EXIM
EXPORT-IMPORT BANK
OF THE UNITED STATES

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

SEMIANNUAL
REPORT TO CONGRESS
October 1, 2019 to March 31, 2020

In Memoriam

This Semiannual Report is dedicated to the memory of Assistant Inspector General for Investigations (AIGI) Andrew McLaughlin, who passed away earlier this year. Andrew was our colleague and friend and a committed member of the Office of Inspector General (OIG) community for over 20 years.

Prior to joining the Export-Import Bank of the United States (EXIM) OIG, Andrew held various leadership and investigative positions with the Environmental Protection Agency OIG and the Health and Human Services OIG, including Director of the Special Operations Directorate, Chief of Intrusion Investigations, and Cyber Crime Special Agent. Andrew came to EXIM OIG in 2009 as the Special Agent in Charge of Technical Operations, a position he held in addition to conducting investigations. Andrew's EXIM cases resulted in criminal convictions totaling over 55 years of incarceration time for defendants, and restitution, forfeiture, civil judgements, cost savings, and other recoveries totaling over $117 million. Andrew built EXIM OIG's first case management system and maintained it for nearly 10 years. When it was time to upgrade, Andrew was the driving force behind the acquisition and implementation of our new system. Andrew became the Deputy Assistant Inspector General for Investigations in 2016 and AIGI in 2019. Andrew was a leader, a mentor, and an expert on all things fraud and cyber-related.

Andrew was one of the original members of EXIM OIG when the office was staffed in 2009. He has left an indelible mark on the office and his work as an investigator and leader will remain with us for years to come, but those who knew him best will forever remember his generous spirit and passion for life.

Andrew McLaughlin

Assistant Inspector General for Investigations
Export-Import Bank of the United States

1963 - 2020

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About Our Organization

THE EXPORT-IMPORT BANK OF THE UNITED STATES (EXIM or the Agency) is the official export credit agency of the United States (U.S.). EXIM supports the financing of U.S. goods and services in international markets, turning export opportunities into actual sales that help U.S. companies of all sizes to create and maintain jobs in the United States. The Agency assumes the credit and country risks that the private sector is unable or unwilling to accept. EXIM also helps U.S. exporters remain competitive by countering the export financing provided by foreign governments on behalf of foreign companies. Approximately 90 percent of the Agency's transactions were made available for the direct benefit of U.S. small businesses in recent years.

For more information, please see EXIM's website.

THE OFFICE OF INSPECTOR GENERAL (OIG), an independent oversight office within EXIM, was statutorily authorized in 2002 and organized in 2007. The mission of EXIM OIG is to promote the integrity, transparency, and efficiency of EXIM programs and operations by conducting and supervising audits, investigations, inspections, and evaluations related to agency programs and operations; providing leadership and coordination, as well as recommending policies that promote economy, efficiency, and effectiveness in such programs and operations; and preventing and detecting fraud, waste, abuse, and mismanagement.

The OIG is dedicated to acting as an agent of positive change to help EXIM improve its efficiency and effectiveness. It keeps EXIM's Chairman and President and Congress fully informed about problems and deficiencies along with any positive developments relating to EXIM administration and operations.

Find more information about EXIM OIG, including reports of audits, inspections and evaluations, and press releases on our website. For more information on inspectors general in the U.S. government, please see the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and CIGIE's Oversight websites.

A Message from the Inspector General

I am pleased to submit this Semiannual Report on the activities and accomplishments of EXIM OIG from October 1, 2019, through March 31, 2020. In the first half of fiscal year (FY) 2020, EXIM OIG continued its work in advising EXIM management and Congress on recommendations for improving Agency programs and operations, as well as detecting, preventing, and prosecuting fraud. Since our last Semiannual Report, Congress passed a law reauthorizing EXIM for seven years, which was signed by the President on December 20, 2019. The law contained several provisions maintaining, expanding, and restricting the Agency's general operating authority. Such provisions include maintaining the exposure limit at $135 billion; expanding through the establishment of a program on China and transformational exports; and restricting the Agency's ability to conduct business with certain participants. The law also increases EXIM's small business mandate to 30 percent and provides for alternative procedures to address a lapse in the board quorum.

During this reporting period, the Office of Audits and Evaluations published five statutorily mandated reports. These included the audits of EXIM's Digital Accountability and Transparency Act of 2014 submission, FY 2019 financial statements, financial statements management letter, and information security program effectiveness; and an evaluation of the Agency's portfolio risk management procedures and Chief Risk Officer responsibilities. In addition, our office continued its focus on investigating fraud related to EXIM transactions. Working with the U.S. Department of Justice, the Office of Investigations (OI) obtained a guilty plea and conviction that resulted in 36 months' probation, including six months of home confinement, and $387,548 in restitution. This individual submitted a fraudulent claim to EXIM falsely alleging a customer defaulted on payments of invoices guaranteed by the Agency. OI also obtained guilty pleas for two other investigations—one count for obstruction of justice and one count for providing false statements. Both individuals are scheduled for sentencing later this year. OI continued fraud prevention efforts by conducting outreach and training programs.

The consequences of the current COVID-19 pandemic on federal programs and operations, as well as its global and economic implications, are not yet fully known. Nonetheless, EXIM OIG remains committed to our mission to detect and deter fraud, waste, and abuse, and promote accountability, efficiency, and effectiveness through our oversight of EXIM's programs and operations. The accomplishments in this Semiannual Report would not be possible without the hard work, professionalism, and dedication of EXIM OIG personnel.

Jennifer L. Fain

Acting Inspector General

Highlights

The **Office of Audits and Evaluations (OAE)** completed four audits and one evaluation:

Independent Auditors' Report on EXIM's DATA Act Submission

(OIG-AR-20-01, November 8, 2019)

Under a contract overseen by OAE, an independent accounting firm performed an audit of EXIM's Digital Accountability and Transparency Act of 2014 (DATA Act) submission for first-quarter fiscal year (FY) 2019. The independent accounting firm determined that EXIM's processes for implementing the DATA Act requirements have improved and are still maturing. The Agency's data was assessed to be of higher quality based on a detailed test of a statistically valid sample of data elements. However, opportunities exist for EXIM to improve further the overall quality of its quarterly financial and award data and to strengthen internal controls. The audit report contained 14 recommendations to improve EXIM's internal control activities to help ensure the quality of financial and award data and compliance with government-wide data standards. Agency management concurred with the recommendations.

Audit of the Export-Import Bank of the United States Fiscal Year 2019 Financial Statements

(OIG-AR-20-02, November 13, 2019)

Under a contract overseen by OAE, an independent accounting firm performed an audit of EXIM's financial statements for FY 2019 and found (1) the financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles; (2) no material weaknesses in internal control over financial reporting; and (3) no reportable noncompliance with provisions of laws tested or other matters.

Fiscal Year 2019 Financial Statements Audit Management Letter

(OIG-AR-20-03, November 14, 2019)

As a supplement to the Independent Auditor's report on the FY 2019 Financial Statements, an independent accounting firm issued a management letter that identified five deficiencies in EXIM's internal control over financial reporting, which did not rise to the level of material weaknesses or significant deficiencies but should be corrected. The audit report contained 12 recommendations to improve internal control over financial reporting. Agency management concurred with the recommendations.

