Given that the other defendants’ articles, which are included in the exhibits to the Amended Complaint, are the wellspring of Plaintiff’s allegations, Defendant Battle will, for

members sought him out for the position. He ultimately replaced his friend, C.D. Glin, as USADF president. (*See, e.g.*, Am. Compl. ¶ 156.)

I. MISMANAGEMENT AND CORRUPTION AFFLICTED PLAINTIFF’S AGENCY

A. Letter from the Ranking Member of the Senate Foreign Relations Committee

The hallmark of Plaintiff’s tenure was mismanagement and corruption. On November 1, 2023, more than 18 months before Defendant The Daily Wire published any challenged article, Senator James E. Risch, then Ranking Member of the Senate Foreign Relations Committee, sent a formal letter to the Acting Deputy Inspector General of USAID, demanding an immediate investigation into USADF. The letter named Plaintiff personally, stating that he “may be complicit in, corrupt and potentially unlawful practices.” (Ex. A (Letter from Sen. James E. Risch to Nicole Angarella (Nov. 1, 2023) at 1).)³

The Senate Letter catalogued five categories of misconduct, each touching directly on Plaintiff’s responsibilities as president. First, it alleged “misuse of official funds” through “a non-transparent, alternative payment mechanism” that enabled foreign partners to tap USADF funds held overseas and route payments to U.S.-based employees in violation of federal rules. (*Id.* at 1-2.) It alleged that grant awards had been structured specifically to “circumvent the \$250,000 small grant cap and evade oversight,” and that grant funds legally required to be spent overseas were instead used to pay two U.S.-based communications staff. (*Id.*)

purposes of the Motion to Dismiss, rely on the facts in the exhibits to the extent that Plaintiff does not specifically allege are false.

³ The letter, which will be referred to as the Senate Letter, is a public record available on the Senate Foreign Relations Committee’s website at https://www.foreign.senate.gov/imo/media/doc/usadf_letter.pdf. As such, the Court may take judicial notice of it. *Kaempe v. Myers*, 367 F.3d 958, 965 (D.C. Cir. 2004) (holding that “public records [are] subject to judicial notice on a motion to dismiss”) (citations omitted).

Next, the Senate Letter documented “conflicts of interest and inappropriate partnerships.” (*Id.* at 2.) Third, the Senate Letter flagged “gross mismanagement,” noting that USADF had operated without a full-time general counsel or legal advisor for a full year, from April 2022 through April 2023. (*Id.*) The letter alleged that USADF’s senior leaders had “deliberately sought to avoid hiring qualified finance and contracting officers in an effort to evade internal scrutiny and limit internal controls.” (*Id.*) It then specifically alleged a \$2 million deposit by Mathieu Zahui, Plaintiff’s finance director, into a bank account in Ghana in February 2023 that lacked the required dual-signature authorization. (*Id.*)

Fourth, the Senate Letter cited credible reports of a “toxic workplace,” including that USADF leadership had “actively sought to exclude veterans and individuals who are not of African descent from hiring” and had retaliated against employees who raised concerns about misconduct. (*Id.* at 3.) Fifth, and perhaps most damning, the Senate Letter described “attempts by USADF to suppress evidence of wrongdoing,” including the suspension of USADF’s general counsel and a report that Zahui had recently traveled to African countries to “close bank accounts and take possession of documentation that might ‘negatively reflect upon USADF.’” (*Id.*)

B. Prosecution of Plaintiff’s Finance Director

The most consequential confirmation of the whistleblower information referenced in the Senate Letter came in January 2026, when Mathieu Zahui, Plaintiff’s finance director, was convicted of receiving illegal gratuities as a public official and making false statements to federal law enforcement. *United States v. Zahui*, No. 26-cr-16 (D.D.C. Jan. 30, 2026). The Statement of Offense, stipulated to by Zahui, describes years of corruption running through the USADF’s financial management systems while Plaintiff served as president. (Ex. B Statement of Offense, *United States v. Zahui*, No. 26-cr-16 (D.D.C. Feb. 23, 2026).)

As part of his guilty plea, Zahui admitted to steering nearly \$800,000 in sole-source contracts to a company owned by a personal friend. (*See id.* at ¶¶ 5-11.) Zahui purposely ignored the USADF’s restriction on awarding sole-source contracts valued at more than \$100,000, instead directing the initial contract to be extended well beyond the restriction. (*Id.* at ¶¶ 7-8.) He then arranged for the USADF to pay its other vendors and contractors through the friend’s company at fraudulent markups ranging from 17 to 66 percent, approving invoices for work the company never performed. (*Id.* at ¶ 9.) In total, Zahui caused USADF to pay at least \$600,000 through fraudulent pass-through invoices, of which his friend’s company retained over \$130,000 in unjustified markups. (*Id.*) While all of this was happening, the friend was transmitting personal cash payments directly into Zahui’s bank account. Zahui received \$12,000 this way, in eight separate transfers, as compensation for the official acts he had performed and would continue to perform. (*Id.* at ¶ 12.) When federal investigators later interviewed him, Zahui lied and denied having received any benefits from the friend at all. (*Id.* at ¶ 14.)

C. Findings of Mismanagement and Failure to Report Fraud

Over the last several years, the USAID Office of Inspector General issued a series of reports exposing mismanagement and failure to report fraud during Plaintiff’s tenure as USADF president. In August 2024, USAID OIG issued a management advisory, reporting, among other things, that USADF officials under Plaintiff’s leadership “knew of suspected misuse of foundation funds and equipment purchased through foundation grants but failed to report this information to OIG as required.” (Ex. C USAID OIG, *Nonreporting of Suspected Misuse of USADF Grant Funds and Equipment*, Mgmt. Advisory E-ADF-24-001-A (Aug. 29, 2024) at 1.)⁴

⁴ This management advisory is an official government record available on USAID OIG’s website at <https://oig.usaid.gov/node/7074>. Furthermore, the Amended Complaint references

The known but concealed misuse of taxpayer funds included one grantee routing USADF funds to a family member and another grantee using a grant-funded vehicle for unauthorized purposes, resulting in a fatal collision. (*Id.*) The OIG further reported that USADF “staff responsible for grant oversight” were unaware of, or misinformed about, the OIG’s role in detecting fraud. (*Id.* at 1-2.) As an example of the USADF’s failure to appropriately handle known instances of waste, fraud, and abuse, the Management Advisory noted that the OIG’s fraud hotline received just five reports about USADF during Plaintiff’s entire tenure. (*Id.* at 2.) Significantly, in his response to the OIG Management Advisory, Plaintiff did not dispute the examples of misused grant funds or his agency’s failure to report known instances of waste, fraud, and abuse to the appropriate authorities or the examples of misused grant funds. (*See id.* at 4-6 (responding to the Management Advisory under Plaintiff’s name).)

The USAID OIG followed up this report with a formal evaluation of the USADF’s strategic partnerships and grants administration covering fiscal years 2022 through 2024. (Ex. D USAID OIG, *U.S. African Development Foundation: Gaps in Policy and Guidance Hindered Strategic Partnerships and Grants Administration*, Report E-ADF-25-004-M (Aug. 28, 2025) at 1.)⁵ The results were damning across every dimension of agency management for which Plaintiff bore responsibility. USADF had drafted a strategic partnership policy in May 2022, three months after Plaintiff took over, but never finalized it, leaving the agency to manage an expanding portfolio of private-sector and governmental partnerships with no formal policies or

OIG reports as evidence showing the challenged statements are false. (*See, e.g., Am. Compl.* ¶ 6.) Accordingly, the Court should take judicial notice of the report.

⁵ This evaluation report is an official government record available on USAID OIG’s website at <https://shorturl.at/PjQg5>. Furthermore, the Amended Complaint references OIG reports as evidence showing the challenged statements are false. (*See, e.g., Am. Compl.* ¶ 6.) Accordingly, the Court should take judicial notice of the report.

procedures governing due diligence, financing, or funds management. (*Id.* at 6-7.) Of the \$69 million that the USADF’s 32 active strategic partners pledged to contribute between FY 2022 and FY 2024, the agency collected only \$17 million, or 25 percent. (*Id.* at 8.) Furthermore, its public reporting on those partnerships used inconsistent terminology that the OIG found “could mislead readers.” (*Id.* at 9.) On grants administration, the agency’s core statutory function, the OIG found that USADF lacked clear guidance and procedures, failed to meet its own disbursement and reporting timelines, and had no policies, procedures, or staff training governing the use of its grants management database, resulting in grants being “inconsistently administered” and required documentation going unmaintained. (*See, e.g., id.* at 1.) Critically, USAID OIG noted that during this same evaluation, it had “discovered that USADF officials knew of suspected misuse of Foundation funds and equipment purchased from Foundation grants but failed to report this information to OIG as required,” reinforcing the finding that gave rise to the Management Advisory addressed to Plaintiff personally. (*Id.* at 2-3.)

Shortly after the USAID OIG evaluation report, the U.S. Government Accountability Office issued its examination of USADF’s fraud risk management for fiscal years 2020 through 2024, concluding that USADF “had some policies and procedures to mitigate fraud, waste, and abuse, but no strategic approach.” (Ex. E (GAO, *U.S. African Development Foundation: Strategic Approach Needed to Mitigate Fraud Risks*, GAO-25-107574 (Sept. 15, 2025).)⁶ The GAO found that USADF “did not have a dedicated individual or entity to lead fraud risk management activities” and had not followed leading federal practices to assess, plan, or mitigate

⁶ This report is an official government record available on GAO’s website. *U.S. African Development Foundation: Strategic Approach Needed to Mitigate Fraud Risks*, GAO-25-107574 (Sept. 15, 2025) available at <https://www.gao.gov/products/gao-25-107574>. Accordingly, the Court should take judicial notice of the report.

fraud risks. (*Id.*) The GAO further found that many of USADF’s existing policies were “outdated or undocumented” and that USADF’s procurement officials “engaged in questionable practices when making foreign assistance awards, such as steering contracts to former USADF contractual employees,” conduct directly paralleling Zahui’s criminal conduct. (*Id.*)

D. Jasmine Battle’s Tenure

Defendant Jasmine Battle is a seasoned administrative professional who has spent her career supporting some of the most senior figures in American public life. Those who relied on Defendant Battle for her professionalism and insight are former cabinet-level officials. (Ex. F Battle Aff. ¶ 2.)⁷ She is, by any measure, a serious person with serious credentials — the kind of professional whose discretion and judgment senior officials rely upon at the highest levels of government.

In February 2022, Defendant Battle took a position as Special Assistant to Travis Adkins, the newly installed president of USADF. (*Id.* ¶ 3.) And she worked in that capacity for seven months, through September 2022, before her time at the agency came to an end. (Am. Compl. ¶ 14.) Plaintiff, of course, tells a self-serving story about how Defendant Battle’s tenure ended. But Plaintiff’s account is not an established fact, and the Amended Complaint offers no corroborating source, no documentary evidence, and no sworn statement in support of it.

E. The Articles and the Statements Attributed to Defendant Battle

Defendant The Daily Wire published a series of investigative articles about USADF in May 2025. The Amended Complaint alleges that two of the four articles in the series contained

⁷ The Amended Complaint quotes extensively from Defendant Battle’s affidavit submitted in Dunne’s EEO case. Because Defendant Battle’s affidavit is referred to in the complaint and is an integral part of Plaintiff’s claims and because he does not dispute the document’s authenticity, the Court may rely on it in this motion to dismiss. *Kaempe*, 367 F.3d at 965.

statements from Defendant Battle about Plaintiff. In fact, those articles attribute the statements identified by the Amended Complaint to a source described only as a former assistant. (*See, e.g.*, Am. Compl. ¶¶ 55, 76, 87, 99.) The articles did not name Defendant Battle as the source.

II. PLAINTIFF SUES

Late 2025, Plaintiff brought this lawsuit against Defendant The Daily Wire and Defendant Luke Rosiak, as well as Defendant Battle. The Amended Complaint identifies four statements it characterizes as defamatory: (1) that Plaintiff was appointed to lead USADF “without even applying for the job”; (2) that Plaintiff “had a tailor fit him for three custom suits, and sent the bill to the agency”; (3) that Plaintiff “brushed off government rules about travel costs and demanded \$1,000-a-night hotels, summarily firing an assistant who raised concerns about his travel arrangements”; and (4) that Plaintiff “wanted his entire team (to include the General Counsel) to consist only of Black people,” “wanted all of his direct reports to be Black,” “was very adamant in only hiring African Americans, mainly female,” and “told [her] many times he would not hire a white person or a veteran,” and referred to USADF’s board as “them white motherf---ers.” (*See* Am. Compl. ¶¶ 155, 176, 198, 221.)

ARGUMENT

I. PLAINTIFF HAS FAILED TO ESTABLISH PERSONAL JURISDICTION

As a threshold matter, Plaintiff has failed to prove that the Court has the authority to exercise personal jurisdiction over Defendant Battle. Plaintiff bears the burden of establishing personal jurisdiction over each defendant. *Associated Producers, Ltd. v. Vanderbilt Univ.*, 76 F. Supp. 3d 154, 161 (D.D.C. 2014). At the pleading stage, he “must allege specific acts connecting the defendant with the forum,” not simply mere labels or “legal conclusions” and “naked assertion[s] devoid of further factual enhancement.” *Second Amendment Found. v.*

United States Conf. of Mayors, 274 F.3d 521, 524 (D.C. Cir. 2001); *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). Furthermore, the Court “need not treat all of a plaintiff’s allegations as true; rather, the Court “may receive and weigh affidavits and other relevant matter to assist in determining the jurisdictional facts.” *Associated Producers, Ltd.*, 76 F. Supp. 3d at 161 (citation omitted). In his Amended Complaint, Plaintiff has failed to plead facts sufficient to meet his burden of establishing personal jurisdiction over Defendant Battle. Accordingly, all claims against Defendant Battle should be dismissed pursuant to Federal Rule of Civil Procedure 12(b)(2).

Personal jurisdiction essentially exists in two forms, either “general or all-purpose jurisdiction” or “specific or case-linked jurisdiction.” *Trump v. Comm. on Ways & Means*, 415 F. Supp. 3d 98, 105 (D.D.C. 2019) (citing *Goodyear Dunlop Tires Operations, S. A. v. Brown*, 564 U.S. 915, 919 (2011)). Because Defendant Battle obviously does not live in the District of Columbia, (*see* Am. Compl. ¶ 14),⁸ the sole inquiry here is whether specific jurisdiction exists. Courts in this circuit utilize a two-part inquiry into whether a plaintiff has met his burden of showing that specific jurisdiction exists. “A court must first examine whether jurisdiction is applicable under the state’s long-arm statute and then determine whether a finding of jurisdiction satisfies the constitutional requirements of due process.” *GTE New Media Servs. v. BellSouth Corp.*, 199 F.3d 1343, 1347 (D.C. Cir. 2000).

⁸ In the District, general jurisdiction is governed by D.C. Code § 13-422, which confers jurisdiction over resident defendants. Since at least *Goodyear*, 564 U.S. at 915, and *Daimler AG v. Bauman*, 571 U.S. 117 (2014), courts have consistently held that general jurisdiction is available only where a defendant’s affiliations with the forum are so continuous and systematic as to render it essentially at home there. Paradigmatic cases of general jurisdiction exist where an individual is domiciled. *Ford Motor Co. v. Mont. Eighth Judicial Dist. Court*, 592 U.S. 351, 358-59 (2021).

The Amended Complaint’s jurisdictional allegations as to Defendant Battle are strikingly thin. The complaint makes no defendant-specific jurisdictional allegations whatsoever with respect to Defendant Battle. Instead, it offers only a collective, boilerplate assertion that this Court has personal jurisdiction over “Defendants” because their acts caused “tortious injury in the District of Columbia to a District of Columbia resident” and because they “regularly do or solicit business, engage in persistent courses of conduct, and derive substantial revenue from services performed in the District of Columbia.” (Am. Compl. ¶ 17.) These collective allegations, lumping together a national media company based in Tennessee, a Virginia-based journalist, and a private Maryland resident, cannot substitute for the particularized showing required for each defendant individually. *See Rush v. Savchuk*, 444 U.S. 320, 332 (1980) (“The requirements of *International Shoe*, however, must be met as to each defendant over whom a state court exercises jurisdiction.”).

A. Jurisdiction Has Not Been Established Under the District’s Long-Arm Statute

Construing the jurisdictional facts in the Amended Complaint in a light most favorable to the assertion of personal jurisdiction, *Associated Producers, Ltd.*, 76 F. Supp. 3d at 161 (citation omitted), it appears that the most relevant provision of the District’s long-arm statute would be D.C. Code § 13-423(a)(3). Plaintiff’s Amended Complaint does not identify the specific statutory authority granting this Court personal jurisdiction over Defendant Battle. In relevant portions, Plaintiff first asserts that the Court has personal jurisdiction “over Defendants” because they “caused tortious injury in the District of Columbia ... by acts or omissions occurring in the District of Columbia.” (Am. Compl. ¶ 17.) This invokes language reminiscent of Subsection (a)(3), which authorizes the exercise of specific jurisdiction over a non-resident whose acts allegedly caused “tortious injury in the District of Columbia by an act or omission in the District

of Columbia.”

Subsection (a)(3) requires that tortious act itself occur within D.C. rather than merely because the plaintiff suffered harm in D.C. *Forras v. Rauf*, 812 F.3d 1102, 1107 (D.C. Cir. 2016). It is, according to the D.C. Circuit, “a precise and intentionally restricted tort section, which stops short of the outer limits of due process, and which confers jurisdiction only over a defendant who commits an act in the District which causes an injury in the District, without regard to any other contacts.” *Id.* (citation omitted). The gravamen of Subsection (a)(3), therefore, is that the alleged tortious act was committed by the defendant while in the District. In the case of the tort of defamation, this means that the jurisdictional nexus is where the allegedly defamatory statement was published. *See, e.g., McFarlane v. Esquire Magazine*, 74 F.3d 1296, 1300 (D.C. Cir. 1996) (holding no specific jurisdiction over a non-resident defendant where allegedly defamatory statements were made in another state). If that allegedly defamatory statement was published in another venue, Subsection (a)(3) does not support the exercise of jurisdiction over a Maryland resident who publishes a defamatory statement in Virginia, even if that defendant subsequently directs the statement into the District. *See, e.g., Forras*, 812 F.3d at 1107 (“The relevant act, we explained was the uttering of defamatory statements, and the printing and mailing of the newspaper, all of which happened outside of the District.”) (citation modified).

Plaintiff’s jurisdictional claim under Subsection (a)(3) fails at the outset because the Amended Complaint nowhere alleges that Defendant Battle’s communications with Defendant Rosiak, the only acts that could conceivably give rise to liability, occurred in the District of Columbia. Defendant Battle is a Maryland resident and Defendant Rosiak is a Virginia resident. (Am. Compl. ¶¶ 13-14.) Subsection (a)(3) requires that the tortious act itself occur in the

District, not merely that its effects be felt there. *See Forras*, 812 F.3d at 1106-07; *see also Moncrief v. Lexington Herald-Leader Co.*, 807 F.2d 217, 218-21 (D.C. Cir. 1986). Given that all defendants are residents of jurisdictions other than the District and given that the Amended Complaint offers no allegation that their communications occurred in the District, Plaintiff has failed to plead the foundational fact Subsection (a)(3) requires for Defendant Battle.

Separately, the Amended Complaint asserts that the “Court also has personal jurisdiction over Defendants because they regularly do or solicit business, engage in persistent courses of conduct, and derive substantial revenue from services performed in the District of Columbia.” Here, Plaintiff is almost certainly invoking D.C. Code § 13-423(a)(4), which provides that personal jurisdiction in the District of Columbia exists where a person causes “tortious injury in the District of Columbia by an act or omission outside of the District of Columbia if he regularly does or solicits business, engages in any other persistent course of conduct, or derives substantial revenue from goods used or consumed, or services rendered, in the District of Columbia.”

Because Subsection (a)(4) reaches tortious conduct beyond the territorial limits of the District, an exercise of jurisdiction under the District’s long-arm statute requires “something more.” *Crane v. Carr*, 814 F.2d 758, 763 (D.C. Cir. 1987). This “something more” requires that a defendant (1) “regularly does or solicits business” in the District, (2) “engages in any other persistent course of conduct” in the District, or (3) “derives substantial revenue from goods used or consumed, or services rendered, in the District.” D.C. Code § 13-423(a)(4).

Plaintiff’s jurisdictional claim under Subsection (a)(4) fares no better than his claim under Subsection (a)(3). Even assuming Defendant Battle’s alleged statements were made outside of D.C., which, as noted, the complaint fails to contradict, Subsection (a)(4) requires the additional showing that Defendant Battle “regularly does or solicits business, engages in any

other persistent course of conduct, or derives substantial revenue from goods used or consumed, or services rendered, in the District of Columbia.” D.C. Code § 13-423(a)(4). The Amended Complaint’s only hook for this prong is the bare allegation that Defendant Battle “continues to work in Washington, D.C. today.” (Am. Compl. ¶ 14.) This conclusory assertion is statutorily insufficient in three respects.

As an initial matter, the Amended Complaint identifies no employer, no industry, no nature of work, no revenues, and no other detail that would permit the Court to assess whether Defendant Battle “regularly does or solicits business” in D.C. within the meaning of the statute. A conclusory assertion that someone “works in D.C.” does not satisfy this standard. *See Shaheen v. Smith*, 994 F. Supp. 2d 77, 81 (D.D.C. 2013) (“A court need not accept the plaintiff’s conclusory statements or bare allegations regarding the defendant’s actions in a selected forum.”) (citation modified). Furthermore, her alleged defamatory statements to a reporter about events that occurred years earlier during her brief tenure at USADF bear no discernible relationship to whatever she currently does for work. Finally, Defendant Battle’s prior employment at USADF ended nearly three years before the articles were published.

B. Personal Jurisdiction Would Not Satisfy Due Process Requirements

Even if the long-arm statute were satisfied, asserting personal jurisdiction over Defendant Battle would offend the Due Process Clause of the Fifth Amendment. The constitutional requirements for specific jurisdiction, as opposed to those in a state’s long-arm statute, requires, among other things, that “the litigation results from alleged injuries that ‘arise out of or relate to’ those” activities that the defendant has purposefully directed at residents of the forum. *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 472 (1985) (quoting *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 414 (1984)); *see also Shoppers Food Warehouse v. Moreno*,

746 A.2d 320, 328 (D.C. 2000) (noting fair notice associated with due process “is satisfied if the defendant has purposefully directed his activities at residents of the forum, and the litigation results from alleged injuries that ‘arise out of or relate to’ those activities”) (citation omitted). “[T]he primary concern” of the constitutional inquiry, however, is “the burden on the defendant.” *Bristol-Myers Squibb Co. v. Superior Court*, 582 U.S. 255, 263 (2017) (quoting *World-Wide Volkswagen v. Woodson*, 444 U.S. 286, 292 (1980)). This burden includes both the practical problems of litigating in the forum and the more abstract matters of submitting to the coercive power of a state with minimal legitimate interest in the claims. *Id.* Consequently,

[e]ven if the defendant would suffer minimal or no inconvenience from being forced to litigate before the tribunals of another State; even if the forum State has a strong interest in applying its law to the controversy; even if the forum State is the most convenient location for litigation, the Due Process Clause, acting as an instrument of interstate federalism, may sometimes act to divest the State of its power to render a valid judgment.

World-Wide Volkswagen, 444 U.S. at 294 (citation modified).

Plaintiff’s failure to meet the “arising-out-of” requirement reinforces his failure to meet his burden of showing that Defendant Battle is subject to the specific jurisdiction of the Court. Specific jurisdiction demands that a plaintiff’s suit must *arise out of or relate to* the defendant’s contacts with the forum. *Ford Motor Co*, 592 U.S. at 362. Put differently, “there must be ‘an affiliation between the forum and the underlying controversy, principally, [an] activity or an occurrence that takes place in the forum State and is therefore subject to the State’s regulations.’” *Bristol-Myers*, 582 U.S. at 262 (quoting *Goodyear*, 564 U.S. at 919). Defendant Battle’s current employment, even if adequately pled, has no relationship to her alleged statements about events that occurred years ago, during her tenure at USADF. Assuming, without any support from the Amended Complaint, that the alleged publication of defamatory statements to Defendant occurred within the District of Columbia’s one-year statute of limitations for defamation, D.C.

Code § 12-301(a)(4), her prior employment at USADF ended in September 2022, long before an actionable claim of defamation could have accrued. Furthermore, historical forum contacts that neither caused nor related to the claims at issue cannot establish specific jurisdiction. See *Bristol-Myers*, 582 U.S. at 264 (“There must be an affiliation between the forum and the underlying controversy, principally, an activity or an occurrence that takes place in the forum State. When there is no such connection, specific jurisdiction is lacking regardless of the extent of a defendant’s unconnected activities in the State.”) (citation modified).

Because the Amended Complaint’s jurisdictional deficiency as to Defendant Battle is structural, rooted in its failure to set forth facts sufficient to establish a nexus between the District and her alleged tortious acts, an amendment cannot cure it. Plaintiff cannot overcome the jurisdictional facts of his claim: Defendant Battle is a Maryland resident who allegedly spoke to a Virginia-based reporter. No amount of repleading will change those facts or supply the nexus required by the District’s long-arm statute and the Constitution. Dismissal for lack of personal jurisdiction should accordingly operate as a dismissal with prejudice as to this forum, and the Court need not reach any of the arguments set forth below.

II. PLAINTIFF HAS FAILED TO STATE A CLAIM FOR RELIEF

A. Legal Standard

The standards governing motions to dismiss under Federal Rule of Civil Procedure 12(b)(6) are well established and need no explication. See *Ratchford v. Café Dupont, LLC*, No. 24-cv-2062, 2025 U.S. Dist. LEXIS 156747 at **3-5 (D.D.C. Aug. 14, 2025) (setting out in a clear fashion the standard for a motion to dismiss). Suffice it to say, in evaluating the sufficiency of the complaint, the Court may consider “the facts alleged in the complaint, any documents either attached to or incorporated in the complaint and matters of which [the Court] may take

judicial notice.” *EEOC v. St. Francis Xavier Parochial School*, 117 F.3d 621, 624 (D.C. Cir. 1997).

The Court’s review in a defamation case seeking to chill the freedom of speech about a public figure is especially exacting. Then-Circuit Judge Kavanaugh began his opinion in *Kahl v. National Affairs, Inc.*, 856 F.3d 106 (D.C. Cir. 2017) with a succinct but powerful recitation of this constitutionally rooted imperative:

The First Amendment guarantees freedom of speech and freedom of the press. Costly and time-consuming defamation litigation can threaten those essential freedoms. To preserve the First Amendment freedoms and give reporters, commentators, bloggers, and tweeters (among others) the breathing room they need to pursue the truth, the Supreme Court has directed courts to expeditiously weed out unmeritorious defamation lawsuits.

Id. at 108 (citations omitted). Because the First Amendment does not reserve its protection for professional journalists alone, this imperative applies with equal force to private citizens who speak on matters of public concern as it does to the institutional press that publishes that speech. Thus, Rule 12 plays a crucial screening role in a case like this one. “Early resolution of defamation cases under Federal Rule of Civil Procedure 12(b)(6) not only protects against the costs of meritless litigation but provides assurance to those exercising their First Amendment rights that doing so will not needlessly become prohibitively expensive.” *BYD Co. Ltd. v. All. for Am. Mfg.*, 554 F. Supp. 3d 1, 6 (D.D.C. 2021) (quoting *Fairbanks v. Roller*, 314 F. Supp. 3d 85, 89 (D.D.C. 2018)). Where, as here, a plaintiff uses defamation litigation to chill the willingness of a former employee to speak candidly about matters of genuine public concern, the case for early dismissal is especially strong.

To state a defamation claim under D.C. law, a plaintiff must plead: (1) that the defendant made a false and defamatory statement of fact; (2) that the defendant published the statement without privilege to a third party; (3) that the statement was made with the requisite degree of

fault; and (4) that the statement was actionable either as a matter of law or that its publication caused him special harm. *Solers, Inc. v. Doe*, 977 A.2d 941, 948 (D.C. 2009); *Oparaugo v. Watts*, 884 A.2d 63, 76 (D.C. 2005). Although often identified as a single element, falsity and defamatory are treated as “distinct elements of the tort of defamation and are considered separately.” *Libre by Nexus v. BuzzFeed, Inc.*, 311 F. Supp. 3d 149, 155 (D.D.C. 2018) (quotation omitted). In other words, defamation requires that a statement must not only be defamatory, but also plausibly false. *Id.* A defamatory statement is one that “tends to injure plaintiff in his trade, profession or community standing, or lower him in the estimation of the community.” *Howard Univ. v. Best*, 484 A.2d 958, 987-89 (D.C. 1984) (quotations omitted). “While the question ‘whether a statement is capable of defamatory meaning’ is indisputably a ‘threshold question of law,’ ... falsity, under some circumstances, may also be decided as a matter of law.” *Libre by Nexus*, 311 F. Supp. 3d at 155 (quoting *Zimmerman v. Al Jazeera Am., LLC*, 246 F. Supp. 3d 257, 275 (D.D.C. 2017) (quotations omitted)).

When applying the District’s defamation law to a public figure, such as Plaintiff, the Constitution adds additional requirements that must be plausibly alleged.⁹ First, the statement must be actually false to be actionable, reversing the common-law presumption that defamatory speech is false. *Milkovich v. Lorain Journal Co.*, 497 U.S. 1, 17 (1990); *see also Weyrich v. New Republic, Inc.*, 235 F.3d 617, 628 (D.C. Cir. 2001) (“[Appellant] must show that the potentially defamatory statements are indeed materially false.”). Second, the statement must have been

⁹ There can be little doubt that Plaintiff qualifies as a public official. The Supreme Court has made clear that government employees who have, or appear to the public to have, “substantial responsibility for or control over the conduct of governmental affairs” are public officials for purposes of the First Amendment. *Rosenblatt v. Baer*, 383 U.S. 75, 85 (1966). As the president of a federal agency, Plaintiff plainly occupied a position of substantial governmental responsibility, and the claims concerning his conduct in that role relate directly to his official duties.

made with actual malice, meaning it was made with “knowledge that it was false or with reckless disregard of whether it was false or not.” *Id.* Actual malice is a subjective text, requiring a showing “in convincing fashion ‘that the defendant in fact entertained serious doubts as to the truth of his publication’ ... [and] that the defendant himself entertained a ‘high degree of awareness of ... probable falsity.’” *Liberty Lobby, Inc. v. Dow Jones & Co.*, 838 F.2d 1287, 1292-93 (D.C. Cir. 1988) (quoting *St. Amant v. Thompson*, 390 U.S. 727, 731 (1968); *Garrison v. Louisiana*, 379 U.S. 64, 74 (1964)). And third, the statement “must at a minimum express or imply a verifiably false fact” about a plaintiff in order to be actionable. *Weyrich*, 235 F.3d at 624 (citing *Milkovich*, 497 U.S. at 17; *Moldea v. New York Times Co.*, 22 F.3d 310, 313 (D.C. Cir. 1994)). “Verifiability is therefore a critical threshold question at the Rule 12(b)(6) stage.” *Id.*

B. The Amended Complaint Fails to Adequately Allege Published Statements

Typically, a plaintiff alleging defamation should plead “the time, place, content, speaker, and listener of the allegedly defamatory matter.” *Stovell v. James*, 810 F. Supp. 2d 237, 248 (D.D.C. 2011) (quoting *Caudle v. Thomason*, 942 F. Supp. 635, 638 (D.D.C. 1996)). A plaintiff can do that by pleading enough facts to state a claim to relief that is plausible on its face. *Iqbal*, 556 U.S. at 678 (2009); *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). The court need not accept as true allegations that are merely conclusory, and it should not fill gaps in a complaint with inferences that the pleading does not actually support. *Iqbal*, 556 U.S. at 678-79. That standard applies with to each of the elements of a defamation claim, including the threshold requirement that the defendant made the allegedly defamatory statement. The question, therefore, is not whether it is conceivable that Defendant Battle made the statements attributed to her by Plaintiff, but whether the complaint plausibly, as opposed to speculatively, establishes that she did.

The Amended Complaint fails that test in that it does not actually allege, as a matter of fact, that Defendant Battle published the specific statements that Defendant The Daily Wire published. Instead, throughout the operative claims, the Amended Complaint attributes the defamatory statements to Defendant Battle only conditionally and inferentially, based on the supposition that she was one out of an unidentified number of former assistants who worked for Plaintiff over his tenure. (*See, e.g.*, Am. Compl. ¶ 182 (“In the article, The Daily Wire Defendants attribute the defamatory statement to Defendant Battle, who purportedly gave the statement to them in advance of publication.”).) Each of the three claims against Defendant Battle is then framed in explicitly hedged terms. For example: “To the extent Defendant Battle published the defamatory statement[s] to The Daily Wire Defendants, she did so with actual malice.” (Am. Compl. ¶¶ 183, 205, 230.) Pleading liability in the conditional is not pleading liability at all. It is an acknowledgment of uncertainty, not an allegation of fact.

The insufficiency of this hedged pleading is compounded by the Amended Complaint’s own allegations about what happened when Plaintiff sought to verify that Defendant Battle made the statements. After publication, Plaintiff’s counsel asked Defendant Battle to confirm that she had, in fact, told the other defendants each of the three core allegations attributed to her, namely, that plaintiff had a tailor send a bill to the USADF, that plaintiff demanded a \$1,000 per night hotel, and that plaintiff wanted his direct reports to be black. (Am. Compl. ¶¶ 182, 204, 229.) Defendant Battle declined to do so in each instance. (*Id.* at ¶¶ 182, 204, 229.) The Amended Complaint acknowledges this yet offers scant alternative factual basis to conclude that Defendant Battle made these statements. This sequence of events does not support a reasonable inference that Defendant Battle made the statements; if anything, it undermines any reasonable inference.

Cf. Church of Scientology v. Cazares, 638 F.2d 1272, 1288 (5th Cir. 1981) (prohibiting “build[ing] inference upon inference in order to find defamatory meaning in a statement”).

The Amended Complaint’s theory effectively asks the Court to treat the other defendants’ attribution of statements to an anonymous former assistant as itself sufficient proof that Defendant Battle made those statements. But the Amended Complaint fails to plead that fact. It alleges only that The Daily Wire published articles attributing certain statements to a source it described as Plaintiff’s former assistant, a description that could fit more than one person, and then assumes, without pleading, that Defendant Battle was that source. That inferential leap is not a well-pled factual allegation. It is speculation, and speculation does not survive *Twombly*.

