



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

INFORMATIONAL MEMORANDUM

DATE: June 24, 2026

FROM: Sean M. Bottary
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SUBJECT: Continuing Oversight of U.S.-Funded Aid Programming in Gaza (Part 2: U.S. and Foreign Nongovernmental Organizations)

REF: Continuing Oversight of U.S.-Funded Aid Programming in Gaza (Part 1: United Nations) dated March 31, 2026

Background

Interference by terrorist organizations and other armed groups in U.S.-funded foreign assistance programs harms both U.S. taxpayers and the very communities that the assistance is designed to support.

On November 20, 2025, the USAID Office of Inspector General (OIG), an independent law enforcement and oversight agency with continued oversight of U.S. foreign assistance programming, initiated a proactive [investigation](#) called “Operation Stop the Carousel.” This investigation is designed to prevent the recirculation of individuals affiliated with terrorist groups across aid organizations receiving U.S. funding in Gaza, including the United Nations (UN) and both U.S. and foreign-based nongovernmental organizations (NGOs).

As part of this investigation, OIG issued letters in December 2025 to seven UN agencies,¹ the International Committee of the Red Cross (ICRC), 10 NGOs,² and 1 contractor believed to have operated in Gaza after October 7, 2023. The letters requested:

- I. Any and all documentation in which armed actors interfered with the delivery of or tampered with U.S.-funded humanitarian assistance. This includes documentation related to decisions on reporting such interference to the United States, including how the

¹ OIG can request documents and information from UN agencies related to USAID-funded programs following OIG’s receipt of a disclosure of misconduct (see USAID Automatic Directives System [ADS] 308mab M17 (e); ADS 308mab M19-Alt.). OIG cannot enforce compliance against UN agencies but can escalate through Congress, USAID/State, and/or diplomatic channels if or when responses are insufficient.

² OIG can compel U.S. and non-U.S. NGO’s to produce records related to the USAID grant or cooperative agreement (see ADS 303 mab M2 (a); ADS 303mab M26 (a), (d); ADS 303mab M25 (d); ADS 303maa M28 (a); ADS 303maa M27 (d); 5 U.S.C. § 406; and 2 CFR 200). Noncooperation could be a material breach of their award terms and conditions, and we would refer that to USAID/State for potential remedial action under the grant.

agency deemed that Hamas and other designated terrorist organizations were or were not involved in the interference;

2. A list with the date(s) and description(s) of attempts by Hamas (including any Gazan ministry) to interfere with staffing or other operational decisions, directly or through intermediaries, and the agency's response to such attempts;
3. A description of the agency's interactions with Hamas (including any Gazan ministry), including legal or operational permissions or justifications for doing so;
4. The full name, nationality, national ID, contact information, and date and place of birth of employees working on or who worked on U.S.-government funded awards;
5. Copies of policies on vetting employees or applicants (including subrecipient organizations and employees) for current or past membership with Hamas and other U.S.-designated terrorists, along with a description of how known involvement with this organization would affect that individual's candidacy.

The first report shared as part of this initiative, dated March 31, 2026, summarized the responses to the inquiries outlined above that we received from UN agencies and the ICRC. As detailed in that report, we did not receive complete responses from the ICRC or any UN agency that we contacted, or the requested information pertaining to their personnel. Our report also detailed a number of previously documented vulnerabilities in the UN's and ICRC's capacity to vet staff for ties to terrorist activity. This is particularly key, given that a separate, ongoing OIG investigation has already referred over 100 current and former staff at the UN Relief and Works Agency for Palestine Refugees for suspension/debarment consideration by the Department of State due to their affiliation with Hamas and/or participation in the October 7, 2023, attacks in Israel. Additional referrals are expected.

This report summarizes the responses we received in response to our inquiries from U.S. and foreign-based NGOs.

U.S. and Non-U.S. Nongovernmental Organization Responses

Below are the cumulative results of the NGOs' responses, both those with confirmed U.S.-government funding from USAID and those that we have reason to believe sought funding (see Appendix):

- Of the 10 NGOs queried, 6 provided complete responses: Mercy Corps, International Medical Corps (IMC), Save the Children Federation, Action Against Hunger (AAH), Agency for Technical Cooperation and Development (ACTED), and Project Hope.
- We sent requests to three organizations that we later confirmed did not receive funding for Gaza: Information Management and Mine Action Programs (iMMAP), Stichting, and Management Systems International (MSI).

