



Investigation Report

Global Fund Grants to Guyana

Ministry of Health

GF-OIG-16-12
13 April 2016
Geneva, Switzerland

Non-compliant expenditure: \$56,966
Proposed recoveries: \$56,966
Categories: Fraud – misrepresentation of information and misappropriation of funds

Table of Contents

I.	Background and Scope.....	3
II.	Executive Summary	4
III.	Findings and Agreed Management Actions.....	5
01	VCS employees fabricated bed net distribution and other program data	5
02	Inadequate bed net procurement and supply management by VCS and Ministry of Health...	7
03	Irregularities in fuel use by VCS and VCS driver expenses claims	9
04	Inadequate management of Global Fund malaria program by VCS	11
IV.	Conclusion.....	14
V.	Table of Agreed Management Actions	15
Annex A:	Methodology.....	16
01	Applicable Concepts of Fraud and Abuse	17
02	Determination of Compliance.....	18
03	Reimbursements or Sanctions	19
Annex B:	Analysis Tables	21
Annex C:	Exhibits.....	26

I. Background and Scope

In March 2015, the Office of the Inspector General (OIG) received a complaint from a whistleblower alleging irregularities in the Global Fund malaria grant in Guyana. In July 2015, the Global Fund Secretariat also reported to the OIG a series of complaints it had received in relation to the same grant.

The complaints centred on the fabrication of data relating to the distribution of bed nets, malaria surveillance activities and associated fraudulent expenditures, including 'per diems' and fuel for programmatic work that allegedly did not take place.

The Guyana malaria grant, GYA-M-MOH, commenced on 1 September 2011 and is scheduled to end on 31 December 2016. The Principal Recipient for the grant is the Guyana Ministry of Health. The amount committed by the Global Fund under this grant is US\$ 1,281,888 and disbursements to date total US\$ 1,107,669.

Malaria surveillance activities and the distribution of bed nets under the Global Fund malaria grant in Guyana are implemented by Vector Control Services (VCS), a department of the Principal Recipient. The alleged irregularities were reported to have taken place while VCS was under the management of its former director (the ex-director of VCS), who resigned and left VCS on 9 December 2015.

The OIG therefore initiated an investigation which focussed on the malaria surveillance activities of VCS during the period in which the ex-director of VCS was responsible for the Global Fund malaria program.

This encompassed five six-month periods between 1 January 2013 and 30 June 2015 which were numbered 4 to 8 by VCS.¹ Global Fund grant activities in Guyana operate across four government regions numbered 1, 7, 8 and 9. As a result, the OIG investigation focused on these regions.

As part of its investigation, the OIG undertook a mission to Guyana in August 2015. The OIG interviewed employees of the Global Fund malaria program, VCS and the Ministry of Health, and collected and reviewed programmatic, administrative and financial documentation.

As of 1 March 2016, the Global Fund has made commitments to Guyana under seven grants totaling US\$ 44,144,131, of which US\$ 42,111,127 has been disbursed. Malaria is endemic in Guyana, particularly in the hinterland regions. Programs supported by the Global Fund aim to reduce the social and economic impact of malaria in the country.

Guyana has also been reporting a decline in tuberculosis (TB) incidence cases although HIV-TB co-infection still remains a challenge in the country. The HIV epidemic in Guyana has stabilized in recent years with a reduction in AIDS cases and in the number of AIDS-related deaths.

¹ Period 4: 01.01.2013 to 30.06.2013, Period 5: 01.07.2013 to 31.12.2013, Period 6: 01.01.2014 to 30.06.2014, Period 7: 01.07.2014 to 31.12.2014, Period 8: 01.01.2015 to 30.06.2015.

II. Executive Summary

The OIG investigation found evidence that VCS employees had inflated the number of long-lasting insecticide impregnated mosquito nets (bed nets) reported as distributed and had fabricated underlying bed net distribution documents to support the inflated figures. VCS employees also fabricated documentation for another surveillance activity relating to the operation of malaria committees.

Due to inaccurate record keeping by VCS and the Ministry of Health, the OIG was unable to establish how many bed nets financed by the Global Fund had been distributed by VCS. As a result of this fraudulent misrepresentation of information and inadequate procurement and supply management, the OIG finds that the sum of US\$ 41,789, corresponding to the value of the bed nets², is non-compliant expenditure and therefore should be recovered.

The investigation also found that a substantial proportion of the fuel purchased by VCS in the periods under review was missappropriated. These irregularities affected fuel purchases totaling US\$ 11,290 which the OIG finds to be non-compliant and therefore potentially recoverable expenditures.

Some claims for 'per diem' expenses by VCS drivers in certain periods were inconsistent with entries in vehicle log books and therefore the OIG finds that 'per diem' claims totaling US\$ 3,887 are non-compliant expenditures and potentially recoverable.

Root Cause

The overall management of the Global Fund malaria program by the ex-director of VCS and the standard of oversight exercised by an ex-VCS senior Monitoring & Evaluation (M&E) technician were inadequate. The OIG considers that this poor oversight facilitated the fraudulent misrepresentation and other irregularities identified in the investigation.

Agreed Management Actions

Following the resignation of the ex-director of VCS, the Principal Recipient appointed an interim director and two interim deputy directors at VCS, one with responsibility for the malaria program.

To mitigate the risk of the issues identified in the investigation reoccurring, the OIG and the Global Fund Secretariat have agreed on a series of corrective management actions. These include requesting the Principal Recipient to implement:

- an improved process to record the distribution of bed nets;
- a new longer term technology-based solution to record the whereabouts of VCS vehicles, employees and the dates and locations of programmatic activity; and
- an improved procurement and supply management plan to address the identified issues of inventory management and the distribution of Global Fund-financed health products.
- The Secretariat will also ensure that the terms of reference of the Local Fund Agent include spot checks of underlying programmatic documentation aimed at identifying indicators of fraudulent reporting.

² Calculated by applying the 45.2% anomaly rate identified by the OIG's analysis of bed net distribution activity sheet signatures to the 19,487 bed nets that were recorded as being in stock in the Ex-Director of VCS' spreadsheet on 1 January 2013 (see Table 3 in Annex B).

III. Findings and Agreed Management Actions

01 VCS Employees Fabricated Bed Net Distribution and Other Program Data

VCS employees inflated the numbers of long-lasting insecticide impregnated mosquito nets reported as distributed and fabricated underlying bed net distribution documents to support the inflated figures. VCS employees also fabricated documentation for another surveillance activity relating to malaria committees.

As a result of this fraudulent misrepresentation of information, the OIG finds that the sum of US\$ 41,789, corresponding to the value of bed nets, is non-compliant expenditure and therefore potentially recoverable.

VCS employees fabricated underlying bed net distribution documents to support inflated distribution figures

VCS manually completed paper forms entitled 'Activity 7 Distribution of Impregnated Mosquito Nets' to record the names and signatures of those who were supposed to have received bed nets ('bed net distribution activity sheets'). The information from the bed net distribution activity sheets was summarized in 'Semester Reports' prepared by VCS employees for each of the periods and regions under investigation. The bed net distribution figures contained within the final hard copy versions of the Semester Reports were used as the basis for the Principal Recipient's bi-annual progress update reports to the Global Fund.

Two VCS malaria supervisors responsible for distributing bed nets in the regions told the OIG that they had inflated bed net distribution figures in the Semester Reports and that they had fabricated underlying documentation to support the figures. The two malaria supervisors also told the OIG that a VCS administrative employee had instructed them to inflate the figures to meet targets.

When interviewed, the VCS administrative employee denied asking anyone to inflate figures in the Semester Reports or to fabricate underlying documents. The ex-director of VCS also told the OIG that he had never given instructions to inflate figures or fabricate documents. As the OIG did not find any other evidence to corroborate the statements of the VCS malaria supervisors, it was unable to conclude who was responsible for orchestrating the misrepresentation of bed net distribution information.

The OIG analyzed over 46,000 individual names and signatures on the bed net distribution activity sheets for regions 1, 7, 8 and 9 in periods 4 to 8. The purpose of the analysis was to assess if the activity sheets contained indicators that bed nets had not been distributed to beneficiaries, such as the absence of a signature to acknowledge receipt, the presence of celebrity names (a common practice in fabricating documents) and the use of similar handwriting to sign for multiple unconnected individuals.