Even setting aside the threshold identification problem, the Amended Complaint conflates two distinct questions: whether the other defendants published an article attributing statements to an anonymous former assistant and whether Defendant Battle was that assistant and made those statements. An article’s attribution of a statement to an unnamed source does not, without more, identify who that source was or establish what they said. Reporters sometimes misquote, paraphrase inaccurately, or attribute statements more definitively than their sources intended. The Amended Complaint itself acknowledges the ambiguity, conceding that “either The Daily Wire Defendants were aware that Defendant Battle left USADF on bad terms and blamed Plaintiff for her departure, or Defendant Battle lied to The Daily Wire Defendants.” (Am. Compl. ¶ 55.) That disjunctive framing, which does not even account for the possibility that The Daily Wire independently shaped or distorted whatever it heard, underscores that the Complaint is built on conjecture about what Defendant Battle said, to whom, and in what form. Where Plaintiff’s own pleading acknowledges that the other defendants may have independently constructed or distorted the statements at issue, the inference that Defendant Battle is their source

and personally published defamatory statements is no more plausible than the inference that she is not. That is precisely the kind of allegation *Twombly* and *Iqbal* require courts to disregard.

This is not a technical pleading defect. The question of whether Defendant Battle made the allegedly defamatory statements is central to whether she can be held liable at all. If the Media Defendants mischaracterized or distorted what she said, they are responsible for the defamatory content. Absent a clear factual allegation, based on personal knowledge or documentary evidence, that Defendant Battle made the specific statements at issue, the claims against her do not cross the line from conceivable to plausible, as *Iqbal* requires. The claims against Defendant Battle should be dismissed for failure to adequately plead this threshold element.

C. Several Allegedly Defamatory Statements Cannot Be Attributed by Implication

Although Plaintiff does not use the phrase “defamation by implication,” his second and third counts are precisely that. On the tailor’s-bill allegation, Plaintiff concedes that the tailor’s bill was, in fact, sent to USADF. (Am. Compl. ¶ 78.) His complaint is not that the article stated something false, but that placing a true fact under the heading “Using poverty funds for luxury” created a false impression, namely, that he caused USADF to pay for his suits. (*Id.* ¶ 178.) With respect to the hotel demand, Plaintiff never denies demanding an expensive hotel. (*Id.* ¶ 200.) In reality, his objection is that the article’s framing implied he succeeded in obtaining one at government expense. In both instances the underlying facts are either true or uncontroverted, and the alleged defamation arises not from any falsehood attributable to Defendant Battle but from the implication allegedly created by the other defendants.

While D.C. law recognizes defamation by implication as a form of defamation, it does so with constraints. *See, e.g., Southern Air Transport, Inc. v. American Broadcasting Companies,*

Inc., 877 F.2d 1010, 1014 (D.C. Cir. 1989); *McBride v. Merrell Dow and Pharmaceuticals, Inc.*, 717 F.2d 1460, 1465 (D.C. Cir. 1983). In arguably the leading D.C. Circuit case on defamation by implication, *White v. Fraternal Order of Police*, 909 F.2d 512 (D.C. Cir. 1990), the court held that a reader being able to draw a defamatory inference from true facts is not, standing alone, sufficient to state a libel claim. *Id.* at 519-20. The claim is viable only “if the communication, by the particular manner or language in which the true facts are conveyed, supplies additional, affirmative evidence suggesting that the defendant intends or *endorses* the defamatory inference.” *Id.* at 520 (emphasis in original). This is a two-part test: the communication must first be reasonably readable as imparting the defamatory inference, **and** must also affirmatively suggest, on the face of the publication itself, that the author intended or endorsed that inference. *Id.*

The Fourth Circuit, applying *White* and explaining its constitutional rationale, put the point with useful precision: “because the constitution provides a sanctuary for truth, a libel-by-implication plaintiff must make an especially rigorous showing where the expressed facts are literally true.” *Chapin v. Knight-Ridder, Inc.*, 993 F.2d 1087, 1092-93 (4th Cir. 1993) (citing *White*, 909 F.2d at 520). The rigor is not incidental. Allowing liability to attach to true statements merely because a reader might draw a damaging inference from them would chill far more than false speech, it would deter accurate reporting about legitimate matters of public concern. The “intended or endorsed” requirement is the mechanism by which courts ensure that liability tracks the publisher’s deliberate choices, not the reader’s imaginative leaps.

Defamation by implication, again the assumed basis for the second and third counts, has no application to Defendant Battle at all. This is a doctrine concerned with a defendant’s communicative choices: the headline selected, the section in which a fact is placed, the other

facts juxtaposed with it, the overall framing and editorial architecture of a publication. Every element of the implied defamation theory in this case traces to decisions made by the other defendants. The headline “Using poverty funds for luxury” was the other defendants’ editorial choice. The placement of the tailor’s-bill and hotel-demand allegations under that heading was their editorial choice. Moreover, the decision to present those facts in the context of allegations about other USADF officials’ luxury spending was their editorial choice. And the decision to omit context that might have negated any defamatory implication was their editorial choice.

The Amended Complaint alleges that she communicated facts to a reporter in a private conversation. It does not allege that she wrote the article or selected the headline. And it does not allege that she decided where in the article to place the tailor’s-bill and hotel-demand allegations, what section title to give it, or what other facts to surround it with. The defamatory implication, if it exists, is the product of the publisher’s act of packaging, contextualizing, and framing the raw material it received. *See Chapin*, 993 F.2d at 1093 (asking whether “the language” of the communication itself supplies affirmative evidence of intent); *White*, 909 F.2d at 520 (asking whether “the particular manner or language in which the true facts are conveyed” endorses the inference). These inquiries are directed at the publisher’s linguistic and editorial choices, not at the source’s private communications.

This distinction follows directly from the structure of defamation law and the First Amendment principles that underlie it. A source is not an author. When a source tells a reporter a true fact and the reporter publishes it in a misleading context, the misleading context is the publisher’s creation, not the source’s. Holding a source liable for defamation by implication on the theory that the publisher’s editorial framing was misleading would make sources liable not for what they said but for what the publisher did with what they said. This would be a form of

liability that would impose crushing chilling effects on the willingness of witnesses and former employees to speak with journalists about matters of genuine public concern. *See Murray v. Shaw*, No. 24-cv-00640, 2025 U.S. Dist. LEXIS 56247 at *79-80 (D.D.C. Mar. 26, 2025). That result would be in deep tension with the qualified privilege for communications to the press, the policy underlying the D.C. shield law, and the First Amendment’s structural interest in protecting the flow of information to the public on matters of governmental accountability.

Of course, the irony of how the Amended Complaint alleges defamation by implication should not be lost on the Court. With respect to the second count, relating to the tailor’s bill being sent to the USADF, the Amended Complaint alleges:

176. In the May 8 article, The Daily Wire Defendants falsely stated that Mr. Adkins “had a tailor fit him for three custom suits, and sent the bill to the agency.” The statement was made under the heading, “Using poverty funds for luxury.”

(Am. Compl. ¶ 176.) Indeed, throughout the Amended Complaint, in every instance where Plaintiff discusses this statement, he uses those specific words.

He further alleges that this statement, “had a tailor fit him for three custom suits, and sent the bill to the agency,” came from Defendant Battle:

182. In the article, The Daily Wire Defendants attribute the defamatory statement to Defendant Battle, who purportedly gave the statement to them in advance of publication. But when Mr. Adkins, through counsel, asked Defendant Battle to affirm that she had, in fact, told The Daily Wire Defendants that Mr. Adkins billed USADF for tailored suits, she declined to do so.

(Am. Compl. ¶ 182.) In doing so, he is clearly implying that these words are directly attributable to Defendant Battle; however, the May 8 article makes clear that the source of the quote is being paraphrased, not quoted: “He had a tailor fit him for three custom suits, and sent the bill to the agency, she alleged.” (Am. Compl., Ex. A Luke Rosiak, *Aid Agency Pushed Official’s For-Profit Pyramid Scheme on Poor Africans*, THE DAILY WIRE (May 8, 2025) at *6.) On its face it is clear

that this statement was not a written recording of the specific words that Defendant allegedly used when speaking with the other defendants. The only person suggesting it is, through selective quotation and by implication, is Plaintiff.

Plaintiff repeats this in his third count, which alleges that he demanded a high-priced hotel and fired a USADF employee for raising concerns about it. In the third count, the Amended Complaint pleads:

198. In the May 8 and 14 articles, Defendants falsely stated that Mr. Adkins “brushed off government rules about travel costs and demanded \$1,000-a-night hotels, summarily firing an assistant who raised concerns about his travel arrangements.” The statements in both articles were made under the heading, “Using poverty funds for luxury.”

(Am. Compl. ¶ 198.) Like with the tailor’s bill, the Amended Complaint repeatedly, and only, uses those words: “brushed off government rules about travel costs and demanded \$1,000-a-night hotels, summarily firing an assistant who raised concerns about his travel arrangements.” And like with the tailor’s bill, the Amended Complaint alleges that this statement came from Defendant Battle:

204. In the articles, The Daily Wire Defendants attribute the defamatory statements to Defendant Battle, who purportedly gave the statements to them in advance of publication. But when Mr. Adkins, through counsel, asked Defendant Battle to affirm that she had, in fact, told The Daily Wire Defendants that Mr. Adkins ignored government travel rules, demanded \$1,000-a-night hotels, and fired her for asking about it, she declined to do so.

(Am. Compl. ¶ 204.)

Once again, the Amended Complaint is clearly implying that these words are directly attributable to Defendant Battle. But when compared to the articles, it is once again clear that this was not a written recording of what Defendant Battle allegedly said, but a reporter’s paraphrasing of what a former assistant told that reporter about why a USADF assistant was fired: “Adkins, for his part, brushed off government rules about travel costs and demanded

\$1,000-a-night hotels, summarily firing an assistant who raised concerns about his travel arrangements, the former assistant told The Daily Wire.” (Am. Compl., Ex. C at *13.)¹⁰ Again, this statement is not a written recording of what Defendant Battle allegedly said to the other defendants. Yet, again, Plaintiff is implying, through the selective quotation from the May 8, 2025 and May 14, 2025 articles, that Defendant Battle actually said those words. Now Plaintiff seeks millions of dollars from Defendant Battle, based largely on defamation by implication, by implying that Defendant Battle allegedly said the defamatory statements.

Because the alleged defamatory implication in both the tailor’s-bill and hotel-demand allegations flows entirely from the other defendants’ editorial choices, choices over which Defendant Battle would have had no control over and for which she bears no responsibility, the implied defamation theory in the second and third counts is inapplicable to her as a matter of law.

D. Several of the Statements Are Substantially True

Truth is a complete defense to defamation under D.C. law, and a court may resolve that defense where the complaint’s own allegations establish that the challenged statement is substantially accurate. *Benic v. Reuters Am., Inc.*, 357 F. Supp. 2d 216, 221 (D.D.C. 2004) (“Truth is an absolute defense to defamation claims.”); *see also Hindu Am. Found. v. Viswanath*, 646 F. Supp. 3d 78, 99-100 (D.D.C. 2022) (granting motion to dismiss where plaintiff failed to plausibly allege falsity). D.C. law does not require that a statement be true in every detail; instead, it is sufficient that the “gist” or the “sting” of the statement be substantially accurate. *See Armstrong v. Thompson*, 80 A.3d 177, 183 (D.C. 2013) (“In determining whether factual

¹⁰ The May 14, 2025 article uses nearly identical language, only adding that the source spoke on the condition of anonymity: “Adkins, for his part, brushed off government rules about travel costs and demanded \$1,000-a-night hotels, summarily firing an assistant who raised concerns about his travel arrangements, the former assistant told The Daily Wire, speaking on condition of anonymity.” (See Am. Compl. ¶ 87.)

statements in an allegedly defamatory communication are substantially true, we discount minor inaccuracies ‘so long as the substance, the gist, the sting, of the libelous charge be justified.’”) (quoting *Moldea*, 22 F.3d at 318; *see also Masson v. New Yorker Magazine, Inc.*, 501 U.S. 496, 516-17 (1991) (“The common law of libel ... overlooks minor inaccuracies and focuses on substantial truth Minor inaccuracies do not amount to falsity so long as ‘the substance, the gist, the sting, of the libelous charge be justified.’”) (quotation omitted). Critically, the burden of pleading and proving falsity rests with the plaintiff, not the defendant. *Philadelphia Newspapers, Inc. v. Hepps*, 475 U.S. 767, 776 (1986). Therefore, a defamation claim can be disposed of as a matter of law where the plaintiff’s complaint fails to plead that the statement was false or the defendant’s statement is true from the face of complaint. *See id.*; *Dall v. Pearson*, 246 F. Supp. 812, 813 (D.D.C. 1963). Where a complaint fails to allege that a challenged statement is false, or affirmatively confirms that it is true, the claim fails at the pleading stage, and no amount of artful framing of the surrounding context can revive it. *See Iqbal*, 556 U.S. at 678; *Farah v. Esquire Magazine*, 736 F.3d 528, 534-35 (D.C. Cir. 2013) (recognizing falsity is a threshold element that must be adequately pleaded to survive dismissal).

1. The Tailor’s Bill Allegation Is True, and Plaintiff Admits It

As discussed above, the May 8, 2025 article reported the following regarding the tailor’s bill: “He [Plaintiff] had a tailor fit him for three custom suits, and sent the bill to the agency, she alleged.” (Am. Compl., Ex. A at *6.) Furthermore, the Amended Complaint alleges that a portion of that statement, “had a tailor fit him for three custom suits, and sent the bill to the agency,” is false and defamatory. (Am. Compl. ¶ 176.) The Amended Complaint’s own narrative, however, demonstrates that this statement, which the Amended Complaint attributes to Defendant Battle, is true.

The Amended Complaint pleads, in relevant part, that in post-publication correspondence, Defendant The Daily Wire characterized its statement as communicating that Plaintiff's "personal tailor sent the bill for Mr. Adkins' personal expenses to Mr. Adkins' taxpayer-funded assistant at her taxpayer-funded email address for her to handle on her taxpayer-funded time." (Am. Compl. ¶ 78.) The Amended Complaint does not deny the truth of this allegation, because it cannot.

The article itself, updated after Plaintiff's counsel provided evidence, confirms the factual predicate explicitly:

After publication, counsel for [Plaintiff] provided evidence confirming that an invoice for \$9,000 in custom suits was submitted solely to his executive assistant's work email address and included USADF's office address as the billable address; however, no evidence has been uncovered that [Plaintiff] submitted this invoice for payment or reimbursement to USADF. According to [Plaintiff], he ultimately forwarded the invoice email to his private email address and provided evidence that, three weeks later, he paid the invoice from his personal funds.

(Ex. G Luke Rosiak, *Aid Agency Pushed Official's For-Profit Pyramid Scheme on Poor Africans*, THE DAILY WIRE (May 8, 2025).)¹¹ The updated article shows that Plaintiff's counsel actually provided evidence that corroborated what Defendant Battle allegedly told the other defendants, namely that Plaintiff had his tailor send a bill to the agency.

As discussed above, Plaintiff's actual grievance is not that the article reported a false fact. It is that Defendant The Daily Wire placed a true fact in a section titled "Using poverty funds for luxury," creating, in Plaintiff's view, a false implication that he caused USADF to pay for his suits. (Am. Compl. ¶¶ 79-81.) But that is a complaint about editorial framing, not about the

¹¹ The Amended Complaint chose to include, as an exhibit, the original article; however, the Amended Complaint, which was filed after the article was amended, discusses at length Plaintiff's counsel's interactions with the defendants and their various responses, including clarification to the original article.

truth of the reported fact. The substantial truth defense does not examine whether the publisher's organizational choices were editorially fair; it asks whether the challenged statement accurately described what happened. It did. The tailor sent the bill to USADF. Plaintiff's own evidence proves it. The claim therefore fails as a matter of law because the statement Plaintiff challenges is, by his own admission, true.

This conclusion is reinforced by the D.C. courts' consistent insistence that the "gist" or "sting" of a statement must be substantially accurate, not that every surrounding inference must be benign. *See Armstrong*, 80 A.3d at 183. Even if a reasonable reader might have initially understood the tailor's-bill allegation to imply something more than poor judgment, that implication, whatever its defamatory potential, arose from the reader's construction of meaning around a true fact, not from any false assertion by the article. And as discussed at length in the section addressing defamation by implication, the responsibility for any misleading framing lies with Defendant The Daily Wire's editorial choices, not with any statement attributable to Defendant Battle.

2. The Hotel-Demand Allegation Is Not Alleged to Be False

The May 8, 2025 article, in reporting largely repeated in the May 14, 2025 article, stated that: "[Plaintiff], for his part, brushed off government rules about travel costs and demanded \$1,000-a-night hotels, summarily firing an assistant who raised concerns about his travel arrangements, the former assistant told Defendant The Daily Wire." (Am. Compl., Ex. C at *13.) Furthermore, the Amended Complaint alleged in the third count that a portion of that reporting, "brushed off government rules about travel costs and demanded \$1,000-a-night hotels, summarily firing an assistant who raised concerns about his travel arrangements," is false and

defamatory. (Am. Compl. ¶ 198.) A careful reading of the Amended Complaint reveals a striking omission: Plaintiff never actually alleges that he did not demand expensive hotels.

The pleading is worth examining closely. Paragraph 88 asserts that the contention about Plaintiff “brushing off travel rules, demanding \$1,000-a-night hotels, and summarily firing Ms. Battle” is “provably false.” (Am. Compl. ¶¶ 88, 198.) But the paragraphs that follow, ostensibly offered as proof, do not deny that Plaintiff made such a demand. Instead, they argue that the government’s multi-layered travel approval process would have made it difficult for any such demand to succeed: executive travel at USADF was arranged by the finance department, which followed strict federal guidelines and would have required multiple levels of approval and sign-offs to book a hotel above the per diem rate. (Am. Compl. ¶¶ 96-97.)

The updated article itself reflects Plaintiff’s position precisely: “Adkins refutes the claims and further claims, if he did stay at a hotel costing above that permitted under the government travel rules, he paid for the overage with his own money.” (Ex. G.) The structure of that statement, “if he did stay,” is not a denial that he demanded such accommodations; instead, it is an acknowledgment that the operative question is who paid, not whether the demand was made.

The distinction between demanding something and obtaining it is not a technical one. A person who demands a \$1,000-per-night hotel and is told by his finance department that it exceeds the per diem rate has nonetheless demanded it. The article did not assert that Plaintiff successfully obtained \$1,000-per night hotel room at government expense; it asserted that he demanded them. Plaintiff’s argument, that government travel controls would have prevented success, does not speak to whether the demand was made. It speaks only to whether the demand was honored. Accordingly, Plaintiff has not pled that the challenged statement is false. He has pled that it was inactionable because oversight mechanisms existed. That is not the same thing,

and it does not satisfy his constitutional burden of pleading falsity. *Hepps*, 475 U.S. at 776.

Because the falsity of the hotel-demand allegation is not pleaded and because of Plaintiff's subsequent admissions to the other defendants the claim fails at its threshold for the same reason as the tailor's-bill allegation: the plaintiff who does not plead falsity has not stated a defamation claim. And as with the tailor's-bill allegation, any implication that Plaintiff succeeded in obtaining luxury accommodations at government expense, as opposed to merely demanding them, is a product of the article's framing rather than any false statement of fact, which is a distinction that, for all the reasons addressed in the preceding section, cannot sustain a claim against Defendant Battle.

E. Statements Derived from Defendant Battle's Affidavit Are Privileged

Statements in the course of judicial and quasi-judicial proceedings are absolutely privileged under D.C. law. *See, e.g., Finkelstein, Thompson & Loughran v. Hemispherx Biopharma, Inc.*, 774 A.2d 332, 338 (D.C. 2001), *overruled in part on other grounds by McNair Builders, Inc. v. Taylor*, 3 A.3d 1132 (D.C. 2010); *Stith v. Chadbourne & Parke, LLP*, 160 F. Supp. 2d 1, 8 (D.D.C. 2001) (applying privilege with full force to EEOC adjudications, which perform a quasi-judicial function). The privilege applies regardless of malice, and extends to all statements made in connection with a judicial proceeding if they are relevant to the subject matter of the proceeding. *See Finkelstein*, 774 A.2d at 338. Defendant Battle's sworn affidavit and the statements contained therein are, therefore, entitled to absolute immunity because they were part of the adjudication of Dunne's EEOC complaint against Plaintiff.

The fourth claim of the Amended Complaint confirms that its claims against Defendant Battle are substantially premised on the EEOC affidavit. It quotes from the affidavit directly and describes other defendants as having "cited" and relied upon it. (Am. Compl. ¶¶ 57, 221, 236.)

The statements that the other defendants quoted directly from Defendant Battle's affidavit are:

4. On at least three occasions, Mr. Adkins told me that he wanted his entire team (to include the General Counsel) to consist only of Black people. He wanted all of his direct reports to be Black.

5. When USADF hired a new HR specialist, Mr. Adkins insisted that USADF hire a Black person. USADF complied with his instructions and hired a Black woman, Sheila Hicks-Martin.

(Ex. F Battle Aff. ¶¶ 4-5; compare Am. Compl. ¶ 221; *id.* Ex. B Luke Rosiak, 'Them White Motherf-ers': Racist Agency Framed Its Lawyer After He Discovered Lawbreaking, He Said, THE DAILY WIRE (May 9, 2025) at *4.) To the extent the claims against Defendant Battle rest on statements she made in the EEOC affidavit, they are absolutely privileged and must be dismissed.

F. Several Statements Are Protected Opinion or Are Not Objectively Verifiable

A threshold requirement of any defamation claim under D.C. law is that the allegedly defamatory statement be one of verifiable fact; that is, a statement objectively capable of being proven true or false. Statements that express pure opinion, convey an impression, or are otherwise not susceptible to objective verification are constitutionally protected under the First Amendment and cannot support a defamation claim regardless of how damaging they may be. This principle is firmly established in D.C. law and independently requires dismissal of at least portions of the claims against Defendant Battle.

The foundational authority is *Milkovich*, which holds that the First Amendment protects statements that cannot "reasonably [be] interpreted as stating actual facts." 497 U.S. at 20. The analytical framework developed in *Ollman v. Evans*, 750 F.2d 970 (D.C. Cir. 1984) identifies four factors for distinguishing actionable statements of fact from protected opinion: (1) the specific language used; (2) whether the statement is objectively verifiable; (3) the full context of

the statement, including the surrounding text; and (4) the broader social context or setting in which it appeared. *Id.* at 979. The D.C. Court of Appeals has embraced and applied this framework, holding that only statements that reasonably appear to state or imply actual, objectively verifiable facts are actionable in defamation. *See, e.g., Guilford Transp. Indus., Inc. v. Wilner*, 760 A.2d 580, 589 (D.C. 2000). Applying these principles, the statements attributed to Defendant Battle fall into two analytically distinct categories: specific factual assertions and impressionistic characterizations. The former may, in principle, be verifiable; the latter are not, and they are protected.

Consider first the characterizations attributed to Defendant Battle about the Plaintiff's general hiring intentions and preferences. The Amended Complaint alleges that Defendant Battle told Defendant The Daily Wire that Plaintiff "wanted his entire team (to include the General Counsel) to consist only of Black people," that he "wanted all of his direct reports to be Black," and that he "was very adamant in only hiring African Americans, mainly female." (Am. Compl. ¶ 221.) These are not statements of discrete, observable fact; instead, they are characterizations of what Defendant Battle perceived or believed about Plaintiff's subjective motivations and unstated intentions. A person's "wants," "desires," and the degree to which they were "adamant" about preferences are quintessentially matters of impression and inference, not objective fact. Statements that report a source's perception of another person's unexpressed state of mind, rather than objectively observable conduct, lean heavily toward protected opinion.

This distinction is sharpened by examining precisely what is and what is not verifiable in each statement in the fourth count. Whether Plaintiff hired or refused to hire specific individuals on specific occasions is verifiable because employment records either reflect such decisions or they do not. But whether he harbored a desire or intention to build an all-black team is not a

statement about what happened. (Am. Compl. ¶¶ 101-103.) It is a statement about what a person believed another person wanted. Statements asserting the speaker's interpretation of another's motives or intentions are not objectively verifiable and thus are not actionable. *See Mason v. American Prospect, Inc.*, No. 23-cv-2238, 2024 U.S. Dist. LEXIS 176674 at *28-29 (D.D.C. Sept. 30, 2024) (finding that statements about consequences of management style are not verifiably objective); *Armstrong*, 80 A.3d at 187-88; *cf. Moldea*, 22 F.3d at 315 (noting that evaluative statements, rather than empirically verifiable ones, receive First Amendment protection); *Stevens v. Tillman*, 855 F.2d 394, 401-02 (7th Cir. 1988) (noting that characterization of another's motives constitutes protected opinion).

Ultimately, the broader characterizations of his motivations, preferences, and intentions, such as assertions about what he “wanted” or was “adamant” about privately, are not objectively verifiable and are therefore not actionable under D.C. law. The Court should dismiss the claims against Defendant Battle to the extent they rest on those non-verifiable characterizations, and at minimum should narrow the scope of any surviving claims accordingly.

G. The Amended Complaint Fails to Adequately Plead Actual Malice

Even if the Complaint adequately alleged that Defendant Battle published a defamatory statement, it fails to plead actual malice with the particularity required by law. Because Plaintiff is a public official or, at minimum, a public figure, he must plead and prove that Defendant Battle made any allegedly false statement with “actual malice,” meaning with knowledge that the statement was false or with reckless disregard for its truth or falsity. *New York Times Co. v. Sullivan*, 376 U.S. 254, 279-80 (1964); *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 331-32 (1974). In doing so, Plaintiff must plead actual malice with sufficient factual specificity to make the claim plausible and not merely recite the legal formula. *Iqbal*, 556 U.S. at 678; *see also Mason*,

2024 U.S. Dist. LEXIS 176674 at *44-48 (concluding that plaintiff had failed to meet her burden of pleading actual malice with sufficient plausibility to raise claims above speculation. Bare recitation of the actual malice standard, without factual support tied specifically to the defendant's state of mind, is insufficient. As explained above, actual malice is a subjective text, requiring a showing "in convincing fashion 'that the defendant in fact entertained serious doubts as to the truth of his publication' ... [and] that the defendant himself entertained a 'high degree of awareness of ... probable falsity.'" *Liberty Lobby*, 838 F.2d at 1292-93 (quotations omitted).

The Amended Complaint falls short of this standard as applied to Defendant Battle. The actual malice allegations against Defendant Battle are conclusory. The Amended Complaint alleges, in virtually identical language across all three claims that, "[t]o the extent Defendant Battle published the defamatory statements to The Daily Wire Defendants, she did so with actual malice, in that she was aware at the time of publication that the statement[s] were false." (Am. Compl. ¶¶ 183, 205, 230.) But alleging that a defendant "knew" the statements were false, without more, is precisely the sort of conclusory pleading that *Iqbal* and *Twombly* prohibit. *See Arpaio v. Zucker*, 414 F. Supp. 3d 84, 92 (D.D.C. 2019) (finding that threadbare assertion that defendant knew statement was false or was reckless to falsity is insufficient to plead actual malice); *Hourani v. Psybersolutions LLC*, 164 F. Supp. 3d 128, 144 (D.D.C. 2016) (dismissing defamation claims where plaintiff failed to allege any facts showing statements were made with actual malice); *see also Arpaio*, 414 F. Supp. 3d at 91-92 (finding that pleading defendants were motivated by "malice and leftist enmity" do not impact on actual malice).

The Amended Complaint's factual allegations concerning Defendant Battle's alleged state of mind rest primarily on the theory that she had a "personal vendetta" against Plaintiff stemming from the circumstances of her departure from USADF, and that she was aware of the USADF

hiring practices firsthand. (Am. Compl. ¶¶ 184, 192, 206, 231.) Actual malice focuses on a defendant's attitude toward the truth or falsity of the allegedly defamatory statement, not on the defendant's animosity toward the plaintiff, or even on the defendant's negligence in verifying facts. *See, e.g., St. Amant*, 390 U.S. at 731. Hatred, spite, ill will, or a desire for revenge, without more, do not establish actual malice. *Masson*, 501 U.S. 496 at 510-11. Indeed, the D.C. Circuit "has made clear that evidence of ill will 'is insufficient to support a finding of actual malice.'" *Tah v. Global Witness Publ., Inc.*, 991 F.3d 231, 243 (D.C. Cir. 2021) (citation omitted).

There are no specific facts pled in the Amended Complaint from which the Court could plausibly infer that Defendant Battle knew, at the time she allegedly spoke to the other defendants, that any particular statement was false. On the contrary, many of the allegations concern events to which Defendant Battle had firsthand exposure as Plaintiff's administrative assistant—the very circumstances from which she formed her impressions. That she may have perceived or recalled events differently from how Plaintiff recounts them does not establish that she knew her account was false. *See Harte-Hanks Communications, Inc. v. Connaughton*, 491 U.S. 657, 666-67 (1989) (actual malice is not measured by what a reasonable person would have believed, but by what the defendant actually knew or believed). Because the Complaint does not plausibly plead actual malice by Defendant Battle with the specificity required when a public official or figure is the plaintiff, the claims against her must be dismissed.

H. Plaintiff Cannot Prove an Actionable Injury

In this case, Plaintiff has pled each of the three counts against Defendant Battle as defamation per se. (Am. Compl. ¶¶ 176, 188, 199, 220.) The District has long adhered to one of the most restrictive defamation per se doctrines in the country. In most jurisdictions, defamation per se encompasses several categories beyond criminal accusations, such as statements that

injure a person in their trade or profession, impute a loathsome disease, or allege sexual misconduct. In the District, courts have rarely, if ever, relied on one of those expanded categories in any well-settled way. The only circumstance where D.C. courts have consistently applied the doctrine is to its narrowest application of falsely accusing someone of committing a crime of moral turpitude. *See, e.g., Raboya v. Shrybman & Assocs.*, 777 F. Supp. 58, 59 (D.D.C. 1991); *see also Harmon v. Liss*, 116 A.2d 693, 695 (D.C. 1955) (requiring for a statement to be actionable per se that it “impute to [the plaintiff] the commission of some criminal offense for which he may be indicted and punished, if the charge involves moral turpitude and is such as will injuriously affect his social standing’, or, as was said in [*Caldwell v. Hayden*, 42 App. D.C. 166 (D.C. Cir. 1914)], the question is whether, from the language attributed to defendant, there is something from which the commission of a crime involving moral turpitude can be inferred.”).¹² Even the availability of presumed damages in defamation per se cases is severely curtailed for public figures. The Supreme Court held in *Gertz* that public figures may not recover presumed damages regardless of the per se designation, and must plead and prove actual injury. 418 U.S. at 349-50. That rule forecloses much of the practical value Plaintiff seeks to derive from the per

¹² It is conceivable that the application of defamation per se could be applied to statements beyond those accusing a plaintiff of the commission of a crime. The substantial body of case law on the application of defamation per se to D.C. law, however, shows that it is only consistently applied in the narrow circumstance where criminality is falsely alleged. *See, e.g., Larue v. Johnson*, No. 16-cv-00504, 2018 U.S. Dist. LEXIS 238815 at *16 (D.D.C. Feb. 22, 2018) (“The [plaintiff] accuses Ms. LaRue of a variety of actions which would otherwise constitute crimes including fraud, identity theft, and threats to do bodily harm. ... Accordingly, the statements are defamatory per se, thereby satisfying the final element necessary to state a defamation claim.”); *Grossman v. Goemans*, 631 F. Supp. 972, 973-74 (D.D.C. 1986) (“[P]laintiffs have met the fourth element of a libel cause of action, because false allegations of criminal conduct are libelous per se and thus actionable without proof of special damages.”) (citation omitted); *Johnson v. Johnson Publishing Co.*, 271 A.2d 696, 697-98 (D.C. 1970) (“The language of the article is thus defamatory since it imputes to appellant ‘conduct that would render him liable to punishment, or make him odious, infamous, or ridiculous.’ The words used charge an assault, a crime, and to accuse one of a crime is libel per se.”) (quotations and citations omitted).

se theory in any event.

1. The allegedly defamatory statements do not constitute defamation per se

Applying D.C.'s narrow rule to the four challenged statements, the per se theory fails across the board. The second and third challenged statements, that Plaintiff sent the tailor's bill to the agency, and that he demanded \$1,000-per-night hotels, could be stretched to imply attempted misuse of federal funds, which might theoretically constitute a federal crime. But Plaintiff's per se theory as to these statements encounters compounding problems beyond the narrow scope of D.C.'s doctrine. As discussed above, the tailor's bill was, by Plaintiff's own admission, in fact sent to USADF. A true statement cannot be defamatory, per se or otherwise. As to the hotel demand, Plaintiff never actually pleads that he did not make it. A statement whose falsity is not pleaded cannot form the basis of any defamation claim, let alone a per se one.

To the extent either the tailor's bill or the hotel demand could be read to imply an attempted crime, as opposed to the more modest implication of poor judgment, that criminal implication was generated by the other defendants' editorial framing, not by any statement attributable to Defendant Battle. *See Murray*, 2025 U.S. Dist. LEXIS 56247 at *80 ("Given that [the defendant] is not responsible for the media's editorial choices, which [the plaintiff] argues caused her harm, ... the court cannot conclude that [the plaintiff] has plausibly alleged that [the defendant] defamed her by implication with these statements.") (citations omitted). A source who accurately reports that a tailor's bill was submitted to a government email address has not accused anyone of a federal crime.

The fourth challenged statement, that Plaintiff said he would not hire white people or veterans, is the most straightforwardly fatal to the per se theory. Employment discrimination on

the basis of race is a civil wrong under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e *et seq.* Discrimination against veterans in federal employment is a civil wrong under the Veterans Employment Opportunities Act, 5 U.S.C. § 3304, and related statutes. But neither statute makes intentional employment discrimination by a federal official a criminal offense subject to indictment, conviction, and imprisonment. D.C.'s defamation per se doctrine extends to statements that accuse someone of criminal conduct, not to statements that, if true, would describe a civil rights violation subject to administrative proceedings and civil remedies. *See Raboya*, 777 F. Supp. at 60. Accusing a federal official of maintaining discriminatory hiring preferences, whatever its moral valence, is not the same as accusing him of a crime, and D.C. defamation law does not treat it as such.

Because none of the three allegedly defamatory statements that Plaintiff attributes to Defendant Battle constitute an accusation of criminal, odious, infamous, or ridiculous conduct under D.C.'s narrow defamation per se doctrine, the Complaint's per se theory fails as a matter of law. This is true even if criminal overtones could be conjured from any of the three allegedly defamatory statements attributed to Defendant Battle because the underlying factual predicate for each is either admitted, not denied, or attributable only to the publisher's framing. Given the independent, authoritative pre-existing sources of reputational harm catalogued above, that causation showing is implausible on its face.