- One organization responded and advised that it did not receive funding for Gaza: Norwegian Refugee Council.

The responding recipients that did receive funding cited USAID and internal policies for vetting applicants, employees, vendors, suppliers, consultants, banks, financial service providers, and implementers, as well as the use of proprietary and commercially available databases in conducting screening for ties to terrorism. We provide a review of these various policies and procedures below.

Applicable Vetting Standards and Anti-Terrorism Requirements for U.S. and Foreign-Based NGOs

USAID's antiterrorism requirements and the processes for vetting NGO staff for ties to terrorist activity were vastly different for NGOs than for the UN. There were a number of applicable USAID standards, including USAID Mission Order 21 (MO21), which defined vetting procedures for organizations and individuals receiving USAID funds; required antiterrorism certifications for grant ³□; and mandated specific clauses for every grant, contract, and subaward to prevent the diversion of funds.⁴

- USAID Partner Vetting System (PVS): Formal mechanism for enhanced risk mitigations of key individuals and organizations applying for USAID funding in certain high-risk countries, to ensure U.S. foreign assistance did not inadvertently support individuals or entities associated with terrorism.⁵
- USAID Automated Directive System (ADS): Standard award-agreement clauses for preventing transactions with sanctioned groups or individuals.⁶

NGO respondents provided several examples of their own internal policies that evidenced procedural alignment with MO21 and USAID standard provisions. For example:

- ACTED affirmed a “zero-tolerance policy toward terrorism and the financing of terrorism.”

³Notably, contractors were also not subject to USAID's anti-terrorism certification, which USAID OIG repeatedly identified as a gap. The absence of a required certification for U.S.-funded contractors working in regions where designated terrorist organizations such as Hamas, Hezbollah, and Latin American cartels operate leaves U.S. programming vulnerable.

⁴ Government Accountability Office Report to Congressional Committees on West Bank and Gaza, [West Bank and Gaza Aid: USAID Generally Ensured Compliance with Anti-terrorism Policies and Addressed Instances of Noncompliance](#) (GAO-24-106243), December 2023.

⁵ Vetting under PVS is limited to the five key personnel of an entity with awards, grants, or cooperative agreements being executed in Pakistan, Afghanistan, Iraq, Yemen, Lebanon, Syria, West Bank and Gaza (see USAID ADS 319 and P.L. 112-74).

⁶ Preventing Transactions With, of the Provision of Resources or Support to, Sanctioned Groups and Individuals (see USAID ADS 303 maa M12 and 303 mab M14).

- Save the Children stated, “None of our resources shall be used for the purposes of terrorist financing,” adding that the organization does “not employ, partner with, or contract with individuals or organizations associated with sanctioned or terrorist groups.”
- Project Hope claimed that “no engagement [was] allowed to proceed until Project Hope completed its vetting without identified risks for proceeding and after it received formal approval from [the] USAID Vetting Support Unit.”

The UN’s Office for the Coordination of Humanitarian Affairs (OCHA) and International Organization for Migration (IOM) stated in their responses that they remain “firmly committed to the international fight against terrorism” and the financing of terrorism. However, they also advised that any checks were limited to the UN Consolidated Sanctions List. Only United Nations Children’s Fund (UNICEF) cited the USAID standard provisions under ADS 308 mab M14 in its response regarding the prevention of terrorism.

Based on prior reporting, the UN Consolidated Sanctions List only includes 730 individuals and 272 entities subject to measures imposed by the UN Security Council and is reserved for cases with supporting evidence of involvement in terrorism, human rights violations, or arms proliferation. Notably, Hamas, Palestinian Islamic Jihad, and other U.S.-designated terrorist organizations are not on the list.

Additional Screening/Vetting Procedures Identified for U.S. and Foreign NGOs

The responses we received from NGOs revealed that many have the same or similar screening/vetting procedures beyond those established by USAID standard provisions. These include queries against commercially available databases, expanding the type of individuals or entities subject to vetting and establishing thresholds for recurring screening of personnel. Individual organization responses are provided below.