On completion of its analysis, the OIG found that it could not obtain reasonable assurance that 20,981 bed nets, representing 45.2% of the total reviewed, had been delivered to beneficiaries on the basis of anomalies found in the bed net distribution activity sheets (refer to Exhibits 1 and 2 for examples). This figure did not include bed nets where it appeared that a single individual, such as a community health worker, mining camp leader or a family member, had signed legitimately on behalf of a group of individuals.

The OIG's analysis also found that the average incidence of signature anomalies across the regions and periods under review was similar, indicating that the fabrication of underlying bed net distribution documentation was systematic.

The OIG was unable to verify the findings of its analysis with beneficiaries as the bed net distribution activity sheets did not contain any identification information or contact details for the individuals who were recorded as having received a bed net. Furthermore, the majority of the locations where the bed nets were supposed to have been delivered are remote and logistically challenging to reach.

The OIG therefore recommends that the Secretariat requests the Principal Recipient to implement an improved process for recording the distribution of bed nets to beneficiaries which includes identification and contact information to facilitate beneficiary verification.

Agreed Management Action 1: *The Secretariat will request the Principal Recipient to develop and implement an improved process for recording the distribution of bed nets to beneficiaries which includes recording their identification and contact information. The implementation of the improved process will be verified by the Local Fund Agent.*

As a result of this fraudulent misrepresentation of information, the OIG finds that the sum of US\$ 41,789, corresponding to the value of bed nets, is non-compliant expenditure and therefore potentially recoverable.

Agreed Management Action 2: *The Secretariat will finalize and pursue, from all entities responsible, an appropriate recoverable amount. This amount will be determined by the Secretariat in accordance with its evaluation of applicable legal rights and obligations and associated determination of recovery.*

VCS employees fabricated other underlying programmatic documents

The OIG also found that VCS employees fabricated supporting documentation for a malaria surveillance activity relating to ‘the number and percentage of localities with community involvement in malaria prevention and control’.

For this activity, VCS malaria supervisors report on the number of villages or schools with committees set up for the organization of malaria prevention and control activities in each region (malaria committees). VCS malaria supervisors are required to review the malaria committee meeting minutes and report on the number of committees per locality. This information is summarized in the Semester Reports prepared by the VCS malaria supervisors who also assess if the committees are functioning.

The same two VCS malaria supervisors who had reported fabricating bed net distribution documentation, also described fabricating documents relating to malaria committees. They claimed they did not have enough time in the regions to undertake all the programmatic activity that they were required to perform.

The OIG performed an initial analysis of over 3000 pages of malaria committee minutes for regions 1, 7, 8 and 9 in periods 4 to 8. This analysis found that over 40% of all malaria committee minutes reviewed were identical photocopies with only the date, school name, or participants’ names changed (refer to Exhibit 3).

The OIG also analyzed in detail almost 800 pages of malaria committee minutes for regions 1, 7, 8 and 9 in period 7. The analysis found that almost 90% of the malaria committee minutes exhibited evidence of having been fabricated.

Agreed Management Action 3: *The Secretariat will request the Principal Recipient to implement a system for recording malaria surveillance program activity which makes use of Global Positioning System or similar technology to record the date and the location where the activity takes place. The implementation of the system will be verified by the Local Fund Agent.*

The Local Fund Agent did not detect irregularities in bed net distribution activity sheets

The OIG found that the Local Fund Agent's Progress Update and Disbursement Request³ (PU/DR) reviews for the periods covered by the OIG's investigation did not highlight any issues relating to the number of bed nets reported as distributed by the Principal Recipient.

The Local Fund Agent review involves checking the figures reported for each region with the figures reported by the Principal Recipient. Then, on a sample basis, the agent verifies the figures reported for a sub-region with the underlying bed net distribution activity sheets. This verification involves counting the signatures contained within the bed net distribution activity sheets to confirm if the figures match those in the sub-region report. The agent then checks for repeated names or other anomalies.

The Local Fund Agent told the OIG that its reviews of the bed net distribution activity sheets had not identified any fraudulent reporting and at no point did it identify the use of celebrity names. The Local Fund Agent budget for the PU/DR review covers two days' of M&E verification work per period, one of which is spent onsite at the VCS premises and the other preparing the report. This time is used to review all programmatic indicators not just the distribution of bed nets. Because of limited time, the Local Fund Agent is not able to verify thoroughly all supporting documents, particularly the sample size of the documentation.

The Local Fund Agent stated it was "disappointed" not to have been able to identify the fabricated bed net distribution activity sheets. The agent was able to point out irregularities in underlying malaria committee documents in Period 5 which it reported in the corresponding PU/DR review.

While the Local Fund Agent did not identify irregularities in the underlying bed net distribution documents, the OIG found that the agent had brought other matters of concern to the attention of the Global Fund Secretariat. The OIG also considers that the Local Fund Agent's failure to identify the irregularities in the bed net distribution documents can be attributed, at least in part, to the relatively limited time available to undertake reviews.

Agreed Management Action 4: *The Secretariat will ensure that the Local Fund Agent's future terms of reference includes spot checks of underlying programmatic documentation aimed at identifying indicators of fraudulent reporting.*

02 Inadequate Bed Net Procurement and Supply Management by VCS and Ministry of Health

The OIG was unable to verify the source and total number of the bed nets ordered, received and distributed by VCS for the periods covered by the OIG's investigation. This was due to inadequate and inaccurate records keeping by VCS and the Ministry of Health. For the same reason, the OIG was also unable to establish how many bed nets financed by the Global Fund had been distributed by VCS.

Variances in the number of bed nets recorded as distributed by VCS

The ex-director of VCS provided the OIG with a spreadsheet entitled 'LLINs procured under the Global Fund' which showed that a total of 58,368 bed nets had been distributed by VCS in periods 4 to 8. However, the OIG's analysis of the final version hard copies of the Semester Reports showed that a total of 51,900 bed nets had been reported as distributed by VCS; and the OIG's analysis of the

³ The purpose of a PU/DR is to provide an update on the programmatic and financial progress of a Global Fund-supported grant, as well as an update on fulfillment of conditions, management actions and other requirements.

bed net distribution activity sheets for the same periods showed that a total of 46,368 bed nets had been recorded as distributed (refer to Table 1 in Annex B for a summary of these variances).

Variances in the number of bed nets recorded as procured by the Global Fund and VCS

The spreadsheet provided to the OIG by the ex-director of VCS also showed a total of 40,487 bed nets procured through the Global Fund. This figure comprised an opening balance of 19,487 bed nets in January 2013, procurements of 11,000 bed nets in 2013 and 10,000 bed nets in 2014.

The OIG established that a total of 51,800 bed nets financed by the Global Fund were delivered to Guyana between January 2010 and April 2015 at a total cost of US\$ 277,373 (refer to Table 2 in Annex B). The Global Fund's records did not reconcile with the dates and amounts recorded in the spreadsheet provided by the ex-director of VCS (refer to Table 3 in Annex B for a summary of these variances).

Variances in the numbers of bed nets reported as procured and distributed by the Ministry of Health

The OIG conducted enquiries with the Ministry of Health to attempt to reconcile the variances between the numbers of bed nets reported as procured and distributed by VCS and the Global Fund's own procurement records.

The Ministry of Health procurement manager at the Materials Management Unit (MMU) warehouse in Kingston, Georgetown, provided documents which showed that two containers of bed nets had been imported to Guyana. As the MMU procurement manager was unable to confirm the date of their importation and the number of bed nets in each container, the OIG visited the MMU to verify its bed net stock control records.

The MMU's stock cards showed that the MMU received 60,848 bed nets from an unknown source on 27 March 2013 and another 11,000 bed nets from an unknown donor on 29 August 2013. The MMU's stock cards also showed that a total of 7,900 bed nets had been issued with the reference 'Global Fund' between March 2013 and April 2015, and 9,751 bed nets had been issued with a VCS reference between February 2014 and March 2015.

The MMU procurement manager initially referred the OIG to a VCS employee for further information on the ordering and delivery of bed nets. When the investigators found that the employee had left, the MMU procurement manager then referred the OIG to the director of a warehouse in Diamond, Georgetown, which is also referred to as 'the Bond'.

The MMU procurement manager told the OIG that bed nets are stored in the Bond once they arrive in Guyana by sea freight. However, the Bond director told the OIG that bed nets are not stored in the Bond. The Bond director was unable to provide any further information and she referred the OIG to another VCS employee who did not respond to the OIG's requests for information.