2. *The Amended Complaint fails to adequately plead injury*

Although each of the counts in the Amended Complaint plead defamation per se, it does not mean that Plaintiff may dispense with pleading facts demonstrating actual damages. The per se designation does not relieve a plaintiff of the obligation to plead real, cognizable harm; it merely means he need not prove the precise dollar value of his losses if he can first establish that

actual injury occurred. *Gertz*, 418 U.S. at 350. As a result, a public figure pursuing a defamation per se claim must still allege and ultimately prove “actual injury,” meaning real harm to reputation, professional standing, or emotional wellbeing, caused by the specific challenged statements. *Id.* at 350.

Furthermore, the causation requirement does not disappear simply because a plaintiff labels his claim per se. It requires the plaintiff to establish that an allegedly defamatory statement, made by a particular defendant, caused specific harm. Where, as here, the plaintiff’s reputation on the precise subjects addressed by the challenged statements had already been devastated by independent, authoritative, and far more prominent sources, the causal chain between the challenged statements and the claimed harm collapses entirely. A public figure whose reputation has been leveled by a United States Senate investigation, a federal criminal conviction of his own subordinate, and a cascade of OIG and GAO findings cannot invoke the per se label to short-circuit the causation requirement that *Gertz* imposes on him.

Plaintiff asserts that the three sets of statements allegedly made by Defendant Battle carried such a sting as to cause him actual harm. But his alleged harm cannot be examined in a factual vacuum. It must be examined in the context of a congressional letter naming Plaintiff personally, a federal criminal conviction of his direct subordinate for corruption, and OIG and GAO reports documenting systemic failure and fraud concealment under his watch. The specific reputational interests Plaintiff claims were injured by these statements—such as his integrity as a financial steward, his honesty, his fitness to lead a federal agency, his treatment of employees, and his management practices—had already been publicly scorched by sources carrying far greater institutional weight than an anonymous former employee speaking to a reporter. The fourth element of a District defamation claim, whether styled as per se or per quod, requires

causation, and causation requires that the specific defendant's specific statement caused harm the plaintiff would not otherwise have suffered. That showing is not remotely plausible here, and the claims should be dismissed.

Even if anything remains of Plaintiff's professional reputation after being publicly devastated, the Amended Complaint improperly aggregates multiple statements by multiple defendants across multiple publications and then appends a single block of injury allegations, making no effort to attribute particular harms to particular defendants or particular statements. This does not satisfy the causal element as to any individual defendant. Indeed, an undifferentiated injury pleading does not plausibly establish that any statement attributable to Defendant Battle, as distinguished from Defendant The Daily Wire's own editorial choices, Defendant Rosiak's reporting, or the cascade of OIG, GAO, congressional, and criminal investigations that preceded the articles, caused Plaintiff any cognizable harm.

In paragraphs 119 through 126 of the Amended Complaint, Plaintiff catalogues racist and threatening online comments posted online after the articles were published. The Amended Complaint's allegations of online harassment fail as to Defendant Battle for a reason the Complaint itself supplies. Plaintiff specifically pleads that the other defendants "knew their false allegations about Plaintiff would elicit such public commentary" because "[t]hey had seen the same racist dogpiling play out in connection with other articles they had published." (Am. Compl. ¶ 126.) That is an allegation that the other defendants caused the harassment by knowingly cultivating a racist audience. It is not an allegation that Defendant Battle caused it. The Amended Complaint's own theory of how the racist commentary came about points exclusively to Defendant The Daily Wire and its editorial choices, its audience, and its history of inflammatory coverage. Defendant Battle did not write the articles, select the headlines, choose

the photographs, post the content to social media, or cultivate the readership that responded to it. The harassment allegations, as pled, are simply not connected to Defendant Battle by any causal chain the Defendant Complaint articulates.

The Amended Complaint further alleges that Plaintiff was disinvited from two speaking engagements, one in Zambia and one in Washington, D.C., “because of the publications.” The Zambia organizer is quoted explaining: “this is a conference that’s going to be filled with journalists. You cannot be onstage without this coming up. We are afraid it will take up our entire seminar.” (Am. Compl. ¶ 129.) The Amended Complaint asserts that the Washington, D.C. conference disinvited him “on much the same rationale.” (Am. Compl. ¶ 130.)

This alleged harm fails in two independent respects. First, the organizers’ stated concern was with the controversy surrounding the articles generally, and not with any particular statement within the articles and certainly not with any statement attributable to Defendant Battle as opposed to the statements made by the other defendants. A causal chain that runs from “the articles” generically to reputational harm does not satisfy the obligation to plead how Defendant Battle’s alleged statements specifically caused that harm. Second, neither disinvitation allegation identifies the specific statement or statements that prompted the organizer’s decision.

The Complaint’s centerpiece injury allegations are that because of the articles, he has been unable to find full-time employment, that his current work is in lower-paying jobs than his qualifications warrant, and that he has lost the opportunity to pursue positions that “people coming out of similar government leadership roles routinely” obtain, paying over \$500,000 annually. (Am. Compl. ¶¶ 131-32.) These allegations suffer from multiple, compounding deficiencies. Most fundamentally, Plaintiff pleads no specific job he sought and was denied. He identifies no employer, no application, no rejection, and no communication from any prospective

employer indicating that the articles, let alone any statement attributable to Defendant Battle, were a reason for declining to hire him. Instead, Plaintiff pleads that because of the articles, he “could not even apply for such positions because the applications would not have received serious consideration.” (Am. Compl. ¶ 132.) That is a pleading of self-imposed inaction based on Plaintiff’s own prediction of futility, which is not an actual injury. And an injury that Plaintiff inflicted on himself by choosing not to pursue opportunities does not satisfy *Gertz*’s actual injury requirement and is not fairly traceable to any statement Defendant Battle may have made.

None of the injury allegations make any effort to connect specific harms to specific statements or to Defendant Battle specifically. This is fatal to the claims against her. And it is not a technicality. It is the absence of properly showing causal chain between Defendant Battle and any cognizable harm, the fourth element of a D.C. defamation claim is simply not pled.

CONCLUSION

For the reasons set forth above, the Court should grant Defendant Jasmine Battle’s motion to dismiss Plaintiff’s Amended Complaint with prejudice.

Dated: March 30, 2006

Respectfully submitted,

/s/ Sean W. O’Donnell

Sean O’Donnell (D.C. Bar No. 90040392)

Michael Bekesa (D.C. Bar No. 995749)

JUDICIAL WATCH, INC.

425 Third Street SW, Suite 800

Washington, DC 20024

Tel: (202) 646-5180

Email: SODonnell@JudicialWatch.org

Counsels for Defendant Jasmine Battle

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

DEFENDANT BATTLE'S MOTION TO DISMISS

EXHIBIT A

Letter from Senator James E. Risch to Acting Deputy Inspector General Nicole Angarella
(Nov. 1, 2023)

BENJAMIN L. CARSON, MISSISSIPPI
ROBERT MENENDEZ, NEW JERSEY
JEANNE SHAHEEN, NEW HAMPSHIRE
CHRISTOPHER A. COONS, DELAWARE
CHRISTOPHER MURPHY, CONNECTICUT
TIM Kaine, VIRGINIA
JEFF MERKLEY, OREGON
CORY A. BOOKER, NEW JERSEY
BRIAN SCHATZ, HAWAII
CHRIS VAN HOLLEN, MARYLAND
TAMMY DUCKWORTH, ILLINOIS

JAMES E. RISCH, IDAHO
MARCO RUBIO, FLORIDA
MITT ROMNEY, UTAH
PETE RICKETTS, NEBRASKA
RAND PAUL, KENTUCKY
TODD YOUNG, INDIANA
JOHN BARRASSO, WYOMING
TED CRUZ, TEXAS
BILL HAGERTY, TENNESSEE
TIM SCOTT, SOUTH CAROLINA

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, DC 20510-6225

November 1, 2023

Ms. Nicole Angarella
Acting Deputy Inspector General
Office of the Inspector General
U.S. Agency for International Development
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Dear Ms. Angarella:

As Ranking Member of the Senate Foreign Relations Committee with responsibility for oversight of U.S. foreign policy and foreign assistance programs, I write to request that the Office of the Inspector General (OIG) open an immediate investigation into allegations of waste, fraud, and abuse occurring at the United States-African Development Foundation (USADF), including: misuse of official funds; fraudulent and corrupt spending practices; conflicts of interest between USADF management, board members, and private-sector/non-governmental partners; gross mismanagement, including inadequate staffing for compliance and oversight, and improper, abusive, and discriminatory management and personnel practices; and attempts to suppress evidence of wrongdoing.

According to whistleblower complaints received by the Senate Foreign Relations Committee (SFRC) – complaints that I understand have also been shared with the OIG – current President and CEO Travis Adkins, former President and CEO C.D. Glin, Managing Director for Finance and Administration Mathieu Zahui, Chief Program Officer and former Acting President and CEO Elisabeth Feleke, and Chairman of the Board of Directors Jack Leslie are aware of, and may be complicit in, corrupt and potentially unlawful practices, including those described below. I have also received reports that officials at USADF may now be engaged in efforts to cover up or destroy evidence of wrongdoing, including by collecting and destroying financial records of accounts held overseas. SFRC takes all of these allegations extremely seriously and urges the OIG to fully investigate without further delay.

Each of the allegations described herein are based upon interviews with multiple whistleblowers of various ranks and positions at USADF, all of whom have presented direct, first-hand knowledge of alleged impropriety by USADF officials. These allegations are backed by documentation received by the committee, including bank records, wire transfer records, and copies of text and email communications. Written and verbal presentations by USADF officials to committee staff have only deepened our concerns about gross mismanagement, waste, fraud and abuse. We are prepared to share this evidence and experience with your investigators.

Credible allegations against USADF include the following:

- **Misuse of official funds.** Whistleblower testimony and supporting documents suggest USADF has abused its authority to engage in foreign partnerships and hold foreign bank accounts. Reportedly, the agency has devised a non-transparent, alternative payment

Ms. Nicole Angarella

November 1, 2023

Page 2

mechanism that enables at least one identified foreign partner to tap into USADF funds held in foreign bank accounts, make payments to U.S.-based USADF employees and contractors that violate federal rules and regulations, arrange and cover excessive travel costs, and cover other unallowable costs absent scrutiny. Further, it is alleged that USADF structured grant awards to circumvent the \$250,000 small grant cap and evade oversight, and used grant funds – which are required by statute to be spent overseas – to pay the salaries of two U.S.-based communications specialists.

- **Conflicts of interest and inappropriate partnerships.** USADF allegedly has directed federal funding to organizations with close, personal ties to USADF officials and board members, thereby creating inappropriate conflicts of interest. For example, USADF formed a partnership to promote food security in Africa with Herbalife Nutrition, a multi-level marketing company which reached a \$123 million settlement with the Department of Justice in 2020 over allegations that it had violated the Foreign Corrupt Practices Act. The Vice Chairman of USADF's Board of Directors, John Agwunobi, is the CEO of Herbalife. I understand that during the life of this partnership, implementing staff and partners in Africa were never clear on whether the partnership was with the not-for-profit or for-profit arms of Herbalife, that branded materials never made the required distinction between Herbalife International Inc. and the Herbalife Foundation, and that the project essentially became a marketing tool for Herbalife, Inc. Though senior USADF staff has informed SFRC that the partnership has been terminated, they could not account for the fact that the agency's FY2024 budget documents continue to set aside funds for Herbalife.
- **Gross mismanagement, including inadequate staffing of positions critical for compliance and oversight.** USADF operated without a full-time General Counsel and/or Legal Advisor between April 2022 and April 2023. Though many government agencies are facing staffing gaps, USADF appears to be the only federal agency to operate without a full-time senior legal team responsible for compliance and oversight for such a prolonged period of time.

It is alleged that USADF's senior leaders deliberately sought to avoid hiring qualified finance and contracting officers in an effort to evade internal scrutiny and limit internal controls. USADF has relied almost entirely upon short-term, recurring contracts to fill positions, which may save the agency long-term employee benefit costs but also circumvents federal employment regulations. Additionally, whistleblower complaints indicated that when there were breaks between short-term contracts for services from a single individual, those contractors were expected to continue working during the lapse.

Moreover, this practice calls into question the legality of certain USADF procurements and financial transactions – such as an alleged \$2 million deposit by the Managing Director for Finance and Administration into a bank account in Ghana in February 2023 – that typically would require signature by at least two presently responsible fiduciary agents of the agency. It is unclear who, if anyone, at USADF is co-signing these transactions in accordance with relevant federal procurement laws and procedures. This may also explain why a senior USADF official was unable to account for major financial discrepancies included in the agency's FY2024 budget request.

Ms. Nicole Angarella

November 1, 2023

Page 3

- **Toxic workplace.** The committee has received multiple, credible reports of discriminatory hiring practices, mistreatment of protected classes of employees, and retaliatory actions against employees, including suspensions in excess of six months and termination without due process. Witnesses cite multiple instances in which members of USADF's senior leadership have used insulting and degrading language toward women, actively sought to exclude veterans and individuals who are not of African descent from hiring, and retaliated against employees who dared to raise questions about the misuse of official funds, potential conflicts of interest, and/or personnel policies or actions. According to anonymous comments posted on glassdoor.com since June 2023 alone, "USADF P/CEO ... has created a work environment that breeds fear, anxiety, and health problems," "[t]he board of directors is AWOL except where they are actively prioritizing terrible and self-interested strategic partnerships," "[t]his Agency Runs On Burnout, while I was there it had 70% turnover," "USADF is a scary place to work," and "[the CEO's] priorities seem to be on meeting celebrities and networking with diplomats. Overwork, chaos, belittlement, blame, and bullying are part of the daily experience of working here." Whistleblower complaints received by the committee are fully aligned with these comments.
- **Attempts by USADF to suppress evidence of wrongdoing and quash investigations.** In 2021, Acting CEO Elisabeth Feleke actively sought to suppress an internal investigation that would later implicate her predecessor, C.D. Glin, in fostering a toxic workplace environment and failing to file public disclosures. The acting CEO reportedly ordered the employee conducting the investigations to "stand down" and amend their findings. When they refused to do so, they were ejected from the senior leadership team. Upon the swearing-in of the new CEO Travis Atkins, a friend and colleague of C.D. Glin, the employee was suspended for a period of six months, in violation of their due process rights. Reportedly, senior leadership continues to use fear of firing and other forms of intimidation to enforce discipline, suppress negative reporting, and cover improprieties.

The committee also has received disturbing reports that the Managing Director for Finance and Administration recently was dispatched to several countries in Africa to close bank accounts and take possession of documentation that might "negatively reflect upon USADF," including the payment scheme noted above.

I believe that several of the allegations described herein may constitute violations of federal law and, as such, merit thorough investigation by an organization with law enforcement authorities. As USAID OIG exercises oversight authority over the USADF, I am turning to you first. I expect you also take these allegations seriously and expedite your review accordingly.

Development assistance plays an important role in U.S. foreign policy. Turning a blind eye to alleged fraud, corruption, and mismanagement in any single development agency or program would undermine the credibility of U.S. development assistance across the board. To this end, I cannot allow additional U.S. taxpayer dollars to flow to an organization facing such serious – and credible – allegations of wrongdoing. I already have placed holds on, and will continue to hold, all

Ms. Nicole Angarella

November 1, 2023

Page 4

congressional notifications for USADF funding, and will communicate to other relevant department and agencies – including USAID – that I will also hold all proposed interagency transfers to USADF that do not include sufficient oversight mechanisms, pending the completion of your investigation and committee review.

Thank you for your attention to this urgent matter, and I look forward to follow-on engagements with your investigators.

Sincerely,

A handwritten signature in blue ink, appearing to read "James E. Risch". The signature is stylized with a large initial "J" and a cursive "Risch".

JAMES E. RISCH
Ranking Member
Senate Foreign Relations Committee

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

DEFENDANT BATTLE'S MOTION TO DISMISS

EXHIBIT B

Statement of Offense, *United States v. Zahui*, No. 26-cr-16 (D.D.C. Feb. 23, 2026)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,)

v.)

MATHIEU ZAHUI)

Defendant.)

CRIMINAL NO. 26-cr-XXXX

STATEMENT OF OFFENSE

Pursuant to Rule 11 of the Federal Rules of Criminal Procedure, defendant **MATHIEU ZAHUI** and the United States hereby agree and stipulate the Government’s evidence would have shown, beyond a reasonable doubt, the following:

I. BACKGROUND

1. The United States African Development Foundation (“ADF”) is an independent U.S. government agency that was established to support and invest in African-owned and African-led business enterprises.

2. Between 2017 and the present, **MATHIEU ZAHUI** served as the Director of Financial Management (“Finance Director”) at ADF. **ZAHUI** referred to himself as the “CFO” of ADF. **ZAHUI** was a “public official” as defined in Title 18, United States Code, Section 201(a)(1). **ZAHUI**’s responsibilities ranged from overseeing finance, accounting, information technology and human resources, to reviewing and approving invoices submitted by contractors.

3. Additionally, between December 2022 and the present, **ZAHUI** assumed the role of Contracting Officer Representative for ADF. As Contracting Officer Representative, **ZAHUI** was responsible for monitoring contractor performance and review and processing of invoices. He received trainings on properly discharging the duties of Contracting Officer Representative and

acknowledged his understanding of his obligations by signing the Contracting Officer Representative's letters of appointment. **ZAHUI** was aware of his obligation to avoid conflicts of interest with contractors and to immediately inform the Contracting Officer or ADF's ethics counsel if he ever developed a direct or indirect financial interest that could create a conflict of interest involving a contractor.

4. CC-1 was an owner of Kenya-based company Company-1. Previously, CC-1 held various positions in the U.S. government, including as a senior contracting officer and program manager at the Department of Veterans Affairs.

5. **ZAHUI** and CC-1 had known each other since 1999.

II. ROLE IN ADF CONTRACTING AND RECEIPT OF FUNDS FROM CC-1

6. In late 2019, ADF sought to hire two African-based companies that would provide logistical support for ADF events held in Africa, with one company being French-speaking and the other being English-speaking. **ZAHUI** was in contact with CC-1, and Company-1 submitted a proposal to provide the requested logistical support services for ADF.

7. In March 2020, ADF awarded Company-1 what was known as a "sole-source" contract. A sole-source contract does not involve a competitive bidding process. While ADF had the authority to select a specific contractor and grant it a sole-source contract, ADF was restricted regarding the granting of sole source contracts to certain defined circumstances. As **ZAHUI** knew, ADF was not supposed to award sole-source contracts valued at greater than \$100,000. However, when the contract was signed on March 5, 2020 by the Bureau of the Fiscal Service of the U.S. Treasury, the total contract value ended up being \$173,640. The stated purpose of the contract was for Company-1 to provide "logistical support" for ADF events.

8. At **ZAHUI**'s direction, ADF eventually extended the contract term and increased

the total value of the 2020 contract from \$173,640 to \$347,280. **ZAHUI** also oversaw the award of two additional sole-source contracts to Company-1 in the amounts of \$350,544 and \$93,200 in 2021 and 2023, respectively. Under the terms of these two additional contracts, Company-1's scope of work was the same as in the original, March 2020 contract—the provision of “logistical support” for ADF events.

9. Between at least June 2020 and December 2023, **ZAHUI** approved the payment of funds to Company-1 despite the fact that Company-1 performed little-to-no actual work. To do this, **ZAHUI** arranged for ADF to pay its vendors and contractors through Company-1 rather than pay them directly. **ZAHUI** then approved invoices for Company-1 that included mark-ups ranging from 17% to 66% on these pass-through invoices, even when Company-1 did no work justifying the mark-up. In total, Company-1 submitted more than 20 pass-through invoices to ADF, for which **ZAHUI** caused ADF to pay at least \$617,625.49 to Company-1. Of this total amount paid under the pass-through invoices, Company-1 retained \$134,886.34 as a mark-up.

10. For example, leading up to June 2020, ADF owed a substantial past-due debt to Company-2 for staffing services that Company-2 had provided to ADF. Instead of paying Company-2 directly, **ZAHUI** directed Company-2 to issue an invoice to Company-1 pursuant to the conduct described above in paragraph 9. In August 2020, Company-2 issued a \$120,000 invoice to Company-1, which had played no role in the IT support services provided by Company-2 to ADF. Shortly thereafter, Company-1 issued a \$140,653.08 invoice to ADF, stating that Company-1 had provided “IT Support for logistical assistance” to ADF to earn those funds. Even though **ZAHUI** knew that Company-1 provided no services in connection with Company-2's IT support services to ADF, **ZAHUI** approved the invoice on behalf of ADF. After paying Company-2 \$120,000, CC-1 and Company-1 received more than \$20,000.

11. In addition to the more than 20 pass-through invoices described in paragraph 9 between April 2020 and December 2023, **ZAHUI** approved other invoices from Company-1 under the contracts described in paragraph 7 through 8 totaling approximately \$214,873.83

12. While the aforementioned contracts were pending, between at least August 2019 and August 2022, **ZAHUI** personally and directly received from CC-1 \$12,000 in cash payments, which CC-1 transmitted to **ZAHUI**'s bank account in eight separate payments. **ZAHUI** received and accepted the cash payments because of official acts he performed and would perform to benefit CC-1 and Company-1. These official acts included ensuring that Company-1 continued to secure contracts with ADF, directing funds from ADF to Company-1 through pass-through invoices, and approving Company 1's invoices.

13. **ZAHUI** and CC-1 did not disclose this conduct to the Bureau of the Fiscal Service, which, as part of the Department of Treasury and as ADF's shared service provider for all invoices, oversaw and authorized ADF's payments to external parties. With **ZAHUI**'s involvement, CC-1 falsely stated on Company-1 invoices that Company-1 had provided "logistical support" to ADF when, in fact, Company-1 often acted as a pass-through for payments that had nothing to do with logistical support. For example, in late 2020, ADF owed a membership fee of \$50,000 to a professional networking organization serving the African diaspora. Instead of having ADF pay its membership fee directly, **ZAHUI** directed CC-1 to have Company-1 submit an invoice to ADF that included the membership fee so that Company-1 could act as a pass-through for the \$50,000 payment to that organization. The invoice submitted claimed that Company-1 provided "logistical assistance support for ADF" and included a mark-up of \$9,900.08.

III. FALSE STATEMENT TO FEDERAL LAW ENFORCEMENT OFFICERS

14. On January 11, 2024, **ZAHUI** voluntarily agreed to an interview with special

agents from the U.S. Agency for International Development's Office of Inspector General. During the interview, the special agents told ZAHUI that it was a crime to lie during the interviews. The special agents then asked a series of questions regarding ZAHUI's relationship with CC-1, to which ZAHUI knowingly and willfully gave a false response that he had never received any benefits from CC-1.

15. This proffer of evidence is not intended to constitute a complete statement of all facts known by defendant ZAHUI, but is a minimum statement of facts intended to provide the necessary factual predicate for the guilty plea. The limited purpose of this proffer is to demonstrate that there exists a sufficient legal basis for defendant's plea of guilty to the charged crime.

Respectfully submitted,

JEANINE FERRIS PIRRO
United States Attorney

LORINDA I. LARYEA
Chief, Fraud Section

By: 

Sungtae Kang, Virginia Bar No. 90100
Assistant United States Attorney
United States Attorney's Office
601 D Street, N.W.
Washington, D.C. 20530
(202) 431-0569
Sungtae.Kang@usdoj.gov

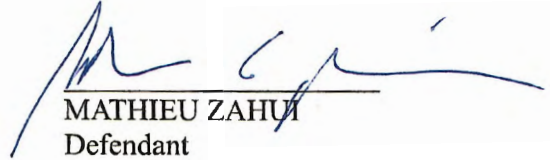
By: 

Kyle Hankey, D.C. Bar No. 1010827
Assistant Chief
Criminal Division, Fraud Section
1400 New York Avenue, N.W.
Washington, D.C. 20530
(202) 549-8941
Kyle.Hankey@usdoj.gov

DEFENDANT'S ACCEPTANCE


I have read every word of this Statement of Offense. Pursuant to Fed. R. Cr. P. 11, after consulting with my attorney, I agree and stipulate to this Statement of Offense, and declare under penalty of perjury that it is true and correct.

Date: 01/27/2026


MATHIEU ZAHUI
Defendant

I have discussed this Statement of Offense with my client. I concur with his decision to stipulate to this Statement of Offense.

Date: 1/27/2026


KAREN WILLIAMS, Esquire
Attorney for the Defendant

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

DEFENDANT BATTLE'S MOTION TO DISMISS

EXHIBIT C

USAID Office of Inspector General,
Nonreporting of Suspected Misuse of USADF Grant Funds and Equipment,
Mgmt. Advisory E-ADF-24-001-A (Aug. 29, 2024)



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MANAGEMENT ADVISORY

DATE: August 29, 2024

TO: Travis Adkins
President and Chief Executive Officer
U.S. African Development Foundation

FROM: Paul K. Martin *PKM*
Inspector General

SUBJECT: Nonreporting of Suspected Misuse of USADF Grant Funds and Equipment
(E- ADF-24-001-A)

This advisory communicates a management issue related to the U.S. African Development Foundation's (USADF) nonreporting of suspected misuse of grant funds and equipment to the USAID Office of Inspector General (OIG). In finalizing the advisory, we considered your comments on the draft and included them in their entirety, excluding attachments, in Appendix A.

This issue came to our attention during our ongoing inspection of USADF.¹ Specifically, we discovered USADF officials knew of suspected misuse of foundation funds and equipment purchased through foundation grants but failed to report this information to OIG as required.² Examples included a grantee who potentially routed USADF funds to a family member and another grantee who violated the terms of their agreement when they allowed a local school to use a vehicle purchased with USADF funds. The vehicle, which under the terms of the grant agreement was to be used only for agricultural purposes, subsequently was involved in a deadly collision. We referred these incidents to OIG's Office of Investigations. Compounding the failure to report these incidents, several USADF staff responsible for grant oversight that we interviewed during our ongoing inspection were unaware of OIG's role in preventing and detecting fraud, waste, abuse, and misconduct in USADF programs and operations.³

We determined that multiple factors contributed to this situation. First, while USADF ethics training materials we reviewed stated that "employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities," the training did not specifically identify USAID OIG as

¹ USAID OIG, [Project Announcement: Inspection of United States African Development Foundation](#), March 25, 2024.

² USADF Manual Section 451, "Reporting Allegations of Criminal Offenses, Misuse of Grant and Contract Funds, or Improper Conduct by Employees," May 1, 2012.

³ USAID OIG assumed oversight of USADF in November 1999 under the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Public Law 106-113.

such an authority. A January 2022 memorandum from USADF's President and CEO explained whistleblower protections and prohibited personnel practices in general terms. This memorandum stated that Federal employees may make disclosures to the Inspector General of an agency, but it did not refer to USAID OIG. Moreover, USADF did not provide any other training to its staff on OIG's authorities or the procedures for disclosing allegations of fraud, waste, abuse, and misconduct.

A lack of informational resources on USADF's website and limited direct engagement with OIG officials also contributed to the situation. USADF's website lacks a direct link to OIG's website, which is required by law to help facilitate reporting and awareness of OIG and its authorities.⁴ A May 2019 internal memorandum within the USADF Office of the General Counsel highlighted the omission of the OIG link on the USADF website and recommended its addition, but such link was not added. Furthermore, between fiscal years 2022 and 2024, USADF only received one fraud awareness briefing from OIG. We proactively provided this briefing in June 2023 to discuss our priorities and oversight responsibilities, but this engagement was limited to senior USADF officials in Washington, DC.

While USADF officials we interviewed were aware of suspected fraud and misconduct in recent years, they failed to report allegations to our office, as required. Overall, we received only five reports regarding USADF programming and operations through its hotline during the past 2 fiscal years. Serious allegations will continue to go unreported if USADF does not ensure its staff has the necessary knowledge and training to promptly identify and report potential fraud, waste, abuse, mismanagement, and sexual abuse and exploitation to OIG. Addressing these critical reporting gaps will help USADF better safeguard U.S. taxpayer dollars and achieve intended results through its grants and programs.

To address these shortcomings, we recommend that USADF:

Recommendation 1. Update its training within 30 days of USAID OIG publishing this advisory to incorporate information on USAID OIG oversight authorities and procedures for disclosing allegations of fraud, waste, abuse, or mismanagement, and develop and implement a plan to provide the updated training to all USADF staff.

Recommendation 2. Update the USADF website homepage to include a direct and prominent link to USAID OIG's website, as required by the Inspector General Act of 1978, as amended.

Recommendation 3. Develop and implement a plan within 90 days of USAID OIG publishing this advisory to schedule fraud awareness briefings with USAID OIG's Office of Investigations for all USADF staff.

⁴ The Inspector General Act of 1978, as amended, 5 U.S.C. § 420(a)(1) and (2) requires agencies to have a direct link on their website's homepage to the website of their Office of Inspector General that is obvious and easy to access.

We provided our draft advisory to USADF on July 19, 2024, and received its response on August 20, 2024, which is included as Appendix A.

We acknowledge management decisions on all three recommendations. USADF management agreed with all three recommendations. We consider Recommendation 2 closed and Recommendations 1 and 3 resolved but open pending USADF's completion of planned activities.

In response to Recommendation 1, we acknowledge that USADF has updated its ethics training materials and disseminated it to its U.S.-based staff, country program coordinators, and technical partners. We also acknowledge USADF's plans to implement a fraud risk management framework and to monitor its impact and of USAID OIG's Office of Investigations' fraud awareness briefings, once complete. We consider this recommendation resolved but open until we receive evidence that USADF has established the fraud risk management system and completed planned monitoring efforts.

In response to Recommendation 3, we acknowledge that USADF has contacted USAID OIG's Office of Investigations to schedule fraud awareness briefings. However, since the training has not taken place, we consider this recommendation resolved but open until we receive evidence the trainings have been completed no later than November 27, 2024.

Please provide evidence of final actions for Recommendations 1 and 3 to OIGAuditTracking@usaid.gov.

We prepared this advisory in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. We reviewed ethics training material provided to both Washington, DC, and field-based USADF staff. We interviewed USADF staff in Washington, DC, Cote d'Ivoire, and Kenya. We reviewed the USADF website to determine the extent of available information about USAID OIG. Additionally, we reviewed USAID OIG data on the number of fraud awareness briefings provided to USADF officials and the number of hotline reports received about USADF.

We appreciate the assistance provided to our staff during our inspection fieldwork.

Appendix A. Agency Comments



Date: August 20, 2024

To: Amy Burns, Director, Inspections and Evaluations Division, USAID OIG

From: Travis Adkins, President and CEO, USADF /s/

Subject: Management Response to the Management Alert dated July 19, 2024

Update Recommendation 1: Update the training to incorporate information on USAID OIG oversight authorities and procedures for disclosing fraud, waste, abuse, or mismanagement allegations. Then develop a plan to provide updated training to all USADF staff.

The United States African Development Foundation (USADF) concurs with the following recommendation, recognizing the importance of updating the training to incorporate information on USAID OIG oversight authorities and procedures for disclosing fraud, waste, abuse, or mismanagement allegations. We are committed to developing a plan to provide updated training to all USADF staff.

Plan for Corrective Action

I. Short-Term Action

1. Update the Ethics Training material.

USADF updated the Ethics Training Material on August 19, 2024. Two new slides (Slides 54 and 55) were inserted. A copy is provided.

2. Disseminate the Revised Ethics Training material

USADF disseminated the updated Ethics Training Material to all Headquarters Staff, all CPCs, and all Partners on 08/20/2024. An email copy is provided.

II. Long-Term Action

Target Completion Date: January 31, 2025

1. Send Fraud Awareness Training Request Letter

Responsible Party: Office of the General Counsel

Action: Send a formal request letter to USAID OIG's Office of Investigations to schedule fraud awareness training.

Timeline: Completed on July 25, 2024

2. Develop Training Schedule

Responsible Party: Office of the General Counsel

Action: Coordinate with USAID OIG's Office of Investigations to finalize dates and times for the fraud awareness briefings.

Timeline: By August 15, 2024

3. Implement Fraud Awareness Briefings

Responsible Party: Office of General Counsel in collaboration with USAID OIG

Action: Conduct fraud awareness briefings for all USADF staff.

Timeline: By October 19, 2024

4. Establish a Fraud Risk Management Framework

Responsible Party: Finance and Administration

Action: Develop and implement a comprehensive fraud risk management framework.

This framework will include:

- Risk assessment procedures
- Preventive controls
- Detection mechanisms
- Response Protocols
- Regular monitoring and review processes

Timeline: By January 31, 2025

5. Monitor and Evaluate

Responsible Party: Finance and Administration

Action: Continuously monitor the effectiveness of the fraud risk management framework and the impact of the fraud awareness briefings. Based on feedback and evaluation results, adjust the framework as necessary.

Timeline: Ongoing, with an initial evaluation by December 31, 2025

By following this plan, USADF is fully committed to ensuring that all staff members are well-informed about USAID OIG oversight authorities and procedures for disclosing fraud, waste, abuse, or mismanagement allegations. This commitment is a vital part of our compliance strategy.

Recommendation 2: Update the USADF website homepage to include a direct and clear link to USAID OIG's website, as required by the Inspector General Act of 1978, as amended.

The United States African Development Foundation (USADF) concurs with the following recommendation: "Recommendation 2: Update the USADF website homepage to include a direct and clear link to USAID OIG's website, as required by the Inspector General Act of 1978, as amended."

ADF has already taken corrective action. The USADF website homepage has been updated to include a direct and clear link to the USAID OIG's website. Proof of this action can be viewed at the USADF Website: <https://usadf.gov/us-government>

Recommendation 3: Develop and implement a plan within 90 days of publishing this alert to schedule fraud awareness briefings with USAID OIG's Office investigations for all USADF staff.

The United States African Development Foundation (USADF) concurs with the following recommendation: "Recommendation 3: Develop and implement a plan within 90 days of publishing this alert to schedule fraud awareness briefings with USAID OIG's Office of Investigations for all USADF staff."

ADF has already taken corrective action on July 25, 2024, by sending a letter to USAID OIG's Office of Investigations requesting fraud awareness training within the next 90 days. A copy of the letter is attached.

This letter initiates the scheduling of the fraud awareness briefings. We are eager to collaborate with USAID OIG's Office of Investigations to enhance our staff's awareness and understanding of fraud prevention and reporting.