Action Against Hunger

AAH reported requiring screening for all suppliers, vendors, partners, engagements (above €2,500), and employees, including management teams at missions and headquarters. Screenings are conducted using Watch Dog Pro, a commercially available database that searches all global multilateral and unilateral sanctions that would apply in Gaza. Watchdog Pro also checks against:

- Office of Foreign Asset Control (OFAC)
- Specially Designated Nationals (SDN)
- Sectoral Sanctions Identifications (SSI)
- Department of State terror lists

- UN Security Council Sanctions List
- European Union (EU) Sanctions
- United Kingdom (UK) Treasury Sanctions
- Canadian Federal Sanctions

AAH additionally reported conducting formal and informal checks for its programs in Gaza, including checking social media for “October 7,” concerns for Politically Exposed Persons (PEPs), and records for trafficking or looting. According to AAH, any match to an individual directly or indirectly is an automatic disqualification; if a match is found before a contract is awarded, no relationship is established; and any match after a relationship is established results in certain costs not charged to the donor.

AAH also reported using KitLogV3 for suppliers, vendors, and logistics; this tool checks compliance for all relevant internal policies and procurement requirements. AAH’s partnerships require execution of a memorandum of understanding, which states that funding will not knowingly be used to benefit terrorism entities or individuals on the EU sanctions list, which includes Hamas. In addition, AAH requires new partners to complete “due diligence” questionnaires so that AAH can properly assess the partner organization’s structure and capacity. The questionnaires include, where appropriate, requests for supporting documentation and signed declarations. Per AAH, partners must update their answers every 2 years or upon any major changes to their internal structure.

International Medical Corps

IMC reported requiring screening for all employees, individuals, entities, owners, partners, and key individuals on any transaction over \$500, as well as for banks and financial institutions, prior to establishing a relationship. It conducts screenings through World-Check EDD (Enhanced Due Diligence), a commercially available database that checks OFAC, SDN, PEP; any available global regulatory lists; and available law enforcement lists. Per IMC, all donors, other than the UN, are screened, and all subrecipients are required to comply with applicable antiterrorism requirements, including those contained in MO21.

Mercy Corps

Mercy Corps reported requiring screening for all employees prior to hiring or rehiring; subrecipients prior to signing; and banks, vendors, donors (other than the UN), organizations, and individuals prior to any agreement. It uses Amber Road RPS (Restricted Party Screening), a commercially available database that checks against 21 U.S. organization lists, including the Departments of Justice, Transportation, Commerce, Defense, and State; Food and Drug Administration, Customs and Border Protection, Federal Communications Commission, U.S. Army, and U.S. Coast Guard as well as 63 individual country lists. Per Mercy Corps, any positive searches may be grounds for suspension and/or termination. Positive searches for

sanctions are grounds for automatic termination, and rescreening is required for individual donors providing over \$100,000 or organizations providing over \$500,000.

Project Hope

Project Hope reported requiring vetting under MO2I as well as human resource reviews for all employment history for any applicants, including background and reference checks and open-source searches.

Save the Children

Save the Children reported requiring vetting for all suppliers, partners, and employees through an EDD vetting supplier, which checks against 900 enforcement lists, adverse media collected from over 20,000 media sources, PEP, OFAC, SDN, EU Sanctions, UK Treasury Sanctions, UN Consolidated Sanctions List, and high-risk entities involved in money laundering, financial fraud, arms proliferation, drug trafficking, terrorism, and collateral crimes. Per Save the Children, rehiring checks include identification, right-to-work documentation, employment referencing, any interagency misconduct (if the individual worked with participating agencies), and verification of criminal records in which nationals produce police checks with a clear record in the last 3 months. Per Save the Children, matches or near matches require additional checks and clearances.