The OIG therefore also found significant variances between the numbers of bed nets recorded as procured and distributed by VCS, the records maintained by the the Ministry of Health and the Global Fund's own records (refer to Tables 1 and 3 in Annex B).

The Local Fund Agent also told the OIG that it had identified serious concerns with bed net stock control in its period 7 PU/DR review which were subsequently raised by the Global Fund Secretariat to the Principal Recipient in a Management Letter.

Due to this inadequate and inaccurate records keeping by VCS and the Ministry of Health, the OIG was unable to verify the number of bed nets financed by the Global Fund that were distributed by VCS during the periods covered by its investigation.

Agreed Management Action 5: *The Secretariat will request the Principal Recipient to develop and implement an improved procurement and supply management (PSM) plan which will address the shortcomings in the ordering, inventory management and distribution of Global Fund financed health products identified by the investigation. The implementation of the new PSM plan will be verified by the Local Fund Agent.*

03 Irregularities in Fuel Use by VCS and VCS Driver Expenses Claims

The OIG found that a substantial proportion of the fuel purchased by VCS in periods 7 and 8 was missappropriated. The OIG considers fuel purchases totaling GY\$ 2,439,788 (US\$ 11,290) to be non-compliant and therefore potentially recoverable expenditures.

The OIG also found that some VCS drivers' claims for 'per diem' expenses in periods 7 and 8 were inconsistent with entries in vehicle log books. Therefore the OIG considers that 'per diem' claims totaling GY\$ 840,000 (US\$ 3,887) are non-compliant expenditures and potentially recoverable.

Irregularities in the use of fuel by VCS

VCS has a fleet of 4x4 vehicles, small all-terrain vehicles (ATVs), and boats for undertaking malaria surveillance work in the regions. VCS maintains vehicle log books to record the name of the driver, the locations, distance travelled and fuel purchases made for the vehicles and boats. VCS prepared fuel consumption and mileage reports for the regions, and fuel logs for vehicles, in periods 7 and 8; however, these documents were not provided to the OIG.

The OIG compared the fuel purchased by VCS in periods 7 and 8 with the distance travelled information recorded in the vehicle log books for the same periods. The OIG analysis included a breakdown of gasoline and diesel purchases for vehicles and for the regions under review, as well as a breakdown of distance travelled⁴ by type of fuel used (whether gasoline or diesel). Table 4 in Annex B summarizes the analysis.

VCS employees told the OIG that some of the fuel purchased in regions 7 and 8 is given to third-party boat operators so they can transport VCS employees. Some of the gasoline purchased in region 8 is used to fuel an aircraft used by VCS employees to access a remote town. However, as no documentary evidence was located by or provided to the OIG to support these statements, the investigators were unable to take this reported use of VCS fuel by third parties into account.

The OIG also identified that two VCS 4x4 vehicles were refueled in periods 7 and 8. However, no log books for these vehicles were provided to the OIG. It is therefore possible that additional distance travelled information was recorded in these log books which the OIG was unable to include in its analysis. The OIG's analysis could also not take into account any fuel that was purchased prior to period 7 and carried over, and any fuel that remained unused after period 8.

The analysis identified that GY\$ 240,000 (US\$ 1,111) of diesel was purchased in region 1 in period 7 and yet no distance travelled information for this region was recorded in vehicle log books during the period. Similarly, gasoline totaling GY\$ 700,800 (US\$ 3,243) was purchased in region 8 in periods 7 and 8, while no distance travelled information for region 8 was recorded in vehicle log books during the two periods. Due to the absence of any documentary evidence to confirm that this fuel was used by VCS and had not been misappropriated, the OIG finds that these fuel purchases are non-compliant expenditures and therefore potentially recoverable.

⁴ Although the majority of the distance travelled information in the vehicle log books was recorded in kilometers (kms), distance travelled information was also sometimes recorded in miles, apparently interchangeably with kms. For the purposes of the OIG's analysis, all distance traveled information is assumed to have been in kms.

An analysis of fuel consumption compared to total distance travelled in regions 1 and 7 for periods 7 and 8 showed significant disparities. The OIG considers that a significant proportion of this fuel was misappropriated. The OIG therefore finds that fuel purchases totaling GY\$ 1,498,988 (US\$ 6,936) are also non-compliant expenditures and potentially recoverable.

The OIG compared the volume of fuel purchased in periods 7 and 8 with the distance travelled information recorded in vehicle log books. Table 5 in Annex B lays out this analysis. The analysis shows that the average fuel consumption for VCS vehicles in periods 7 and 8 was 45.02 liters per 100km for gasoline and 39.40 liters per 100km for diesel.

The OIG was informed by a VCS employee that the VCS 4x4 vehicle used to travel to region 8 has a fuel tank that holds 16 gallons of fuel. The same VCS employee told the OIG that a tank of fuel would be required to travel between Georgetown and the main town in the region, Mahdia. Based on this information, the OIG calculates that the fuel consumption for this vehicle would be 14.58 liters per 100km. Open source information indicates that official fuel consumption figures for 4x4 vehicles are in the region of 7 to 12 liters per 100km.

The OIG was also informed by the VCS malaria supervisors and the Local Fund Agent that vehicle travel in the regions, particularly in the rainy season, can be extremely challenging. In the mining areas of regions 7 and 8 particularly, roads are poorly maintained and it may take several hours to travel relatively short distances.

However, even when taking these factors into consideration, the OIG considers that the fuel consumption figures for periods 7 and 8 are excessive, and represent further evidence that a substantial proportion of the fuel purchased by VCS was misappropriated.

Discrepancies in 'per diem' claims made by VCS drivers

The OIG also identified discrepancies between the claims for 'per diems' made by VCS drivers and the vehicle log books.

VCS staff are entitled to claim 'per diems' for each day they travel and perform work outside of the capital, Georgetown. The 'per diem' claims submitted by VCS employees have to show the dates and the locations that they visit. Following its mission to Guyana, the OIG compared the locations and dates of 'per diems' claimed by VCS employees in periods 7 and 8 with the locations and dates recorded in the VCS vehicle log books.

The OIG's analysis identified discrepancies between the locations and dates for which 'per diems' were claimed and the information recorded in the vehicle log books relating to five VCS drivers totaling GY\$ 840,000 (US\$ 3,887). A table summarizing these discrepancies can be found in Table 6, Annex B.

The OIG considers that the discrepancies identified could have arisen from the inaccurate completion of the vehicle log books, or the missing data may have been recorded in the vehicle log books that were not provided to the OIG. However, in the absence of other means to verify the drivers' whereabouts, the OIG finds that driver 'per diem' claims totaling GY\$ 840,000 (approximately US\$ 3,887) are non-compliant expenditures and therefore potentially recoverable.

Agreed Management Action 6: The Secretariat will request the Principal Recipient to develop and implement an improved process for recording and reporting the use of VCS vehicles and fuel purchases to enable the Global Fund to obtain assurance that fuel financed by the Global Fund is being used appropriately. The implementation of the new process will be verified by the Local Fund Agent.

04 Inadequate Management of Global Fund Malaria Program by VCS

The OIG found that the overall management of the Global Fund malaria program by the ex-director of VCS and the standard of oversight exercised by the ex-senior VCS M&E technician were inadequate. The OIG considers that this facilitated the fraudulent misrepresentation and other irregularities identified in its investigation.

Poor record-keeping by VCS

The OIG noted that the standard of record-keeping within VCS was poor, as evidenced by the findings set out in this report. The ex-director of VCS stated that record-keeping had not been a strong attribute of VCS and the MMU for a number of years but that he considered that significant improvements had been made. He also told the OIG that some documents, including reports, vehicle log books and internal health product requisition books, had gone missing from the VCS administrative office prior to the OIG's mission.

Conversely, the OIG also found that the financial accounting undertaken on behalf of VCS by the Principal Recipient's Health Strengthening and Development Unit (HSDU) was well organized and performed to a high standard.

The ex-director of VCS had competing professional responsibilities

The ex-director of VCS told the OIG that he maintained a private medical practice which carried out medical examinations for individuals applying for visas for the United States. During its investigation, the OIG found evidence that the ex-director of VCS had rented an office in a local hospital between 08.00 and 14.30 daily to conduct these examinations.