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

DEFENDANT BATTLE'S MOTION TO DISMISS

EXHIBIT D

USAID Office of Inspector General,
*U.S. African Development Foundation: Gaps in Policy and Guidance Hindered
Strategic Partnerships and Grants Administration*, Report E-ADF-25-004-M (Aug. 28, 2025)

OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

U.S. African Development Foundation: Gaps in Policy and Guidance Hindered Strategic Partnerships and Grants Administration

Report E-ADF-25-004-M
August 28, 2025

Evaluation



Office of Audits, Inspections, and Evaluations



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

DATE: August 28, 2025

TO: Elisabeth Feleke
Chief Program Officer
U.S. African Development Foundation

Mathieu Zahui
Director of Financial Officer
U.S. African Development Foundation

Kerline Perry
General Counsel
U.S. African Development Foundation

FROM: Gabriele Tonsil /s/
Acting Assistant Inspector General for Audits, Inspections, and Evaluations

SUBJECT: U.S. African Development Foundation: Gaps in Policy and Guidance Hindered Strategic Partnerships and Grants Administration

This memorandum transmits the final report on our evaluation of USADF's implementation of policies and procedures for its strategic partnerships and grants administration for your review and comment. Our objectives were to determine the extent to which USADF established and implemented policies and procedures to (1) form, leverage, and manage strategic partnerships, (2) maintain accurate information on its strategic partnerships and receive pledged funding, and (3) administer grants through partnership and agency matching funds. In finalizing the report, we considered technical comments USADF provided after our exit conference. USADF's response to the draft is included in its entirety in Appendix B.

The report contains our findings and nine recommendations to strengthen USADF's strategic partnership and grants management processes. After reviewing the information USADF provided in response to the draft report, we consider the recommendations resolved but open pending the completion of planned activities and the continuation of USADF operations.

We appreciate the assistance you and your staff provided to us during this engagement.

Contents

| | |
|--|----|
| Report in Brief..... | 1 |
| Introduction | 2 |
| Background | 3 |
| USADF Lacked Policies and Procedures for Managing Its Partnerships, Leading to Gaps in Due Diligence and Assessment..... | 6 |
| USADF Failed to Fully Account for Information on Its Strategic Partnerships and Received Only 25 Percent of the Maximum Funding Pledged..... | 8 |
| USADF Lacked Clear Guidance and Procedures for Grants Management and Administration, Leading to Delayed Grant Activities and Inconsistent Implementation | 9 |
| USADF Had Conflicting Guidance for Grant Disbursement and Grantee Reporting and Did Not Ensure Grantees Met Required Timelines..... | 9 |
| USADF Lacked Policies and Procedures for Its Official Grants Management Database, Which Resulted in Inconsistent Grant Administration and Incomplete Documentation | 12 |
| Conclusion | 14 |
| Recommendations | 15 |
| OIG Response to Management Comments..... | 16 |
| Appendix A. Scope and Methodology..... | 17 |
| Appendix B. Agency Comments | 19 |



Report in Brief

Why We Did This Evaluation

The U.S. African Development Foundation (USADF) is an independent government agency established by Congress in 1980 to invest in African grassroots organizations and entrepreneurs. USADF provides direct grants of up to \$250,000 to eligible enterprises to support entrepreneurship and address challenges such as food insecurity, insufficient energy access, and unemployment. Although USADF receives an annual appropriation from Congress, it also leverages funds from partnerships with the private sector, other government agencies, and African governments. USADF reported that by the end of fiscal year (FY) 2023, it expected to collect over \$87 million in cumulative leveraged funds from partnerships to expand its grant portfolio.

We initiated this evaluation in response to a congressional request that USAID OIG examine, in part, USADF's use of strategic partnerships. Our objectives were to determine the extent to which USADF established and implemented policies and procedures to (1) form, leverage, and manage strategic partnerships, (2) maintain accurate information on its strategic partnerships and receive pledged funding, and (3) administer grants through partnership and agency matching funds.

What We Recommend

We made nine recommendations to USADF to strengthen its strategic partnership and grants management and administration processes. USADF agreed with each recommendation and identified planned corrective actions and target dates, but stated implementation was contingent on the Agency remaining operational.

What We Found

USADF lacked policies and procedures for managing its strategic partnerships, leading to gaps in due diligence and assessment.

While strategic partnerships became increasingly important to USADF to supplement its appropriated budget, it lacked formal policies and procedures to guide their execution. USADF drafted a strategic partnership policy in May 2022 but never finalized it. The draft addressed key areas of partnership management, but lacked guidance on others, including financing, matching requirements, and funds management.

USADF failed to fully account for information on its strategic partnerships and received only 25 percent of the maximum funding pledged.

We verified that USADF had 32 active strategic partnerships between FYs 2022 and 2024. Yet, USADF's documentation for these partnerships was incomplete, and there may have been more. These 32 partners pledged up to \$69 million between FYs 2022 and 2024. However, of these pledges, USADF only received \$17 million (25 percent). Additionally, USADF public reporting did not use clear and consistent terms regarding funding it received from strategic partners, which could mislead readers.

USADF lacked clear guidance and procedures for grants management and administration, leading to delayed grant activities and inconsistent implementation.

USADF did not meet grant disbursement and grantee reporting timelines. USADF guidance varied on a grant's effective date, which determined disbursement timelines. Other conflicts between USADF guidance and grant agreements contributed to delayed grantee reporting. Further, USADF lacked policies, procedures, and training for the use of its grants management database. As a result, USADF inconsistently administered several aspects of its grants and did not maintain complete documentation of required activities.

Introduction

The U.S. African Development Foundation (USADF) is an independent government agency established by Congress in 1980 to invest in African grassroots organizations and entrepreneurs. USADF reported in its 2023 annual report that between fiscal years (FYs) 2019 and 2023 it invested over \$141 million directly into more than 1,000 African-owned and led enterprises, impacting more than 2.6 million people. To do this, USADF provides direct grants of up to \$250,000 to eligible enterprises to support entrepreneurship and address challenges such as food insecurity, insufficient energy access, and unemployment. USADF reported that it awarded 242 grants in FY 2024, amounting to more than \$28 million. Although USADF receives an annual appropriation from Congress, it also leverages funds from partnerships with the private sector, other government agencies, and African governments. USADF reported securing \$45.6 million from partnerships in FY 2023, nearly matching its congressional allocation of \$46 million. USADF reported that by the end of FY 2023, it expected to collect over \$87 million in cumulative funds from partnerships to expand its grant portfolio.¹

We initiated this evaluation to examine how USADF receives and uses funding through partnerships to make grants in accordance with its established policies and procedures. We developed our objectives in response to a November 2023 congressional request that USAID OIG examine, in part, USADF's use of strategic partnerships. Our objectives were to determine the extent to which USADF established and implemented policies and procedures to (1) form, leverage, and manage strategic partnerships, (2) maintain accurate information on its strategic partnerships and receive pledged funding, and (3) administer grants through partnership and agency matching funds.

To address our objectives, we reviewed and analyzed USADF's policies and procedures for grant management and administration. We judgmentally selected a sample of 50 grants from the 232 grants associated with strategic partnerships that were active between FYs 2022 and 2024. For these 50 grants, we reviewed and analyzed documentation stored in USADF's grant management database. We reviewed partnership documentation and analyzed funding receipts for all verified strategic partnerships active during the same period. We interviewed USADF officials in Washington, DC, as well as representatives from selected African governments, private organizations, and other U.S. government agencies that had entered partnerships with USADF. We performed site visits to Cote d'Ivoire and Kenya to interview USADF officials and grantees, gain a thorough understanding of USADF's in-country operations, and observe activities for a selection of grants in our sample. We conducted our work from March 2024 to June 2025 in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. Appendix A provides more information on our scope and methodology.

During our evaluation, we discovered that USADF officials knew of suspected misuse of Foundation funds and equipment purchased from Foundation grants but failed to report this information to OIG as required. As a result, in August 2024, we issued a management advisory to USADF regarding the nonreporting and made three recommendations to address the

¹ According to a USADF official, as of April 2025, USADF had not finalized an annual report for FY 2024.

shortcomings.² Of the three recommendations, one has been closed and, as of June 5, 2025, two are resolved but open pending USADF's completion of planned activities.

The February 19, 2025, Executive Order 14217, *Commencing the Reduction of the Federal Bureaucracy*, required USADF to “reduce the performance of [its] statutory functions and associated personnel to the minimum presence and function required by law.” In the following months, the majority of USADF's grants were terminated and its staffing was significantly reduced. In July 2025, an order from the District Court of the District of Columbia prohibited further actions related to USADF.³ Since the order, nearly all staff have been reinstated, according to USADF officials.⁴ However, as of the date of this report's issuance, USADF remains under the pause on new foreign assistance disbursements.⁵

Background

In FY 2024, USADF had grants in 24 African countries. USADF also established a new partnership with the government of Cabo Verde but did not have active grants. According to USADF, its activities focus on frontier markets, with an emphasis on the Sahel, the Horn, and the Great Lakes regions of Africa. Figure I shows USADF's operations in Africa as of September 30, 2024.

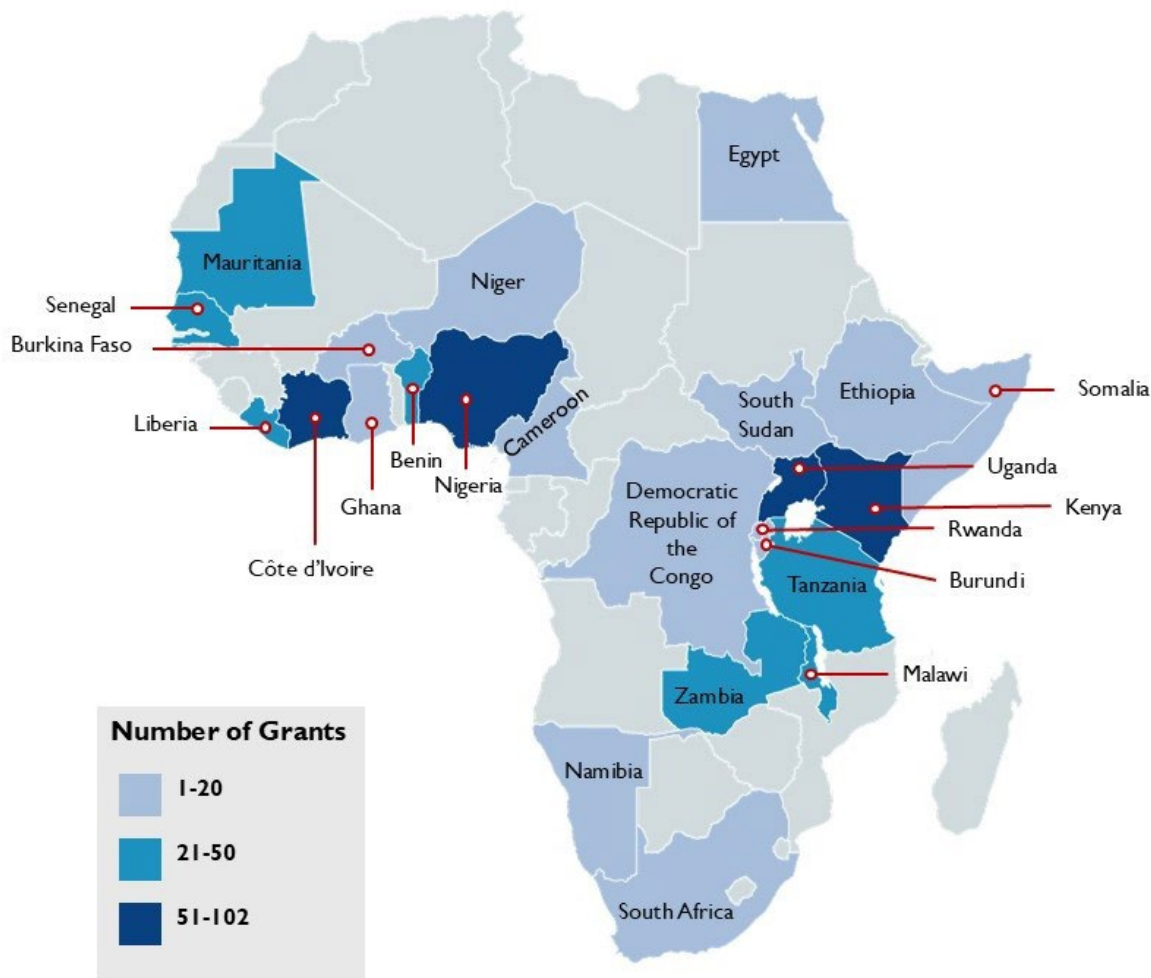
² USAID OIG, [Nonreporting of Suspected Misuse of USADF Grant Funds and Equipment](#) (E-ADF-24-001-A), August 2024.

³ *Rural Development Innovations Limited v. Morocco*, 1:25-cv-01631, ECF No. 27 (D.D.C. Jul 01, 2025).

⁴ A USADF official said that federal agencies providing human resources and contract oversight functions for the Foundation conducted legal reviews of the court order. Based on these reviews, the official stated that USADF staff and contractors were reinstated.

⁵ Executive Order 14169 implemented a 90-day pause on “new obligations and disbursements of development assistance funds to foreign countries and implementing non-governmental organizations, international organizations, and contractors pending reviews of such programs for programmatic efficiency and consistency with United States foreign policy.” This pause was extended and still in effect as of the date of this report.

Figure I: USADF Operations in Africa as of September 30, 2024



Source: OIG-generated map capturing USADF operational information.

USADF Structure

USADF headquarters in Washington, DC, includes the Office of the President/Chief Executive Officer, the Office of General Counsel, the Finance and Administration Division, External and Government Affairs, and the Program Division. Within the Program Division, regional portfolio managers and grants management specialists manage and oversee USADF’s grant award and implementation processes, such as screening and approving grant applications, processing disbursements, and reviewing grantee reports. USADF also employs African country program coordinators to oversee its in-country operations and a network of African local partners to provide project management support to grantees and visit grantee sites.

USADF Strategic Partnerships

USADF established its first strategic partnership in 1997. USADF currently supports its grant-making by leveraging funding from three categories of strategic partners: African governments,

corporations and foundations, and other U.S. government agencies. As of September 2024, USADF had signed memorandums of understanding (MoUs) with at least 13 African governments or regional governments, 19 private companies and foundations, and 4 U.S. government agencies. These MoUs generally provided the framework for the partnership, typically by outlining the purpose and duration of the partnership, the planned undertakings of each party, and the governance of the partnership. Between FYs 2022 and 2024, USADF had active strategic partnership MoUs with various partners, including the following:

African governments: Republic of Benin, Republic of Cote d'Ivoire, and Republic of Uganda.

Private companies and foundations: The National Basketball Players Association Foundation, YouthBuild International, and the Citi Foundation.

Other U.S. government agencies: Department of State, Millenium Challenge Corporation, and U.S. Agency for International Development.

USADF Grants Management and Administration

USADF's 2012 Manual System outlines the regulations, policies, procedures, and guidelines that govern its operations, grant administration and oversight, and the roles and responsibilities of headquarters officials, in-country teams, and grantees. The Manual System details requirements and policies governing each phase of a grant, including project selection, project development, due diligence, grant authorization, initial implementation, project quality assurance and close out.

Additionally, grant agreements specify the grant amount and project completion timeline. Agreements can vary, but all include key elements such as the terms and conditions, the project description, budget, reporting requirements, and disbursement procedures.⁶

Since 2014, USADF has used the Grants Information System for Evaluation and Learning (GISEL) as its official system for grants management and documentation. Each grant has a file in GISEL where USADF staff upload and review documents throughout the grant's lifecycle. Additionally, USADF's in-country partner organizations use GISEL to submit site visit reports and upload required grantee documentation, such as application materials, grant reports, and disbursement requests. USADF headquarters officials also use GISEL to review and approve grant documentation such as disbursement requests and grant reports.

⁶ USADF describes its development model through three types of grants that it awards: enterprise expansion, enterprise linkage, and operational assistance. These three grant types focus on grantees' ability to grow capital and access new markets, access new and existing capital, and build capacity and strengthen management and governance, respectively.

USADF Lacked Policies and Procedures for Managing Its Partnerships, Leading to Gaps in Due Diligence and Assessment

Although USADF reported forming its first strategic partnership in 1997, we found it lacked official written policies and procedures to guide the execution of its strategic partnerships. Federal internal control standards state that management should document and implement policies that detail relevant responsibilities, control activities, implementation, and operating effectiveness.⁷ Additionally, standards of good practice for working with governments and multinational enterprises encourage the use of due diligence processes to identify, prevent, and mitigate actual and potential adverse impacts.⁸

Over time, strategic partnerships became an increasingly important avenue to supplement USADF's appropriated budget and increase grant making, according to USADF officials. In May 2022, USADF drafted a strategic partnership policy. This draft policy stated that USADF's strategic partnerships were intended to "mobilize additional capital, fund projects that would not have otherwise occurred, and share risks and returns with other actors."

This draft proposed policies and procedures on important areas of strategic partnership management, such as:

- Identification and selection, to include assessing the strategic partner's alignment with USADF's mission, moral responsibility, and impact track record.
- Due diligence.⁹
- USADF roles and responsibilities.
- Memorandums of understanding.
- Communication, monitoring and tracking, renewal, and termination.

However, USADF never finalized and implemented the draft policy. A senior USADF official stated the draft strategic partnership policy was intended to document informal processes that had governed USADF's partnership formation and administration for many years. Nevertheless, this official said that establishing partnerships was prioritized over finalizing the policy, and the draft was never circulated among USADF executives for final clearance.

Further, we determined the draft policy lacked guidance for other important areas, including partner financing, USADF matching requirements, and partner funds management. Specifically,

⁷ GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G), "Implement Control Activities," Principle 12, "Documentation of Responsibilities through Policies," September 2014.

⁸ An internationally recognized example is the Organisation for Economic Co-Operation and Development's Guidelines for Multinational Enterprises on Responsible Business Conduct. These guidelines have been shared by the State Department's Division for International Finance and Development.

⁹ The draft policy includes a checklist of 10 questions meant to assess the risks, advantages, disadvantages, and likelihood for success of potential partnerships.

the draft did not:

- Set expectations for strategic partner financial contributions.
- Outline requirements for how USADF contributed matching funds to a partnership, if at all.
- Provide guidance for determining the allocation of USADF funds and partnership funds in a grant disbursement.
- Describe how leftover funds should be handled upon the end of a partnership.

Additionally, despite the lack of a statutory requirement for financial contributions from prospective African government, other government agencies, or private partners, senior USADF officials said that the Foundation strongly encouraged a contribution to enter a partnership with USADF. One official said the encouraged contribution should be \$1 million. However, according to USADF, this donation threshold was a “strategic guideline.” However, a senior USADF official stated strongly encouraging a contribution may not align with USADF’s gift acceptance authority.¹⁰ As a result, USADF officials were hesitant to formalize it in policy.

The lack of a strategic partnership policy weakened USADF’s ability to form, leverage, and manage strategic partnerships and resulted in inconsistent execution of partnerships active between FYs 2022 and 2024. For example, USADF grant management officials we interviewed lacked clarity about how to allocate USADF and partnership funds in grant disbursements. Although equal cofunding between USADF and the partner was desired, the officials described various processes and challenges in doing so. In addition, it was unclear how leftover funds from a terminated partnership, which remained as part of USADF’s funds held outside of the Department of Treasury, could be used for other USADF projects. From FY 2022 through FY 2024, USADF formed and terminated two partnerships. For one, USADF returned leftover funds to the partner; in the other case, USADF kept the funds in an overseas bank account.

Without formal guidance in place during our evaluation period, USADF did not conduct any pre-partnership assessments of the strategic need and opportunity for prospective partnerships, the partner’s alignment with USADF’s mission, or the partner’s impact track record for similar programming. Instead, USADF directed a grantee to negotiate with prospective partners, but this grantee said that he did not perform any other responsibilities identified in USADF’s draft policy, such as assessing the potential or completing due diligence for the partnership. USADF also did not complete any due diligence on its prospective partners, limiting its ability to identify and mitigate potential risks associated with a strategic partnership such as its overall viability or likelihood to follow through on funding pledges. Further, several partnerships active during this period were ineffective, resulting in no funds received from the partner or grant activities.

¹⁰ Section 290h-4 of the African Development Foundation Act, “Powers of Foundation” states that USADF may accept tangible or intangible “gifts for donations of services or property” to further its mission.

USADF Failed to Fully Account for Information on Its Strategic Partnerships and Received Only 25 Percent of the Maximum Funding Pledged

Federal internal control standards stress the importance of effective documentation to execute internal controls and retain and communicate organizational knowledge.¹¹ We could not confirm the total number of partnerships active between FYs 2022 and 2024 because USADF's documentation was incomplete. According to our analysis of MoUs provided by USADF, we verified 32 partnerships were active in this period. According to these MoUs, each partnership was intended to last about 5 years, on average. Based on our reviews of USADF's website, partner funding receipts, and other public reporting, we determined that USADF may have had up to 17 additional active partnerships. For example, USADF's website identified a payment card company foundation, a clean energy investment company, and a development nonprofit as strategic partners. However, USADF could not provide MoUs or any other documentation to confirm the status of these partnerships.

The majority of MoUs included pledged funding from the partner to support USADF's grant-making. Of the 32 MoUs we reviewed, 19 (59 percent) identified annual contributions pledged by the partner. For instance, one MoU with a Nigerian state included a clause that it "intends to provide annual contributions ... which shall equal USADF's contribution of US \$1,000,000 per year." Another MoU with the government of Cote d'Ivoire states it intends to "provide each year for a period of five consecutive years, a financial contribution in an amount ... equivalent to one million US dollars." A third MoU with the Ministry of Rural Development of the Islamic Republic of Mauritania states that it intended to "contribute the equivalent of up to two million US dollars per year." The 13 remaining MoUs (41 percent) included a total figure for the partner's pledged contribution, or did not include a specific financial contribution from the partner.

Based on our review of the 32 MoUs, strategic partners cumulatively pledged a total of \$154 million to USADF over the duration of each partnership. Of this, USADF should have received up to \$69 million between FYs 2022 and 2024. However, according to our analysis of partner funding receipts, USADF only received approximately \$17 million (25 percent) over this time. Specifically:

- African governments provided about \$8.2 million of \$41 million (20 percent) pledged.
- Private entities, through grants and other MoUs, provided about \$6.4 of \$10.8 million (59 percent) pledged.
- Two of the three other U.S. government agencies provided 100 percent of their pledged funding, over \$2 million. USADF did not provide evidence that the fourth U.S. government agency, which intended to provide up to \$15 million in loans during the period, complied with its pledge.

¹¹ GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G), "Establish Structure, Responsibility, and Authority," Principle 3, "Documentation of the Internal Control System," September 2014.

Additionally, USADF public reporting did not use clear and consistent terms regarding funding it received from strategic partners, which could mislead readers. For example, in its 2023 Annual Report, USADF reported that “\$45.6 million in leveraged partner funds was secured in FY [20]23,” but it did not clearly distinguish between pledged funding and funds USADF received. USADF only received \$9 million in FY 2023. Similarly, in its FY 2024 Congressional Budget Justification, USADF reported that it anticipated leveraging more than \$15 million in external funding that year. Yet, by the end of FY 2024, USADF had received just \$2.5 million in partnership funding.

We determined multiple factors contributed to unfulfilled partner pledges and incomplete documentation. First, the MoUs that USADF used to establish strategic partnerships were not legally binding; and therefore, USADF did not have a means of enforcing partner pledges. Furthermore, USADF lacked guidance for evaluating prospective partnerships based on strategic need. Moreover, as previously noted, the Foundation did not conduct any pre-award assessments or due diligence on prospective partners. Finally, although USADF created a spreadsheet to begin tracking key details of partnerships in April 2024, it did not maintain a repository for storing partnership documentation, such as MoUs and required progress reports for each partnership.

Unclear and inconsistent reporting on its partnerships could mislead Congress, partners, grantees, and other stakeholders on USADF’s ability to receive the funding necessary to conduct planned activities. Without the full amount of pledged funding from its partners, USADF did not have the resources to implement the programs outlined in its MoUs. USADF acknowledged this limitation and stated that if partners did not follow through on pledged contributions, USADF “should plan for the possibility of program discontinuation.”

USADF Lacked Clear Guidance and Procedures for Grants Management and Administration, Leading to Delayed Grant Activities and Inconsistent Implementation

We found that USADF did not meet grant disbursement and grantee reporting timelines due to conflicting guidance. Additionally, USADF had not performed a comprehensive review or update of its Manual System (MS) since 2012 and did not always enforce its own guidance or follow its own procedures. We also found USADF lacked policies, procedures, and formal training for GISEL, its official grants management database, which resulted in inconsistent grant administration and incomplete documentation.

USADF Had Conflicting Guidance for Grant Disbursement and Grantee Reporting and Did Not Ensure Grantees Met Required Timelines

The MS outlines the policies and procedures for grant disbursement and grantee reporting. Additionally, grant agreements may include reporting requirements. Table I identifies guidance and timeline requirements for grant disbursements and grantee reporting.

Table I: USADF Requirements for Grant Disbursement and Grantee Reporting Timelines

| USADF Policy | Requirements for Grant Disbursement and Grantee Reporting |
|--|---|
| Grant Start-Up (MS 230) | Grants are effective upon the grantee's signature, and the first disbursement should occur within 45 days and the second within 135 days. |
| Grant Obligations (MS 325) | Grants are effective when both USADF and the grantee sign the grant agreement, and funds are obligated upon signing. The grant's effective date matches the date of the last signature. |
| Grant Compliance Review & Authorization (MS 212) | Grants are effective when the USADF President/CEO signs the agreement, and funds are obligated on the same date. |
| Grantee Reporting (MS 231) | Grantees submit quarterly reports starting the same quarter of the first disbursement. USADF's local partners ensure timely and accurate submission to USADF headquarters within 30 days. |
| Grant Agreements | Grant agreements include varied requirements for grantee quarterly and progress reporting. Some grants require a quarterly report at the end of the first quarter after the grant's effective date. Others require progress reports 6 months after grantees signed the agreement or upon milestone completion. Further, others require a report at the end of every quarter, starting one month after receiving the first disbursement. |

Source: OIG analysis of USADF information.

To assess USADF's compliance with grant management requirements, procedures, and timelines we identified and reviewed applicable MS chapters and requirements. Additionally, we judgmentally selected a sample of 50 grants associated with partnerships active during FYs 2022 to 2024. We identified conflicts in USADF's guidance for when the first disbursement should have been issued to a grantee, and therefore when a grantee's first quarterly report was due.

Based on our review of MS chapters for grant disbursements, we identified conflicting guidance for when grant activities went into effect. Specifically, MS 230 stated that grant activities began with the grantee's signature of the agreement, contradicting MS 212, which made the grant effective upon the President's signature, and MS 325, which defined the effective date as the final signature by both parties. Therefore, we reviewed the 50 agreements from our sample and collected the signature dates of both the President and grantee to assess the timing of the first and second disbursement against both signatures.

We found that USADF did not meet the timelines outlined in its manual for grantees' first and second disbursements. We measured timeliness from both USADF's signature, as required in MS 212, and the grantee signature, as required in MS 230, and determined that USADF disbursements exceeded required timelines against both measurements.

- The first disbursement was late by an average of 35 days when measured against the USADF signature, and late by an average of 15 days when measured against the grantee signature.

- The second disbursement was late by an average of 53 days when measured against the USADF signature, and late by an average of 34 days when measured against grantee signature.

We also identified conflicting guidance for the timing of grantee quarterly report submissions. MS 231 and some individual grant agreements required grantees to submit quarterly reports after receiving the first disbursement. However, other grant agreements in our sample included different requirements. For example, some grant agreements required quarterly reporting after the first quarter from the award's effective date, others required it 6 months after the grantee signed the grant agreement, while others required a report at the end of every quarter, starting one month after receiving the first disbursement.

Given this conflicting guidance we measured the timeliness of grantee reporting based on both MS 231 requirements and the specific timelines outlined in each of the 50 grant agreements. We found that USADF received many grantees' first quarterly reports late. We analyzed the length of the delay for grantees with late quarterly report submissions.¹²

- For 36 of 50 grants in our sample (72 percent), USADF's local partners uploaded grantees' first quarterly report into GISEL on average 68 days after MS 231's required 30-day timeframe.
- For 35 of 50 grants (70 percent), USADF's local partners uploaded the grantees' first quarterly report into GISEL on average 72 days after it was required in the grant agreement.

We determined that multiple factors contributed to these delays. First, as noted above, USADF had conflicting guidance for when a grant went into effect, and therefore when disbursements and grantee reporting should have occurred. USADF stated that "seasoned grant management specialists, program officers, and financial analysts apply institutional knowledge to bridge policy gaps." However, USADF grants management specialists we interviewed had different understandings of when a grant became effective. One specialist told us a grant's effective date occurred when USADF formally received funding for the grant from the U.S. Department of Treasury. Another stated it was when the grant status in GISEL was changed to "award,"¹³ and a third stated it was when a grantee signed the agreement and it was uploaded into GISEL.

Additionally, USADF's training for grant start-up was revised in 2009 and did not align with MS 230 updated in 2012. USADF's training identified that the second disbursement should occur within 120 days, while MS 230 stated it should occur within 135 days. We also found USADF had not conducted a comprehensive review or update of the MS since 2012, significantly limiting opportunities to identify and address conflicting guidance. Federal standards for internal

¹² This analysis focused solely on grantees whose quarterly reports were uploaded into GISEL after the timelines outlined in either MS 231 or the specific grant agreement. The analysis excludes grantees that had timely quarterly report submissions, had not received disbursements, did not prepare a quarterly report, or had not yet completed milestones that would prompt reporting.

¹³ A USADF official said that for a grant to reach "award" status in GISEL, the grant agreement, signed by both USADF and the grantee, and all required documentation had to be uploaded to GISEL.

control state that management should periodically review policies and procedures to ensure they are relevant and effective in achieving the entity's objectives.¹⁴

Further, USADF did not always enforce its own guidance or follow its own procedures. For instance, a USADF official stated that they tried to be reasonable regarding the requirement for grantees to submit quarterly reports prior to receiving a disbursement; they also sometimes avoided penalizing grantees by delaying disbursements, because USADF staff had not reviewed a quarterly report yet. In addition, a Zambian grantee in our sample initially received a USADF grant in 2016 but did not receive any disbursements due to an "administrative oversight" from USADF. As a result, USADF re-awarded the grant in 2023.

USADF acknowledged that in some cases insufficient oversight and compliance with established procedures resulted in delays, and USADF grantees noted frustration with late disbursements as they delayed the implementation of grant activities. For example:

- According to a progress report from a South African grantee, the process of receiving funds was "draining and prolonged and frustrating."
- A Kenyan grantee progress report also emphasized the need for clear disbursement timelines to facilitate budgeting and project planning.
- Another grantee in Kenya reported that late disbursements caused them to cover salaries with personal funds.
- A grantee in Cote d'Ivoire stated delayed disbursements prevented the purchase of a vehicle needed to transport their product.

Delayed disbursements and quarterly reports prevented grantees from implementing planned activities and hindered USADF's ability to understand whether its grants were on track. USADF acknowledged the need to enhance its internal policies, strengthen oversight, and improve compliance with existing procedures. USADF committed to thoroughly reviewing and improving its grant-making policies and procedures.

USADF Lacked Policies and Procedures for Its Official Grants Management Database, Which Resulted in Inconsistent Grant Administration and Incomplete Documentation

The USADF MS defines expectations for grants management and administration, such as requirements for project development, grantee financial management training, USADF monitoring, and grantee reporting. Table 2 shows the MS chapter and applicable requirements. In addition, recipients of Federal grant funds are required to have a unique entity identifier (UEI) that is renewed annually through the U.S. General Services Administration's System for Award Management website (SAM.gov). If the UEI is not updated annually, then the grantee is ineligible to receive Federal funding.

¹⁴ GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G), "Implement Control Activities," Principle 12, "Periodic Review of Control Activities," September 2014.

Table 2: Selected USADF Policy Requirements for Grants Management and Administration

| USADF Policy Manual Chapter | Requirement |
|------------------------------------|--|
| Project Development (MS 211) | USADF should complete technology, market, financial and environmental assessments before awarding a grant. |
| Grant Start-Up (MS 230) | Grantees must receive USADF bookkeeping training before receiving grant funds. |
| Grantee Reporting (MS 231) | Grantees must submit quarterly progress reports to USADF. |
| Project Quality Assurance (MS 232) | USADF's in-country partner is required to visit grantees three times during the first year of the grant and complete a site visit report for each visit. |

Source: OIG analysis of USADF information.

To assess the completeness of required grant documentation, we reviewed the GISEL profiles for each of the 50 grants included in our judgmental sample to determine if documentation of required activities was uploaded. Based on our review, we found inconsistencies in USADF's grant administration and incomplete documentation of required grant activities. Table 3 shows the grant administration categories we reviewed and the status of documentation in GISEL.

Table 3: Grant Administration Categories and Documentation Status in GISEL

| Grant Administration Category | Status of Documentation in GISEL |
|-------------------------------|---|
| Project Development | 20 of 50 grants (40 percent) had incomplete project development documentation. |
| UEI Number | 34 of 50 grants (68 percent) had a missing or expired UEI Number. |
| USADF Training | 20 of 50 grants (40 percent) did not have a record of required USADF bookkeeping training. |
| Site Visits | 28 of 50 grants (56 percent) lacked one or more reports for site visits required in the grant's first year. |
| Grantee Reports | 22 of 50 grants (44 percent) were missing one or more required grantee reports. |

Source: OIG analysis of USADF information.

We determined these deficiencies occurred because USADF lacked a documented policy, procedures, and formal training for using GISEL. USADF had a training manual for GISEL developed by the vendor that provided instructions for certain actions, such as logging into the system, uploading documents, and closing out a grant. However, the vendor's manual did not explain how GISEL implemented USADF grant management procedures and requirements, such as documenting that site visits were completed or identifying which project development actions USADF officials had to perform.¹⁵ According to USADF, it was a "strategic decision" to defer developing a policy and procedures for GISEL because the Foundation planned to replace

¹⁵ USADF officials stated project development requirements varied depending on the size of the grant. For example, a grant of \$100,000 required a financial assessment, while a grant of \$50,000 or less did not. Further, according to USADF documentation, grants funded through strategic partnerships may have had additional project development requirements.

it with a new system within the next 3 years. However, GISEL was USADF's official grants management system for more than 10 years. As a result, the lack of a policy or formal training led to a culture where staff relied on informal guidance from colleagues and individual knowledge and experience to administer grants and store grant documentation in the system. For example:

- Three USADF officials stated that they developed their own informal guides for performing their responsibilities, and another official told us that staff would benefit from formal standard operating procedures.
- USADF reported that “a cadre of expert users” trained on the use of the system; however, officials we interviewed said that there was currently no one in charge of training and that training was provided on an ad hoc basis.
- USADF grants management officials stated that the requirement for grantees to have a current UEI number in GISEL was “more of an understanding than a policy,” and there was not a uniform way to confirm that a grantee’s UEI was up to date.¹⁶

In addition, USADF did not always enforce existing policy. For example, as noted in Table 3, USADF lacked evidence that it provided the required bookkeeping training to 20 of 50 grantees in our sample (40 percent). According to USADF, some bookkeeping training may have been completed but not properly documented in GISEL. A USADF official also acknowledged that sometimes grantees received disbursements before the training was held, because the disbursement was used to pay for training. However, this was an explicit requirement in MS 230. If grantees did not receive the required bookkeeping training or if it was not properly documented in GISEL, USADF lacked assurance that grantees had the required knowledge to properly manage funds and mitigate the risk of waste.