Evaluation of EXIM's Portfolio Risk Management Procedures and CRO Responsibilities

(OIG-EV-20-01, December 2, 2019)

Under a contract overseen by OAE, a consulting services firm conducted an independent evaluation of EXIM's portfolio risk management (PRM) procedures and Chief Risk Officer (CRO) responsibilities. The consulting services firm determined that EXIM's current PRM processes and procedures are strong and improving. Further, the Agency has implemented a structured Enterprise Risk Management (ERM) program and a continuous risk monitoring process especially through the efforts of the CRO, the risk management team and the Enterprise Risk Committee (ERC). The evaluation report contained three recommendations to improve PRM procedures and the integration of risk management activities with internal controls. Agency management concurred with the recommendations.

Independent Audit of EXIM's Information Security Program Effectiveness for Fiscal Year 2019

(OIG-AR-20-04, January 13, 2020)

Under a contract overseen by OAE, an independent accounting firm performed an audit of EXIM's Information Security Program for FY 2019. The independent accounting firm determined that EXIM's information security program and practices for its systems were effective overall and consistent with federal requirements, standards, and guidance. The Agency received a score of Level 4: Managed and Measurable for the five Cybersecurity Functions and eight Federal Information Security Modernization Act of 2014 (FISMA) Metric Domains as described by the U.S. Department of Homeland Security (DHS) criteria. In addition, EXIM implemented corrective actions to remediate deficiencies identified during the prior year audit. The audit report contained seven recommendations to improve the effectiveness of EXIM's information security program. Agency management concurred with the recommendations.

The **Office of Investigations (OI)** completed the following actions:

Criminal Convictions

OI continued its focus on investigating fraud related to EXIM transactions during the reporting period. Working with the U.S. Department of Justice (DOJ), OI special agents obtained guilty pleas in three cases referred by the Agency to EXIM OIG for investigation. Two of the guilty pleas were from business owners who attempted to defraud EXIM. The third was an individual who received a portion of the proceeds from an internet scam targeting the buyer in an EXIM transaction, and then intentionally misled OI investigators and a federal grand jury after being given immunity.

OI and DOJ obtained a guilty plea from an individual in Coral Gables, FL. This individual defrauded EXIM by filing a claim for nearly $400,000 after her company received payment from a foreign customer. The defendant was sentenced to six months home confinement, three-years' probation, and restitution of the full loss amount.

OI and DOJ obtained a guilty plea from an individual living in Laurel, MD who had been indicted on one count of obstruction of justice and three counts of making false declarations to a grand jury for intentionally misleading a federal grand jury in connection with an EXIM OIG investigation.

Finally, OI and DOJ obtained a guilty plea from an individual in Arcadia, CA who submitted false and inflated purchase orders and contracts in order to draw down funds on an EXIM-guaranteed line of credit. The defendant's actions caused a loss to the lending bank of $3 million and led the bank to file a claim with EXIM.

Suspension and Debarment

The OIG continues to work with EXIM management to implement a more robust suspension and debarment program at the Agency. This program serves as a critical tool to protect the federal government from fraud, waste and abuse. Dialogue is ongoing between EXIM OIG and Agency management officials to determine potential obstacles to pursuing suspension and debarment actions, as well as plans to overcome those obstacles. During this reporting period, four entities were referred to the EXIM suspension and debarment official for consideration. Additionally, two entities were debarred by EXIM from doing business with the federal government.

Office of Audits and Evaluations

OAE conducts and oversees independent and objective audits, inspections, and evaluations to assess the efficiency and effectiveness of EXIM's programs, operations and transactions. OAE staff may also perform reviews or assessments; conduct research projects; provide advisory or consulting services to EXIM management; or provide information, comments and other services to outside parties. All audits, inspections, and evaluations are performed in accordance with the requisite standards—the *Government Auditing Standards* issued by the Comptroller General of the United States and the CIGIE *Quality Standards for Inspection and Evaluation*. OAE works in tandem with OI whenever appropriate and refers any irregularities and other suspicious conduct to OI for investigative consideration.

Summary of Activities

During this semiannual reporting period, OAE issued four audit reports and one evaluation report:

- Independent Auditors' Report on EXIM's DATA Act Submission
- Audit of the Export-Import Bank of the United States Fiscal Year 2019 Financial Statements
- Fiscal Year 2019 Financial Statements Audit Management Letter
- Evaluation of EXIM's Portfolio Risk Management Procedures and CRO Responsibilities
- Independent Audit of EXIM's Information Security Program Effectiveness for Fiscal Year 2019

At the end of the reporting period, OAE had five audits in progress:

- Audit of EXIM's Suspension and Debarment Process
- Independent Auditor's Report on EXIM's FY 2019 Payment Integrity Annual Reporting Compliance with Improper Payment Laws
- Audit of EXIM's Cybersecurity Program
- Audit of EXIM's Compliance with FISMA for FY 2020
- Audit of EXIM's FY 2020 Financial Statements

Reports Issued

Independent Auditors' Report on EXIM's DATA Act Submission

(OIG-AR-20-01, November 8, 2019)

Under a contract overseen by OAE, an independent accounting firm performed an audit of EXIM's DATA Act submission for first-quarter fiscal year (FY) 2019. The objectives of the audit were to assess (1) the completeness, accuracy, timeliness, and quality of the financial and award data that EXIM submitted for publication on USASpending.gov, and (2) EXIM's implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and the U.S. Department of the Treasury (Treasury), for the first-quarter of FY 2019.

The independent accounting firm determined that EXIM's processes for implementing the DATA Act requirements have improved and are still maturing. The Agency's data was assessed to be of higher quality based on a detailed test of a statistically valid sample of data elements. However, opportunities exist for EXIM to improve further the overall quality of its quarterly financial and award data and to strengthen internal controls. For example, the Agency did not prepare timely and accurate file reconciliations and the reporting of required data were not always complete. The audit report contained 14 recommendations to improve EXIM's internal control activities to help ensure the quality of its financial and award data and compliance with government-wide financial data standards.

(1) Revise the internal control activities around Files A, B, and C to ensure that the Bank performs accurate and appropriately designed validations and reconciliations before the SAO submits and certifies the Bank's quarterly DATA Act submissions. Procedures should ensure that the reconciliations use all amounts shown in each file and that personnel itemize all reconciling items and identify corrective actions. Once the Bank has completed the corrective actions, it should re-perform the reconciliations until all reconciling items are resolved or no further action is required.

(2) Design, document, and implement a formalized document signoff process that includes the names of the preparer and the reviewers and the dates that the preparer and reviewers completed and approved the internal control activities (i.e., the reconciliations) so the Bank can perform proper monitoring of the control procedures in conjunction with each DATA Act submission.

(3) Develop, document, and implement a policy requiring that all journal vouchers that adjust obligated balances include object classes and program activity codes.

(4) Review the Bank's current policies and procedures for entering obligations in FMS-NG to ensure that they reiterate requirements for accurately and completely entering object classes and program activity codes in FMS-NG.