The ex-director of VCS subsequently clarified that his private practice office was open from 07.00 to 15.00 and that his staff were in the office during this time to book his private practice appointments. He further stated that the appointments took place from 06.45, or during his lunch hour, and that he was in his office at VCS by 08.00.

The ex-director of VCS claimed that his position required him to manage other diseases in Guyana including dengue fever, chikungunya and leishmaniasis. He said that these responsibilities meant that he could not micromanage every aspect of VCS and some tasks were delegated to individuals who, in his opinion, did not perform well.

Based on these findings, the OIG considers that the ex-director's competing professional responsibilities limited the time that he was able to manage the Global Fund malaria program, and therefore contributed to his inadequate management.

VCS' failure to respond to Global Fund Secretariat Management Letters

As part of its investigation, the OIG reviewed the Management Letters that the Global Fund Secretariat sent to the Principal Recipient during the periods under review. The Management Letters summarize the Global Fund's reviews of the PU/DRs prepared by the Principal Recipient for periods 4 to 8.

The Management Letters show that throughout periods 4 to 8 the Global Fund Secretariat made repeated requests to the Principal Recipient to improve its performance in relation to areas that are the subject of this report. These included requesting the Principal Recipient to:

1. ensure that it uploaded invoices relating to its purchase of bed nets financed by the Global Fund into the Global Fund procurement system;

2. develop procedures for monitoring and controlling fuel consumption, including the submission of detailed fuel logs for each vehicle and region, with every PU/DR submitted to the Global Fund; and
3. request the MMU warehouse to provide monthly stock levels of bed nets and provide the Global Fund with the number and locations of distributed bed nets that were financed by the Global Fund and by the Ministry of Health.

The first two actions were brought to the Principal Recipient's attention by the Global Fund Secretariat in October 2013, and the third point in May 2015. However, none of these issues had been satisfactorily addressed by VCS by December 2015.

The ex-director of VCS told the OIG that, as a department within the Ministry of Health, VCS itself is dependent on other departments of the Ministry of Health. In this context, he considered that the implementation of the first and third actions was the responsibility of the MMU, and that the managers of the MMU had not responded to his requests to implement the actions in a timely manner.

With regard to the second action, the ex-director of VCS stated that this information was provided to the Global Fund for period 7. However, the OIG established that the Local Fund Agent identified significant issues with the documentation provided by VCS such that it could not provide assurance that the fuel purchased in this period had been used appropriately.

Given that the ex-director of VCS occupied his position for over two and a half years, the OIG considers that his explanations are insufficient to account for why the actions were not addressed, and that VCS' failure to implement the actions satisfactorily represents further evidence of his inadequate management of the Global Fund malaria program.

The OIG found evidence from different sources that the ex-director of VCS' overall management of the Global Fund malaria program was inadequate. The OIG considers that a contributing factor for this poor management was his competing professional responsibilities. Since the departure of the ex-director of VCS on 9 December 2015, the Principal Recipient has appointed a new interim director of VCS and two interim deputy directors; one with responsibility for the malaria program.

Poor standard of M&E oversight by VCS

The OIG also found that the individual appointed as the senior managing M&E technician in VCS (the ex-VCS senior managing M&E technician) in January 2014 had no relevant qualifications or prior M&E experience. Furthermore, he produced no written output to document the M&E work he claimed to have conducted in the regions in periods 6 and 7.

The ex-director of VCS told the OIG that the role of the ex-senior managing M&E technician was to monitor the malaria program which included measuring indicators and ensuring field staff were performing as they should. He did not believe that the role required any specialist knowledge. However, he did not provide the OIG with the terms of reference or a job specification for the role so the OIG was unable to verify his statement.

The ex-director of VCS subsequently stated that, although the ex-senior managing M&E technician had no previous experience as an M&E technician compared to the other candidates who applied for the position, he considered that the individual appointed surpassed the other candidates in terms of his knowledge of the Global Fund malaria program.

The ex-senior managing M&E technician told the OIG that he initially joined VCS as an administrative assistant in March 2013 and shortly afterwards became assistant to the ex-director of VCS. He said he had no relevant qualifications and no previous experience of conducting M&E work,

nor did he have any prior specialist knowledge of the Global Fund malaria program other than the experience he gained after he joined VCS as an administrative assistant.

The ex-senior managing M&E technician visited the regions to verify the work undertaken by VCS employees. He stated that in periods 6 and 7 he had produced no written reports of his M&E visits and had only been given verbal instructions by the ex-director of VCS. This statement was confirmed by the ex-director of VCS.

The ex-senior managing M&E technician started producing written M&E reports in period 8 and provided examples to the OIG. The reports were based on a comparison of the dates of VCS employee 'per diem' claims with the dates of underlying documents completed by the VCS employees who visited the regions during period 8. He told the OIG that following his review, payments for 'per diems' had stopped for some VCS employees as there was insufficient evidence to justify their claims.

Two VCS malaria supervisors who work in the regions told the OIG that the ex-senior managing M&E technician had never visited them. They also told the OIG that they were not aware of the findings of the ex-senior managing M&E technician's M&E reports for period 8. When shown copies of the reports, they contested their findings.

The OIG also considers that poor M&E oversight by VCS facilitated the fraudulent misrepresentation and other irregularities identified by the investigation. Following the resignation of the ex-senior managing M&E technician on 9 November 2015, the Principal Recipient, at the time of writing, has not yet appointed a new M&E technician to VCS.

Agreed Management Action 7: *The Secretariat will request the Principal Recipient to appoint a new M&E technician within VCS who is suitably qualified and experienced as soon as is practicable. The appointment will be reviewed and approved by the Secretariat.*

IV. Conclusion

The investigation found a series of irregularities relating to the inflation of programmatic data, the fabrication of underlying programmatic documentation, and anomalies in fuel consumption and 'per diem' claims. These irregularities affected expenditures totaling US\$56,966 which the OIG considers to be non-compliant, and therefore potentially recoverable.

The OIG concludes that these irregularities were facilitated by the inadequate management of the Global Fund malaria program by VCS, which included poor record-keeping and a failure to respond to Global Fund Secretariat Management Actions.

The Principal Recipient has appointed a new interim director of VCS and two new interim deputy directors, one with responsibility for the malaria program. The Global Fund Secretariat has also agreed to implement six management actions to mitigate the risk that the irregularities identified by the investigation will reoccur.

V. Table of Agreed Management Actions

#	Category	Agreed Management Action	Target date	Owner
1	Financial & Fiduciary Risks	The Secretariat will request the Principal Recipient to develop and implement an improved process for recording the distribution of bed nets to beneficiaries which includes recording their identification and contact information. The implementation of the improved process will be verified by the Local Fund Agent.	30 September 2016	Head of Grant Management
2	Financial & Fiduciary Risks	The Global Fund Secretariat will finalize and pursue, from all entities responsible, an appropriate recoverable amount. This amount will be determined by the Secretariat in accordance with its evaluation of applicable legal rights and obligations and associated determination of recoverability.	31 December 2016	Recoveries Committee
3	Financial & Fiduciary Risks	The Secretariat will request the Principal Recipient to implement a system for recording malaria surveillance program activity which makes use of Global Positioning System or similar technology to record the date and the location where the activity takes place. The implementation of the system will be verified by the Local Fund Agent.	31 March 2017	Head of Grant Management
4	Governance Oversight & Management Risks	The Secretariat will ensure that the Local Fund Agent's future terms of reference include spot checks of underlying programmatic documentation aimed at identifying indicators of fraudulent reporting.	30 June 2016	Head of Grant Management
5	Financial & Fiduciary Risks	The Secretariat will request the Principal Recipient to develop and implement an improved procurement and supply management (PSM) plan which will address the shortcomings in the ordering, inventory management and distribution of Global Fund financed health products identified by the investigation. The implementation of the new PSM plan will be verified by the Local Fund Agent.	30 September 2016	Head of Grant Management
6	Financial & Fiduciary Risks	The Secretariat will request the Principal Recipient to develop and implement an improved process for recording and reporting the use of VCS vehicles and fuel purchases to enable the Global Fund to obtain assurance that fuel financed by the Global Fund is being used appropriately. The implementation of the new process will be verified by the Local Fund Agent.	30 September 2016	Head of Grant Management
7	Governance Oversight & Management Risks	The Secretariat will request the Principal Recipient to appoint a new M&E technician within VCS who is suitably qualified and experienced as soon as is practicable. The appointment will be reviewed and approved by the Secretariat.	30 June 2016	Head of Grant Management

Annex A: Methodology

The Investigations Unit of the OIG is responsible for conducting investigations of alleged fraud, abuse, misappropriation, corruption and mismanagement (collectively, “fraud and abuse”) within Global Fund financed programs and by Principal Recipients and Sub-recipients, (collectively, “grant implementers”), Country Coordinating Mechanisms and Local Fund Agents, as well as suppliers and service providers.⁵

While the Global Fund does not typically have a direct relationship with the recipients’ suppliers, the scope of the OIG’s work⁶ encompasses the activities of those suppliers with regard to the provision of goods and services. The authority required to fulfill this mandate includes access to suppliers’ documents and officials.⁷ The OIG relies on the cooperation of these suppliers to properly discharge its mandate.⁸

OIG investigations aim to: (i) identify the specific nature and extent of fraud and abuse affecting Global Fund grants, (ii) identify the entities responsible for such wrongdoings, (iii) determine the amount of grant funds that may have been compromised by fraud and abuse, and (iv), place the organization in the best position to obtain recoveries through the identification of the location or the uses to which the misused funds have been put.