Agency for Technical Cooperation and Development

ACTED reported requiring screening for all individuals and entities engaged by the organization (excluding beneficiaries) including staff, applicants, implementing partners, subrecipients, suppliers, landlords, consultants, financial service providers, and other contractors. It uses FinScan, a commercially available database that screens more than 2,000 international and national sanctions and compliance lists. FinScan is automatically rescreened every 24 hours, ensuring continuous monitoring and detection of any new designation or adverse information throughout the engagement lifecycle. Per ACTED, current or past affiliation with a party or key individuals associated with Hamas or another U.S.-designated terrorist organization results in the entity or individual being disqualified from engagement. According to ACTED, if information emerges after engagement, it will immediately suspend or terminate the relationship and escalate the matter internally and to the relevant USAID Agreement Officer and, where required, the USAID Office of Inspector General.

Comparative Analysis to UN Organizations

As previously noted, UN organizations were not subject to the same mandatory vetting requirements under USAID standard provisions as NGOs. We highlighted in our previous report that the UN self-identified ClearCheck and OneHR are steps the UN takes internally to vet employees, which could be considered “additional” procedures like those outlined above. However, as we have previously reported, both ClearCheck and OneHR lack consistent

application across the UN system and have significant data limitations. For example, OneHR only includes academic records, former professional employment records (including misconduct), Interpol's Red Notice, the UN Consolidated Sanctions List,⁷ the EU Sanctions Regime Map, and the UN ClearCheck database. The UN Consolidated Sanctions List is very limited and does not, for example, include Hamas. The commercially available systems used by several of the NGO respondents above offer a far wider range of data to check against, including, notably, OFAC.

Further, based on the responses we received from UN agencies and ICRC, any vetting and/or screening of staff is limited to actions taken at the time of employment. This contrasts with several of the responses we received from NGOs, which detailed structured processes for periodic reverification.

The responses we received from NGOs suggest that despite being subject to farther-reaching requirements for mandatory vetting under USAID award provisions, NGOs are adopting measures that exceed baseline standards.

Screening Versus Vetting

The terms “screening” and “vetting” have similar foundational meanings. Generally, both screening and vetting involve an examination of information to assess suitability.⁷ Under the PVS directive, USAID conducted screening to “ensure that U.S. taxpayer funds and the activities the Agency finances do not provide support, purposefully or inadvertently, to entities or individuals that pose a risk to our national security.”⁸ The same directive defined partner vetting as involving the use of public and non-public information to determine award eligibility.⁹

Variances in the terminology also exist across government agencies. Under Homeland Security Presidential Directive (HSPD) 11, procedures associated with detecting, identifying, and tracking terrorists are categorized as enhanced screening.¹⁰ The Office of Personnel Management (OPM) uses vetting to describe employment processes that determine trust in protecting U.S. personnel, property, information, and critical missions.¹¹ In their responses, the NGOs used both terms interchangeably, even when describing similar process actions.

Despite their interrelatedness in common vernacular, the distinction between screening and vetting should be in how the words are operationalized. For foreign assistance programming,

⁷ Cambridge Dictionary definitions of [screening](#) and [vetting](#).

⁸ USAID, ADS 319 Partner Vetting Overview.

⁹ *Ibid.*

¹⁰ HSPD-11, Comprehensive Terrorist-Related Screening Procedures, [PPP-2004-book2-doc-pg1763.pdf](#).

¹¹ OPM, [Suitability and Credentialing FAQs](#).

the greatest emphasis should be placed on the purpose and depth of checks being conducted as well as the scope and frequency in which those checks are applied.

Responses Regarding Armed Actors and Hamas/Gazan Ministry Interference in Gaza

None of the respondent NGOs reported involvement with or interference by the militant wing of Hamas. However, several provided information regarding interference by Hamas operating as the de facto authority. This included:

- In January 2024, the Hamas Ministry of Interior (Mol) asked IMC to allocate a dedicated booth or tent so Gazan personnel could always be present at a field hospital in Meraj.
- In August 2024, the Hamas Mol told IMC to suspend activities until it received approval from the Hamas Ministry of Health (MoH) and Mol.
- In August 2024, the Hamas MoH advised IMC to register all expatriate medical staff and share license information and professional details for all national healthcare workers. MoH eventually waived the request but stipulated national medical staff in Gaza were only allowed to work in non-ministry health facilities for up to 24 hours per week.
- In January 2025, Project Hope reported two unarmed individuals with Hamas Mol identification attempted to obtain employee data. However, Project Hope employees advised the two individuals they did not have authorization to share that kind of data.
- In February 2025, the Hamas MoH informed AAH that a process required the organization to obtain operating licenses for the Gaza strip in order to execute health and nutrition activities. MoH also advised AAH that failure to submit to the requirement could result in a suspension of activities.
- In March 2025, an individual claiming to be part of the “Ministry of Social Development” contacted ACTED to request beneficiary lists for “de-duplication.” After the initial communication, the individual attempted to contact ACTED again through multiple means to request the same information. The individual also asked ACTED to provide material support to some specific families that they had identified. In April 2025, the individual again contacted multiple ACTED staff, stating that if the company did not provide the requested information, the police would stop ACTED’s ongoing work.
- In November 2025, the Hamas Ministry of Economy asked to inspect a warehouse containing aid commodities belonging to ACTED.
- In November 2025, Hamas police (de facto authorities) stopped two ACTED employees and requested information on the company.

- In January 2026, the Hamas MoI Institutional Investigations Unit requested information from ACTED on its programming.

While citing the above incidents, AAH, Mercy Corps, Save the Children, Project Hope (except as outlined above), ACTED (except as outlined above), or IMC (except as outlined above) reported no work with Hamas or any armed group on a project; no interference by armed actors or attempts to influence, divert, or otherwise tamper with programing; no forced redirections of trucks or shipments seized at checkpoints; no pressure to manipulate data or modify any beneficiary lists; and no interference with any staff decisions.

AAH did advise that its “Gaza Interaction Policy” requires it to minimize contact with de facto authorities and maintain neutrality. Per AAH, in the event of a serious compliance breach that includes evidence or suspicion of aid diversion to Hamas and other armed groups, the company would suspend the activity and report the incident the applicable donor.

Project Hope reported that all interactions with the Hamas MoH were required to be conducted through the Health Cluster ran by the World Health Organization.

ACTED reported routine interactions with Hamas police at various checkpoints in Gaza. These typically took place during the ceasefire periods, when Hamas police were more active. Most interactions were limited, with occasional incidents resulting in the police questioning the purpose of the ACTED staff’s movements. ACTED further stated that all cases with confirmed current or past involvement by Hamas or any other U.S.-designated terrorist organization:

- Were reported to the donor and any oversight bodies;
- Resulted in automatic rejection of an applicant or exclusion from recruitment;
- Led to suspension or termination of employment or contractual obligations, disqualification of third-party organizations, and termination of subawards or contracts.

IMC stated that its implementing partner notice 21-001 reinforced a no-contact policy with Hamas, citing MO21, OFAC sanctions, and other terms and conditions of grants. Additionally, IMC advised that “an employee[s] or applicant’s known involvement in the military wing of Hamas would result in not hiring the individual or employment termination.”

Considerations for the Department of State, USAID, and Congress

The above findings offer a contrasting perspective on the antiterrorism and screening/vetting requirements of U.S.-taxpayer-funded foreign aid by U.S. and non-U.S. NGOs. Despite the rigorous mandatory requirements already imposed, the evidence indicates that NGOs

consistently exceed baseline expectations through additional screening, vetting, and risk-mitigation measures, contrasting sharply with the comparatively limited obligations applied to UN organizations and the ICRC. While no vetting process or screening system can guarantee absolute assurance, the analysis indicates that more robust and uniformly enforced requirements are essential to reduce the risk of foreign aid reaching individuals linked to terrorist organizations, no matter the category of implementer.

As Congress and the administration consider practical policy changes and modifications to award clauses with the United Nations and NGO's, OIG will continue to use all of its sources, methods, and diplomatic channels to further investigations into the misuse of taxpayer dollars in Gaza and across the world. We continue to encourage aid workers or other personnel operating in the region to confidentially report allegations of any misuse of U.S.-funded aid, including fraud, corruption, or diversion, to [OIG's Hotline](#). Further, we will leverage our decades of global investigative experience to stay ahead of potential challenges in foreign assistance and to inform decision makers about any fraud risks we encounter.