(5) Develop and document a corrective action plan to assure that the Bank accurately and completely reports object classes and program activity codes in all financial and award data submissions (Files B and C). The corrective action plan should document EXIM's root-cause analysis, steps required to correct missing object classes in financial and award data submissions, and the planned timeline.

(6) Determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D1 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in Comprizon and FPDS to address the risks, and to include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.

(7) Determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D2 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in FABS to address the risks, and to include adequate verification and

validation review processes performed by the data owner and a supervisor or other independent party.

(8) Improve the design of its review of the procurement and financial assistance award data in FPDS and FABS by reviewing additional data elements and performing more comprehensive reviews.

(9) Design, document, and implement a process for reviewing Files D1 and D2 before the SAO submits and certifies the quarterly DATA Act submissions, and a process for notifying the DATA Broker of any errors identified in data derived by the DATA Broker. Review procedures should include steps for documenting any errors or concerns identified, including any necessary corrective actions.

(10) Establish policies and procedures that address timelines for submitting FABS files that comply with P.L. 109-282, including internal milestones to ensure that the files can be extracted, validated, and uploaded to FABS by required due dates. The policies and procedures should also address cut-off dates for submitting correcting data that ensure sufficient time for the SAO certification of quarterly DATA Act submissions, commensurate with EXIM's risk tolerance related to data accuracy, completeness, and quality.

(11) Establish policies and procedures to help ensure that all data reported in FABS and included in EXIM's certified File D2 are reported as intended by the DATA Act Standards and seek clarification from OMB and Treasury as necessary to ensure appropriate interpretation of the DATA Act Standards.

(12) Complete a data inventory to govern its DATA Act activities and help ensure compliance with government-wide financial data standards.

(13) Develop and implement a review process for the data inventory that the Bank will perform at regular intervals and after each DAIMS update.

(14) Develop, test, and implement a DQP that covers significant milestones and major decisions pertaining to:

- Organizational structure and key processes providing internal control activities for spending reporting.
- Management's responsibility to supply quality data to meet the reporting objectives for the DATA Act in accordance with OMB Circular No. A-123.
- EXIM's testing plan and identification of high-risk reported data, including (1) specific data that the Bank determines to be high-risk that are explicitly referenced by the DATA Act and (2) confirmation that these data are linked through the inclusion of the award identifier in the agency's financial system and are reported with plain English award descriptions.
- Actions taken to manage identified risks.

EXIM management concurred with the recommendations.

Audit of the Export-Import Bank of the United States Fiscal Year 2019 Financial Statements

(OIG-AR-20-02, November 13, 2019)

Under a contract overseen by OAE, an independent accounting firm performed an audit to issue an opinion on the accuracy and completeness of EXIM's financial statements for FY 2019 and found:

(1) the financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;

(2) no material weaknesses in internal control over financial reporting; and

(3) no reportable noncompliance with provisions of laws tested or other matters.

Fiscal Year 2019 Financial Statements Audit Management Letter

(OIG-AR-20-03, November 14, 2019)

As a supplement to the Independent Auditor's report on the FY 2019 Financial Statements, an independent accounting firm issued a management letter that identified five deficiencies in EXIM's internal control over financial reporting, which did not rise to the level of material weaknesses or significant deficiencies, but nevertheless should be corrected. Specifically, the independent accounting firm found deficiencies involving:

(1) Segregation of duties,

(2) Information security continuous monitoring (ISCM),

(3) Foreign currency adjustment accounting,

(4) Subsidy re-estimate source data File 3 review, and

(5) Cash flow model documentation.

The audit report contained 12 recommendations to improve internal control over financial reporting.

(1) Improve the account provisioning controls to ensure that the process has features to prevent or detect improper provisioning.

(2) Perform periodic reviews to ensure appropriate provisioning for access and roles.

(3) Fully implement and configure continuous monitoring accordingly.

(4) Configure continuous monitoring accordingly.

(5) Perform and document evidence of a periodic review and perform research and resolution, as appropriate.

(6) Develop and implement a correction to the data input parameters.

(7) Develop and implement controls, at an appropriate level of precision, to support the foreign currency adjustment recorded in FMS.

(8) Enhance EXIM's review control over the re-estimate cash flow model files used within the model to ensure all relevant data is appropriately summarized and reported.

(9) Notify OMB of the error in File 3 historic data provided for display purpose only so that OMB can decide if a resubmission of File 3, including related inputs, is necessary.

(10) Assess the need to further modify the cash flow model to adjust the PD assumption to account for the age and performance of each specific deal, or document the determination as to how such a model change would have an insignificant effect on the model results.

(11) Document, in sufficient detail, additional qualitative considerations used by management to calculate reestimates for financial statement reporting, that clearly bridges the gap between model historical performance and the resulting calculations. The documentation should include a quantification of the impact of these qualitative considerations on the outputs of the cash flow model.

(12) Document, in sufficient detail, all assumptions made in preparing the cash flow model and the rationale for selecting these key assumptions. Documentation should be complete and stand on its own.

EXIM management concurred with the recommendations.

Evaluation of EXIM's Portfolio Risk Management Procedures and CRO Responsibilities

(OIG-EV-20-01, December 2, 2019)

Under a contract overseen by OAE, a consulting services firm conducted an independent evaluation of EXIM's PRM procedures and CRO responsibilities. The objective of the review was to evaluate and provide an update on the status of EXIM's (1) portfolio risk management procedures, and (2) implementation of the duties assigned the CRO.

The consulting services firm determined that EXIM's current PRM processes and procedures are strong and improving. Further, the Agency has implemented a structured ERM program and a continuous risk monitoring process especially through the efforts of the CRO, the risk management team and the ERC. The evaluation report contained three recommendations to improve EXIM's PRM procedures and the integration of risk management activities with internal controls.

(1) Further develop the Bank's ERM program by revisiting the results of the Gartner maturity model analysis, with a focus on high priority areas and path to maturity outcomes, at appropriate management venues. This would include (a) documenting these efforts as they occur, such as through meetings that lay out the discussion of ERM maturity; (b) developing a current state of assessment of the status of the maturity of the EXIM program and discuss with the ERC; and (c) developing a timeline to revisit and evaluate maturity on a continuous basis allowing for more informed risk-based decision-making consistent with the Risk Appetite Framework and Playbook directives.

(2) Create a Bank-wide Model Risk Management framework to ensure integrity of data products and continuity of model production.

(3) Develop the Bank-wide Risk and Control Matrix and a Risk and Controls Self-Assessment that covers both financial and non-financial internal controls identification and mitigation of risks.

EXIM management concurred with the recommendations.

Independent Audit of EXIM's Information Security Program Effectiveness for Fiscal Year 2019

(OIG-AR-20-04, January 13, 2020)

Under a contract overseen by OAE, an independent accounting firm performed an audit of EXIM's Information Security Program for FY 2019. The objective of the audit was to determine whether EXIM developed and implemented an effective information security program and practices as required by FISMA.

The independent account firm determined that EXIM's information security program and practices for its systems were effective overall and consistent with federal requirements, standards and guidance. The Agency received a score of Level 4: Managed and Measurable for the five Cybersecurity Functions and eight FISMA Metric Domains as described by the DHS criteria. In addition, EXIM implemented corrective actions to remediate many of the prior-year deficiencies identified in the FY 2018 FISMA performance audit report (OIG-AR-19-03, March 13, 2019). The FY 2019 audit report contained seven recommendations to improve the effectiveness of EXIM's information security program.