OIG conducts administrative, not criminal, investigations. Its findings are based on facts and related analysis, which may include drawing reasonable inferences based upon established facts. Findings are established by a preponderance of credible and substantive evidence. All available evidence is considered by the OIG, including inculpatory and exculpatory information.⁹

The OIG finds, assesses and reports on facts. On that basis, it makes determination on the compliance of expenditures with the grant agreements and details risk-prioritized Agreed Management Actions. Such Agreed Management Actions may notably include the identification of expenses deemed non-compliant for considerations of recovery, recommended administrative action related to grant management and recommendations for action under the Code of Conduct for Suppliers¹⁰ or the Code of Conduct for Recipients of Global Fund Resources¹¹ (the “Codes”), as appropriate. The OIG does not determine how the Secretariat will address these determinations and recommendations. Nor does it make judicial decisions or issue sanctions.¹²

Agreed Management Actions are agreed with the Secretariat to identify, mitigate and manage risks to the Global Fund and its recipients’ activities. The OIG defers to the Secretariat and, where

⁵ Charter of the Office of the Inspector General (19 March 2013), available at:

<http://theglobalfund.org/documents/oig/OIGOfficeOfInspectorGeneralCharteren/>, accessed 01 November 2013.

⁶ Charter of the Office of the Inspector General (19 March 2013) § 2, 9.5 and 9.7.

⁷ *Ibid.*, § 17.1 and 17.2

⁸ Global Fund Code of Conduct for Suppliers (15 December 2009), § 17-18, available at:

<http://theglobalfund.org/documents/corporate/CorporateCodeOfConductForSuppliersPolicyen/>, accessed 01 November 2013. Note: Every grant is subject to the Global Fund’s Standard Terms and Conditions (STC) of the Program Grant Agreement signed for that grant. The above Code of Conduct may or may not apply to the grant.

⁹ These principles comply with the *Uniform Guidelines for Investigations*, Conference of International Investigators, June 2009; available at: <http://www.un.org/Depts/oios/pages/uniformguidelines.html>, accessed 01 November 2013.

¹⁰ See fn. 16, supra

¹¹ Code of Conduct for Recipients of Global Fund Resources (16 July 2012) available at:

<http://theglobalfund.org/documents/corporate/CorporateCodeOfConductForRecipientsPolicyen/>, accessed 01 November 2013. Note: Every grant is subject to the STC of the Program Grant Agreement signed for that grant. The above Code of Conduct may or may not apply to the grant.

¹² Charter of the Office of the Inspector General (19 March 2013) § 8.1

appropriate, the recipients, their suppliers and/or the concerned national law enforcement agencies, for action upon the findings in its reports.

The OIG is an administrative body with no law enforcement powers. It cannot issue subpoenas or initiate criminal prosecutions. As a result, its ability to obtain information is limited to the rights to it under the grant agreements agreed to with recipients by the Global Fund, including the terms of its Codes, and on the willingness of witnesses and other interested parties to voluntarily provide information.

The OIG also provides the Global Fund Board with an analysis of lessons learned for the purpose of understanding and mitigating identified risks to the grant portfolio related to fraud and abuse.

Finally, the OIG may make referrals to national authorities for prosecution of any crimes or other violations of national laws, and supports such authorities as necessary throughout the process, as appropriate.

01 Applicable Concepts of Fraud and Abuse

The OIG bases its investigations on the contractual commitments undertaken by recipients and suppliers. It does so under the mandate set forth in its Charter to undertake investigations of allegations of fraud and abuse in Global Fund supported programs.

As such, it relies on the definitions of wrongdoing set out in the applicable grant agreements with the Global Fund and the contracts entered into by the recipients with other implementing entities in the course of program implementation.

Such agreements with Sub-recipients must notably include pass-through access rights and commitments to comply with the Codes. The Codes clarify the way in which recipients are expected to abide by the values of transparency, accountability and integrity which are critical to the success of funded programs. Specifically, the Code of Conduct for Recipients prohibits recipients from engaging in corruption, which includes the payment of bribes and kickbacks in relation to procurement activities.¹³

The Codes notably provide the following definitions of the relevant concepts of wrongdoings:¹⁴

- “Anti-competitive practice” means any agreement, decision or practice which has as its object or effect the restriction or distortion of competition in any market.
- “Collusive practice” means an arrangement between two or more persons or entities designed to achieve an improper purpose, including influencing improperly the actions of another person or entity.
- “Conflict of Interest”: A conflict of interest arises when a Recipient or Recipient Representative participates in any particular Global Fund matter that may have a direct and predictable effect on a financial or other interest held by: (a) the Recipient; (b) the Recipient Representative; or (c) any person or institution associated with the Recipient or Recipient Representative by contractual, financial, agency, employment or personal relationship. For instance, conflicts of interest may exist when a Recipient or Recipient Representative has a financial or other interest that could affect the conduct of its duties and responsibilities to manage Global Fund Resources. A conflict of interest may also exist if a Recipient or Recipient Representative’s financial or other interest compromises or undermines the trust that Global Fund Resources are managed and utilized in a manner that is transparent, fair, honest and accountable.

¹³ Code of Conduct for Recipients of Global Fund Resources, section 3.4.

¹⁴ Available at: <http://theglobalfund.org/documents/corporate/CorporateCodeOfConductForRecipientsPolicyen/> and http://theglobalfund.org/documents/corporate/Corporate_CodeOfConductForSuppliers_Policy_en/

- “Corrupt practice” means the offering, promising, giving, receiving or soliciting, directly or indirectly, of anything of value or any other advantage to influence improperly the actions of another person or entity.
- “Fraudulent practice” means any act or omission, including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a person or entity to obtain a financial or other benefit or to avoid an obligation.
- “Misappropriation” is the intentional misuse or misdirection of money or property for purposes that are inconsistent with the authorized and intended purpose of the money or assets, including for the benefit of the individual, entity or person they favor, either directly or indirectly.

02 Determination of Compliance

The OIG presents factual findings which identify compliance issues by the recipients with the terms of the Global Fund’s Standard Terms and Conditions (STC) of the Program Grant Agreement. Such compliance issues may have links to the expenditure of grant funds by recipients, which then raises the issue of the eligibility of these expenses for funding by the Global Fund. Such non-compliance is based on the provisions of the STC.¹⁵ The OIG does not aim to conclude on the appropriateness of seeking refunds from recipients, or other sanctions on the basis of the provisions of the Program Grant Agreement.

Various provisions of the STC provide guidance on whether a program expense is eligible for funding by the Global Fund. It is worth noting that the terms described in this section are to apply to Sub-Recipients as well as Principal Recipients.¹⁶

At a very fundamental level, it is the Principal Recipient’s responsibility “to ensure that all grant funds are prudently managed and shall take all necessary action to ensure that grant funds are used solely for Program purposes and consistent with the terms of this Agreement”.¹⁷

In practice, this entails abiding by the activities and budgetary ceilings proposed in the Requests for Disbursement, which in turn must correspond to the Summary Budget(s) attached to Annex A of the Program Grant Agreement. While this is one reason for expenses to be ineligible, expending grant funds in breach of other provisions of the Program Grant Agreement also results in a determination of non-compliance.