USADF also did not enforce requirements for its partner organizations to complete site visits to grantees. According to a USADF grants management official, partner organizations had to upload all site visit reports to GISEL. The official stated that if a site visit report was missing in GISEL, the site visit did not occur. This official also told us site visit reports should be reviewed within 15 business days, but this was a low priority. Additionally, the official stated USADF in-country partners often provided information through other means, such as email. However, site visit reports we reviewed identified problems related to grant implementation, such as a grantee using a USADF-funded vehicle for personal transportation and falsifying a signature on a purchase receipt. Incomplete documentation of site visits limited USADF’s ability to assess progress and ensure grantees used funds and resources appropriately.

Conclusion

USADF uses strategic partnerships to supplement its appropriated budget and expand its grantmaking to African grassroots organizations and entrepreneurs. However, USADF’s informal management of these efforts resulted in a lack of due diligence and assessment, and partners often did not follow through on funding pledges. Developing and implementing official

¹⁶ USADF reported that GISEL included an alert if a grantee’s UEI expired but acknowledged the alert would not prevent officials from disbursing funds to the grantee.

policies and procedures for its strategic partnership process will help ensure partnerships are viable, position USADF to reach more grantees, and enable more accurate reporting on results. Additionally, policy and training gaps in USADF's grant management and administration, including GISEL, contributed to delays, inconsistencies, and incomplete documentation. The foreign assistance pause, Executive Order 14217, and ongoing legal actions could affect USADF's future functions and operations. In the event USADF resumes its grantmaking and strategic partnerships, these issues, if left unaddressed, will risk ineffective strategic partnerships and the Foundation will lack assurance that required grants management activities are implemented on time or even at all.

Recommendations

To strengthen its strategic partnership process, we recommend that USADF:

1. Develop and implement an official policy and procedures for the management and implementation of the strategic partnership process.
2. Develop and implement a policy and procedures for storing, safeguarding, and reporting accurate partnership information such as memorandums of understanding and progress reports to comply with the partnership process.
3. Develop guidance for evaluating potential partnerships based on strategic need and opportunity.
4. Develop and implement a contingency planning process in the event that not all pledged funding from a partner is received.
5. Develop and provide training on the policy and procedures for the strategic partnership process.

To strengthen its policies and procedures over its grants management and administration processes, we recommend that USADF:

6. Update the USADF Manual System to clarify conflicting guidance for grant administration and grantee reporting and project development requirements for grants awarded under partnerships.
7. Develop a policy and procedures for the use of the Grants Information System for Evaluation and Learning that is aligned with USADF's Manual System, Federal requirements, and USADF's strategic partnership management.
8. Develop and provide recurring training to officials on the revised USADF Manual System and Grants Information System for Evaluation and Learning policy.
9. Develop a process for periodically reviewing and evaluating policies to ensure their relevance and effectiveness to current practices in USADF's grant administration.

OIG Response to Management Comments

We provided our draft evaluation report to USADF on June 16, 2025. On August 20, 2025, we received USADF's response, which is included in Appendix B of this report. USADF also provided technical comments following our exit conference, that we considered and incorporated as appropriate.

The report contains nine recommendations. USADF agreed with each recommendation and identified planned corrective actions and target dates, but stated implementation was contingent on the Agency remaining operational.

We agree with the management decision for each recommendation and consider them resolved but open pending the completion of planned activities subject to the continuation of USADF operations.

Appendix A. Scope and Methodology

We conducted our evaluation from March 2024 through June 2025 in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. The scope of our evaluation was partnerships active between FYs 2022 and 2024 and grants that resulted from those partnerships.

Our objectives were to determine the extent to which USADF established and implemented policies and procedures to (1) form, leverage, and manage strategic partnerships, (2) maintain accurate information on its strategic partnerships and receive pledged funding, and (3) administer grants through partnership and agency matching funds.

To answer Objective 1, we reviewed the USADF Act to understand USADF's authority to establish strategic partnerships. We reviewed USADF's Manual System and a draft policy document to determine if USADF established policies and procedures over the administration of strategic partnerships. We interviewed USADF officials in Washington, DC, Cote d'Ivoire, and Kenya, and a grantee in Kenya with partnership management responsibilities to determine how USADF administered its strategic partnerships and reasons for the lack of implementation of policies and procedures. We also conducted interviews with representatives of the three types of strategic partnerships—African government, private foundations and organizations, and other U.S. government agencies—to understand how USADF establishes and administers strategic partnerships.

To answer Objective 2, we reviewed USADF-provided MoUs, USADF's website, strategic partnership funding receipts, and USADF's public reporting to determine the number of partnerships active between FY 2022 and FY 2024. We analyzed the MoUs for the 32 active strategic partnerships to determine the amount, if any, of funding pledged between FY 2022 and FY 2024. To determine the percentage of funding leveraged by USADF, we reviewed partner funding receipts and compared them to the amounts pledged. We reviewed USADF's public reporting to determine how USADF reported on the funding it leveraged from its strategic partnerships.

To answer Objective 3, we reviewed USADF's Manual System to understand the policies, procedures, and guidance that outline the Foundation's grant administration. We interviewed USADF officials in Washington, DC, Cote d'Ivoire, and Kenya, and partner organization staff in Cote d'Ivoire and Kenya to understand how USADF administers grants, including grant approval, funding, activity monitoring, and partnership alignment. We conducted site visits to grantees in Cote d'Ivoire and Kenya to better understand USADF's field-level grants management activities. We also reviewed operating manuals to obtain an understanding of USADF's grants management database, GISEL. To test USADF's implementation of its policies and procedures over grants administration, we judgmentally selected a sample of 50 grants from 232 grants associated with partnerships that were active between FY 2022 and FY 2024, represented USADF's three types of partnerships, and represented a range of grant types. We reviewed grant documentation maintained in GISEL against the requirements outlined in the Manual System for key aspects of grants administration, including eligibility requirements, due diligence, project development, disbursement requests, activity monitoring, and quarterly reporting.

In August 2024, we issued a management advisory to USADF regarding the nonreporting of suspected misuse of USADF Grant Funds and Equipment.¹⁷ This advisory included three recommendations. One of the recommendations—addressing the lack of a direct link to the USAID OIG website on the USADF homepage—has been closed. The remaining two recommendations—addressing gaps in USADF training on USAID OIG oversight authorities, procedures to disclosure fraud, waste, and abuse, and fraud awareness briefings—are resolved but open pending USADF’s completion of planned activities.

¹⁷ USAID OIG, [Nonreporting of Suspected Misuse of USADF Grant Funds and Equipment](#) (E-ADF-24-001-A), August 2024.

Appendix B. Agency Comments



Management Response to IG Evaluation Draft Report

Subject: U.S. African Development Foundation: Gaps in Policy and Guidance Hindered Strategic Partnerships and Grants Administration

Draft Report No. E-ADF-25-004-M

Date: August 20, 2025

Executive Summary

USADF appreciates the work of the USAID Office of Inspector General in conducting this evaluation of our strategic partnerships and grants administration. We concur with the overall findings and recommendations and acknowledge the opportunities to strengthen our internal policies, procedures, and reporting practices.

Clarification on MOUs and Leveraged Funds

USADF wishes to emphasize that **Memoranda of Understanding (MOUs) represents non-binding pledges** of support. They serve as partnership frameworks but do not create enforceable financial obligations. As such, the level of funds ultimately received depends solely on the partner's internal decision-making, disbursement schedules, and budgetary processes. USADF has **no legal mechanism to compel fulfillment** of pledged contributions.

Clarification on Agreement Dates and Implementation

The report references MOU signature dates when discussing program execution. USADF clarifies that **the signature date is not equivalent to the implementation date**. Implementation

begins upon **receipt of funds** and satisfaction of required operational and compliance conditions. Accordingly, there may be a significant lag between the date of signature and when activities are launched.

Execution Plan (Conditional on the agency Continuation)

Should the agency remain in operation, USADF will implement the following corrective actions aligned with the nine recommendations of the IG:

1. **Finalize and Implement Strategic Partnership Policy**
 - Action: Draft will be finalized, cleared by executive leadership, and formally issued.
 - Emphasis: Include guidance on due diligence, partner evaluation, financial contribution expectations, and contingency planning.
 - Timeline: Within 6 months of operational resumption.
2. **Create Centralized Partnership Repository**
 - Action: Establish a secure digital repository for all MOUs, amendments, and funding receipts.
 - Timeline: In Progress.
3. **Clarify Reporting of Pledges vs. Actuals**
 - Action: Revise public and congressional reports to differentiate between pledged funds and funds received clearly.
 - Timeline: Immediate, to apply for the next reporting cycle.
4. **Grants Management System Reforms**
 - Action: Update the Manual System to harmonize conflicting guidance on grant start dates, disbursement timelines, and grantee reporting.
 - Action: Implement interim standard operating procedures for the existing GISEL system, pending transition to a new platform.
 - Timeline: Policy revisions within 6 months; new system within 24 months.
5. **Training and Oversight**
 - Action: Deliver recurring training to all program and grants staff, both headquarters and field-based, on updated policies.
 - Action: Institute quarterly compliance reviews to verify implementation.
 - Timeline: Training rollout within 6 months; quarterly reviews ongoing thereafter.
6. **Policy Review Process**
 - Action: Establish a policy review cycle every three years to ensure alignment with best practices and evolving federal standards.
 - Timeline: Initiated within 12 months.

Recommendation-by-Recommendation Response Matrix

| Rec. No. | Concurrence | Planned Action (If Operations Continue) | Target Completion |
|----------|-------------|--|-------------------|
| 1 | Concur | Finalize & implement strategic partnership policy | 6 months |
| 2 | Concur | Develop procedures for partnership documentation & reporting | 3 months |
| 3 | Concur | Establish criteria for evaluating prospective partners | 6 months |
| 4 | Concur | Introduce contingency planning for unfulfilled pledges | 6-9 months |
| 5 | Concur | Provide training on partnership management | 6-9 months |
| 6 | Concur | Revise the Manual System to eliminate conflicting guidance | 6 months |
| 7 | Concur | Develop SOPs for GISEL and align with the Manual System (if the agency continues to use GISEL as its primary database) | 6 months |
| 8 | Concur | Provide recurring training on grants management policies | 6-9 months |
| 9 | Concur | Create a 3-year review cycle for policies and procedures | 12 months |

Conclusion

USADF remains committed to addressing the IG's recommendations and enhancing accountability across its operations. We emphasize that **partnership MOUs are pledges without enforceable mechanisms** and that **implementation depends on fund receipt rather than signature dates**. If the agency remains in operation, USADF will carry out the corrective actions outlined in this execution plan to strengthen its management of partnerships and grants administration.



Visit our website at oig.usaid.gov and
follow us on social media.

X: @AidOversight

LinkedIn: USAID Office of Inspector General

Instagram: @usaid.oig



OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

Report Waste, Fraud, and Abuse
[Online Complaint Form](#)

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

DEFENDANT BATTLE'S MOTION TO DISMISS

EXHIBIT E

U.S. Government Accountability Office,
U.S. African Development Foundation:
Strategic Approach Needed to Mitigate Fraud Risks,
GAO-25-107574 (Sept. 15, 2025)



September 2025

U.S. AFRICAN DEVELOPMENT FOUNDATION

Strategic Approach Needed to Mitigate Fraud Risks



U.S. AFRICAN DEVELOPMENT FOUNDATION

Strategic Approach Needed to Mitigate Fraud Risks

GAO-25-107574

September 2025

A report to congressional requesters.

For more information, contact: Latesha Love-Grayer at lovegrayerl@gao.gov.

What GAO Found

The U.S. African Development Foundation (USADF), as part of its overall internal controls, had some policies and procedures to mitigate fraud, waste, and abuse, but no strategic approach, from fiscal year 2020 through 2024. USADF did have conflict of interest rules, ethics training, and some financial controls; however, many of the related policies were outdated, not centrally located, and did not reflect actual practices. The President has indicated his intention to close USADF in his fiscal year 2026 budget request, and Congress has approved a partial rescission of USADF’s fiscal year 2025 funding. However, no final decisions about the future of USADF have been made as of July 2025. If USADF continues to operate, an effective agency-wide internal control environment—where management uses processes to help an entity consistently and effectively achieve its objectives—could help USADF detect and mitigate potential fraud, waste, and abuse.

USADF has taken some steps but has implemented few leading practices for managing fraud risks. For example, USADF did not have a dedicated individual or entity to lead fraud risk management activities and had not followed leading practices to plan and conduct regular fraud risk assessments or to develop a strategy to mitigate them. Without strategically and systematically implementing leading practices for managing fraud risks, USADF is more vulnerable to fraud.

U.S. African Development Foundation Operates Throughout Africa



Source: United States African Development Foundation (logo); clockwise from top right: G7 Stock, VectorShop, G7 Stock, VectorShop, VectorShop, G7 Stock, Maya Palmer, G7 Stock, G7 Stock, G7 Stock/stock.adobe.com (flags). | GAO-25-107574

GAO also found that USADF had some policies and procedures to ensure award funds were used appropriately, but they were incomplete, and most were outdated. For example, many policies guiding the use of grants were outdated or undocumented, which opens the door for the misuse of funds. Further, GAO found that there were instances when USADF may have used an award type that did not align with legal requirements. Without adequate award policies and procedures and trained procurement staff, USADF could not ensure that it appropriately used funds to achieve its mission.

Why GAO Did This Study

Established in 1980 as a nonprofit government corporation, USADF has aimed to support African-led enterprises, while addressing challenges around food insecurity, insufficient energy access, and unemployment, particularly among women and youth. In fiscal year 2024, Congress appropriated \$45 million to USADF, which also received funds from other sources.

USADF has faced allegations of fraud, waste, and abuse, and the Office of Inspector General has an ongoing investigation into USADF. GAO was asked to review fraud risk management at USADF. This report examines the extent that USADF (1) had policies to systematically prevent, detect, and respond to the risk of fraud, waste and abuse, (2) followed leading practices for managing fraud risk, and (3) had policies to ensure funding for program and operational awards were used to achieve its mission.

GAO reviewed relevant laws and agency documents; interviewed USADF officials in Washington, DC, Zambia, and Nigeria; and conducted a site visit to USADF grantees in Zambia.

What GAO Recommends

GAO is making four recommendations for USADF or any entity assuming responsibility for its program. These include, implement policies for an effective internal control environment for managing fraud risks, waste, and abuse; and establish a strategic approach to managing fraud risks consistent with leading practices, such as developing a plan outlining how the program will respond to identified fraud. USADF concurred with our recommendations.

Contents

| | | |
|--------------|---|----|
| Letter | | 1 |
| | Background | 4 |
| | USADF Had Outdated Policies and Procedures to Mitigate Fraud, Waste, and Abuse and No Strategic Approach | 19 |
| | USADF Had Not Implemented Many of the Leading Practices for Managing Fraud Risks | 27 |
| | USADF Had Inadequate Policies, Procedures, and Practices to Ensure the Appropriate Use of Award Funds | 41 |
| | Conclusions | 50 |
| | Recommendations for Executive Action | 51 |
| | Agency Comments | 51 |
| Appendix I | Objectives, Scope, and Methodology | 53 |
| Appendix II | Comments from the U.S. African Development Foundation | 58 |
| Appendix III | GAO Contact and Staff Acknowledgments | 60 |
| Tables | | |
| | Table 1: U.S. African Development Foundation (USADF) Top Funded Countries, Fiscal Years 2020–2024 | 13 |
| | Table 2: U.S. African Development Foundation (USADF) Had Not Fully Followed Leading Practices in Its Efforts to Create an Antifraud Culture and an Antifraud Entity, Fiscal Years 2020–2024 | 28 |
| | Table 3: U.S. African Development Foundation (USADF) Had Not Followed Leading Practices in Its Efforts to Implement a Strategy to Assess Fraud Risks, Fiscal Years 2020–2024 | 30 |
| | Table 4: U.S. African Development Foundation (USADF) Had Not Fully Followed Leading Practices in Its Efforts to Design and Implement a Strategy to Mitigate Fraud, Fiscal Years 2020–2024 | 34 |
| Figures | | |
| | Figure 1: U.S. African Development Foundation (USADF) Agriculture Grant in Zambia | 5 |

| | |
|---|----|
| Figure 2: U.S. African Development Foundation (USADF) Grant for Women’s Cooking Oil Business in Zambia | 7 |
| Figure 3: U.S. African Development Foundation High-level Organizational Chart, as of January 2025 | 8 |
| Figure 4: U.S. African Development Foundation Had Grant Programs in 23 Countries and a Presence in 19 Countries in Africa, as of January 2025 | 10 |
| Figure 5: U.S. African Development Foundation (USADF) Annual Budget by Funding Source, Fiscal Years 2020–2024 | 12 |
| Figure 6: Fraud, Waste, and Abuse Definitions and Examples | 15 |
| Figure 7: The Government Accountability Office’s (GAO) Framework for Managing Fraud Risks in Federal Programs | 17 |
| Figure 8: Timeline of Developments at U.S. African Development Foundation (USADF) in 2025 | 18 |
| Figure 9: U.S. African Development Foundation (USADF) Grant Process | 43 |

Abbreviations

| | |
|-------|--|
| ARC | Department of Treasury, Administrative Resource Center |
| CAG | Cooperative agreement grants |
| CAP | Cooperative agreement partnerships |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| COR | Contracting Officer's Representative |
| CPC | Country Program Coordinator |
| CPO | Chief Program Officer |
| ERM | Enterprise Risk Management |
| FAR | Federal Acquisition Regulation |
| FY | Fiscal Year |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |
| PSC | Personal Services Contract |
| USADF | United States African Development Foundation |
| USAID | United States Agency for International Development |

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

September 15, 2025

The Honorable James E. Risch
Chairman
Committee on Foreign Relations
United States Senate

The Honorable Christopher A. Coons
United States Senate

The Honorable Tim Scott
United States Senate

The U.S. African Development Foundation (USADF) invested more than \$140 million dollars directly in more than 1,000 African-led community organizations and entrepreneurs between fiscal years 2019 and 2023, according to USADF documents. USADF investments aimed to promote local economic growth by increasing incomes, while addressing some of Africa's biggest challenges with food insecurity, insufficient energy access, and unemployment, particularly among women and youth. In 2024, over one billion people worldwide were living in poverty, approximately half of whom reside in Sub-Saharan Africa, according to the United Nations Development Program.

However, USADF—a small agency with approximately 40 staff headquartered in Washington, D.C., and operating in 19 African countries, as of January 2025—has faced allegations of fraud, waste, and abuse originating from former staff. These allegations include reports on the misuse of official funds, fraudulent spending, conflicts of interest, and inappropriate, abusive, and discriminatory management practices. The U.S. Agency for International Development's (USAID) Office of Inspector General (OIG) has an ongoing investigation into USADF.¹ In addition, some members of Congress have expressed concern regarding USADF operations.

Fraud, waste, and abuse pose a significant risk to the integrity of federal programs. Federal guidance has focused on the need for agencies to

¹USAID OIG provides inspector general services to USADF, and is authorized to supervise, direct, and control audit and investigative activities relating to programs and operations of USADF. Pub. L. No. 106–113, § 205, app. G, title II, subtitle A, 113 Stat. 1501, 1501A–422 (Nov. 29, 1999).

take a strategic approach to managing risks, including fraud.² Managers of U.S. agencies are responsible for preventing, detecting, and responding to fraud risks in their effort to fulfill their mission.³ How fraud risk is managed is influenced by factors such as an entity's size, its resources, the maturity of the program, and management's experience in managing fraud risk. In addition, a dangerous operating environment can limit personnel's access to certain geographic areas, which can result in lack of in-person oversight. This, in turn, increases the risk that assistance will be misused or diverted through fraud.

You asked us to review fraud risk management at USADF. This report examines the extent to which USADF (1) had policies and procedures in place to strategically prevent, detect, and respond to fraud, waste, and abuse, (2) followed leading practices for managing fraud risks, and (3) had policies and procedures to ensure funding for program and operational awards were used to achieve its mission.⁴

To examine the extent to which USADF had policies and procedures to strategically prevent, detect, and respond to fraud, waste, and abuse, we reviewed relevant laws and regulations, and agency documents and guidance outlining USADF policies and processes related to internal controls. We interviewed USADF officials in Washington, D.C., including the Board of Directors, and officials responsible for finance and administration, audit, and program oversight about internal control policies and processes. Our review covered USADF activities from fiscal year 2020 through 2024. Where possible, we provided information updated to fiscal year 2025.

We conducted case studies of two countries: Zambia and Nigeria. We reviewed documents and conducted interviews with program managers at headquarters, Country Program Coordinators, implementing partner staff, and grant recipients. We also traveled to Zambia where we interviewed

²See, for example, Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control* (July 15, 2016).

³GAO, *A Framework for Managing Fraud Risks in Federal Programs*, [GAO-15-593SP](#) (Washington, D.C.: July 28, 2015).

⁴For the purposes of this report, policy is a written document that establishes a standard by which the institution manages its affairs, and process is a description of the operational processes necessary to implement policy.

implementing partners and grant recipients and observed some businesses funded by USADF grants.

To assess the extent to which USADF followed leading practices for managing fraud risks, we analyzed agency documents and interviewed staff at both headquarters and in our two case study countries to learn about USADF policies and staff understanding of those policies and procedures. We compared USADF's policies and procedures against selected leading practices identified in GAO's Fraud Risk Framework (the fraud risk framework).⁵ We selected at least one leading practice from each of the following components of the fraud risk framework: commit to combating fraud, assess fraud risk, and design and implement a strategy for mitigating risk. Based on our findings from the first three components of the fraud risk framework, we did not assess whether USADF implemented the fourth component of the framework because we determined it was not applicable.⁶

To assess the extent to which USADF had policies and procedures to ensure funding for program and operational awards were used to achieve its mission, we examined relevant policies and procedures and interviewed USADF staff in headquarters and in our two case-study countries. We analyzed documents and interviewed officials from the Department of Treasury's Administrative Resource Center (ARC), who supported USADF contracting. We also selected and reviewed specific program and operational awards at headquarters and in our two case study countries during the fiscal years covered in our review. See appendix I for more information about our objectives, scope, and methodology.

It is important to note that the status of USADF operations began evolving in January 2025. As of July 2025, USADF was undergoing significant changes and potential closure or transfer of its functions to another agency.

⁵[GAO-15-593SP](#). OMB's Circular A-123 on Enterprise Risk Management advises agencies to implement the leading practices found in this framework.

⁶The fourth component of the fraud risk framework is to evaluate outcomes of the implementation of fraud risk management steps outlined in the first three components and adapt activities to improve fraud risk management. However, based on our findings from the first three components of the fraud risk framework, it would not have been possible for USADF to monitor, evaluate, and adapt fraud risk management activities that they had not developed or implemented. As a result, we did not evaluate this fourth component.

We conducted this performance audit from May 2024 to September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

USADF Mission

USADF, established in 1980 as a nonprofit government corporation, supported African-led development that grows community enterprises by providing financial and technical support to African-owned and African-led enterprises that have faced barriers to resources.⁷ USADF supported broad U.S. foreign assistance priorities in hard-to-reach communities across Africa. USADF used an African-led and -managed development model that directs development resources to the vulnerable areas with greatest need and potential for impact, according to USADF documents.

USADF investments, which aim to help local communities and enterprises become self-sufficient and better integrated into local economies, focused on three programmatic areas.

- **Agriculture and food security.** USADF aimed to assist agricultural cooperatives to develop better enterprise management skills, improve production and distribution capabilities, access larger markets, improve marketing capabilities, and increase revenues and incomes for small farmers. For an example of an Agriculture and Food Security project funded by these grants in Zambia that we observed, see figure 1.
- **Off-grid energy access.** USADF supported off-grid energy access by promoting market-based solutions that connect people and businesses to electricity and are particularly impactful for marginalized communities.
- **Women and youth-led entrepreneurship and employment.** USADF aimed to provide youth and women entrepreneurs with the tools needed to invest in their own communities, employ marginalized people, train others, and create or expand markets.

⁷USADF's statutory provisions can be found at 22 U.S.C. §§ 290h–290h-8.

Figure 1: U.S. African Development Foundation (USADF) Agriculture Grant in Zambia

USADF provided grant funding to an agricultural company in Zambia to increase its capacity to produce livestock feed, expand its business operations, and improve business management practices.



Source: GAO. | GAO-25-107574

USADF Act

The African Development Foundation Act (USADF Act) states the purposes of USADF shall be to (1) strengthen the bonds of friendship and understanding between the people of Africa and the U.S., (2) support self-help activities at the local level designed to enlarge opportunities for community development, (3) stimulate and assist effective and expanding participation of Africans in their development process, and (4) encourage the establishment and growth of development institutions which are indigenous to particular countries in Africa and which can respond to the requirements of the poor in those countries.

Source: Pub. L. No. 96-533, title V, § 504, 94 Stat. 3131, 3152 (Dec. 16, 1980), codified at 22 U.S.C. § 290h-2. | GAO-25-107574

The USADF Act states that USADF should conduct its work in cooperation with, and in response to, organizations indigenous to Africa that are representative of the needs and aspirations of the poor in Africa.⁸ USADF is also required, to the extent possible, to coordinate its activities with the activities of the U.S. Government and private, regional, and international organizations.

USADF is authorized to make grants and loans to African organizations fostering local development institutions and those working towards the transfer of development resources, expertise, and knowledge within Africa, among other things. Each grant or loan must not exceed \$250,000 and must be directed to African entities that are representative and knowledgeable of, and sensitive to, the needs and aspirations of the poor. These entities further disburse the funds to other African entities to carry out the purposes of USADF. See figure 2 for an example of a USADF grant awarded to a small business in Zambia that we observed.

⁸The African Development Foundation Act, Pub. L. No. 96-533, title V, 94 Stat. 3151-3155 (Dec. 16, 1980), codified as amended at 22 U.S.C. §§ 290h-290h-8 (USADF Act).

Figure 2: U.S. African Development Foundation (USADF) Grant for Women's Cooking Oil Business in Zambia

With USADF grant funding, women farmers in southern Zambia transitioned to growing and processing sunflower, which is more sustainable than other crops and has several uses, most notably: cooking oil.



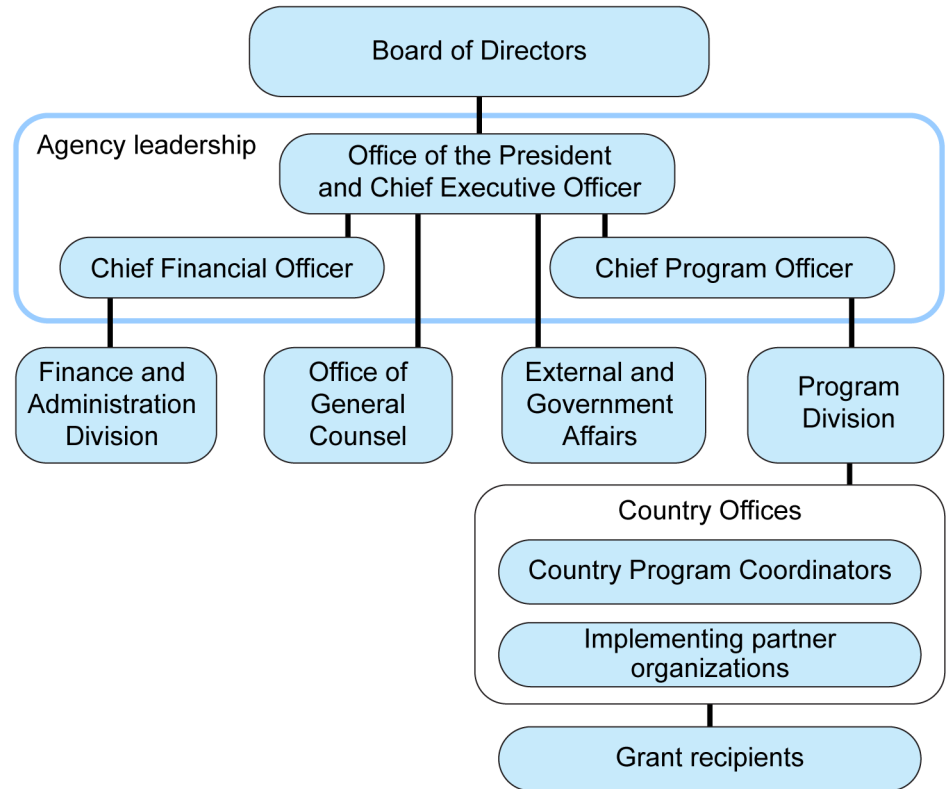
Source: GAO. | GAO-25-107574

USADF Roles and Responsibilities

According to the USADF Act, the foundation is to be led by a Board of Directors, and as of January 2025 USADF's leadership was composed of the President and Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Program Officer (CPO), according to USADF officials (see fig. 3). If all planned positions were filled, USADF would have 56 staff. USADF is authorized to employ up to 75 people to carry out its work, according to the USADF Act.⁹

⁹22 U.S.C. § 290h-4(a)(7).

Figure 3: U.S. African Development Foundation High-level Organizational Chart, as of January 2025



Source: GAO analysis of agency documentation. | GAO-25-107574

Board of Directors. USADF’s Board of Directors is required to be composed of seven people who are appointed by the United States President and confirmed by the Senate. Five of the seven members are to be from the private sector; the other two are to be representing the public sector from federal agencies concerned with African affairs.¹⁰ As of January 2025, the public sector dedicated seats had been vacant since 2016, according to USADF Board members and officials. The United States President must designate one of the seven members of the Board to serve as Chairperson of the Board, and another to serve as Vice Chairperson. The Board met at least four times a year, covering topics

¹⁰22 U.S.C. § 290h–5. According to the USADF Act, members of the Board shall be appointed so that no more than four members of the Board are members of any one political party.

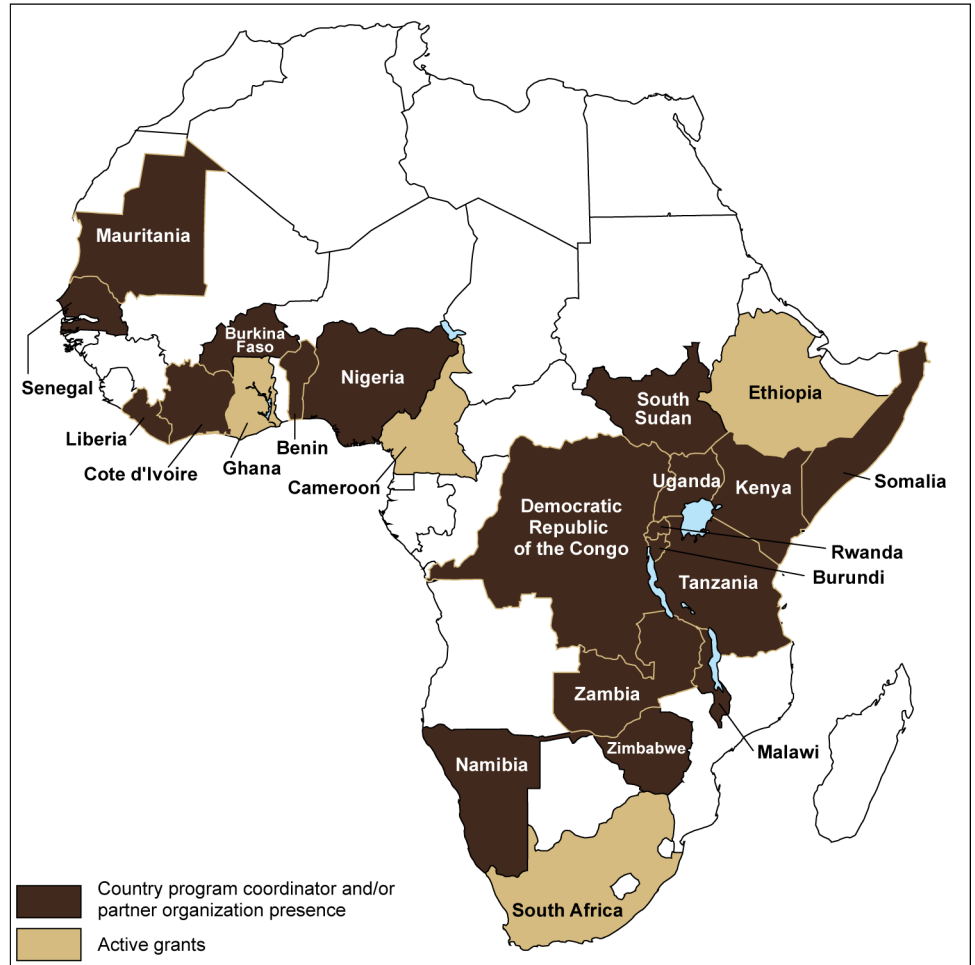
such as agency finances and audit findings. The USADF Act also requires the Board to establish an advisory council and consult the council concerning USADF objectives and activities at least annually.

USADF leadership. The Board delegated management of USADF to the USADF President and CEO, who was appointed by and reports to the Board. Based on this delegation, the President and CEO had overall responsibility and authority for the conduct of the business and affairs of USADF, subject to the authority and oversight of the Board. USADF also had a CFO and CPO, who together with the President and CEO comprised agency leadership, according to USADF officials.

USADF Washington, D.C., headquarters. As of January 2025, USADF had 43 employees composed of 31 full-time equivalent employees, including the three agency leadership positions, plus 12 contracted employees in its headquarters office in Washington, D.C. Staff at headquarters conducted overall and financial management of the agency, established policies and procedures, and provided oversight of its country teams and grant programs in Africa. The Program Division was divided into three regions, each run by a Regional Portfolio Manager who managed program staff and a portfolio of country programs. The Program Division also included staff that worked across countries in all regions. For example, an energy advisor at USADF headquarters oversaw and facilitated the energy program grants.

USADF country teams. USADF employed African staff and local technical partners on the ground across Africa, according to officials. According to USADF documents, this model made USADF a foreign assistance provider that can operate in areas that are often too remote to be reached by other U.S. government development agencies. As of January 2025, USADF had programs in 23 countries and a staff presence in 19 of these countries, as shown in figure 4.