(1) Formally develop an action plan and implement processes to assess risks at the Bank and address procedural requirements of the SECURE Technology Act.

(2) Fully implement and configure continuous monitoring across all of the Bank's information systems.

(3) Appropriately configure continuous monitoring.

(4) Perform and document evidence of a periodic review of the reported activity and perform research and resolution, as appropriate.

(5) Implement controls to review employees periodically who have an organizational exception.

(6) Fully implement an appropriately configured hardware and/or software solution, to limit the transfer of the Bank's PII (e.g., SSNs, credit card numbers, and Bank ABA routing and account numbers) and other Bank sensitive data, and ensure all resolution activities taken based on the analyses are documented and retained as evidence.

(7) At a minimum, perform BIAs and formally document the analysis performed in a manner that adheres to NIST guidance and incorporate the results within the organizational and in-scope systems continuity plans.

EXIM management concurred with the recommendations.

Ongoing Projects

Audit of EXIM's Suspension and Debarment Process

The objective of audit is to determine whether EXIM's suspension and debarment program is operating and performing in accordance with applicable (1) Agency policies and procedures and (2) federal regulations, laws, and guidance. The report will be issued in the semiannual reporting period ending September 30, 2020.

Independent Auditor's Report on EXIM's FY 2019 Payment Integrity Annual Reporting Compliance with Improper Payment Laws

Under a contract overseen by OAE, an independent public accounting firm is conducting an audit of EXIM's FY 2019 payment integrity annual reporting compliance with improper payment laws for its FY 2018 transactions. The objectives of the audit are to (1) determine whether EXIM was in compliance with the reporting requirements of the improper payment laws and OMB guidance, (2) assess the accuracy and completeness of the Agency's improper payment reporting, (3) assess agency performance in reducing and recapturing improper payments, and (4) assess EXIM's implementation of the prior year audit recommendations. The report will be issued in the semiannual reporting period ending September 30, 2020.

Audit of EXIM's Cybersecurity Program

The objective of this audit is to assess the effectiveness of EXIM's cybersecurity program and its implementation, including compliance with federal laws, regulations, EXIM policies and procedures, and documented baseline security configurations. The report will be issued in the semiannual reporting period ending March 31, 2021.

Audit of EXIM's Compliance with FISMA for FY 2020

Under a contract overseen by OAE, an independent public accounting firm is conducting an audit to determine whether EXIM developed adequate and effective information security policies, procedures, and practices in compliance with FISMA. The report will be issued in the semiannual reporting period ending March 31, 2021.

Audit of EXIM's FY 2020 Financial Statements

An independent public accounting firm, working under OAE supervision, is conducting an audit to issue an opinion on the accuracy and completeness of EXIM's financial statements for FY 2020. The report will be issued, along with a related management letter report, in the semiannual period ending March 31, 2021.

Office of Investigations

OI conducts and coordinates investigations relating to alleged or suspected violations of federal laws, rules, or regulations occurring in EXIM programs and operations, which may result in criminal or civil prosecution and/or administrative sanctions. The subjects of OI investigations may be program participants, contractors, Agency management or employees. OI's investigations are supported by Investigative and Financial Analysts who conduct tactical and strategic intelligence analysis in support of OI's investigations.

Summary of Investigations

OI evaluates all reports of possible fraud or illegality affecting EXIM programs and activities. Such reports are received from a variety of sources including Agency employees, EXIM's Office of General Counsel (OGC), participants in Agency transactions, other government agencies, and the EXIM OIG Hotline. Evaluations that identify reasonable indications of possible fraud or illegality result in an investigation. These investigations are summarized in the table below.

Activity	Investigations
Open as of October 1, 2019	22[1]
Opened during period	9
Closed during period	4
Open as of March 31, 2020	27

Of the 27 current open investigations, the following table depicts the category of EXIM program affected by the investigation based on the allegations received:

Program	Number of Investigations
Export Credit Insurance	10
Loan Guarantee	3
Working Capital	5
Letter of Interest	2
Employee Integrity	1
Other (i.e., proactive investigations)	6

[1] At the conclusion of the prior reporting period, there were 21 open investigations; however, an investigation that was closed in that period was reopened during this reporting period. Because this is not a new investigation, the number of cases open as of October 1, 2019, was revised to reflect the reopened investigation.

Investigative Results

OI undertook the following investigative actions during this reporting period:

Description	OIG	Joint Activities*	Total
Matters Referred for Prosecution Consideration	5	2	7
Matters Referred for State and Local Consideration	1	0	1
Criminal Indictments, Informations, Complaints	1	0	1
Guilty Pleas Entered	3	0	3
Criminal Judgments	0	0	0
Civil Actions	0	0	0
Civil Recoveries	0	0	0
Prison Time/Home Confinement (months)	6	0	6
Probation (months)	36	0	36
Court Ordered Fines, Assessments, Restitutions, and Forfeitures	$387,648	$0	$387,648
Administrative Actions**	0	0	0
Administrative Employee Actions***	0	0	0
Administrative Cost Savings and Repayments	$0	$0	$0
Suspensions and Debarments	2	0	2

* *Joint investigations with other law enforcement agencies.*

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

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

The metrics used in this report were obtained from a system of records entitled, ''EIB-35-Office of Inspector General Investigative Records" also known as "CMTS". CMTS is a Structured Query Language (SQL) database used by OI to store its records related to criminal, civil, and administrative investigations. The database contains assignments, allegations, investigative activities, actions, dates, and identifying information about potential subjects and individuals related to these investigations. The system can generate metrics reports, which track judicial, administrative, and other investigative actions and activities. The database generates statistical reports on a variety of OI products including: Hotlines, Complaints, Subpoenas, and Investigations.

Investigations

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

Exporter Sentenced to 36 Months' Probation and Six Months Home Confinement for Submitting a Fraudulent Claim (Export Credit Insurance)

During the previous reporting period (September 10, 2019), Ada Larrea de Quesada of Coral Gables, FL, the owner of Millenium Natural Manufacturing Corp. (Millenium), was indicted for violating 18 U.S.C. § 287 (False, Fictitious or Fraudulent Claims) in the Southern District of Florida. De Quesada submitted a fraudulent claim to EXIM falsely alleging that one of Millenium's international customers defaulted on payments of invoices guaranteed by EXIM,

even though she knew that the customer had made the payments in question. On October 2, 2019, de Quesada surrendered to EXIM OIG agents. On December 19, 2019, de Quesada pleaded guilty, and on February 27, 2020, de Quesada was sentenced to 36 months probation including six months of home confinement. De Quesada was also ordered to pay restitution of $387,548 and a $100 Special Assessment.