Even when the expenses are made in line with approved budgets and work plans, and properly accounted for in the program’s books and records, such expenses must be the result of processes and business practices which are fair and transparent. The STC specifically require that the Principal Recipient ensures that: (i) contracts are awarded on a transparent and competitive basis, [...] and (iv) that the Principal Recipient and its representatives and agents do not engage in any corrupt practices as described in Article 21(b) of the STC in relation to such procurement.¹⁸

The STC explicitly forbid engagement in corruption or any other related or illegal acts when managing Grant Funds: “The Principal Recipient shall not, and shall ensure that no Sub-recipient or person affiliated with the Principal Recipient or any Sub-recipient [...] participate(s) in any other practice that is or could be construed as an illegal or corrupt practice in the Host Country.”¹⁹

¹⁵ The STC are revised from time to time, but the provisions quoted below applied to all Principal Recipients at the time of the investigation.

¹⁶ Standard Terms and Conditions (2012.09) at Art. 14(b):

<http://www.theglobalfund.org/documents/core/grants/CoreStandardTermsAndConditionsAgreementen>

¹⁷ Id. at Art. 9(a) and Art 18(f)

¹⁸ Id. at Art. 18(a)

¹⁹ Id., at Art. 21 (b)

Amongst prohibited practices is the rule that the Principal Recipient shall not and shall ensure that no person affiliated with the Principal Recipient “engage(s) in a scheme or arrangement between two or more bidders, with or without the knowledge of the Principal or Sub-recipient, designed to establish bid prices at artificial, non-competitive levels.”²⁰

The Global Fund’s Code of Conduct for Suppliers and Code of Conduct for Recipients further provide for additional Principals by which recipients and contractors must abide, as well as remedies in case of breaches of said fundamental Principals of equity, integrity and good management. The Codes also provide useful definitions of prohibited conducts.²¹

The Codes are integrated into the STC through Article 21(d) under which the Principal Recipient is obligated to ensure that the Global Fund’s Code of Conduct for Suppliers is communicated to all bidders and suppliers.²² It explicitly states that the Global Fund may refuse to fund any contract with suppliers found not to be in compliance with the Code of Conduct for Suppliers. Similarly, Article 21(e) provides for communication of the Code of Conduct for Recipients to all Sub-recipients, as well as mandatory application through the Sub-recipient agreements.²³

Principal Recipients are contractually liable to the Global Fund for the use of all grant funds, including expenses made by Sub-recipients and contractors.²⁴

The factual findings made by the OIG following its investigation and summarized through this report can be linked to the prohibited conducts or other matters incompatible with the terms of the Program Grant Agreements.

03 Reimbursements or Sanctions

The Secretariat of the Global Fund is subsequently tasked with determining what management actions or contractual remedies will be taken in response to those findings.

Such remedies may notably include the recovery of funds compromised by contractual breaches. Article 27 of the STC stipulates that the Global Fund may require the Principal Recipient “to immediately refund the Global Fund any disbursement of the grant funds in the currency in which it was disbursed [in cases where] there has been a breach by the Principal Recipient of any provision of this (sic) Agreement [...] or the Principal Recipient has made a material misrepresentation with respect to any matter related to this Agreement.”²⁵

According to Article 21(d), “in the event of non-compliance with the Code of Conduct, to be determined by the Global Fund in its sole discretion, the Global Fund reserves the right not to fund the contract between the Principal Recipient and the Supplier or seek the refund of the grant funds in the event the payment has already been made to the Supplier.”²⁶

Furthermore, the UNIDROIT Principals (2010), the Principals of law governing the grant agreement, in their article 7.4.1, provide for the right of the Global Fund to seek damages from the Principal Recipient in case non-performance, in addition to any other remedies the Global Fund may be entitled to.

²⁰ Id. at Art. 21(b)

²¹ Available at: <http://www.theglobalfund.org/documents/corporate/CorporateCodeOfConductForSuppliersPolicyen> ; <http://www.theglobalfund.org/documents/corporate/CorporateCodeOfConductForRecipientsPolicyen>

²² Standard Terms and Conditions (2012.09) at Art. 21(d)

²³ Id. at Art. 21(e)

²⁴ Id. at Art. 14

²⁵ Id. at Art. 27(b) and (d)

²⁶ Id.

Additional sanctions, including with respect to Suppliers, may be determined pursuant to the Sanction Procedure of the Global Fund, for breaches to the Codes.

In determining what non-compliant expenditures are to be proposed as recoverables, the OIG advises the Secretariat that such amounts typically should be: (i) amounts, for which there is no reasonable assurance about delivery of goods or services (unsupported expenses, fraudulent expenses, or otherwise irregular expenses without assurance of delivery), (ii) amounts which constitute overpricing between the price paid and comparable market price for such goods or services, or (iii) amounts which are ineligible (non-related) to the scope of the grant and its approved work plans and budgets.

Annex B: Analysis Tables

Table 1 – Variances in bed nets recorded as distributed

Comparison of variances in bed net distribution records maintained by VCS and the Ministry of Health							
Source of data	Bed nets recorded as distributed					Total	% Variance
	Period 4	Period 5	Period 6	Period 7	Period 8		
Ex-Director of VCS' spreadsheet 'LLINS procured under TGF'	5616	22305	9795	12650	8002	58368	100.0%
VCS hard-copy Semester Reports	5639	20091	5114	12850	8206	51900	
Variance vs. Ex-Director's spreadsheet	23	-2214	-4681	200	204	-6468	88.9%
VCS bed net activity sheets	6446	15002	4248	12632	8040	46368	
Variance vs. Ex-Director's spreadsheet	830	-7303	-5547	-18	38	-12000	79.4%
MMU stock records	1600	200	6100			7900	
Variance vs. Ex-Director's spreadsheet	-4016	-22105	-3695	-12650	-8002	-50468	13.5%

Table 2 - Summary of bed nets financed by the Global Fund

Delivery Date	No. of nets procured	Cost of nets (US\$)
31-Jan-10	10,000	67,750
29-Apr-11	10,400	69,099
18-Oct-11	5,000	31,275
24-Aug-12	16,400	73,144
28-Apr-15	10,000	36,105
Total	51,800	277,373

Source: Global Fund PQR database

Table 3 – Variances in bed nets procured according to VCS, Ministry of Health and Global Fund sources

Source of data	Bed nets procured				
	2012	2013	2014	2015	Totals
Ex-Director's spreadsheet 'LLIN's procured under the Global Fund'	19,487*	11,000	10,000	-	40,487
Global Fund PQR database	16,400			10,000	26,400
MMU Records**		11,000			71,848
MMU Records (source of bed nets not recorded)		60,848			

* Stock remaining as of 31.12.12

** The supplier confirmed that 11,000 bed nets were delivered to Guyana but it was not able to confirm the name of the non-Global Fund donor that financed the purchase of the bed nets.