Figure 4: U.S. African Development Foundation Had Grant Programs in 23 Countries and a Presence in 19 Countries in Africa, as of January 2025



Source: GAO analysis of US African Development Foundation documents and data (data); Map Resources (map). | GAO-25-107574

Notes: "Active grants" countries had funding obligations for new grants in fiscal year 2024, but USADF did not have a Country Program Coordinator and implementing partner present in-country. USADF typically relies on local embassy staff and nearby country teams to provide oversight and support for grants in countries with non-program presence, according to a USADF official. "Country Program Coordinator and/or implementing partner presence" countries also had funding obligations for new grants in fiscal year 2024, except for Namibia and Zimbabwe. USADF also had an active Country Program Coordinator in Mali, as of January 2025, to conduct grant close-out activities and other activities, following the April 2024 closure of USADF programs in Mali, according to a USADF official.

USADF country teams were composed of two components:

- **Country Program Coordinator (CPC).** USADF had a CPC in 15 countries to issue the annual call for applications, screen grant applications, conduct initial site visits, and support the implementing partner with grant oversight.
- **Implementing partners.** USADF used local organizations to assist with project development and implementation, provide technical assistance to grantees, ensure compliance, and monitor project implementation and performance.

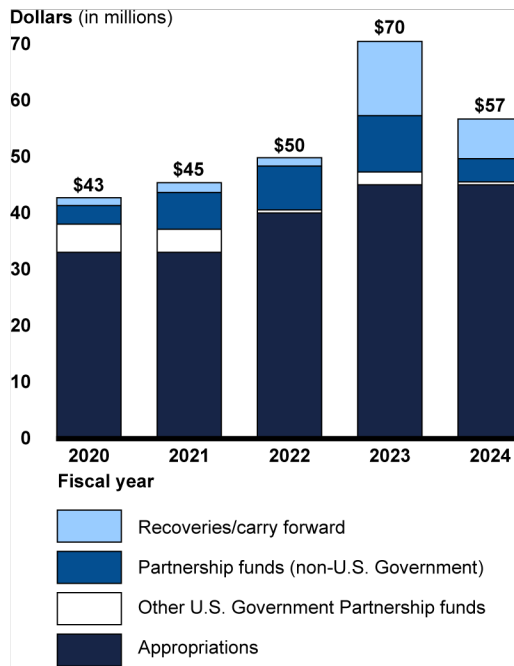
In each country where program operations were launched, USADF policy stated that USADF would negotiate a country accord with the host government. USADF policy also stated that the country program must conform to all host country laws and regulations and ensure full accountability and compliance with all USADF policies and requirements.

USADF Funding and Awards

USADF's annual operating budget in Fiscal Year (FY) 2024 was approximately \$57 million. USADF received most of its funding from appropriations, which were \$45 million in fiscal year 2024.¹¹ USADF's funding model supplemented its appropriations with funding from host African national and subnational governments that invest their own funds directly into USADF programs (see figure 5).

¹¹USADF's appropriation has had a two-year period of availability since at least FY20. For example, USADF's FY24 appropriation of \$45 million is available through the end of FY25. Further Consolidated Appropriations Act, 2024, Pub. L. No. 118-47, 138 Stat. 460, 746 (Mar. 23, 2024).

Figure 5: U.S. African Development Foundation (USADF) Annual Budget by Funding Source, Fiscal Years 2020–2024




Source: GAO analysis of U.S. Africa Development Fund data. | GAO-25-107574

Note: Recoveries and carry forward are funds resulting from de-obligations or recovered grant funding from a previous fiscal year that are available for use in the current fiscal year, according to USADF officials.

USADF extended the reach of its appropriated funds through co-funding partnership agreements with private sector corporate and foundation partners, according to USADF documents. USADF also coordinated some of its programs with other U.S. government agencies and had interagency partnership funding agreements. For example, USADF partnered with the U.S. Department of State in funding grants to African women entrepreneurs under the Academy for Women Entrepreneurs program, according to USADF documents.

USADF grant funding went to 36 different countries across Africa, with the top ten funded countries receiving 70 percent of all USADF grant funding from fiscal years 2020 through 2024, see table 1.

Table 1: U.S. African Development Foundation (USADF) Top Funded Countries, Fiscal Years 2020–2024

| | Country | Total USADF Grant Funding Obligations (in thousands) | Percent of Total USADF Grant Funding Obligations |
|---|---------------------|--|--|
|  | Nigeria | \$16,969 | 12% |
|  | Uganda | \$12,409 | 9% |
|  | Niger | \$11,099 | 8% |
|  | Kenya | \$10,903 | 8% |
|  | Cote D'Ivoire | \$10,377 | 8% |
|  | Benin | \$9,177 | 7% |
|  | Malawi | \$7,340 | 5% |
|  | Burkina Faso | \$6,155 | 4% |
|  | Zambia | \$6,080 | 4% |
|  | Liberia | \$5,847 | 4% |
|  | All other countries | \$41,124 | 30% |
| | Total | \$137,481 | 100% |

Source: GAO Analysis of USADF data; G7 Stock, VectorShop, Maya Palmer, Djerdj/stock.adobe.com (icons). | GAO-25-107574

Note: Percentages may not sum to 100 percent due to rounding.

USADF used several award types, such as contracts, grants, and cooperative agreements to conduct its work and implement programs.

Federal law requires that each award type be used for different principal purposes.¹² USADF used contracts to hire personnel and procure goods and services. USADF hired both Institutional Support Contractors and Personal Services Contracts (PSCs).¹³ The CPCs in-country were hired through contracts. Treasury's ARC provided contracting services to USADF to support its contracts.

USADF provided both project grants and cooperative agreements to African-owned entities in Africa. For example, USADF provided cooperative agreements to its African-owned implementing partner organizations, according to USADF officials. USADF provided grants to African-owned entities in Africa to build management capacity and encourage economic development, including agricultural cooperatives and producer groups, community-based organizations, and small and medium-sized enterprises, according to USADF documents.

USADF used various types of grants to fund projects in Africa. The two most common grants used were Capacity Building Grants and Enterprise Expansion Grants, according to USADF officials.

- **Capacity Building Grants.** Many enterprises require initial capacity building prior to pursuing expansion, and these grants were awarded to groups that had a potential for longer term growth and business success. However, these grantees needed business planning, management and financial systems development, training, and technical assistance to position themselves for follow-on investment. These grants were one to two years in length and ranged from \$50,000 to \$100,000, according to USADF documents.
- **Enterprise Expansion Grants.** These grants were the principal financing mechanism USADF used to assist grantees in generating increased revenues, increased incomes, improved profitability, creating jobs, and positioning themselves for future investments. These businesses must have a track record that reflects a strong production capacity, market knowledge, quality products, and well-developed financial systems that will enable them to obtain a USADF financial certification, according to USADF documents. These grants were typically three to four years in length and ranged from \$100,000 to \$250,000, according to USADF documents.

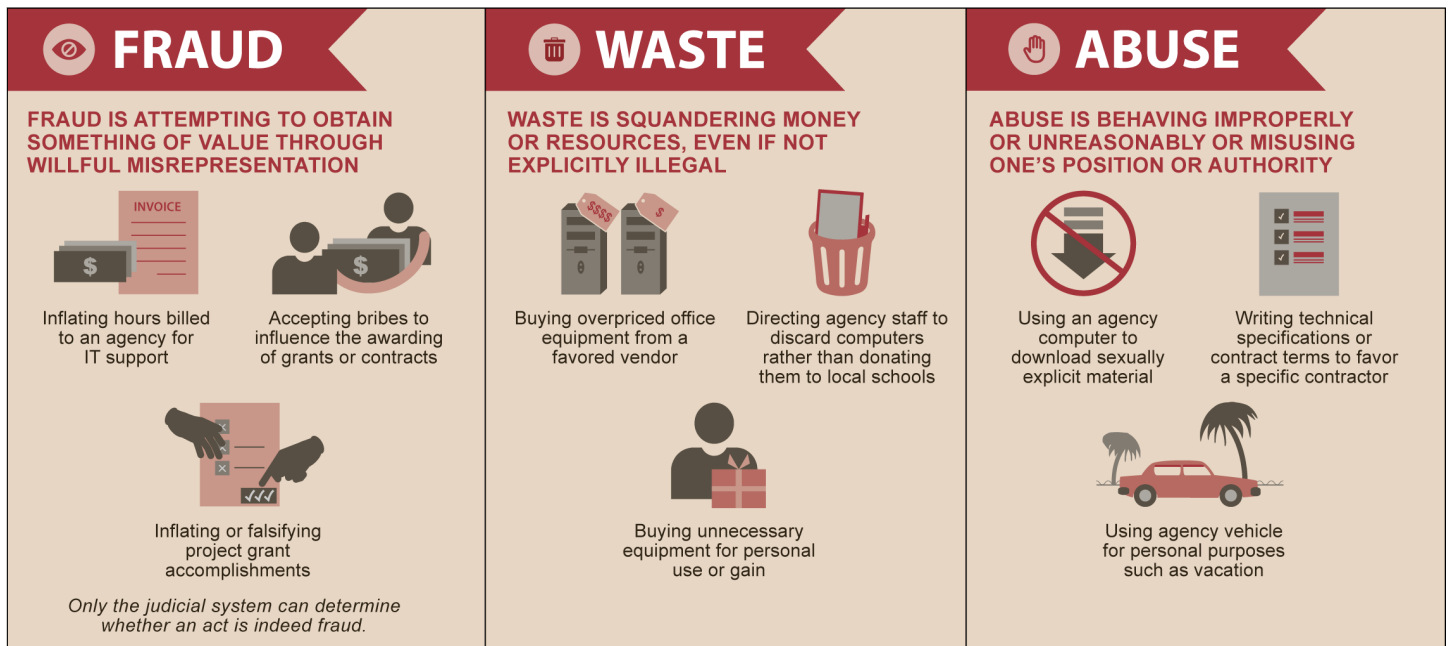
¹²31 U.S.C. §§ 6303-6305.

¹³Institutional support contractors are employed by a separate corporate entity but perform work for the government.

Federal Fraud, Waste, and Abuse Risk Management

Fraud, waste, and abuse of federal funds can cost millions of dollars (see fig. 6). Fraud can come from within or from outside an organization. For example, an employee, manager or executive within an organization may commit fraud by deceiving their own organization through embezzling funds or accepting bribes. Outside entities may also commit fraud against an organization. For example, vendors may lie about the work they did, or grantees may claim reimbursement for activities they did not perform.¹⁴

Figure 6: Fraud, Waste, and Abuse Definitions and Examples



Source: GAO data and icons. | GAO-25-107574

Several leading practices for managing fraud, waste, and abuse risks exist to guide federal agencies in developing policies and internal controls. GAO's *Standards for Internal Control in the Federal Government* calls for agency management to identify, analyze, and respond to risks related to achieving their objectives, including fraud risks.¹⁵ The internal control standards state that as part of this overall assessment,

¹⁴Fraud involves obtaining a thing of value through willful misrepresentation. Whether a particular act constitutes fraud is a determination to be made by a court of law.

¹⁵GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

management should consider the potential for fraud when identifying, analyzing, and responding to risks in their programs.

To help managers combat fraud and preserve integrity in government agencies and programs, GAO identified leading practices for managing fraud risks and organized them into a Fraud Risk Framework.¹⁶ The fraud risk framework encompasses activities to prevent, detect, and respond to fraud as well as structures and environmental factors that influence or help managers to mitigate fraud risks, see figure 7.¹⁷ The fraud risk framework is aligned with Principle 8 (“Assess Fraud Risk”) of the *Standards for Internal Control in the Federal Government*. One of the leading practices identified in the fraud risk framework is to conduct a fraud risk assessment that is tailored to risks at the program level.

¹⁶The full benefits of fraud risk management activities can be difficult to measure because of challenges in distinguishing potential fraud from legitimate activity or other forms of improper payments, such as waste and abuse. [GAO-15-593SP](#).

¹⁷OMB Circular A-123, directs agencies to follow the leading practices identified in the Fraud Risk Framework as part of their efforts to effectively design, implement, and operate an internal control system that addresses fraud risks. The Payment Integrity Information Act of 2019 requires OMB to maintain guidelines for agencies to establish financial and administrative controls to identify and assess fraud risks and that incorporate leading practices detailed in our Fraud Risk Framework. Pub. L. No. 116-117, 134 Stat. 113 (Mar. 2, 2020), codified at 31 U.S.C. §§ 3351-58.

Figure 7: The Government Accountability Office’s (GAO) Framework for Managing Fraud Risks in Federal Programs

What does GAO’s Fraud Risk Management Framework include?

It includes leading practices in four components:

Commit to combating fraud by creating an organizational structure and culture conducive to fraud risk management.

Assess fraud risks and document the assessment in a fraud risk profile.



Evaluate fraud risk management activities and **adapt** them for continuous improvement.

Design and Implement a strategy with control activities to mitigate fraud risks.

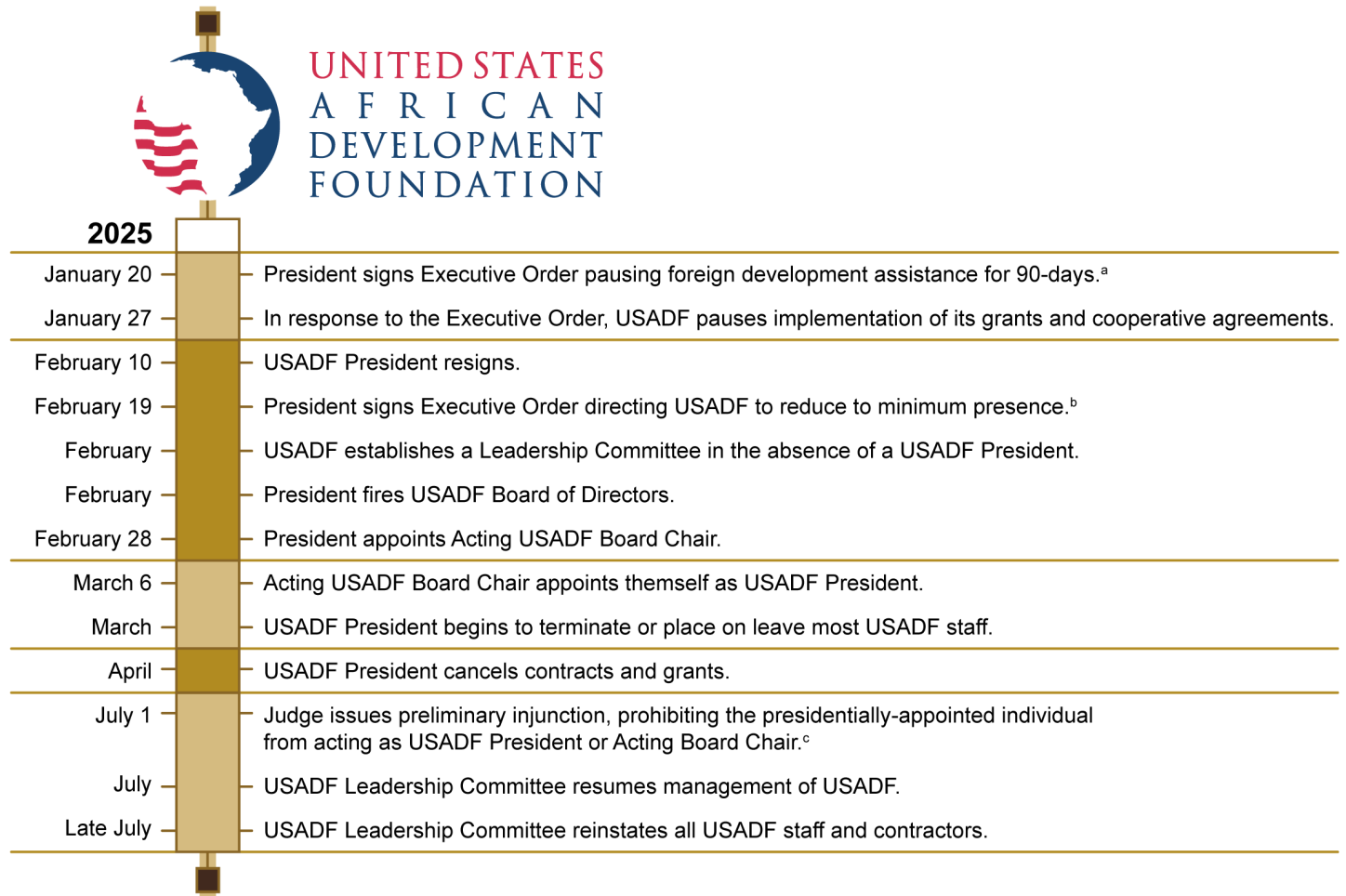
The Framework emphasizes using a risk-based approach and focusing on fraud prevention. The practices may be tailored to a program’s operations, including environmental factors and the program’s risks.

Source: GAO. | GAO-25-107574

USADF 2025 Developments

Beginning in January 2025, significant changes have occurred in the USADF workforce and programs, including the possibility of closure and the transfer of its functions to another agency, see fig. 8.

Figure 8: Timeline of Developments at U.S. African Development Foundation (USADF) in 2025



Legend: United States African Development Foundation = USADF.
 Source: GAO analysis of various documents and statements by USADF officials. | GAO-25-107574

^aExec. Order No. 14169, *Reevaluating and Realigning United States Foreign Aid*, 90 Fed. Reg. 8619 (Jan. 20, 2025). The order called for a review of all U.S. foreign development assistance alongside a 90-day pause in new obligations and disbursements.

^bExec. Order No. 14217, *Commencing the Reduction of the Federal Bureaucracy*, 90 Fed. Reg. 10577 (Feb. 19, 2025). Under the order, USADF was directed to reduce the performance of its statutory functions and associated personnel to the minimum presence and function required by law, among other things.

^cOrder, *Rural Dev. Innovations Ltd., et al. v. Pete Marocco, et al.*, No. 25-cv-1631, dkt. 27 (D.D.C., Jul. 1, 2025).

The U.S. President’s fiscal year 2026 budget request provides for the elimination of, or the elimination of federal funding for USADF. Congress,

in July 2025, approved a \$22 million rescission of USADF’s fiscal year 2025 funding.¹⁸ Also, a bill has been introduced in Congress to repeal the USADF Act, which established the entity, and to transfer all of its functions to the Secretary of State, among other things.¹⁹

USADF Had Outdated Policies and Procedures to Mitigate Fraud, Waste, and Abuse and No Strategic Approach

USADF had some policies and procedures to manage fraud, waste, and abuse, as of fiscal year 2024, but many polices were outdated and had neither a systematic nor a strategic approach to implement them. This is because the agency did not prioritize obtaining or dedicating the personnel to maintain policies and implement fraud risk management tasks. Without workforce planning to support a systematic approach to update policies and procedures, or a strategic approach to implement them, USADF may be less able to detect and mitigate fraud, waste, and abuse risks.

USADF Had Some Policies and Procedures to Mitigate Fraud, Waste, and Abuse Risks, but Many Were Outdated

Our review of policies and procedures in place from fiscal years 2020 through 2024 found that USADF had some policies that were intended to mitigate fraud, waste, and abuse, but many of these policies were outdated. Specifically, USADF had employment and financial management policies and procedures to mitigate internal fraud, waste, and abuse.

USADF Policies and Procedures

Conflict of interest. USADF had some policies in place to address potential conflict-of-interest among staff that could mitigate fraud and abuse risks. The Ethics in Government Act of 1978, as amended, requires certain employees in Federal agencies to file financial disclosure reports. Agencies use the financial disclosure reports to determine whether employees covered by the Act have a conflict of interest in conducting their work. USADF policy documents established procedures for filing financial disclosure reports for those employees required to file them.

USADF policy on project development also contained a conflict-of-interest policy to help ensure that all participants in the grant selection and development processes had no conflict of interest. The policy outlined

¹⁸Rescissions Act of 2025, Pub. L. No. 119-28, § 2(b)(18) (Jul. 24, 2025).

¹⁹S. 1054, 119th Congress (2025).

situations that would present a potential conflict-of-interest and provided instruction to relevant staff about who to notify in those potential situations. Agency training materials also stated that “employees shall not hold financial interests that conflict with the conscientious performance of duty.”

Employee policies. USADF policy documents on reporting allegations of criminal offenses, misuse of grant and contract funds, or improper conduct by employees outlined the responsibilities of all USADF employees in combatting and reporting fraud, waste, and abuse. USADF documents described the procedures for reporting allegations of improper conduct by employees, grantees, contractors, and others doing business with USADF.

The documents also notified employees about their rights and protections under various discrimination and whistleblower laws that could mitigate fraud, waste, and abuse risks. For example, USADF policy on reporting allegations stated that “management and supervisory personnel are responsible for fostering an organizational culture of integrity that provides a foundation for ensuring that fraud detection and prevention are active elements of a system of internal control to prevent, deter, and detect fraud.”

Travel policies. USADF also had policies and procedures to govern employee official travel to mitigate fraud, waste, and abuse risks. For example, the USADF travel policy required employees to use a government credit card for all official travel, in line with federal travel regulations, to mitigate fraud, waste, and abuse risk.²⁰ The travel charge card policy laid out an employee’s responsibilities for proper and improper use of the card and required that employees review a training document and sign a statement of responsibility prior to obtaining such a card.

A 2024 USAID OIG report to assess the risks of illegal, improper, or erroneous purchases and payments in USADF’s charge card program found that the charge card program posed a low risk to USADF. The OIG also found that the agency had adequate monitoring and reconciliation procedures to reduce the risk in the charge card programs, and policies

²⁰41 C.F.R. § 301-51.1.

and procedures that addressed the applicable charge card internal control requirements.²¹

Ethics training: The USADF General Counsel periodically conducted ethics training for headquarters employees, according to USADF officials. USADF training materials noted that ethics rules were to ensure that staff performed the agency's mission with the public's interest in mind to uphold the public's confidence in the integrity of the government. This ethics training covered a range of ethical issues and standards related to mitigating fraud, waste, and abuse risks, such as:

- not holding financial interests that conflict with the performance of duty,
- not using public office for private gain,
- not giving preferential treatment to any private organization or individual, and
- not using federal property other than for authorized activities.

The ethics training also outlined staff responsibilities regarding federal gift policies—gifts must be \$20 or less per occasion per source and no more in aggregate than \$50 per source in a calendar year.²² USADF's ethics training also outlined the staff's responsibility to report waste, fraud, abuse, corruption, and conflicts of interest to appropriate authorities. USADF in-country staff and implementing partners we spoke with in Zambia and Nigeria also told us that when USADF staff visited from headquarters, they used the opportunity to review the ethics training materials and retrain in-country staff.

However, in a 2024 management advisory, the OIG reported that USADF ethics training did not clearly specify that allegations of fraud should be reported to the OIG.²³ According to the OIG, USADF officials knew of

²¹This OIG report assessed the risks of illegal, improper, or erroneous purchases and payments in USADF's fiscal year 2023 charge card programs. The OIG determined that the charge card programs posed a low risk to USADF, and an audit or review of the program was not necessary since USADF's charge card spending did not exceed \$10 million. USAID OIG, *Charge Card Risk Assessment: USADF's Programs Showed Low Risk of Improper Purchases and Payments in Fiscal Year 2023* (0-ADF-24-002-S), July 11, 2024.

²²5 C.F.R. § 2635.204.

²³USAID OIG, *Nonreporting of Suspected Misuse of USADF Grant Funds and Equipment* (E- ADF-24-001-A), August 29, 2024.

suspected misuse of foundation funds and equipment purchased through foundation grants but failed to report this information to the OIG as required. The OIG also reported that USADF staff responsible for grant oversight were unaware of the OIG's role in preventing and detecting fraud, waste, and abuse, and ethics training materials did not clearly specify that such allegations of fraud should be reported to the OIG.

The OIG made a recommendation for USADF to update its training to incorporate information on USAID OIG oversight authorities and procedures for disclosing allegations of fraud, waste, and abuse. In its response, USADF concurred with the recommendation noting its full commitment to ensuring that staff are well-informed about OIG oversight authorities and procedures for disclosing fraud, waste, and abuse allegations—a vital part of their compliance strategy. USADF updated its ethics training material and provided the updated training to its staff.

Financial controls. USADF had some internal policies and procedures directed toward financial management. USADF utilized independent audits as a key element of its internal controls, according to USADF officials and documents. USADF's policy on audits established standards and frequency for audits of grants, implementing partners, and Country Program Coordinators, which were conducted by independent audit firms in the host countries.

USADF also had some financial controls related to the management of partner funds that were held in local bank accounts in host countries.²⁴ However, the 2024 OIG financial audit reported significant deficiencies in the internal controls over this process and made six recommendations for improvement. USADF concurred with the recommendations. The USADF President was required by USADF policy to submit annual assurance statements regarding USADF's effectiveness of internal controls over operations, and whether financial management systems conform to government-wide requirements.

USADF also relied on external oversight for some of its financial control policies and procedures. For example, Treasury's ARC provided various services for USADF financial transactions, including procurement, grant

²⁴According to USADF documents and officials, these partner funds are donations made by African governments and certain private sector entities for program purposes in about 10 countries which are maintained in commercial accounts in local currencies. USADF controls disbursements from these accounts. As of September 30, 2024, the amount of these funds was approximately \$9.3 million.

Outdated Policies and Procedures

disbursements, and payroll operations. According to USADF documents, USADF relied on those entities' systems of internal control to a great extent. However, as we discuss later, gaps in financial controls existed and ARC raised concerns about USADF's contracting practices. Financial statement audits of USADF were carried out by the OIG on an annual basis, which was another element of its financial controls.

Although USADF had some policies in place to mitigate the risk of fraud, waste, and abuse, many of the related policy manuals were outdated, not centrally located, and did not reflect current practices, according to USADF officials and our review of relevant documents. Most USADF policy documents were over 10 years old, and some were over 20 years old. USADF staff we spoke to reported that while the agency had several policies, existing guidance for conducting oversight and their work in general was insufficient and policies were often outdated.

As a result, some of the policy documents did not represent current practices. For example, while the policy manual had a section detailing the processes and purpose of its grants management database, the actual grants management database in use by program staff was different than the one referred to in the policy manual. USADF in-country staff and implementing partners in Zambia and Nigeria also told us that the guidance and policy documents provided by USADF headquarters were not sufficient. Instead, they developed additional policies and procedures to guide their oversight of grantees.

In addition, we found that policies were difficult to locate. The USADF policy manual covered a range of topics including internal controls, employment rules, and grant management. However, the manual was composed of approximately 70 separate documents that were not all stored in a single location, and USADF did not have a central list of its entire contents, according to USADF officials. As a result, some policies were difficult to locate, according to USADF officials. USADF staff told us that USADF did not have a process in place to ensure that current policies were documented, maintained in a centralized location, or updated on a regular basis.

According to USADF officials, the policy manual sections which guided agency internal control policies and fraud, waste, and abuse risk management activities had not been updated because USADF had neither sufficient staff nor resources to do so. Certain key positions did not exist, were vacant, or not sufficiently staffed. For example, USADF had one staff member in charge of audits, which is a key function for

mitigating fraud, waste, and abuse. That position became vacant in late 2024 with no plan in place to ensure this key role was filled.²⁵ Other key positions, such as the monitoring and evaluation specialist, the training officer, and a supervisory financial analyst, had been vacant for several months or years as of late 2024. USADF in-country staff and implementing partners in Zambia and Nigeria told us that their main point of contact at USADF headquarters, who was responsible for overseeing their work, turned over every year or two during their tenure.

Some USADF officials we interviewed acknowledged that this lack of sufficient staff or resources was because USADF leadership had not prioritized workforce planning. Leading practices in human capital management state that agencies should determine the critical skills and competencies that their personnel need to achieve programmatic results. Without workforce planning to determine the number and skills of staff needed to perform its various functions or the development of certain management processes, USADF was not best positioned to detect and mitigate fraud, waste, and abuse risks.

Agency decisions about which positions were needed and how quickly to fill vacancies were led by the USADF President, according to USADF officials. The USADF President reorganized the program division in 2023 to streamline program implementation and oversight, according to USADF staff and documents. The USADF President also made changes in the composition of agency leadership positions, such that agency leadership between 2020 and 2024 periodically included a Chief Operating Officer and Chief Strategy Officer. However, neither position existed in the organization at the time of our review.

Without these positions, including a leader to guide key internal control and fraud risk management activities, USADF was at a greater risk of being unable to mitigate fraud risks. According to USADF officials, the USADF President led an overhaul of most policy manual documents around 2012. Since that time, they had not prioritized dedicating the human resources needed to keep those policy manual sections updated.

The USADF Board of Directors—which is responsible for the overall management of USADF—had also affected USADF leadership decisions to minimize staffing levels at the agency, according to USADF officials and Board members. USADF Board members told us that they worked

²⁵This position became vacant as a result of a planned retirement.

with the USADF President to minimize the ratio of administrative costs to program costs. USADF leadership staff told us that they kept administrative costs down by maintaining lower staff numbers, rather than add positions that might enable additional resources to be dedicated to updating policies and managing fraud risk tasks.

According to Federal Internal Control standards, management should document responsibilities and procedures and use quality information to achieve the entity's objectives.²⁶ Without updated policies, staff do not have sufficient or accurate guidance to implement agency policies, conduct their work, and mitigate potential risks.

USADF Had Yet to Implement Comprehensive Internal Risk Mitigation Policies and Procedures Agency-wide

We found that USADF had developed some plans to implement policies to reduce fraud, waste, and abuse risks, but such plans had not been executed. USADF had a policy manual section that outlined management responsibility for internal control, last updated in 2015. Establishing comprehensive, agency-wide internal controls through policies and procedures enables an agency to strategically reduce risks that can hinder it from achieving its mission, including the risk of fraud, waste, and abuse. USADF's policy stated that the agency's internal controls must follow GAO's *Standards for Internal Control in the Federal Government*.

USADF's policy specified that internal control activities were to be led by the USADF President and an Internal Control Assessment Committee responsible for all matters relating to internal control at USADF, including the establishment, assessment, correction, and reporting on internal control. USADF policy also outlined the specific positions and divisions which should comprise the Committee. For example, the Committee was to be led by the head of Finance and Administration, with representation from other key offices such as the Office of General Counsel, Programs, and Audit.

The purpose of the Committee was to provide oversight of the assessment of internal controls over financial reporting and adherence to requirements. For example, the Committee would have been responsible for assisting management in implementing an internal control framework, fostering an organizational environment that supports continuous awareness of internal controls, developing a comprehensive internal control assessment program, and overseeing the conduct of periodic risk assessments. However, according to USADF officials, the Committee

²⁶[GAO-14-704G](#)

was never formed because USADF lacked personnel who could be devoted to developing and implementing these policies. And, as previously noted, USADF officials told us that agency leadership had not prioritized obtaining the human resources needed to implement these policies.

USADF also developed an Enterprise Risk Management (ERM) plan, but six years after its development had yet to implement it. The ERM plan, finalized in January 2019, was policy USADF wrote to comply with the Office of Management and Budget (OMB) Circular A-123 and GAO's *Standards for Internal Control in the Federal Government*, according to USADF officials.²⁷ According to the ERM plan, it was meant to improve mission delivery by integrating risk management and agency internal control systems in an agency-wide enterprise risk management framework. The plan was focused on the establishment of a risk management committee consisting of key members of agency leadership and chaired by the Chief Financial Officer. The committee was responsible for (1) creating a risk appetite statement, (2) creating the foundation's risk profile, (3) facilitating an ERM culture conversation throughout the agency, and (4) implementing the plan. According to the most recent ERM plan, USADF formed the ERM committee in 2018.

However, according to USADF officials, the committee only met once, and the ERM plan had not yet been implemented. The ERM was never implemented because USADF leadership did not prioritize the human resources needed to further develop and implement the plan, according to USADF officials.

As of January 2025, USADF officials reported that they were in the process of hiring a consultant to assist in further development and implementation of the plan. However, at the time of our review, USADF leadership had paused these efforts to respond to the planned changes to foreign assistance and USADF operations.

Establishing adequate internal controls, specifically employing a strategic approach to managing fraud risks, enables an agency to better mitigate fraud, waste, and abuse risks. By not dedicating enough human

²⁷OMB Circular No. A-123 emphasizes the importance of having appropriate risk management processes and systems to identify challenges early, to bring them to the attention of Agency leadership, and to develop solutions. The Circular is meant to ensure Federal managers are effectively managing risks an Agency faces toward achieving its strategic objectives and arising from its activities and operations.

resources to follow and update its policies and plans related to internal control, USADF has not fully established key policies and procedures to create an effective internal control environment. A key factor for improving accountability in achieving an entity's mission is to implement an effective internal control system. Without a comprehensive and agency-wide approach to internal controls, USADF faces an increased risk of fraud, waste, and abuse in its programs.

The USADF Board, which is responsible for management of USADF, did not establish and consult with an advisory council, as required by law. The USADF Act requires the Board to establish an advisory council composed of individuals knowledgeable about development activities in Africa and to consult the council at least annually concerning the objectives and activities of the Foundation.²⁸ However, according to the USADF Board members we spoke with, such an advisory council was never created. Therefore, the USADF Board did not fully meet its obligations in accordance with the law and did not benefit from potential input from the advisory council on risk mitigation.

USADF Had Not Implemented Many of the Leading Practices for Managing Fraud Risks

We found that USADF had taken some steps but had not implemented many of the leading practices for managing fraud risks, including establishing key policies, procedures, or personnel to specifically assess and mitigate fraud risks. Components for managing fraud risks listed in GAO's Fraud Risk Framework include some of the following:

1. committing to combating fraud by creating an organizational culture and structure conducive to fraud risk management,
2. assessing risks by conducting regular fraud risk assessments and developing a fraud risk profile, and
3. designing and implementing a strategy with specific control activities to mitigate assessed fraud risks and collaborating with stakeholders to help ensure effective implementation.

USADF Took Limited Steps to Create an Antifraud Culture and Structure

USADF had some policies aimed at creating an organization-wide culture for combating fraud, but its management had not implemented leading practices (see table 2). USADF's policy on the misuse of grant funds stated that management is responsible for fostering an organizational culture of integrity that provides a foundation for ensuring that fraud detection and prevention are active elements of a system of internal control to prevent, deter, and detect fraud. USADF staff, contractors, and

²⁸22 U.S.C. § 290h-5(e)(1)-(2).

grantee organizations were also responsible for assisting in efforts to combat fraud, waste, and abuse in all USADF programs, including questioning and identifying suspicious activities and reporting such activities. USADF policy also protected employees against retaliation or harassment for reporting real or apparent fraud, waste, or abuse. Persons reporting real or apparent fraud, waste or abuse may also remain anonymous if they choose. However, USADF’s implementation of its policies had shortcomings.