Co-Conspirator Pled Guilty for Obstruction of Justice (Export Credit Insurance)

During the previous reporting period (July 22, 2019), Fatima Mahdi Sesay of Laurel, MD was indicted on one count of violating 18 U.S.C. § 1503 (Obstruction of Justice) and three counts of 18 U.S.C. § 1623 (False Declarations to a Grand Jury) in the Middle District of Louisiana, later surrendering to EXIM OIG agents. According to the indictment, the defendant intentionally misled a federal grand jury and knowingly made materially false declarations to that grand jury in connection with an investigation being conducted by EXIM OIG and DOJ. Sesay is believed to have received funds originating in a Business Email Compromise scheme, in which the buyer in an EXIM-insured transaction was directed by unknown persons to make payments for the transaction to a bank account unrelated to the exporter. The funds were then removed from that account and disbursed to likely co-conspirators. On January 21, 2020, Sesay pleaded guilty to a single count of 18 U.S.C. § 1503. Sesay is scheduled to be sentenced on May 15, 2020.

Exporter Pled Guilty for Submission of Inflated Sales Contracts and Purchase Orders (Working Capital Guarantee)

On December 2, 2019, the United States Attorney's Office for the Central District of California filed an Information charging Haiyan "Tina" Tang of Arcadia, CA with one count of 18 U.S.C. § 1014 (Providing False Statements to a Financial Institution). In December 2014, Tang applied for and received a $3 million working capital line of credit from GBC International Bank (GBC) on behalf of her company, 3T Holding, Inc. (3T), which was guaranteed by EXIM. In order to draw down on the line of credit, Tang submitted to GBC substantially inflated sales contracts and purchase orders. 3T ultimately defaulted on the loan, causing GBC to file a $3 million claim with EXIM. On January 6, 2020, Tang pleaded guilty to the single count. Tang is scheduled to be sentenced on July 13, 2020.

Other Investigative Results

The OIG continues to work with EXIM management to implement a more robust suspension and debarment program at the Agency. This program serves as a critical tool to prevent fraud and waste and protect the U.S.'s interests. Dialogue is ongoing between EXIM OIG and Agency management officials to determine potential obstacles to pursuing suspension and debarment actions, as well as plans to overcome those obstacles. During this reporting period, four matters were referred to the EXIM suspension and debarment official for consideration. In addition, two entities were debarred from doing business with the federal government based on prior EXIM OIG referrals to the Agency.

To the extent permissible and within the confines and limitations of an investigation, OI Special Agents work collaboratively to share investigative intelligence with EXIM's OGC, Office of Risk Management, and Asset Management Division to help identify potential and suspected fraudulent activity within Agency transactions and to protect funds at risk. To that end, one of OI's proactive investigations focuses on on-going country-specific transactions and reports

findings to the Agency for enhanced due diligence in the absence of an active criminal investigation.

Additionally, OI shared active law enforcement intelligence with OGC on several matters concerning suspected criminal activity by participants involved in active insurance policies or transactions under review. OI made 33 referrals of investigative information to OGC concerning potential fraud and funds at risk for enhanced due diligence by EXIM. Additionally, OI investigative analysts responded to over 400 deconfliction requests from DHS and the Export Enforcement Coordination Center (E2C2).

Hotline Activity

EXIM OIG maintains a hotline to receive reports of fraud, waste, and abuse in EXIM programs and operations. Hotline reports are evaluated by our investigative team and, based on the available evidence, may result in the initiation of an investigation, audit, inspection, evaluation, referral to other law enforcement authorities, or referral to Agency management for administrative action.

EXIM OIG received eight hotline reports during this semiannual reporting period. One was referred internally to another OIG component, four were resolved and closed by the hotline, two were opened as investigative matters, and one was referred to the agency.

Hotline reports can be made by any of the following methods:

- Phone at 1-888-OIG-EXIM (1-888-644-3946);
- E-mail at IGhotline@exim.gov, or;
- In person or mail/delivery service to EXIM OIG Hotline, Office of Inspector General, 811 Vermont Avenue, NW, Room 1052-1, Washington DC 20571.

EXIM OIG will not disclose the identity of a person making a report through the hotline without their consent unless the Inspector General determines such disclosure is unavoidable during the course of an investigation.

Office of Inspector General Management Initiatives

COVID-19

The World Health Organization declared the novel coronavirus (COVID-19) a global pandemic on March 11, 2020. The next day, OMB issued a memorandum to executive agency heads encouraging them to maximize telework flexibilities for federal employees. An agency-wide test-run of remote work by EXIM and EXIM OIG employees was conducted on March 13, 2020, and began full-time remote operations on March 16, 2020. To proactively address the significant and evolving issues created by the pandemic, EXIM OIG collaborates with internal and external COVID-19 working groups. EXIM OIG anticipates that this work will continue through the next reporting period.

Fraud Awareness Training and Outreach

As part of EXIM OIG's mission to prevent and detect fraudulent activity, continual efforts are made to meet with and educate stakeholders and other law enforcement partners about the various risks and fraud scenarios most commonly seen in trade finance, export credit fraud, and money laundering cases.

Council of Inspectors General on Integrity and Efficiency

EXIM OIG participates in the activities of CIGIE, including the Audit Committee, the Inspection and Evaluation Committee, the Legislation Committee, as well as the Council of Counsels to the Inspectors General. Through CIGIE, EXIM OIG continues to coordinate and collaborate with other OIG partners to use resources more effectively, share knowledge, strengthen oversight and serve our critical mission.

President's Management Agenda

The President's Management Agenda and OMB memoranda M-17-26 and M-18-23 emphasize the need for U.S. federal agencies to refocus resources away from "unnecessary and obsolete policies, guidance, and reporting requirements" toward "mission-critical objectives and high-value work." Accordingly, EXIM OIG continues to focus on improving its current administrative and risk assessment processes to achieve the following desired outcomes:

- Streamlined internal processes and communication through automation and use of SharePoint.
- Optimization of scarce resources through prioritizing assignments, setting performance metrics, clear allocation of responsibilities, using templates, etc.
- Greater use of data analytics by using a dashboard that provides a comprehensive historical database of EXIM transactions that will allow users to conduct queries, analysis, reporting, and data visualization.
- Incorporation of risk management within all key processes to ensure that risks can be managed effectively.

Review of Legislation and Regulations

Pursuant to section 4(a)(2) of the Inspector General Act of 1978, as amended, EXIM OIG reviews proposed and existing legislation and regulations related to EXIM's programs and operations. During this reporting period, EXIM OIG participated in a Whistleblower Protection Coordinator

working group and assisted a CIGIE working group focused on CIGIE legislative priorities, including testimonial subpoena authority and reviews of congressional initiatives related to amendments to the Inspector General Reform Act of 2008. The working group briefed staff members in both the House and Senate committees of jurisdiction as to the benefits that could be realized from enhancing access to testimonial evidence, which is often a critical component of Inspector General (IG) oversight, as well as the practical ramifications of proposed legislation on the IG community.

Government Accountability Office

The IG Act states that each IG shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and ensuring effective coordination and cooperation. During the reporting period, EXIM OIG shared information on ongoing and planned work with General Accountability Office officials.

APPENDIX A

Open Recommendations from Prior Reporting Periods

This table shows that 15 recommendations from six reports issued up to September 30, 2019, remain open at the end of this reporting period. Twelve open recommendations are from reports issued in FY 2019. The remaining three open recommendations are from reports issued in FY 2017 and FY 2018. Reports from prior periods are no longer listed when all recommendations have been closed.