Table 4 - Analysis of fuel purchases and distance travelled in Periods 7 and 8

	Region 1	Region 7	Region 8	Region 9	G'town / Region 10	Region unknown	Total distance travelled	Total fuel purchased / used (GY\$)
Period 7								
Distance travelled CF 6562 (Gasoline)	1,425						1,425	
Distance travelled ATV 5439 (Gasoline)		1,488				363	1,851	
Distance travelled PKK 915 (Diesel)					767	0	767	94,033
Distance travelled PKK 2589 (Diesel)						6,117	6,117	167,621
Distance travelled PMM 7322 (Gasoline)					2,743	3,289	6,032	350,181
Distance travelled PPP 1424 (Diesel)		252	397	3,614	3,302		7,565	169,651
Distance travelled by gasoline vehicles	1,425	1,488			2,743	3,652	9,308	
Distance travelled by diesel vehicles		252	397	3,614	4,069	6,117	14,449	
Total distance travelled by vehicles	1,425	1,740	397	3,614	6,812	9,769	23,757	
Gasoline purchased in region	180,000	662,696	297,000					1,139,696
Diesel purchased in region	240,000		162,000					402,000
Total fuel purchased in region	420,000	662,696	459,000					1,541,696
Vehicle gasoline used in region					159,242	190,939		350,181
Vehicle diesel used in region		5,651	8,903	81,047	168,083	167,621		431,305
Total vehicle fuel used		5,651	8,903	81,047	327,325	358,560		781,486
Total gasoline purchased / used in region	180,000	662,696	297,000		159,242	190,939		1,489,877
Gasoline cost per distance travelled	126.32	445.36	297,000		58.05	58.05		
Total diesel purchased / used in region	240,000	5,651	170,903	81,047	168,083	167,621		833,305
Diesel cost per distance travelled	240,000	22.43	430.49	22.43	41.31	27.40		
Period 8								
Distance travelled CF 6562 (Gasoline)								
Distance travelled ATV 5439 (Gasoline)								
Distance travelled PKK 915 (Diesel)					1,041	438	1,479	36,966
Distance travelled PKK 2589 (Diesel)		948		510	216	1,172	2,846	110,571
Distance travelled PMM 7322 (Gasoline)					5,378		5,378	179,745
Distance travelled PPP 1424 (Diesel)		249	5,145		1,264		6,658	128,615
Distance travelled by gasoline vehicles					5,378		5,378	
Distance travelled by diesel vehicles		1,197	5,145	510	2,521	1,610	10,983	
Total distance travelled by vehicles		1,197	5,145	510	7,899	1,610	16,361	
Gasoline purchased in region		303,000	403,800					706,800
Diesel purchased in region		306,000	138,000					444,000
Total fuel purchased in each region		609,000	541,800					1,150,800
Vehicle gasoline used in region					179,745			179,745
Vehicle diesel used in region		41,641	99,388	19,814	58,828	56,481		276,152
Total vehicle fuel used		41,641	99,388	19,814	238,573	56,481		455,897
Total gasoline purchased / used in region		303,000	403,800		179,745			886,545
Gasoline cost per distance travelled		303,000	403,800		33.42			
Total diesel purchased / used in region		347,641	237,388	19,814	58,828	56,481		720,152
Diesel cost per distance travelled		290.43	46.14	38.85	7.45	35.08		

	Region 1	Region 7	Region 8	Region 9	G'town / Region 10	Region unknown	Total distance travelled	Total fuel purchased / used (GY\$)
Periods 7 and 8 combined								
Distance travelled CF 6562 (Gasoline)	1,425						1,425	
Distance travelled ATV 5439 (Gasoline)		1,488				363	1,851	
Distance travelled PKK 915 (Diesel)					1,808	438	2,246	130,999
Distance travelled PKK 2589 (Diesel)		948		510	216	7,289	8,963	278,192
Distance travelled PMM 7322 (Gasoline)					8,121	3,289	11,410	529,926
Distance travelled PPP 1424 (Diesel)		501	5,542	3,614	4,566		14,223	298,266
Distance travelled by gasoline vehicles	1,425	1,488			8,121	3,652	14,686	
Distance travelled by diesel vehicles	0	1,449	5,542	4,124	6,590	7,727	25,432	
Total distance travelled by vehicles	1,425	2,937	5,542	4,124	14,711	11,379	40,118	
Gasoline purchased in region	180,000	965,696	700,800					1,846,496
Diesel purchased in region	240,000	306,000	300,000					846,000
Total fuel purchased in each region	420,000	1,271,696	1,000,800					2,692,496
Vehicle gasoline used in region					338,987	190,939		529,926
Vehicle diesel used in region		47,292	108,291	100,861	226,911	224,102		707,457
Total vehicle fuel used		47,292	108,291	100,861	565,897	415,041		1,237,383
Total gasoline purchased / used in region	180,000	965,696	700,800		338,987	190,939	529,926	2,376,422
Gasoline cost per distance travelled	126.32	648.99	700,800		41.74	58.05		
Total diesel purchased / used in region	240,000	353,292	408,291	100,861	226,911	22,410	960,165	1,553,457
Diesel cost per distance travelled	240,000	243.82	73.67	24.46	34.43	29.00		
Total irregular fuel purchase / use	420,000	1,318,988	700,800					2,439,788
Total gasoline distance travelled excluding regions 1, 7 and 8					8,121	3,642	11,763	
Gasoline cost per distance travelled excluding regions 1, 7 and 8					41.74	58.05	45.05	
Total distance travelled diesel excluding regions 1 and 7			5,542	4,124	6,590	7,727	23,983	
Diesel cost per distance travelled excluding regions 1 and 7			73.67	24.46	34.43	29.00	40.04	

Figures in bold indicate anomalies

All distance travelled figures in km

All fuel purchased / used figures in GY\$

Distance travelled information from vehicle log books provided to OIG

Fuel purchase information from VCS payment vouchers

Table 5 – Fuel consumption analysis for Periods 7 and 8

	Litres purchased	No. of drums purchased	Total drum gallons	Total drum Litres (@ 4.546 litres per gallon)	Total litres	Total cost of litres	Total cost of drums	Total cost of litres and drums	Price per Litre	Total distance travelled	litres per 100km
Period 7											
Gasoline	1,508.26	12	540	2,454.84	3,963	329,325	1,139,696	1,469,021	370.67	9,308	42.58
Diesel	3,823.64	7	315	1,431.99	5,256	839,811	402,000	1,241,811	236.28	14,449	36.37
Total cost of fuel in Period 7								2,710,832			
Period 8											
Gasoline	1,012.71	8	360	1,636.56	2,649	179,745	706,800	886,545	334.64	5,378	49.26
Diesel	2,924.15	9	405	1,841.13	4,765	498,651	444,000	942,651	197.82	10,983	43.39
Total cost of fuel in Period 8								1,829,196			
Periods 7 and 8 combined											
Gasoline	2,520.97	20	900	4,091.40	6,612	509,070	1,846,496	2,355,566	356.24	14,686	45.02
Diesel	6,747.79	16	720	3,273.12	10,021	1,338,462	846,000	2,184,462	217.99	25,432	39.40
Total cost of fuel in Periods 7 and 8								4,540,028			

All distance travelled figures in km

All fuel purchased figures in GY\$

Fuel purchase information from spreadsheets provided by HSDU

Distance travelled information from vehicle log looks

Table 6 - Discrepancies between VCS drivers' per diem claims and vehicle log books

Driver's name	Discrepancy identified in vehicle log books	Per diems claimed (GY\$)
Driver 1	No record of Driver 1 being in Region 9 on the dates of this per diem claim in Period 7	35,000
Driver 1	No record of Driver 1 being in Region 8 on the dates of this claim in Period 8	49,000
Driver 1	No record of Driver 1 being in Region 8 on the dates of this claim in Period 8	28,000
Driver 1	No record of Driver 1 being in Lethem (Region 9) on the dates of this claim in Period 8	56,000
Driver 2	No record of Driver 2 being in Bartica (Region 7) on the dates of this claim in Period 7	21,000
Driver 2	No record of Driver 2 being in Mahdia (Region 8) on the dates of this claim in Period 7	56,000
Driver 2	No record of Driver 2 being in Mahdia (Region 8) on the dates of this claim in Period 7	28,000
Driver 2	No record of Driver 2 being in Lethem (Region 9) on the dates of this claim in Period 7	42,000
Driver 2	No record of Driver 2 being in Lethem (Region 9) on the dates of this claim in Period 7	56,000
Driver 2	No record of Driver 2 being in Bartica (Region 7) on the dates of this claim in Period 8	14,000
Driver 2	No record of Driver 2 being in Bartica (Region 7) on the dates of this claim in Period 8	49,000
Driver 2	No record of Driver 2 being in Mahdia (Region 8) on the dates of this claim in Period 8	28,000
Driver 2	No record of Driver 2 being in Mahdia (Region 8) on the dates of this claim in Period 8	42,000
Driver 3	No record of Driver 3 being in Bartica (Region 7) on the dates of this claim in Period 8	35,000
Driver 3	No record of Driver 3 being in Bartica (Region 7) on the dates of this claim in Period 8	7,000
Driver 3	No record of Driver 3 being in Bartica (Region 7) on the dates of this claim in Period 8	42,000
Driver 4	No record of Driver 4 being in Olive Creek (Region 7) on the dates of this claim in Period 7	42,000
Driver 4	No record of Driver 4 being in Aranaputa (Region 9) on the dates of this claim in Period 7	14,000
Driver 4	No record of Driver 4 being in Region 9 on the dates of this claim in Period 8	28,000
Driver 5	No record of Driver 5 being in Moruca (Region 1) on the dates of this claim in Period 8	7,000
Driver 5	No record of Driver 5 being in Middle Mazaruni (Region 7) on the dates of this claim in Period 8	63,000
Driver 5	No record of Driver 5 being in Lower Mazaruni (Region 7) on the dates of this claim in Period 8	28,000
Driver 5	No record of Driver 5 being in Lower Mahdia (Region 8) on the dates of this claim in Period 8	56,000
Driver 5	No record of Driver 5 being in Lower Mahdia (Region 8) on the dates of this claim in Period 8	14,000
	Total GY\$	840,000