Table 2: U.S. African Development Foundation (USADF) Had Not Fully Followed Leading Practices in Its Efforts to Create an Antifraud Culture and an Antifraud Entity, Fiscal Years 2020–2024

| Leading Practices (Commit to Combating Fraud) | USADF Antifraud Policies | Status |
|---|--|---------------|
| Create an organizational culture to combat fraud at all levels of the agency | USADF had a policy outlining how to handle allegations of fraud, but did not have an antifraud strategy or code of conduct to set expectations | Partially met |
| Designate an antifraud entity—either an individual or team to lead fraud risk management activities | No dedicated antifraud entity—either an individual or team to lead fraud risk management activities | Not met |

Source: GAO analysis of USADF documents. | GAO-25-107574

Create an organizational culture to combat fraud at all levels of the agency. While USADF policy addressed certain aspects of fostering an organizational culture of integrity, we found weaknesses in the USADF’s implementation. For example, a senior official who oversaw ethics issues at USADF told us that they were unsure if USADF had a code of conduct for employees despite having a policy that references the Standards of Ethical Conduct for Employees of the Executive Branch.²⁹

Further, USADF officials told us that some staff were uncomfortable reporting instances of fraud, waste, or abuse if they did not have a good relationship with their supervisor. Some in-country staff we spoke with were unaware of an anonymous way to report fraud, waste, and abuse, while others knew of a confidential USADF email account where in-country staff could send reports. This inconsistency in awareness occurred because USADF leadership had not prioritized dedicating the staff or resources needed for updating, implementing, and communicating agency policies, related to fraud, waste, and abuse, according to USADF officials.

²⁹This rule outlines standards of ethical conduct that apply to federal employees. 5 C.F.R. Part 2635 (2024).

According to the fraud risk framework, managers who effectively manage fraud risks demonstrate a senior-level commitment to integrity and combating fraud. Without mechanisms in place such as a code of conduct, an attitude statement towards fraud, or clear reporting policies, employees may not have clear expectations or knowledge about a safe means to report fraud, waste, or abuse. Because USADF did not fully create an organizational culture to combat fraud, it was not positioned to most effectively assess and mitigate internal and external fraud risks.

Designate an individual or team to lead fraud risk management activities. We also found that USADF had not dedicated an individual or team to lead its fraud risk management activities. A leading practice for managing fraud risks is to designate an antifraud entity—either an individual or team—with the responsibility to design and oversee fraud risk management activities. The antifraud individual or team should:

1. understand the fraud risks and controls throughout the program,
2. have defined responsibilities, and
3. have a direct reporting line to senior-level managers.

The ERM plan also directed USADF to delegate certain tasks to various staff within headquarters to address identified risks. However, according to USADF officials, no single antifraud entity existed to respond to fraud risks. According to the fraud risk framework, dedicated antifraud entities or individuals are responsible for facilitating communication with management and stakeholders on fraud-related issues.

USADF officials told us that various staff across the agency carried out fraud risk management activities. For example, the General Counsel was responsible for reviewing financial disclosures and conducting ethics training for staff; the internal auditor led financial audits of in-country staff and grantees; and in-country staff were responsible for overseeing fraud risk management activities such as grant monitoring. USADF officials told us that the internal auditor position specifically oversaw the selection of local audit firms to conduct approximately 30 to 40 CPC and project grant audits each fiscal year.³⁰ Nevertheless, USADF could not provide

³⁰As of December 2024, the internal auditor position was vacant, according to USADF officials. Some USADF officials expressed interest in expanding responsibilities for the internal auditor position to include internal audits at the headquarters level.

documentation demonstrating that any person or office had been designated to lead fraud risk management activities.

While entities across the agency should be involved in fraud risk management activities, having a dedicated person or team to coordinate antifraud initiatives across the agency, including facilitating communication with management and among stakeholders on fraud-related issues, enables an agency to more effectively assess and mitigate internal and external fraud risks agency-wide.

USADF Had Not Conducted Fraud Risk Assessments or Developed a Fraud Risk Profile

We found that USADF had not conducted fraud risk assessments or developed a fraud risk profile to assess risks, see table 3. The fraud risk profile is an essential piece of an overall antifraud strategy and can inform the specific control activities that managers design and implement. The fraud risk framework identifies conducting regular fraud risk assessments and developing a fraud risk profile as a leading practice for fraud risk management. Further, Federal Internal Control Standards state that agency managers should consider potential fraud when identifying, analyzing, and responding to risks in their programs. Programs must conduct a risk assessment in order to create a fraud risk profile. Effectively assessing fraud risks involves documenting the key findings and conclusions from the risk assessment. The summation of these findings is the fraud risk profile.

Table 3: U.S. African Development Foundation (USADF) Had Not Followed Leading Practices in Its Efforts to Implement a Strategy to Assess Fraud Risks, Fiscal Years 2020–2024

| Leading Practices (Assess Fraud Risks) | USADF Antifraud Policies | Status |
|---|---|---------|
| Plan regular fraud risk assessments that are tailored to the program | No policies or procedures for assessing fraud risk | Not met |
| Identify and assess risks to determine the program’s fraud risk profile | No fraud risk profile or policy in place to establish one | Not met |

Source: GAO analysis of USADF documents. | GAO-25-107574

Plan regular fraud risk assessments that are tailored to the program.
An effective program-specific risk assessment process involves:

- determining the types of fraud risks,
- their perceived likelihood and impact,
- managers’ risk tolerance, and

-
- the prioritization of risks.³¹

While the timing can vary, it is a leading practice for agencies to conduct effective fraud risk assessments at regular intervals and in response to changes to the program or operating environment. Fraud risk assessments are iterative and not meant to be onetime exercises, according to the fraud risk framework. Factors such as size, resources, maturity of the agency or program, and experience in managing risks can influence how the entity conducts the fraud risk assessment.

Identify and assess risks to determine the program’s fraud risk profile. An agency’s risk assessment process should result in the development of a fraud risk profile that, among other things, describes the suitability of existing fraud controls and prioritizes residual fraud risks. These risks are the ones that remain after management has implemented initial internal controls to reduce and manage threats. The leading practices of conducting risks assessments and developing a fraud risk profile based on that assessment work in tandem, but we found that USADF had not effectively implemented either practice.

In its response to the 2024 USAID OIG management advisory, USADF indicated its intention to develop and implement a comprehensive fraud risk management framework by January 2025. However, we found that it had not done so. USADF outlined plans that included risk assessment procedures, preventive controls, detection mechanisms, response protocols, regular monitoring, and review processes. USADF also described plans to develop continuous monitoring of the effectiveness of the fraud risk management framework with corresponding timelines after implementation. Despite the written statement that they would take these steps, USADF leadership had not prioritized putting such a framework in place. According to the agency’s officials, this was because it did not have the necessary human resources to implement the changes.

We also found that USADF did not have policies or procedures for assessing fraud risk at the country level, according to USADF officials. While USADF’s grant process involved project level risk assessment as

³¹According to *Standards for Internal Control in the Federal Government*, a risk tolerance is the acceptable level of variation in performance relative to the achievement of objectives. In the context of fraud risk management, if the objective is to mitigate fraud risks—in general, to have a very low level of fraud—the risk tolerance reflects managers’ willingness to accept a higher level of fraud risks, and it may vary depending on the circumstances of the program.

part of its financial assessment of each grantee, it is important for agencies to assess risk at the program level as well.

According to the fraud risk framework, an agency should plan to conduct a fraud risk assessment at regular intervals and identify specific tools, methods, and sources for gathering information about fraud risks that are specific to their programs' characteristics. Agencies can identify these risks by collecting data on fraud schemes and trends from monitoring and detection activities. For example, some programs develop surveys or conduct focus groups that specifically address fraud risks and related control activities. However, according to USADF officials, it had no designated person or team to carry out a fraud risk assessment at the country level, nor had USADF completed a fraud risk assessment or fraud risk profile.

Additionally, tailoring fraud risk assessments to the specific operating environment is important because the prevalence or likelihood of certain fraud risks may vary for each country. Although, according to USADF officials, USADF had not conducted a fraud risk assessment at the country level, some partner organizations in-country had adjusted their procedures for grant monitoring based on past experiences or country need, which could be adopted in any future fraud risk assessments.

According to in-country staff in Nigeria, based on collaboration they had in the past with implementing partner staff in other countries USADF operates in, each country may have approached fraud risk and other operations differently. For example, according to in-country staff in Nigeria, they required some grantees to submit monthly reports, which is more frequent than USADF quarterly reporting requirements. According to in-country staff, they chose this approach so they could monitor grants more frequently and address concerns quickly. However, USADF had no strategic approach or policy guiding country-specific actions, according to agency officials. Therefore, without guidance from headquarters, countries may vary in whether they are taking such additional steps.

While according to USADF officials, it did not conduct fraud risk assessments or develop fraud risk profiles to guide risk management, USADF policy stated that in-country staff were expected to monitor fraud risks during site visits, audits, and quarterly reviews. According to in-country staff in Nigeria, if they identified a fraud risk during site visits or if auditors presented recommendations, in-country staff were expected to work with the grantee to implement corrective action. This occasionally led to grant termination, according to in-country staff.

USADF policy stated that USADF may terminate a grant due to (1) grant resources not being used as planned to achieve grant purposes, (2) external circumstances, or (3) the conduct of the grantee. However, conducting site visits was not always possible—inhibiting USADF’s ability to identify and address fraud risks.³² For example, in-country staff in Nigeria told us that visiting grantees in rural areas or areas with security concerns had been a challenge that, at times, prevented them from conducting these site visits.

As we have previously reported, guidance provided to foreign assistance program officials and partners on developing a fraud risk profile tailored to their country’s risk would better position them to systematically identify and address program fraud risks.³³ In this case, USADF in-country staff would be better able to effectively modify their procedures and controls to mitigate internal and country-specific fraud risks.

USADF Had Not Fully Designed and Implemented a Strategy to Mitigate Fraud

Effective fraud managers develop, document, and communicate an antifraud strategy based on the results of a fraud risk assessment, which USADF had not completed. USADF had taken some steps to design and implement a strategy to mitigate fraud but had not fully implemented leading practices such as:

1. **documenting** an antifraud strategy based on its overall susceptibility to fraudulent activities,
2. **designing and implementing** a strategy with specific control activities to mitigate assessed fraud risks,

³²USADF’s site visit policy stated that the CPC should conduct at least one site visit to every grantee at least once every two years, or as determined by an annual monitoring plan determined by the Regional Portfolio Manager. Each annual monitoring plan should ensure that all grantees receive a site visit from the in-country or headquarters staff. Implementing partner staff should visit programs at least three times during the first year of the project, and at least annually thereafter. Every site visit should be documented in a site visit report and reported to USADF headquarters.

³³In 2024, we found that USAID missions in conflict zones and other countries were not conducting fraud risk assessments that were specific to their program and country contexts. We recommended that USAID issue guidance requiring them to do so, noting that tailoring fraud risk assessments to the specific operating environment in a country is important because the prevalence or likelihood of certain fraud risks may vary for each country. See, GAO, *Foreign Assistance: USAID Should Strengthen Risk Management in Conflict Zones*, [GAO-24-106192](#), (Washington, D.C.: Apr. 30, 2024) and *Central America: USAID Should Strengthen Staffing and Fraud Risk Management for Initiative Addressing Migration to the U.S.*, [GAO-24-106232](#), (Washington, D.C.: Mar 14, 2024).

3. **developing a plan** outlining how the program will respond to identified fraud, and
4. **collaborating** with stakeholders to help ensure effective implementation, see table 4.

Table 4: U.S. African Development Foundation (USADF) Had Not Fully Followed Leading Practices in Its Efforts to Design and Implement a Strategy to Mitigate Fraud, Fiscal Years 2020–2024

| Leading Practices (Design and implement fraud mitigation strategies) | USADF Antifraud Policies | Status |
|---|---|---------------|
| Determine risk responses and document an antifraud strategy based on the risk profile | No steps taken to develop an antifraud strategy | Not met |
| Design and implement specific control activities to prevent and detect fraud (e.g. fraud-awareness initiatives, employee-integrity activities, reporting mechanisms, and data-analytics activities) | Some control activities to prevent and detect fraud, but not all activities were consistently conducted | Partially met |
| Develop a plan outlining how the program will respond to identified instances of fraud | Some steps to outline how the program would respond to identified fraud among grantees, but not in other areas | Partially met |
| Establish collaborative relationships with stakeholders and create incentives to help ensure effective implementation of an antifraud strategy | Some policies in place to coordinate with stakeholders, but broader coordination was at the discretion of the local staff | Partially met |

Source: GAO analysis of USADF documents. | GAO-25-107574

Determine risk responses and document an antifraud strategy based on risk profile. According to USADF officials, USADF had not completed a fraud risk assessment or fraud risk profile, therefore, it had not documented an antifraud strategy to address identified risks. We found that USADF had developed and documented some internal control policies to prevent, detect, and respond to fraud that it could use to implement leading practices in the future. For example, a USADF policy called for partners to visit projects at least once each year after the first year of implementation and that grantees were to submit quarterly reports documenting the status of funds and tracking project progress.

As mentioned above, USADF had a grant termination policy it used in response to fraudulent grantees and a policy that provided that employees and contractors had a responsibility to report suspected instances of fraud. In contrast to leading practices, USADF did not have a strategy for identifying and documenting risks to ensure internal control policies and processes mitigated them, according to USADF officials.

Design and implement specific control activities to prevent and detect fraud. According to the fraud risk framework, effective managers of fraud risks use the program’s fraud risk profile to determine the

suitability of existing fraud controls and to decide how to allocate resources to respond to residual fraud risks. Therefore, managers are expected to develop and document an antifraud strategy that describes the program's approach for addressing the prioritized fraud risks. As part of an antifraud strategy, managers who effectively manage fraud risks design and implement specific control activities including policies, procedures, techniques, and mechanisms to prevent and detect potential fraud. Managers may design and implement new control activities or revise existing control activities to reduce the likelihood or impact of a risk.

Effective management of fraud risks starts with fraud prevention. Preventing fraud helps to avoid a costly "pay-and-chase" model—when payments are made before a fraudulent transaction is detected and actions to pursue recovery of the funds are necessary. Control activities that effectively prevent and detect fraud may involve fraud-awareness initiatives, employee-integrity activities, reporting mechanisms, and data analytics activities.

- **Fraud-awareness initiatives.** Increasing managers' and employees' awareness of potential fraud schemes through training and education can serve a preventive purpose by helping to create a culture of integrity and compliance within the program. Moreover, increasing fraud awareness can enable managers and employees to better detect potential fraud. USADF officials told us that it periodically conducted fraud training for its headquarters staff but did not have a documented fraud awareness training policy. In its 2024 management advisory, the OIG reported that USADF headquarters staff received one fraud awareness briefing between 2020 and 2024. According to USADF officials, this was partially due to the pandemic.

In August 2024, the OIG recommended USADF schedule fraud awareness briefings and according to USADF officials, such training had since occurred for its headquarters staff. However, there remained no policy or plan to ensure such training happens regularly moving forward. The fraud training did not include USADF contractors or grantees, including Country Program Coordinators and implementing partner staff, according to USADF officials. In our interviews with in-country staff in Zambia and Nigeria, staff mentioned receiving ethics training on a regular basis, but some were not familiar with training provided specifically on fraud.

The fraud risk framework states that agencies should require all employees, including managers, to attend fraud awareness training upon hiring and on an ongoing basis thereafter, and maintain records to track compliance. Further, fraud awareness training should include stakeholders with responsibility for implementing aspects of the program, including contractors and other external entities responsible for fraud controls. Without regular training for USADF staff, contractors, and implementing partners, USADF cannot ensure that it is adequately protecting USADF funding from fraud risks.

- **Employee-integrity activities.** USADF had some procedures designed to prevent fraud among headquarters staff. As previously mentioned, the agency conducted ethics training separately from the USAID OIG fraud awareness training. The annual ethics training used the Uniform Standards of Ethical Conduct for Employees of the Executive Branch and included information for employees about:
 - receiving and giving gifts between outside sources and employees,
 - conflicts of interest, impartiality when performing official duties, and
 - the misuse of official positions.

However, USADF officials told us that while the ethics training was regularly conducted for headquarters staff, the training occurred only on an ad hoc basis for in-country staff. The ad hoc nature of the training occurred because there was no policy to ensure such training had been completed and because there were vacancies in the Office of General Counsel, according to USADF officials.

Other policies designed to prevent fraud among staff included financial disclosure requirements and identifying and reporting conflicts of interest in the grant selection and development processes, as previously mentioned. The fraud risk framework outlines leading practices that help ensure employee integrity. These include conducting background checks to screen employees for integrity issues as well as developing and communicating a standard of conduct that applies to all employees, including leadership. This communication should include general expectations of behavior, prohibited behavior, and the program's response to violations of the standard of conduct, among other things. Employee-integrity activities can prevent fraud by helping managers to establish a culture

conducive to fraud risk management. Without this culture, the agency is more vulnerable to fraud, waste, and abuse.

- **Reporting mechanisms.** An important part of an agency's response to fraud risks is referring instances of potential fraud to the OIG or other appropriate parties, such as law-enforcement entities or the Department of Justice. USADF officials in headquarters, and some in-country staff in the two case study countries that we examined, cited their awareness of several different avenues to report suspected fraud, waste, or abuse. For example, they told us that they were aware they could report suspicions to their supervisor or the General Counsel. In-country staff also told us that grantees can contact the implementing partner staff or Country Program Coordinator directly to report problems.

Although USADF policy included mail, phone, fax, and email contact information for employees, contractors, and others to report non-criminal or criminal misuse of grant or contract fund allegations, some USADF staff told us they would report such instances to their supervisor and did not mention the USADF policy. The fraud risk framework stipulates providing multiple options in addition to hotlines for reporting potential fraud, such as online systems, e-mail, fax, written formats, or face-to-face.

Even though USADF policy stated that persons reporting allegations of fraud, waste, or abuse may remain anonymous, some employees told us that they were unaware of a mechanism to report such suspicions anonymously. In addition, in USAID OIG's August 2024 management advisory, it stated that USADF's website lacked a direct link to the OIG's website, which is required by law to help facilitate reporting and awareness of OIG and its authorities. In response to USAID OIG's recommendation, USADF updated its website with a link to the OIG hotline.

The fraud risk framework also states that agencies should ensure individuals outside the agency such as vendors, program beneficiaries, and the public who may be aware of potential fraud, can report it. According to USADF policy, all USADF employees and contractors were expected to assist in efforts to combat fraud, waste, and abuse. USADF grantee organizations were encouraged, but not required, to report suspected fraud, waste, or abuse, per USADF policy.

Further, agencies should take steps to ensure individuals feel comfortable raising suspicions by providing them the opportunity to report suspicions anonymously if preferred, treating all reports confidentially and establishing policies that prohibit retaliation for employees who make reports in good faith. Reporting mechanisms help managers to detect instances of potential fraud, and they can also deter potential fraudulent behavior if there is a belief that it will be reported to the intended party.

- **Data analytics activities.** USADF had several control activities aimed at preventing or detecting fraud at the grantee level through collecting and analyzing data. Specific activities may have involved conducting site visits, verifying compliance with legal and financial policies, monitoring progress against performance indicators, and ensuring the project has a budget. Prior to approving grant applications, USADF officials and in-country staff conducted site visits for applicants and collected due diligence documentation, which assists in determining which organizations should or should not receive grant funding. For example, in-country staff told us that they conducted a site visit prior to grant approval and identified a potential fraudulent grantee. The in-country staff had traveled to conduct the due diligence site visit and asked for the organization, but found that community members were unaware of the organization's existence. Further investigation determined the organization was fictitious.

According to USADF documentation and staff, at a minimum, due diligence documentation requirements included:

- evidence the applicant had obtained or had applied for legal recognition from relevant country authorities,
- current organizational statutes or internal regulations,
- land ownership/use, or rental documents, if applicable,
- a most recent financial statement, if applicable,
- documents on any loan or outstanding debt, and
- the USADF disclosure statement.

According to USADF policy, USADF officials were supposed to review these documents to ensure applications contained accurate information. USADF and in-country staff then worked with the grantee to develop a grant proposal, which included a project budget, milestones, and a financial assessment. USADF headquarters staff also conducted a

compliance review of all grant proposals, which included a review of all legal, environmental, safety, and financial aspects of the project.

USADF policy required grantees to submit quarterly reports documenting the status and use of USADF funds received and tracking project progress toward grant objectives. USADF used data in these quarterly reports to monitor progress for each project. According to in-country staff, if they identified concerns in the quarterly reports, this may have prompted more frequent site visits and possible remediation, if needed. During site visits, in-country staff told us they reviewed financial and procurement records for corroboration and then submitted a site visit report to USADF headquarters.

The fraud risk framework notes that data on program implementation and integrity would ideally be collected in a variety of ways. Site visits can be an important part of this oversight process. The fraud risk framework also states that agencies can take a risk-based approach to data analytics and consider the benefits and costs of investing in specific data-analytic tools and techniques.

Develop a plan outlining how the program will respond to identified fraud. USADF outlined how the program would respond to identified fraud among grantees in its grant termination and misuse of funds policies, but according to USADF officials it did not address how it would respond to fraud within headquarters and leadership roles. In-country staff told us that when they identified suspected fraud among grantees, they reported the situation to their immediate supervisor or Country Program Coordinator, who then relayed the issue to the program staff and General Counsel in headquarters. One in-country staff member also mentioned that they were aware of USADF policy requirements to report suspected fraud to the USAID OIG hotline. However, as mentioned previously, other staff we spoke to did not know where to find this contact information. According to USADF policy, a project may be subject to termination for cause if a grantee had fraudulently misrepresented material facts during the application or project development process.

As noted above, USADF had some fraud prevention and reporting policies and procedures in place such as the misuse of grant funds policy and ethics trainings, but it did not have a plan outlining how the agency would respond to fraud at the headquarters level according to USADF officials. USADF officials told us that leadership had not prioritized dedicating the human resources needed for more fully designing and

implementing a plan to respond to fraud at the headquarters level, focusing instead on grantee policies and procedures.

Establish collaborative relationships with stakeholders and create incentives to help ensure effective implementation of the antifraud strategy. USADF had taken some steps to establish collaborative relationships with stakeholders to manage fraud risks, but improvements could be made to help ensure these relationships contribute to effective implementation of an antifraud strategy. For example, USADF policy stated that the President of USADF is responsible for sending a notification to the U.S. ambassador for the relevant country for all new activities in that country at least 15 days in advance of funding the activity. The notification consisted of a brief letter from the USADF President to the U.S. ambassador of the country where the proposed activity was located and an executive summary of the project, according to USADF policy. According to USADF officials, such notification gave the U.S. embassy the opportunity to respond and raise potential concerns regarding the organization USADF was considering for an award, such as identifying any applicants that were bad actors on record with the U.S. embassy. This vetting step could be used to inform USADF's decision on whether to fund a potential grantee, based on any known information about the applicant's risk level.

However, USADF notified the ambassador at the end of the grant award process, right before the grant is awarded, and the notification was largely seen as a formality, according to some senior USADF and U.S. embassy staff. U.S. embassy staff in Zambia also told us that they were not expected to respond to the ambassadorial notification.

Additionally, USADF officials told us that in-country staff collaboration with stakeholders, including the embassy, was at the discretion of the Country Program Coordinator, and it varied among countries. USADF had a policy that outlined its relationship with other foreign affairs agencies, which could have been used to ensure that better coordination occurs. However, we found that the level of collaboration with other U.S. government agencies varied among our case study countries and was limited in Zambia. According to embassy staff in Zambia, USAID previously worked with several trained and vetted small agriculture-based companies in Zambia that USADF could have leveraged if it had worked more closely with USAID. Information sharing with USAID in these cases could have also provided USADF with more information regarding any potential fraud risks associated with applications or emerging fraud schemes in Zambia.

Without standardized policies to guide collaboration with U.S. partners in the countries that USADF operates in, the agency misses the opportunity to obtain critical information related to potential grantees or other organizations in each country within which USADF operates. As a result, USADF's risk-based decision making about who and what projects it funds could be better informed. That information is particularly important in countries that are perceived as having higher levels of public corruption. Agencies that effectively manage fraud risks collaborate and communicate with internal and external stakeholders to share information on fraud risks and emerging fraud schemes as well as lessons learned related to fraud control activities, according to principles in the fraud risk framework.

USADF Had Inadequate Policies, Procedures, and Practices to Ensure the Appropriate Use of Award Funds

Although, as of fiscal year 2024, USADF had some policies and procedures to use award funds appropriately, they were sometimes not followed, unclear, outdated, undocumented, inadequate, or insufficiently managed. We found several instances where USADF potentially used an award type that did not align with legal requirements.³⁴ In addition, USADF in-country staff and implementing partners in Nigeria and Zambia told us that the USADF policies and procedures provided to them were not always sufficient to guide their work. Without updated and comprehensive award policies and procedures, USADF may be unable to ensure its award funds are used appropriately to achieve its mission and according to federal standards.

USADF Did Not Have Policies or Procedures for Guiding Decisions on Choosing Award Types

USADF did not have internal policies or procedures to help guide award type decisions, and we found instances where USADF may have chosen an award type that did not follow legal requirements. For example, USADF used a contract and cooperative agreement to obtain travel coordination services. The Federal Grant and Cooperative Agreement Act of 1977 provides agencies with criteria to be considered when making award type decisions. This includes the intended nature of the

³⁴31 U.S.C. §§ 6301-6305.

relationship between the agency and recipient and the principal purpose of the award.³⁵

Award type decisions impact other elements of awards because different regulations are applicable based on award type, and federal law requires that contracts, cooperative agreements, and grants be used for specific purposes. For example, competition and oversight requirements differ for contracts compared with grants and cooperative agreements. Based on the act, awards for travel coordination services that are directly used by the U.S. government would generally be awarded via a contract and not a cooperative agreement.

We also found an instance where USADF used a cooperative agreement to continue paying a PSC after their contract had expired, according to officials. Officials said they felt pressured by the USADF President to use this award type to prevent a gap in payment, which officials said they felt was inappropriate. Officials said this approach is not a best practice and that the use of this type of agreement should be limited and rare. USADF officials said they did not have sufficient agency policies or procedures to guide decisions on choosing an award type. They also noted that the reporting structure at USADF sometimes caused issues related to award type decisions. Having documented policies and procedures to guide award type decisions could help officials respond to pressure to choose the incorrect award type and promote accountability for these decisions.

USADF officials said they also did not document the rationale for choosing a specific award type. Officials acknowledged that documenting the rationale for choosing a specific award type would improve transparency, but it was not a requirement in agency policy. Officials noted that agency leadership had not prioritized dedicating human and technical resources to implementing policies for this internal control. *Standards for Internal Control in the Federal Government* states that management should design control activities to achieve objectives and

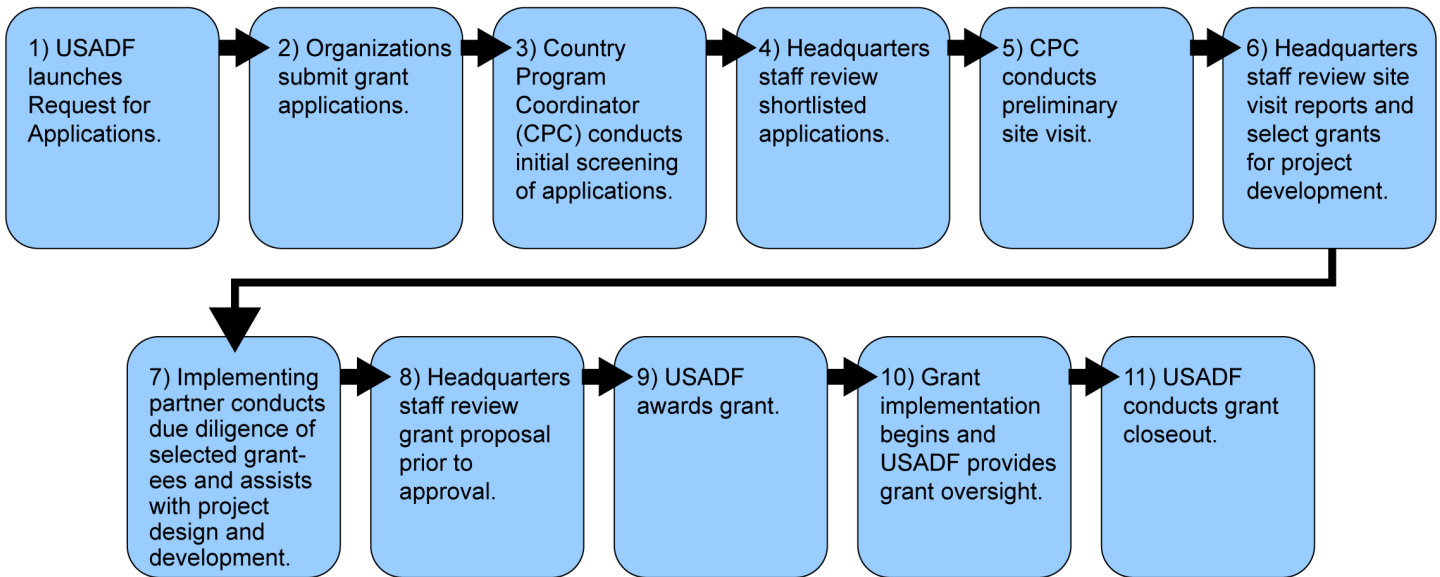
³⁵According to the act, cooperative agreements must be used when the principal purpose is the transfer of money, property, or services, or anything of value to a recipient to accomplish a public purpose authorized by law and substantial involvement is expected between the agency and the recipient. Grants must be used for the same principal purpose but when substantial involvement is not expected. Procurement contracts must be used when the principal purpose of the award is to acquire property or services for the direct benefit or use of the U.S. government, or when the agency decides in a specific instance that the use of a contract is appropriate. Pub. L. No. 95-224, 92 Stat. 3 (Feb. 3, 1978), codified as amended at 31 U.S.C. §§ 6301-6308. One of the stated purposes of the act is to maximize competition in making procurement contracts and encourage competition in making grants and cooperative agreements.

respond to risks, including ensuring appropriate documentation of internal controls.³⁶ A lack of sufficient policies and procedures to guide award funding decisions not only leads to a lack of transparency, but it creates the risk of potential misuse of funds and opens the door for management override, which increases the risk of fraud, waste, or abuse.

Many USADF Grant Policies and Procedures Were Outdated or Undocumented

USADF policies and procedures outlined the process for selecting, developing, monitoring, and overseeing USADF grants, but many of the polices were outdated or undocumented. We found that during USADF headquarters review of applications, staff used a due diligence checklist to ensure applicants qualified for USADF funding and provided all required documentation, see figure 9.

Figure 9: U.S. African Development Foundation (USADF) Grant Process



Source: GAO analysis of U.S. African Development Foundation (USADF) documents and testimony. | GAO-25-107574

However, many of the policies were outdated or undocumented. Outdated and undocumented policies and procedures can lead to misunderstandings or uncertainty about the correct award procedures to follow and creates financial risks.

³⁶GAO-14-704G

Outdated award policies and procedures. Various sections of the USADF policy manual outlined grant policies and procedures. However, although USADF policy stated that its policies should be updated when it becomes apparent that changes are required, these manual sections were out of date and did not match staff training materials or what was done in practice.

A USADF official said most of the General Counsel's time was spent reviewing USADF grants for compliance, with little or no time to review and update the policy manuals. According to officials, in May 2024, USADF hired a new Associate General Counsel, which staff hoped would free up more time to focus on important tasks such as updating the policy manual to match what was being done in practice. For example, officials told us that energy grants followed a policy manual section that was created in 2016, but that this section needed to be updated to reflect actual practices.

USADF officials told us that many energy grants required a waiver because while the policy manual section stated that this award type cannot be over \$100,000 or last longer than 18 months, they had learned that these requirements were not realistic because energy grants typically required more time and money. An official said a memo was submitted a few years ago to update the policy, but due to staff turnover in the Office of General Counsel, the policy had still not been updated as of February 2025. This difference in policy and actual practice opens the door for risk, if not managed appropriately.

USADF's grant disbursement policy, which was last updated in 2009, was also out of date. According to an official, the mechanisms described in the policy manual section were no longer accurate as the policy predated the current grant management system. An official said there were several written guidance documents that described the process, but some of the mechanisms included in the guidance were also no longer current. Officials responsible for updating USADF policies said they did not have time to focus on updating grant policies and procedures. One official said this was because USADF was understaffed.

Officials also said they did not have a process to update their policies. This was because, according to officials, agency leadership had not prioritized or dedicated personnel to ensure grant policies and procedures were current and comprehensive. In addition, officials said turnover and vacancies in the Office of General Counsel had impacted their ability to

update policies. Instead, there was more of an emphasis on updating training materials, according to officials.

Undocumented policies and procedures. USADF had several practices that were not documented in formal policies and procedures. This lack of documentation may have led to misunderstandings about what award processes and procedures to follow, or confusion about roles and responsibilities. For example, USADF's policy manual did not mention expectations for how to use its current grant management system. According to officials, USADF leadership had prioritized providing such guidance to staff through training rather than through policies.

USADF also did not have policies or procedures to guide country programs that did not have a CPC on site, according to officials. USADF officials said they typically did not have a CPC in certain countries because the programs were small or only in one region of a country. Officials said the implementing partner typically took on the role of the CPC in countries without one, which meant they also conducted the solicitation for grants. As of January 2025, USADF did not have a CPC in the Democratic Republic of the Congo, South Sudan, Somalia, or Burundi. This undocumented policy and related procedures could lead to uncertainty about roles and responsibilities, potentially leading to a lack of segregation of duties, raising the risk of the misuse of funds.

USADF Policies and Procedures for Cooperative Agreements Were Sometimes Unclear, Outdated, or Undocumented

Although USADF had some policies and procedures for cooperative agreements, we found that they were sometimes unclear, outdated or undocumented, which could lead to confusion over which award type should be used, and how they should be managed. For example, USADF used cooperative agreements under two internally defined types, cooperative agreement partnerships (CAP) and cooperative agreement grants (CAG). USADF used CAPs to hire local implementing partners to oversee project grants and used CAGs for other purposes, such as to hire a travel agency to help with administrative and travel needs in Africa. However, these two award types were not defined anywhere in USADF policy, including their intended purposes.

We found that some implementing partners were funded through both a CAP and a CAG. For example, officials said when an implementing partner also oversaw partnership grants, USADF would typically award them a CAG for this work, in addition to their standard CAP. According to officials, CAG awards were not competitively awarded, but CAPs were. Officials said USADF conducted market research to find an organization to meet its needs for CAGs, but this process was informal and not

documented. Officials acknowledged that documenting this process would increase transparency for its CAG awards.