Report No./ Date	Report Title	Recommendations				Latest Target Closure Date
		Total	Open	Closed	Unresolved	
Last Period (4/1/19 –9/30/19)						
Inspections and Evaluations						
OIG-EV-19-03 19 Jun 2019	Evaluation of EXIM's Credit Loss Factor Model and Loss Reserve Process	7	7	0	0	6/19/2020
Prior Periods (prior to 3/31/19)						
Audits						
OIG-AR-18-06 26 Sept 2018	Audit of the Export-Import Bank's Medium-Term Early Problem Credits	6	1	5	0	6/30/2020
OIG-AR-19-03 13 Mar 2019	Independent Audit of the Export-Import Bank's Information Security Program Effectiveness for Fiscal Year 2018	14	3	11	0	3/31/2020
Inspections and Evaluations						
OIG-EV-17-01 2 Dec 2016	Evaluation of Risk Management Procedures and CRO Responsibilities	8	1	7	0	5/31/2020
OIG-EV-17-03 30 Mar 2017	Report on EXIM Bank's CGF Program	5	1	4	0	3/31/2020
OIG-EV-19-01 27 Nov 2018	Evaluation of EXIM's Additionality Policy and Procedures	4	2	2	0	3/31/2020
	Totals	44	15	29	0	

APPENDIX B

Audit and Evaluation Reports Issued from October 1, 2019 – March 31, 2020

	Report No./Date	Report Title	Management Decisions Reached on Recommendation	Total Questioned Cost	Unsupported Cost	Funds for Better Use	Disallowed Cost
1	OIG-AR-20-01 8 Nov 2019	Independent Auditors' Report on EXIM's DATA Act Submission	14/14	0	0	0	0
2	OIG-AR-20-02 13 Nov 2019	Audit of the Export-Import Bank of the United States Fiscal Year 2019 Financial Statements	0/0	0	0	0	0
3	OIG-EV-20-03 14 Nov 2019	Fiscal Year 2019 Financial Statements Audit Management Letter	12/12	0	0	0	0
4	OIG-EV-20-01 2 Dec 2019	Evaluation of EXIM's Portfolio Risk Management Procedures and CRO Responsibilities	3/3	0	0	0	0
5	OIG-AR-20-04 13 Jan 2020	Independent Audit of EXIM's Information Security Program Effectiveness for Fiscal Year 2019	7/7	0	0	0	0
			Totals	0	0	0	0

APPENDIX C

Significant Recommendations from Previous Semiannual Reports on Which Corrective Action Has Not Been Completed

We identified three significant recommendations that were agreed to by EXIM but have not been implemented as of March 31, 2020. We are committed to working with Agency management to expeditiously address the management decision and correct action process, recognizing that certain initiatives will require long-term, sustained and concerted efforts.

Evaluation of Risk Management Procedures and Chief Risk Officer Responsibilities

(OIG-EV-17-01, December 2, 2016)

Recommendation 1: To clarify the authority and responsibility of the Chief Risk Officer with respect to the current allocation of risk management responsibilities across the agency, EXIM Bank should formally document the risk management roles, responsibilities and authority of its line of defense functions; clarify responsibilities and interaction between different senior management committees and divisions; identify the individuals and functions to be responsible for each; and address any gaps in those responsibilities.

Expected implementation date: May 31, 2020.

Report on EXIM Bank's Credit Guarantee Facility Program

(OIG-EV-17-03, March 30, 2017)

Recommendation 5: Review and update the reachback policy for the CGF program to be consistent with actual practice and reduce the need for waivers. In reviewing and updating the reachback policy, the Bank should analyze the case-by-case determination of a reachback relative to the average policy date (i.e., operative date); consider establishing limits on the utilization of the facility for reachback transactions; set requirements for communicating analysis of reachback issues to decision makers including the Board; and establish procedures for consideration of waivers to the policy. This would include documenting the supporting evidence in the credit file.

Expected implementation date: March 31, 2020.

Audit of the Export-Import Bank's Medium-Term Early Problem Credits

(OIG-AR-18-06, September 26, 2018)

Recommendation 6: Finalize the revisions of the Master Guarantee Agreement used in the Medium-Term Loan Guarantee Program.

Expected implementation date: June 30, 2020.

APPENDIX D

Open Recommendations

	Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
Evaluation of Risk Management Procedures and Chief Risk Officer Responsibilities (OIG-EV-17-01, December 2, 2016)						
1	To clarify the authority and responsibility of the CRO with respect to the current allocation of risk management responsibilities across the agency, EXIM Bank should formally document the risk management roles, responsibilities and authority of its line of defense functions; clarify responsibilities and interaction between different senior management committees and divisions; identify the individuals and functions to be responsible for each; and address any gaps in those responsibilities.	Open	5/31/2020	Agree	0	0
Report on EXIM Bank's CGF Program (OIG-EV-17-03, March 30, 2017)						
5	Review and update the reach back policy for the CGF program to be consistent with actual practice and reduce the need for waivers. In reviewing and updating the reach back policy, the Bank should analyze the case-by-case determination of a reach back relative to the average policy date (i.e., operative date); consider establishing limits on the utilization of the facility for reach back transactions; set requirements for communicating analysis of reach back issues to decision makers including the Board; and establish procedures for consideration of waivers to the policy. This would include documenting the supporting evidence in the credit file.	Open	3/31/2020	Agree	0	0
Audit of the EXIM Medium-Term Early Problem Credits (OIG-AR-18-06, September 26, 2018)						
6	Finalize the revisions of the Master Guarantee Agreement used in the Medium-Term Loan Guarantee Program.	Open	6/30/2020	Agree	0	0
Evaluation of EXIM's Additionality Policy and Procedures (OIG-EV-19-01, November 27, 2018)						
3	Revise the additionality policy and procedures to require the confirmation of information to be documented in the credit file.	Open	3/31/2020	Agree	0	0
4	Re-evaluate the current additionality policy and procedures for short-term transactions to identify an approach to improve how determinations are supported and verifiable at the transaction level.	Open	3/31/2020	Agree	0	0
Independent Audit of the Export-Import Bank's Information Security Program Effectiveness for FY 2018 FISMA (OIG-AR-19-03, March 13, 2019)						
7	Assess assets and analyze event data in real-time for compliance.	Open	3/31/2020	Agree	0	0
11	Fully document policies, procedures, and/or strategies that adhere to NIST SP 800-53 security control requirement CP-2 and NIST SP 800-34 guidance.	Open	3/31/2020	Agree	0	0

	Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
12	Identify potential disruptions for the Bank and its systems and incorporate the results into the analysis and strategy development efforts for the Bank and in-scope systems continuity plans.	Open	3/31/2020	Agree	0	0
Evaluation of EXIM's Credit Loss Factor Model and Loss Reserve Process (OIG-EV-19-03, June 19, 2019)						
1	Creating a single consolidated technical note, or adding a justifications section to existing documentation, that thoroughly describes modeling choices (including the selection criteria for the statistical calculations used).	Open	6/19/2020	Agree	0	0
2	Adding a comprehensive change log to existing documentation that is updated whenever the model or process is changed that includes how assumption changes are executed.	Open	6/19/2020	Agree	0	0
3	Adding or appending current documentation with a comprehensive Policies and Procedures guide that outlines requirements to deem a run "successfully executed."	Open	6/19/2020	Agree	0	0
4	Update the FY 2019 SOP and ensure that each calculation step is accurately reflected in the CLF Model User Guide. This would include revising the SOPs to verify that results can be replicated with just the user guide and archived data files after model updates.	Open	6/19/2020	Agree	0	0
5	Automate calculations and data transformation steps, especially across files and applications.	Open	6/19/2020	Agree	0	0
6	Build out the error checking and reporting functions for the model.	Open	6/19/2020	Agree	0	0
7	Expanding the current model program into a formal MRM framework, particularly with an expansion to include better risk mitigation surrounding error checking, statistical reporting, execution of model changes, and role definition. One of these roles should include documentation updates (i.e., a checklist item) to ensure that the SOP matches the current process to reduce errors.	Open	6/19/2020	Agree	0	0
Independent Auditors' Report on EXIM's Data Act Submission FY 2019 (OIG-AR-20-01, November 8, 2019)						
1	Revise the internal control activities around Files A, B, and C to ensure that the Bank performs accurate and appropriately designed validations and reconciliations before the SAO submits and certifies the Bank's quarterly DATA Act submissions. Procedures should ensure that the reconciliations use all amounts shown in each file and that personnel itemize all reconciling items and identify corrective actions. Once the Bank has completed the corrective actions, it should re-perform the reconciliations until all reconciling items are resolved or no further action is required.	Open	11/9/2020	Agree	0	0
2	Design, document, and implement a formalized document signoff process that includes the names of the preparer and the	Open	11/9/2020	Agree	0	0

	Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
	reviewers and the dates that the preparer and reviewers completed and approved the internal control activities (i.e., the reconciliations) so the Bank can perform proper monitoring of the control procedures in conjunction with each DATA Act submission.					
3	Develop, document, and implement a policy requiring that all journal vouchers that adjust obligated balances include object classes and program activity codes.	Open	11/9/2020	Agree	0	0
4	Review the Bank's current policies and procedures for entering obligations in FMS-NG to ensure that they reiterate requirements for accurately and completely entering object classes and program activity codes in FMS-NG.	Open	11/9/2020	Agree	0	0
5	Develop and document a corrective action plan to assure that the Bank accurately and completely reports object classes and program activity codes in all financial and award data submissions (Files B and C). The corrective action plan should document EXIM's root-cause analysis, steps required to correct missing object classes in financial and award data submissions, and the planned timeline.	Open	11/9/2020	Agree	0	0
6	Determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D1 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in Comprizon and FPDS to address the risks, and to include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.	Open	11/9/2020	Agree	0	0
7	Determine the root cause of the errors identified during the testing of the first-quarter FY 2019 File D2 and take the necessary corrective action to (a) correct the errors for records shown in USASpending.gov, (b) identify the risk of reporting incorrect data for each data element containing an error, and (c) modify the policies and procedures for recording data in FABS to address the risks, and to include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.	Open	11/9/2020	Agree	0	0
8	Improve the design of its review of the procurement and financial assistance award data in FPDS and FABS by reviewing additional data elements and performing more comprehensive reviews.	Open	11/9/2020	Agree	0	0

	Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
9	Design, document, and implement a process for reviewing Files D1 and D2 before the SAO submits and certifies the quarterly DATA Act submissions, and a process for notifying the DATA Broker of any errors identified in data derived by the DATA Broker. Review procedures should include steps for documenting any errors or concerns identified, including any necessary corrective actions.	Open	11/9/2020	Agree	0	0
10	Establish policies and procedures that address timelines for submitting FABS files that comply with P.L. 109-282, including internal milestones to ensure that the files can be extracted, validated, and uploaded to FABS by required due dates. The policies and procedures should also address cut-off dates for submitting correcting data that ensure sufficient time for the SAO certification of quarterly DATA Act submissions, commensurate with EXIM's risk tolerance related to data accuracy, completeness, and quality.	Open	11/9/2020	Agree	0	0
11	Establish policies and procedures to help ensure that all data reported in FABS and included in EXIM's certified File D2 are reported as intended by the DATA Act Standards and seek clarification from OMB and Treasury as necessary to ensure appropriate interpretation of the DATA Act Standards.	Open	11/9/2020	Agree	0	0
12	Complete a data inventory to govern its DATA Act activities and help ensure compliance with government-wide financial data standards.	Open	11/9/2020	Agree	0	0
13	Develop and implement a review process for the data inventory that the Bank will perform at regular intervals and after each DAIMS update.	Open	11/9/2020	Agree	0	0
14	Develop, test, and implement a DQP that covers significant milestones and major decisions pertaining to: (a) Organizational structure and key processes providing internal control activities for spending reporting; (b) Management's responsibility to supply quality data to meet the reporting objectives for the DATA Act in accordance with OMB Circular No. A-123; (c) EXIM's testing plan and identification of high-risk reported data, including (1) specific data that the Bank determines to be high-risk that are explicitly referenced by the DATA Act and (2) confirmation that these data are linked through the inclusion of the award identifier in the agency's financial system and are reported with plain English award descriptions; and (d) Actions taken to manage identified risks.	Open	11/9/2020	Agree	0	0

	Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
Fiscal Year 2019 Financial Statements Audit Management Letter (OIG-AR-20-03, November 14, 2019)						
1	Improve the account provisioning controls to ensure that the process has features to prevent or detect improper provisioning.	Open	11/13/2020	Agree	0	0
2	Perform periodic reviews to ensure appropriate provisioning for access and roles.	Open	11/13/2020	Agree	0	0
3	Fully implement and configure continuous monitoring accordingly.	Open	11/13/2020	Agree	0	0
4	Configure continuous monitoring accordingly.	Open	11/13/2020	Agree	0	0
5	Perform and document evidence of a periodic review and perform research and resolution, as appropriate.	Open	11/13/2020	Agree	0	0
6	Develop and implement a correction to the data input parameters.	Open	11/13/2020	Agree	0	0
7	Develop and implement controls, at an appropriate level of precision, to support the foreign currency adjustment recorded in FMS.	Open	11/13/2020	Agree	0	0
8	Enhance EXIM's review control over the re-estimate cash flow model files used within the model to ensure all relevant data is appropriately summarized and reported.	Open	11/13/2020	Agree	0	0
9	Notify OMB of the error in File 3 historic data provided for display purposes only so that OMB can decide if a resubmission of File 3, including related inputs is necessary.	Open	11/13/2020	Agree	0	0
10	Assess the need to further modify the cash flow model to adjust the PD assumption to account for the age and performance of each specific deal, or document the determination as to how such a model change would have an insignificant effect on the model results.	Open	11/13/2020	Agree	0	0
11	Document, in sufficient detail, additional qualitative considerations used by management to calculate reestimates for financial statement reporting, that clearly bridges the gap between model historical performance and the resulting calculations. The documentation should include a quantification of the impact of these qualitative considerations on the outputs of the cash flow model.	Open	11/13/2020	Agree	0	0
12	Document, in sufficient detail, all assumptions made in preparing the cash flow model and the rationale for selecting these key assumptions. Documentation should be complete and stand on its own.	Open	11/13/2020	Agree	0	0
Evaluation of EXIM's Portfolio Risk Management Procedures and CRO Responsibilities (OIG-EV-20-01, December 2, 2019)						
1	Further develop the Bank's ERM program by revisiting the results of the Gartner maturity model analysis, with a focus on high priority areas and path to maturity outcomes, at appropriate management venues. This would include (a) documenting these efforts as they occur, such as through meetings that lay out the discussion of ERM maturity; (b) developing a current state of assessment of the status of the maturity of the EXIM	Open	12/2/2020	Agree	0	0