Annex C: Exhibits

Exhibit 1 - Example of bed net distribution sheet showing similar handwriting used to sign for multiple individuals

ACTIVITY 7: DISTRIBUTION OF IMPREGNATED MOSQUITO NETS

REGION: 7 LOCALITY: Sancta Valloffe DATE: 19.03.2014 NAME OF CAMP/VILLAGE: Lower Mazau

MINERS RESIDENTS OTHERS

No.	Name of Person	Signature	No.	Name of Person	Signature
1	Rameza Atkinson	Rameza Atkinson	26	Viana Aldine	Viana Aldine
2	Deborah D'Santos	Deborah D'Santos	27	Smith Romel	Smith Romel
3	Shalana Khan	Shalana Khan	28	Marlon Smith	Marlon Smith
4	Shania Livan	Shania Livan	29	Haron Sarah	Haron Sarah
5	Alawiana Manges	Alawiana Manges	30	Brewer Shagan	Brewer Shagan
6	Tygea McKenzie	Tygea McKenzie	31	Carraues Letecia	Carraues Letecia
7	Raubah Rasul	RABIAH RASUL	32	Khan Manasa	Khan Manasa
8	Abeyith Singh	Abeyith Singh	33	Lutchman Ashley	Lutchman Ashley
9	Cerica Smartt	Cerica Smartt	34	McLubbin Ashley	McLubbin Ashley
10	Doriana Bisscan	Doriana Bisscan	35	Ramasinda Joana	Ramasinda Joana
11	Bryanna Simpson	Bryanna Simpson	36	Moses Grelleg	Moses Grelleg
12	Neveah Fagundes	Neveah Fagundes	37	Desree Griffith	Desree Griffith
13	Alleyae Joshua	Alleyae Joshua	38	Marling Gomes	Marling Gomes
14	Allcock Justin	Allcock Justin	39	Serisia Malcom	Serisia Malcom
15	Beaton Selden	Beaton Selden	40	Jamary Henry	Jamary Henry
16	Girise Tito	Girise Tito	41	Melua Jones	Melua Jones
17	Griffith Jamal	Griffith Jamal	42	Grise Rose	Grise Rose
18	Kennedy Delroy	Kennedy Delroy	43	Christiana Alfred	Christiana Alfred
19	Marks D'Antoni	Marks D'Antoni	44	Marlena Joseph	Marlena Joseph
20	Mr Andrew Ronaldo	Mr Andrew Ronaldo	45	Theresa Paul	Theresa Paul
21	Ogerton Terence	Ogerton Terence	46	Whitney Joseph	Whitney Joseph
22	Ramalyal Rahul	RAMALYAL RAHUL	47	Tresco Small	Tresco Small
23	Robeiro Vinicius	Robeiro Vinicius	48	Josephine Gordon	Josephine Gordon
24	Stivianaie Naima	Stivianaie Naima	49	Comerap Michael	Comerap Michael
25	Wilson Eon	Wilson Eon	50	Edward Chad	Edward Chad

SIGNATURE OF CAMP OWNER: _____ SIGNATURE OF SUPERVISOR: _____

VERIFIED BY: _____

Exhibit 2 - Example of bed net distribution sheet containing celebrity names

ACTIVITY 7: DISTRIBUTION OF IMPREGNATED MOSQUITO NETS

REGION: 8 LOCALITY: Itabuca DATE: 8-9-2014 NAME OF CAMP/VILLAGE: Itabuca

MINERS RESIDENTS OTHERS

No.	Name of Person	Signature	No.	Name of Person	Signature
1	Noel John	[Signature]	26	<u>Nesma Will</u>	V. Wells
2	Saskia Jones	S. Jones	27	Shiva Persano	S. Persano
3	Volynia Clarke	V. Clarke	28	Shania Joseph	D. Joseph
4	Michael Lee	M. Lee	29	Deenning Singh	D. Singh
5	<u>James Rodriguez</u>	J. Rodriguez	30	Anita Stwaro	[Signature]
6	<u>Beckham Dave</u>	B. Dave	31	Tyrese Brown	T. Brown
7	<u>Ronaldo Luis</u>	R. Luis	32	Troy Adams	T. Adams
8	<u>Keanu Singh</u>	K. Singh	33	Keith George	A. George
9	<u>David Sample</u>	D. Sample	34	Steffan Roberts	S. Roberts
10	Dwayne Johnson	D. Johnson	35	<u>Dani Alves</u>	D. Alves
11	Robert Roberts	R. Roberts	36	<u>Silvesta Stallone</u>	S. Stallone
12	Timothy Stephens	T. Stephens	37	Andy Grands	A. Grands
13	Abiola Rose	A. Rose	38	Dwayne Alli	D. Alli
14	<u>Thea Singh</u>	T. Singh	39	Gina Sam	G. Sam
15	<u>Blanca Trump</u>	B. Trump	40	<u>Tony Montano</u>	T. Montano
16	<u>Kevan Bridge</u>	K. Bridge	41	<u>Simpson Bart</u>	S. Bart
17	Shana Hopkins	S. Hopkins	42	Joe Joe	R. Joe
18	Sauker Dass	S. Dass	43	<u>Louis Laine</u>	L. Laine
19	<u>Lionel Messi</u>	L. Messi	44	<u>Zuma Maxie</u>	B. Maxie
20	Sam Williams	S. Williams	45	<u>Clare Kent</u>	C. Kent
21	<u>Di Maria Williams</u>	D.M. Williams	46	Sony Wheeler	S. Wheeler
22	Sultan December	S. December	47	Bary Allen	B. Allen
23	Jimmy Whrong	J. Whrong	48	<u>Wesley Anderson</u>	W. Anderson
24	<u>Tiana Beckham</u>	T. Beckham	49	Tristan Keith	T. Keith
25	<u>Cristiano Ronaldo</u>	C. Ronaldo	50	<u>Latan Chong</u>	L. Chong

SIGNATURE OF CAMP OWNER: _____ SIGNATURE OF SUPERVISOR: _____

VERIFIED BY: _____

Exhibit 3: Example of identical malaria committee minutes used for different months with amended dates

ACTIVITY: 6 Minutes of Meeting (Malaria Village Council)

Region: 1 Sub-Region: _____ Month: Sept

Name of Malaria Village Council: Sebar Time Meeting

Started: 1:00 PM

Date of Meeting: 29/9/2013 Venue: Health Post Time Meeting End: 1:30 PM

Name of Participant	Occupation	Position in Council
1. Iwan Nselmo	Miner	Chairperson
2. Kenneth Singh	Farmer	Assistant Chairperson
3. Pamela Boshier	Secretary	Secretary
4. Sumita Boshier	Housewife	Member
5. Nwanneke Prince	Miner	Member
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Minutes: Members and the C.H.U plan to visit health to to check on the use of treated mosquito net. meeting plan for every last Sunday in every month

General Comments: _____

Recommendations: Make treated mosquito net along with Pastors

Members: Kenneth Singh
Sumita Boshier

Chairperson: I. Nselmo
Secretary: R. Boshier

ACTIVITY: 6 Minutes of Meeting (Malaria Village Council)

Region: 1 Sub-Region: _____ Month: Oct

Name of Malaria Village Council: Sebar Time Meeting

Started: 1:00 PM

Date of Meeting: 1/10/2013 Venue: Health Post Time Meeting End: 1:30 PM

Name of Participant	Occupation	Position in Council
1. Iwan Nselmo	Miner	Chairperson
2. Kenneth Singh	Farmer	Assistant Chairperson
3. Pamela Boshier	Secretary	Secretary
4. Sumita Boshier	Housewife	Member
5. Nwanneke Prince	Miner	Member
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Minutes: Members and the C.H.U plan to visit health to to check on the use of treated mosquito net. meeting plan for every last Sunday in every month

General Comments: _____

Recommendations: Make treated mosquito net along with Pastors

Members: Kenneth Singh
Sumita Boshier

Chairperson: I. Nselmo
Secretary: R. Boshier