According to U.S. Code, government agencies must use cooperative agreements as opposed to grants when “substantial involvement” is anticipated between the government and the recipient. Conversely, grants must be used instead of cooperative agreements when such substantial involvement is not anticipated. USADF outlines the substantial involvement it anticipates in its CAP awards, but did not always do so in its CAG awards.

USADF also appeared to sometimes use the terms grants and cooperative agreements interchangeably, even though federal law defines them as distinct award types that contemplate different levels of involvement from the government. For example, USADF awarded a CAG to an organization in Cote D'Ivoire in 2020, but throughout the award agreement, the terms cooperative agreement and grant were both used.

According to USADF officials, CAGs followed USADF’s standard grant policies, which, as previously noted, were also outdated or undocumented. In addition, USADF’s policy manual did not document that CAGs should follow its grant policies. Officials told us that CAGs had different reporting requirements and budget structures, than CAPs. In addition, the level of engagement from headquarters staff was different. CAGs and CAPs also had different audit requirements, according to officials. According to USADF’s grant audit policy, with some exceptions, all grants over \$100,000 shall receive an audit at the appropriate time during the life cycle of the grant as well as up to three years after grant expiration. Agency officials told us the audit policy for grants should also apply to CAGs, but this was not documented. All CAPs should be audited annually, according to USADF grant audit policy.

USADF policies for CAP oversight covered disbursement procedures, financial and accounting requirements, and audit guidelines. However, we found that one of the policies was more than 10 years old, one was more than 15 years old, and another was more than 30 years old. USADF officials told us that as a result, many of their policies no longer matched what they did in practice. USADF officials said that other guidance for CAPs was documented in templates such as the request for application and the award agreement, and also in training materials. We found that some of the information included in these documents was not outlined in official policy. For example, the CAP award template outlined various ways in which the agreement could be terminated, but this was not

outlined in an official policy document. According to officials, agency leadership had not prioritized or dedicated resources to ensure all cooperative agreement policies and procedures were up-to-date and documented.

We also found that unclear or missing guidance contributed to instances where USADF may have used CAGs inappropriately. For example, according to an official, USADF wanted to pursue a contract with a technical partner, before deciding to enter into a cooperative agreement with a different organization, which then provided most of the funding to this technical partner. As noted previously, certain federal award types must be used for specific purposes and under specific anticipated circumstances. Without clear, up-to-date, and documented policies and procedures for cooperative agreements, including potential partners, USADF opens the door for the misuse of funds.

USADF Had Insufficient Internal Policies and Procedures on Contract Awards and Engaged in Questionable Contracting Practices

We found that USADF had insufficient internal policies and procedures for contract awards and, ARC officials told us about questionable practices in which USADF engaged when making awards. USADF used contracts for various purposes, including to hire staff both domestically and abroad. The agency used ARC services to support the awarding of these contracts, according to USADF officials.

USADF lacked policies or procedures outlining roles and responsibilities for contract management, which could make it easier for an individual to commit fraud. USADF also did not have written policies or procedures for the use of sole source contracts. USADF did not develop their own policies and procedures for contract awards because, according to officials, they used ARC's Customer Care Package as their policy instead.³⁷ However, ARC officials informed us that their package provided basic "cheat sheet" information for their clients and was not intended to be a policy document.

USADF officials said they also relied on other guidance, at times. For example, USADF officials said the Contracting Officer's Representative (COR) designation letters outlined some relevant guidance. Specifically, the letter identified authorities and duties for USADF's CORs. However, the information in the letter was general and was not included in USADF's official policy manual. In addition, the letter did not contain information

³⁷ARC's Customer Care Package outlines the services it provides to its government clients, along with guidance on what to include in an acquisition package and timelines and due dates.

outlining USADF's policy or process for assigning CORs or the required training to become a COR. It also did not include information specific to USADF, such as the role of program staff in overseeing contractors.

USADF also engaged in questionable contract award practices regarding the integrity of these awards, according to ARC officials. ARC officials reported raising with USADF various concerns about its contracting practices. For example, ARC officials said USADF staff had steered contracts to former USADF contractual employees, cancelled solicitations when desired prior contract employees did not win the contract, and directed ARC on who to hire and what to pay their former contractual employees. ARC officials noted that these practices all go against Federal Acquisition Regulation (FAR) provisions related to procurement integrity.³⁸ These practices can also be a sign of potential procurement fraud and abuse schemes, such as bid rigging and unjustified sole source awards.³⁹

According to USADF officials, part of the reason that they did not have contract award policies and procedures, was the lack of staff to develop and implement them. In addition, USADF last had its own contracting officer in 2011 and had struggled to fill the position, according to officials.

Due to its concerns about USADF's contract award practices, ARC notified USADF in September 2023 that it would no longer support future awards of certain contracts, such as those for USADF domestic PSCs, starting in fiscal year 2025.⁴⁰ In response, USADF officials reported that they hired a contracting officer at the end of fiscal year 2024, but this individual was not yet warranted at the time of our review, meaning they could not execute, modify, or terminate a contract. USADF officials said

³⁸FAR 3.104, *Procurement Integrity*.

³⁹Contract or procurement fraud typically occurs when a government employee or contractor knowingly and willfully executes a scheme to defraud the government or when a party obtains information by deception or misrepresentation to receive inappropriate payment from the government. Common schemes include collusive bidding or price fixing, unjustified sole source awards, or other schemes that manipulate the procurement process.

⁴⁰ARC contracting staff addressed and documented the various concerns regarding USADF's repetitive actions over the course of several years, dating back to at least 2021. Concerns persisted with USADF actions until 2023, at which time ARC procurement representatives notified USADF regarding the cessation of services with regard to domestic personal services contracts.

their goal was to have the contracting officer warranted before the current domestic PSCs were due to expire at the end of fiscal year 2025.

USADF faced similar challenges regarding the lack of policies and staff to implement COR contract oversight responsibilities. USADF officials acknowledged that there were no written policies or procedures related to the oversight of contractors outside of the COR designation letter. In addition, USADF officials said they did not have enough staff certified as CORs to adequately oversee its contractors, especially program staff who oversee grant implementation. The sole program staff member who was COR certified oversaw all 15 foreign PSCs and one domestic PSC. As of November 2024, USADF had three CORs on staff, but officials acknowledged that they had not conducted workforce planning to determine the appropriate number.

Without enough staff certified as CORs, USADF was not ideally situated to provide adequate oversight of its contractors. In addition, without conducting workforce planning, USADF was not positioned to determine the appropriate number of CORs it should have on staff to provide such oversight.

Overall, having internal policies and procedures for contract awards would help USADF ensure that its contract awards are correctly used to achieve its mission and reduce the risk of fraud, waste and abuse. Without such policies and procedures, USADF may award contracts in situations that are not in line with legal requirements. Further, without enough trained contracting personnel, USADF cannot ensure that it is conducting proper oversight of its contracts.

Recent Developments in Agency Staffing and Operations Increased Risk of Fraud, Waste, and Abuse

During the time of our review, USADF underwent significant changes to its staffing and operations which could limit the agency's ability to follow proper grant closure procedures, and increase the risk for potential fraud, waste, and abuse. As discussed earlier in this report, implementing partners operating in African countries have stopped implementing USADF programs, since January 2025.

The majority of USADF grants were terminated, according to USADF officials. However, USADF officials were unable to confirm which specific grants remained active or were terminated because of their lack of access to documentation. Specifically, between April and July 2025, all USADF employees and contractors, including the one remaining official, lost access to their grants management system and internal documents.

USADF grant closeout policies required a full reconciliation of disbursements and expenses for each grant and a summary of income generating activities over the course of the grant agreement, among other programmatic tasks. OMB Uniform Guidance requires grant closeout, and USADF policies stated that such activities should be completed no later than 150 days after grant agreement expiration.⁴¹

USADF officials' lack of access to their systems between April and July 2025, limited their ability to conduct award closeout activities. In addition, agency officials were not aware of any written plans with targets, timetables, or tracking systems to ensure an orderly closeout process is followed for the remaining active and completed grants. Sufficient staff are needed to conduct closeout activities, such as reconciliation and accounting for monetary assets in foreign bank accounts and ensuring proper disposition of equipment and vehicles owned by the U.S. Government. Without enough staff and resources to follow procedures for orderly closeout, there is an increased risk of fraud, waste, or abuse of unused taxpayer funds or assets being used for unintended purposes.

Conclusions

Since its creation in 1980, USADF has invested millions of dollars directly to African-led community organizations and entrepreneurs to address poverty in Africa, particularly among women and youth. However, USADF had not prioritized workforce planning to ensure the agency had adequate human resources to develop and implement a strategic approach to maintaining updated internal controls and managing its fraud risks. Managers of federal programs maintain the primary responsibility for ensuring program integrity. Federal guidance and internal control standards have increasingly focused on the need for program managers to take a strategic approach to managing risks, including fraud.

At the time of this report, USADF was undergoing significant changes and potential closure of its operations. Should USADF programs and operations continue or resume within this agency or another in the future, implementing a strategic approach to mitigating risks would help ensure that funding and awards achieve the program's mission and strategic goals, while reducing the risk of fraud, waste, and abuse. A framework of proactive fraud risk management would help ensure that taxpayer dollars serve their intended purposes.

⁴¹Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. § 200.344.

Recommendations for Executive Action

Should USADF programs and operations resume in the future or be transferred to another entity, GAO makes the following four recommendations to the USADF President or the head of any entity assuming responsibility for USADF's programs:

The USADF President should conduct workforce planning assessments to determine USADF's needs and ensure it has the necessary personnel to support, among other things, establishing internal control policies, assessing and mitigating fraud, ensuring appropriate separation of duties, managing procurements, and maintaining up-to-date policies and procedures. (Recommendation 1)

The USADF President should implement policies and processes for an effective and strategic internal control environment for managing fraud risks, waste, and abuse, such as ensuring the Board of Directors establishes the required advisory council. (Recommendation 2)

The USADF President should establish a strategic approach to managing fraud risks consistent with leading practices, such as designating someone within USADF to lead fraud risk management activities; planning regular program fraud risk assessments and developing a fraud risk profile; conducting regular fraud-awareness training; and developing a plan outlining how the program will respond to identified fraud. (Recommendation 3)

The USADF President should develop a process to ensure that its policies and procedures guiding decisions on and use of awards are documented, reviewed periodically, and reflect relevant laws and regulations. (Recommendation 4)

Agency Comments

We provided a draft of this report to USADF and Treasury for review and comment. In its comments, reproduced in appendix II, USADF concurred with our recommendations, stating that if USADF continues operations, it is committed to strengthening its internal control environment and aligning its practices with GAO's Fraud Risk Framework. Treasury did not have any comments on the report.

We are sending copies of this report to the appropriate congressional committees, USADF Executive Leadership, the Secretary of the Treasury, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact Latesha Love-Grayer at lovegrayerl@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

//SIGNED//

Latesha Love-Grayer
Director, International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

This report examines the extent to which U.S. African Development Foundation (USADF) (1) had policies and procedures in place to strategically prevent, detect, and respond to fraud, waste, and abuse, (2) followed leading practices for managing fraud risks, and (3) had policies and procedures to ensure funding for program and operational awards were used to achieve its mission.

Our review covered programs and policies at USADF from fiscal years 2020 through 2024. However, given the significant changes occurring at USADF after that time, we continued to collect and include information related to our scope of fraud risk management, to fiscal year 2025, where possible. In developing our scope, and throughout the engagement, we coordinated closely with the USAID Office of the Inspector General (OIG) which also had ongoing work on USADF. When possible, we coordinated to minimize duplication and overlap between our work. For example, the OIG's scope focused on USADF grants funded through partnership arrangements with private organizations, other U.S. government agencies, and local African governments. Therefore, we chose to exclude partnership grants from our review and focus on grants funded solely by USADF, and activities funded through other mechanisms, such as cooperative agreements and contracts.

We selected two case study countries, Nigeria and Zambia, to examine USADF's policies and procedures for managing fraud risks at the country level. We based our selection of these countries on a number of criteria including country budget; number of active awards; length and scope of agency presence in location; fraud, waste, and abuse allegations raised; and geographic diversity. Lastly, we scoped out the countries visited by the USAID OIG as part of its related USADF work to minimize potential overlap or duplication in our work. We reviewed documents and conducted interviews with relevant program managers at headquarters overseeing programs in Nigeria and Zambia, Country Program Coordinators, and implementing partner staff. We also traveled to Zambia to observe the results of USADF grants and interview grantees.

To examine the extent to which USADF had policies and procedures to strategically prevent, detect, and respond to fraud, waste, and abuse, we reviewed relevant laws, regulations, and guidance, such as the Payment Integrity Information Act of 2019¹, Office of Management and Budget

¹Pub. L. No. 116-117, 134 Stat. 113 (Mar. 2, 2020), codified at 31 U.S.C. §§ 3351-58.

Appendix I: Objectives, Scope, and Methodology

(OMB) Circular A-123², and GAO's *Standards for Internal Control in the Federal Government*. Specifically, we focused on principle 7, to identify, analyze, and respond to risks related to achieving the defined objectives, and principle 8, consider the potential for fraud when identifying, analyzing, and responding to risks.³ We collected agency documents and guidance and analyzed the extent to which they have policies and processes in place to prevent, detect, and mitigate fraud, waste, and abuse. These documents included policy and operations manuals, training materials, ethics guidance, and other internal memos and documents.

In addition to reviewing the written policies, we interviewed USADF leadership and staff to learn about the policies and procedures USADF has in place to strategically prevent, detect, and respond to fraud, waste, and abuse, and staff understanding of these policies. We interviewed USADF officials in Washington, D.C., including the Board of Directors, and in our two case study countries, USADF leadership including the Chief Financial Officer, Chief Program Officer, and General Counsel, and other officials throughout the agency who were responsible for aspects of finance and administration, audit, and program oversight.

We conducted a survey of all current USADF staff and contractors in fall 2024. This survey asked staff for their opinions and experiences related to several issues such as ethics; resources; communication; agency efforts to combat fraud, waste, and abuse; fraud risk assessments; and agency culture. However, after conducting the survey, concerns were raised about the ability of staff to honestly report their experiences and opinions. Therefore, we used the responses to inform our audit work and conduct individual interviews with USADF staff and contractors, but did not report the results independently.

To assess the extent to which USADF followed leading practices for managing fraud risks, we analyzed agency documents and interviewed staff at both headquarters and in our two case study countries. We collected and analyzed USADF policies and procedures including those related to project quality assurance, grant termination, and reporting allegations of improper conduct, among others. We also reviewed past reports and audits conducted by USAID OIG including its Management

²*Management's Responsibility for Enterprise Risk Management and Internal Control*, (July 15, 2016).

³[GAO-14-704G](#).

Appendix I: Objectives, Scope, and Methodology

Advisory on Nonreporting of Suspected Misuse of USADF Grant Funds and Equipment, and Audits of USADF's Financial Statements. We identified leading practices from each of the following three components for effectively managing fraud risks in GAO's Fraud Risk Framework (the fraud risk framework):⁴

1. commit to combating fraud by creating an organizational culture and structure conducive to manage fraud risks,
2. plan regular fraud risk assessments and assess risks to determine a fraud risk profile, and
3. design and implement a strategy with specific control activities to identify and mitigate assessed fraud risks and collaborate to help ensure effective implementation.

We selected leading practices from the Commit and Assess components because establishing an organizational structure and identifying and assessing fraud risks are key initial steps to developing effective fraud risk management activities. Additionally, we selected leading practices from the Design and Implement component because they represent important steps for addressing the fraud risks USADF identified and assessed. Based on our findings from the first three components of the fraud risk framework, we did not assess whether USADF implemented the fourth component of the framework because it was not applicable.⁵ The leading practices we selected from each component were chosen because the use of these practices could be objectively verified.

For each of the leading practices, we compared agency steps, policies and procedures against the criteria in the fraud risk framework to determine whether USADF had generally met, partially met, or not met each leading practice. Specifically, we reviewed agency documentation to identify all steps and policies related to each leading practice. Two analysts made judgements about whether those steps and policies were generally met, partially met, or did not meet the standards laid out in the fraud risk framework. We also conducted interviews with USADF officials,

⁴GAO, *A Framework for Managing Fraud Risks in Federal Programs*, [GAO-15-593SP](#) (Washington, D.C.: July 28, 2015).

⁵The fourth component of the fraud risk framework is to evaluate outcomes of the implementation of fraud risk management steps outlined in the first three components and adapt activities to improve fraud risk management. However, based on our findings from the first three components of the fraud risk framework, it would not have been possible for USADF to monitor, evaluate, and adapt fraud risk management activities that they had not developed or implemented.

Appendix I: Objectives, Scope, and Methodology

headquarters staff, and in-country staff in our two case study countries, Nigeria and Zambia, where we inquired about fraud risk management policies and procedures within headquarters and in-country.

To assess the extent to which USADF had policies and procedures to ensure funding for program and operational awards were used to achieve its mission, we reviewed relevant regulations, and guidance including the Federal Acquisition Regulation (FAR)⁶, OMB Uniform Guidance⁷, OMB Circular A-123, and GAO's *Standards for Internal Control in the Federal Government*. We asked staff to identify relevant award policies and procedures and reviewed and analyzed these policies and procedures.

We also reviewed documentation for a selection of awards within our scope to help provide illustrative examples of USADF awards. These awards included contracts at both headquarters and in the field, including in our two case study countries, cooperative agreements in the field and in our two case study countries, and grants in our two case study countries. This documentation was provided by USADF staff and officials, awards recipients, and the Department of Treasury's Administrative Resource Center (ARC), who supported USADF contracting. We also collected some award documentation from USADF's grant management system, GISEL. We did not assess the extent to which USADF followed their award policies and procedures because many of their award policies were out of date or undocumented. In addition, the USAID OIG was conducting an assessment of USADF partnership awards, according to USAID OIG staff. We also interviewed relevant agency staff in Washington D.C. and staff and award recipients in our two case study countries about the policies and procedures they used to ensure award funding was used to achieve its mission. In addition, we asked agency staff to outline the guidance, laws, and regulations they are required to follow. We also interviewed officials from Treasury's ARC.

We conducted this performance audit from May 2024 to September 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that

⁶48 C.F.R. Chapter 1.

⁷2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Apr. 22, 2024).

**Appendix I: Objectives, Scope, and
Methodology**

the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the U.S. African Development Foundation



Management Response to GAO Draft Report GAO-25-107574

"Strategic Approach Needed to Mitigate Fraud Risks"

Date: August 21, 2025

Overall Response

The U.S. African Development Foundation (USADF) appreciates the Government Accountability Office's (GAO) review of our policies and procedures for mitigating fraud, waste, and abuse. We concur with the report's findings and recommendations. While the future of the agency is under policy review, if USADF continues operations, we are committed to strengthening our internal control environment, aligning our practices with GAO's Fraud Risk Framework, and ensuring that our programs and resources are managed with the highest levels of accountability and integrity.

Management's Concurrence with GAO Recommendations

1. **Establish a Strategic Fraud Risk Management Framework**
 1. We concur. USADF will adopt GAO's Fraud Risk Framework and implement a comprehensive strategy, including fraud risk assessments, risk profiles, and documented mitigation plans.
2. **Designate an Antifraud Entity or Officer**
 1. We concur. USADF will designate a senior-level Antifraud Officer within the Office of the CFO, supported by a cross-functional Fraud Risk Committee, to coordinate fraud prevention, detection, and response.
3. **Update and Centralize Policies and Procedures**
 1. We concur. USADF will complete a top-to-bottom review and modernization of all policies, ensuring alignment with federal internal control standards. The Foundation will consolidate these in a centralized, accessible policy repository.
4. **Enhance Award and Procurement Oversight**
 1. We concur. USADF will revise its grants and procurement policies, require enhanced documentation, and expand training for staff and implementing partners.

Proposed Plan of Action (If Agency Continues Operations)

1. Governance and Leadership

UNITED STATES AFRICAN DEVELOPMENT FOUNDATION
1400 EYE STREET NW SUITE 1000 WASHINGTON, DC 20005-2248 TEL 202-673-3916 FAX 202-673-3810 WEB WWW.USADF.GOV

Appendix II: Comments from the U.S. African Development Foundation

1. Appoint a **Chief Risk and Compliance Officer (CRCO)** with responsibility for risk fraud management, reporting directly to the CEO and Board.
2. Reconstitute the **Internal Control Assessment Committee and Enterprise Risk Management (ERM) Committee**, meeting quarterly.
3. Establish an **Advisory Council** as required by statute to strengthen oversight.

2. Policy Modernization

1. Complete a **comprehensive review of all policy manuals** by June 2026, with priority updates to ethics, procurement, and grants management sections by March 2026.
2. Develop a **centralized digital repository** of policies accessible to all staff by July 2026.

3. Fraud Risk Assessment and Mitigation

1. Conduct the **first agency-wide fraud risk assessment** within 6 months of continued funding.
2. Develop a **fraud risk profile** identifying high-risk areas (e.g., grants, procurement, country operations).
3. Implement **continuous monitoring mechanisms**, including data analytics, to detect anomalies in grant disbursement and procurement.

4. Training and Awareness

1. Launch mandatory **fraud awareness training** for all staff, contractors, and implementing partners annually.
2. Update ethics training to require reporting of suspected fraud to OIG explicitly.
3. Introduce **country-specific fraud risk training** for field staff by FY2026.

5. Strengthened Financial and Grant Oversight

1. Expand the use of **independent third-party audits** for country programs.
2. Require **quarterly financial reconciliations** of partner-held funds.
3. Enhance **procurement review procedures** in line with FAR standards.

6. Reporting and Accountability

1. Submit **annual fraud risk management reports** to GAO and OIG.
2. Issue an **Annual Statement of Assurance** on internal controls signed by the President/CEO.

Conclusion

USADF recognizes that without systematic implementation of leading practices, the agency remains vulnerable to fraud, waste, and abuse. If the agency continues operations, management is committed to institutionalizing the measures outlined above to restore confidence in USADF's stewardship of public funds and ensure effective delivery of our mission in Africa.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Latesha Love-Grayer, lovegrayerl@gao.gov

Staff Acknowledgments

In addition to the contact named above, Godwin Agbara (Assistant Director), Diana Blumenfeld (Analyst in Charge), Jessie Biltz, Neil Doherty, Jeffrey Isaacs, Samantha Jorgensen, Donna Morgan, and Alex Welsh made key contributions to this report. Also contributing to this report were Seto J. Bagdoyan, Robert Bullock, Peter Del Toro, Toni Gillich, Shirley Hwang, Laura Pacheco, Terry Richardson, and Matthew Valenta.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its [website](#) newly released reports, testimony, and correspondence. You can also [subscribe](#) to GAO's email updates to receive notification of newly posted products.

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [X](#), [LinkedIn](#), [Instagram](#), and [YouTube](#).
Subscribe to our [Email Updates](#). Listen to our [Podcasts](#).
Visit GAO on the web at <https://www.gao.gov>.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: <https://www.gao.gov/about/what-gao-does/fraudnet>

Automated answering system: (800) 424-5454

Media Relations

Sarah Kaczmarek, Managing Director, Media@gao.gov

Congressional Relations

A. Nicole Clowers, Managing Director, CongRel@gao.gov

General Inquiries

<https://www.gao.gov/about/contact-us>



**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

DEFENDANT BATTLE'S MOTION TO DISMISS

EXHIBIT F

Affidavit of Jasmine Battle,
Dunne v. U.S. African Development Foundation (E.E.O.C. Sept. 25, 2022)

**AFFIDAVIT OF
JASMINE BATTLE**

1. My name is Jasmine Battle. I am a U.S. citizen residing in Maryland. My telephone number is 202-270-5401, and my personal email address is jazzbattle@yahoo.com.
2. I am a seasoned administrative professional who has served as the executive assistant to senior Government officials, to include Ambassador Linda Thomas-Greenfield, U.S. Representative to the United Nations; Ambassador Donald Gips; and U.S. National Security Advisor Samuel "Sandy" Berger.
3. From February 2022 to September 2022, I served as the Special Assistant to Travis Adkins, President and Chief Executive Officer of the U.S. African Development Foundation ("USADF"). I was employed as a contractor by USADF.
4. On at least three occasions, Mr. Adkins told me that he wanted his entire team (to include the General Counsel) to consist only of Black people. He wanted all of his direct reports to be Black.
5. When USADF hired a new HR specialist, Mr. Adkins insisted that USADF hire a Black person. USADF complied with his instruction and hired a Black woman, Sheila Hicks-Martin.
6. As Special Assistant, I reviewed and organized correspondence relating to Mateo Dunne. I am unaware of any investigation conducted by USADF with respect to Mr. Dunne.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Signature: Jasmine Battle
Date: Sept. 25, 2022

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

DEFENDANT BATTLE'S MOTION TO DISMISS

EXHIBIT G

Luke Rosiak, *Aid Agency Pushed Official's For-Profit Pyramid Scheme on Poor Africans*,
THE DAILY WIRE (May 8, 2025)

Aid Agency Pushed Official's For-Profit Pyramid Scheme On Poor Africans

DW www.dailywire.com/news/aid-agency-pushed-officials-for-profit-pyramid-scheme-on-poor-africans

May 8, 2025



“We’re proud to partner with Herbalife Nutrition to help solve the global challenges of hunger and malnutrition in Africa.”

C.D. Glin
President and CEO
USAID



African Development Foundation Travis Adkins (left) with NBA players. US taxpayers steered money to projects selected by basketball players. / Instagram

This is part three in a series of investigative reports on the African Development Foundation, which gained notoriety for resisting a review by the Department of Government Efficiency.

The Department of Government Efficiency has shuttered a small, USAID-adjacent federal agency called the African Development Foundation, over the outrage of Democrats who say it means poor Africans will suffer and public servants will lose their jobs.

But top officials used the agency to advance their own interests and live lives of luxury at the expense of those Africans, while forcing some staff to work without pay and abusing others so badly that they routinely cried, a Daily Wire investigation found.

That included helping Herbalife, a multi-level marketing scheme run by an agency board member, make inroads in Africa. John Agwunobi, who served as CEO of Herbalife, was an African Development Foundation board member until President Donald Trump fired the board in March.

Agency management locked the doors to prevent DOGE auditors from entering, and the Trump administration gained access only with the assistance of U.S. Marshals. The standoff made the agency the subject of [fawning coverage](#) from media outlets that said it was standing up for principles.

But its employees knew better.

“The hero of the story is actually the villain,” one former employee said, speaking on condition of anonymity. “It was so hard to see ADF being used as a beacon of hope and resistance against DOGE because I knew they were actually covering up horrible things... When I saw that ADF was being celebrated as a David vs. Goliath situation, I knew the doors were being kept locked for a reason.”

In 2020, the African agency partnered with Herbalife at Agwunobi’s behest. That was two months after Herbalife paid a \$122 million settlement to the Department of Justice to settle criminal charges that it [violated the Foreign Corrupt](#) Practices Act. It also paid \$200 million to settle Federal Trade Commission charges that it was a [pyramid scheme](#) that exploited people into opening money-losing businesses.

The African Development Foundation made it seem like the partnership was with a nonprofit affiliated with Herbalife. But it was actually with the company itself, which was seeking to expand its reach in Africa, the agency’s former general counsel, Mateo Dunne, found, according to materials obtained by The Daily Wire. The grants involved paying five Africans \$5,000 and providing them “product donations, and Herbalife Nutrition staff as global volunteers in their businesses,” partnership materials said.

“The marketing materials prepared by USADF and Herbalife Nutrition Ltd. reflect that the partnership was being used to drive corporate sales and marketing, not charitable objectives,” Dunne concluded. “USADF personnel described the partnership with Herbalife Nutrition Ltd. as designed to leverage USADF’s network and reputation to promote the Herbalife brand in Africa.”

That sort of violation of conflict of interest rules was common in the agency, Dunne said.

The agency's chief executive from 2016 to 2021, C.D. Glin — a former Peace Corps DEI officer and later an Obama political appointee to the Peace Corps — had the agency pay \$5,000 a year to an organization, Root Capital, of which he was a board member, employees said. Glin did not file conflict-of-interest reports and ethics pledges, which are required [by law](#) and designed to prevent such situations, for most of the years he worked there. He filed one in 2019, but omitted Root Capital from it.



Using poverty funds for luxury.

In January 2022, Travis Adkins, who had been serving as a [Joe Biden appointee](#) to USAID, took over as CEO of the African Development Foundation. He had a lien against him for unpaid federal taxes from 2015 until February 2021, according to public records. Landlords in New York and Washington, D.C., said in court filings that he owed them money.

Employees said both Glin and Adkins used agency spending to build their personal brands and glad-hand with celebrities and billionaires, while treating workers with the callous cruelty of which liberals accuse DOGE, employees said.

Glin had the agency pay for him to “travel to countries and network at things that had nothing to do with grassroots African economic development. He went to a Scandinavian country, a European country, African countries where there was no ADF program being considered. He was spending ADF money to get his next job,” an employee said.

Another employee said he’d have the agency pay to sponsor conferences in order to buy prominent speaking slots: “He’d pay \$30,000 to speak at events.”

Glin had the agency pay \$1,000 to theboardlist.com, which helps executives get prestigious board seats based on DEI hiring in exchange for that amount, and \$7,500 for a Harvard executive class just before leaving the agency, workers said.

All of that seems to have paid off: Glin is now president of the PepsiCo Foundation, overseeing \$70 million.

“He went to a Scandinavian country, a European country, African countries where there was no ADF program being considered. He was spending ADF money to get his next job.”

Adkins, for his part, brushed off government rules about travel costs and demanded \$1,000-a-night hotels, summarily firing an assistant who raised concerns about his travel arrangements, the former assistant told The Daily Wire, speaking on condition of anonymity. He had a tailor fit him for three custom suits, and sent the bill to the agency, she alleged.

After publication, counsel for Travis Adkins provided evidence confirming that an invoice for \$9,000 in custom suits was submitted solely to his executive assistant’s work email address and included USADF’s office address as the billable address; however, no evidence has been uncovered that Mr. Adkins submitted this invoice for payment or reimbursement to USADF. According to Adkins, he ultimately forwarded the invoice email to his private email address and provided evidence that, three weeks later, he paid the invoice from his personal funds. Regarding the hotel rooms, Adkins refutes the claims and further claims, if he did stay at a hotel costing above that permitted under the government travel rules, he paid for the overage with his own money.

The executives seemed more concerned about making the agency look good — so congressional funding would continue flowing — than they were in actually doing good, employees said.

One grantee, called Vava Coffee, violated rules about how it spent grant money, but threatened to publicly disparage the agency as “colonizers” if the checks didn’t keep coming. Glin ordered disbursements to continue, employee Kate Ristroph said in an internal interview obtained by The Daily Wire. She said she eventually succeeded in terminating the grant.

The agency entered into a partnership with the National Basketball Players Association, where NBA players could choose how to spend money in Africa, and American taxpayers would match it. Some of the money was used to build a basketball court.

Toxic workplace.

The African Development Foundation had a staff of between 30 and 60, and a budget of \$45 million. By law, it was permitted to give grants only to African groups, and in the amount of \$250,000 or less.

Glin and Adkins frequently hired workers as contractors instead of government employees, sometimes directing African funding recipients to, in turn, pay D.C. bureaucrats to get around rules and hide their overhead costs.

There were also other advantages. Hiring workers as contractors meant they didn’t have to follow merit-based hiring practices, prove wrongdoing when firing people, or grant them union protections.

The agency appeared so intent on avoiding those protections that it would essentially use government credit cards to pay workers in “micropurchases,” a petty cash-like payment style that avoids scrutiny from Treasury Department officials. One contractor described having to restart her employment every five weeks, each time being paid by a different pass-through LLC, and sometimes working for long periods without pay.

Staff were horrifically mistreated by Glin and Adkins, who acted as if they were global celebrities instead of what amounted to managers of a few dozen people in an obscure organization, according to Daily Wire interviews and videos of an internal investigation.

Brandi James, the chief of staff, said in a videotaped internal interview: “Toxic would be people crying or things like that. Yeah, we had that, we had [Glin] yelling.”

A junior employee said she soiled herself after Glin made her afraid to leave her desk to use the bathroom. She said Glin would pound his fists, and people would walk into his office “with their hands shaking.”

Jeff Gilleo, a senior program manager, called Glin a “narcissistic bully” who “said mean things to almost everybody.”

Associate General Counsel Nina-Belle Mbayu said Glin screamed at her until she cried, and she sought therapy after having “physical reactions” anytime she thought of him. “People were just treated, in my opinion, as disposable,” she said.

Yael Nagar, a senior program analyst, said one employee “went on extended sick leave for a mental health program because they were so stressed at work,” and Glin’s takeaway was “we need to make sure no one...finds out about this.”

Employees said they tried to warn PepsiCo against hiring Glin, sending a letter “about the horrific culture and use of money” under Glin, but that he was hired anyway.

PepsiCo and Glin did not return a request for comment.

The African Development Foundation board also received the letter. But despite widespread agreement about Glin’s toxicity, it hired a close friend of Glin’s, Adkins, without Adkins even applying, Adkins said in a deposition. And many of the patterns continued.

On GlassDoor, the website where employees rate their workplaces, the themes were consistent. “USADF is a scary place to work... Maybe one day it will be a workplace that has admirable values and care for its staff. Presently though, it is rotten to the core,” one wrote in 2023.

“Toxic work environment led by narcissists,” another said that year. “After years of mismanagement, it cannot fulfill its potential.”

Brandi James, the agency’s chief of staff, said in an internal email that she tried to use government funds to pay GlassDoor to remove negative posts about the agency, but the site refused, leaving them visible to anyone who cared to look.

Though DOGE critics now claim that the African Development Foundation was essential and mourn for the jobs lost, when it was operational, no one showed an interest.x

It “just seemed like there was never going to be any consequence for any of these things,” Nagar said.

Editor’s note: This piece has been updated with information sent after publication by a representative from Travis Adkins, who refutes claims about his spending.

READ PART ONE: [Foreign Aid Official Who Resisted DOGE Took Secret Payments After Steering Africa Money To Friend](#)

PART TWO: [African Aid Agency Used Foreign Pass-Throughs To Hide Money That Went To D.C. Staff](#)

PART FOUR: 'Them White Motherf-ers': Racist Agency Framed Its Lawyer After He Discovered Lawbreaking, He Says

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

TRAVIS ADKINS,

Plaintiff,

v.

THE DAILY WIRE, LLC, LUKE ROSIAK,
and JASMINE BATTLE,

Defendants.

Civil Action No. 25-4399-DLF

[PROPOSED] ORDER

The Court, having considered Defendant Jasmine Battle's Motion to Dismiss, hereby
ORDERS that

1. Defendant Battle's Motion to Dismiss is GRANTED; and
2. Plaintiff Travis Adkins's Amended Complaint is DISMISSED with prejudice.

IT IS SO ORDERED.

Dated: _____

DISTRICT JUDGE