	Recommendation	Status	Expected Implementation Date	Management Agree or Disagree	Questioned Cost	Funds for Better Use
	program and discuss with the ERC; and (c) developing a timeline to revisit and evaluate maturity on a continuous basis allowing for more informed risk-based decision-making consistent with the RAF and Playbook directives.					
2	Create a Bank-wide Model Risk Management framework to ensure integrity of data products and continuity of model production.	Open	12/2/2020	Agree	0	0
3	Develop the Bank-wide Risk and Control Matrix and a Risk and Controls Self-Assessment that covers both financial and non-financial internal controls identification and mitigation of risks.	Open	12/2/2020	Agree	0	0
Independent Audit of EXIM's Information Security Program Effectiveness for Fiscal Year 2019 (OIG-AR-20-04, January 13, 2020)						
1	Formally develop an action plan and implement processes to assess risks at the Bank and address procedural requirements of the SECURE Technology Act.	Open	1/13/2021	Agree	0	0
2	Fully implement and configure continuous monitoring across all of the Bank's information systems.	Open	1/13/2021	Agree	0	0
3	Appropriately configure continuous monitoring.	Open	1/13/2021	Agree	0	0
4	Perform and document evidence of a periodic review of the reported activity and perform research and resolution, as appropriate.	Open	1/13/2021	Agree	0	0
5	Implement controls to review employees periodically who have an organizational exception.	Open	1/13/2021	Agree	0	0
6	Fully implement an appropriately configured hardware and/or software solution, to limit the transfer of the Bank's PII (e.g., SSNs, credit card numbers, and Bank ABA routing and account numbers) and other Bank sensitive data, and ensure all resolution activities taken based on the analyses are documented and retained as evidence.	Open	1/13/2021	Agree	0	0
7	At a minimum, perform BIAs and formally document the analysis performed in a manner that adheres to NIST guidance and incorporate the results within the organizational and in-scope systems continuity plans.	Open	1/13/2021	Agree	0	0
				Totals	$0	$0

APPENDIX E

Peer Review Reporting

Pursuant to Sections 5(a)(14), (15), and (16) of the Inspector General Act, as amended, this section provides information on peer reviews of EXIM OIG's audit, inspection, evaluation, and investigation functions.

Office of Audits and Evaluations

The latest peer review of EXIM OIG's audit function was conducted by the National Archives and Records Administration OIG, whose report was issued on September 8, 2017. The Office of Audits received an external peer review rating of pass on the system of quality control for the audit function. There are no outstanding recommendations from this peer review. The next peer review of the audit function is scheduled for FY 2020.

The first peer review of EXIM OIG's inspection and evaluation function was conducted by the Farm Credit Administration and the Corporation for National and Community Services OIGs (the Review Team), whose report was issued on September 25, 2018. The Review Team concluded that EXIM OIG's Office of Inspections and Evaluations generally met the seven CIGIE quality standards assessed and complied with internal policies and procedures. There are no outstanding recommendations.

Office of Investigations

The most recent peer review of EXIM OIG's investigation function was conducted by the Board of Governors of the Federal Reserve System OIG, whose report was issued on September 11, 2017. OI received a rating of compliant with the standards required by CIGIE and the applicable Attorney General guidelines. There are no outstanding recommendations from this peer review.

A peer review of EXIM OIG's investigation function by the Corporation for National and Community Service (CNCS) OIG, is currently underway. Documents requested by CNCS OIG were provided on March 16, 2020 and are being reviewed. The onsite portion of the peer review is scheduled for May 2020, COVID-19 restrictions permitting.

APPENDIX F

Inspector General Act Reporting Requirements

Inspector General Act Citation	Requirement Definition	Page
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	3-4
Section 5(a)(2)	Recommendations for Corrective Actions	3-4; 6-11
Section 5(a)(3)	Prior Significant Audit Recommendations Yet to Be Implemented	23
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	15
Sections 5(a)(5) and 6(c)(2)	Summary of Refusals to Provide Information	None
Section 5(a)(6)	Audit, Inspection and Evaluation Products Issued Including Total Dollar Values of Questioned Costs, Unsupported Costs, and Recommendations That Funds Be Put to Better Use	22
Section 5(a)(7)	Summary of Particularly Significant Reports	3-4
Section 5(a)(8)	Total Number of Reports and Total Dollar Value for Audits, Inspections and Evaluations with Questioned and Unsupported Costs	22; 24-29
Section 5(a)(9)	Total Number of Reports and Total Dollar Value for Audits, Inspections and Evaluations with Recommendations That Funds Be Put to Better Use	22; 24-29
Section 5(a)(10)(A) – (C)	Summary of Prior Audit, Inspection and Evaluation Products for Which No Management Decision Has Been Made, No Comment was Returned Within 60 Days, Recommendation Exists Regarding Aggregate Cost Savings	None
Section 5(a)(11)	Description and Explanation of Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions with Which the Inspector General Disagreed	None
Section 5(a)(13)	Reporting in Accordance with Section 804(b) of the Federal Financial Management Improvement Act of 1996 Remediation Plan	None
Section 5(a)(14)	Results of Peer Review Conducted by Another IG; or Date of Last Peer Review If No Peer Review Conducted During Reporting Period	30
Section 5(a)(15)	List of Outstanding Recommendations from Peer Review Conducted by Another IG That Have Not Been Fully Implemented	None
Section 5(a)(16)	List of Peer Reviews of Another IG During the Reporting Period Including Outstanding Recommendations from Previous Peer Review That Remain Outstanding or Have Not Been Fully Implemented	None; None

Inspector General Act Citation	Requirement Definition	Page
Section 5(a)(17)(A) – (D)	Total Investigative Reports, Referred to the DOJ, Number of Persons Referred to State and Local Authorities, Total Indictments, etc. That Resulted from Prior Referral to Prosecuting Authorities	15
Section 5(a)(18)	Metrics Used for Developing Data for Statistical Tables	15
Section 5(a)(19)(A) – (B)	Senior Government Employee Substantiated Misconduct, Facts, Disposition	None
Section 5(a)(20)	Whistleblower Retaliation	None
Section 5(a)(21)(A) – (B)	Interfered with OIG Independence Through Withholding Budget or Causing Delay	None
Section 5(a)(22)(A) – (B)	Report Closed but Not Disclosed to the Public	None

HOW TO REPORT FRAUD, WASTE, AND ABUSE

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

In person

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

Telephone

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

Mail

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

E-mail

IGhotline@exim.gov

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Office of Inspector General
Export-Import Bank *of the* United States
811 Vermont Avenue, NW
Washington, DC 20571

Telephone 202-565-3908
Facsimile 202-565-3988

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