

Investigation Report

Global Fund Grants in **Malawi**

Fraudulent practices in Global Fund-financed procurements

GF-OIG-25-011
2 July 2025
Geneva, Switzerland

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1. Executive Summary

1.1 Investigation at a glance

This investigation found that grant activities carried out by World Vision Malawi (WVM) in 2020 and 2021 were compromised by fraudulent practices.

The OIG found that a local vehicle supplier, Planet Car Hire (the Supplier), submitted 13 fraudulent invoices to mislead WVM into making payments for vehicles purportedly rented for Indoor Residual Spraying (IRS) campaigns. This misrepresentation knowingly or recklessly misled WVM and allowed the Supplier to obtain financial benefits and resulted in **US\$46,922¹** in non-compliant transactions.

The OIG also found that WVM Finance staff created and processed two fraudulent payments in connection with grant funds. By doing so, these staff knowingly or recklessly misled WVM in order to provide financial benefits to third parties. This resulted in **US\$22,122** in non-compliant transactions.

Due to WVM's poor record keeping and lack of supporting documentation, the OIG could not determine the compliance of additional vehicle hire expenditures related to 15 billing documents for the 2020, 2021 and 2022 IRS campaigns. This resulted in an additional **US\$56,857** in non-compliant expenditures.

Additionally, the OIG found that WVM did not communicate the Global Fund Code of Conduct to all suppliers, as required by the applicable Grant Agreement.

These practices were not in accordance with the applicable Grant Agreement between World Vision International (WVI) as the Grantee, and WVM, as Principal Recipient, in particular the Codes of Conduct for Recipients and Suppliers of Global Fund resources.

As detailed in Annex B, the OIG investigation was conducted within the scope of the Global Fund's activities and is administrative in nature. It makes no determination regarding compliance with any national law.

1.2 Genesis and Scope

Between June 2021 and April 2022, WVI, WVM's parent organization, investigated allegations concerning WVM's use of vehicle rental services. These allegations focused on alleged corrupt and collusive practices related to the 2021 IRS campaign procurement process for the selection of vehicle hire services, and fraudulent practices in relation to vehicle usage during the 2020 IRS campaign.

WVI's investigation findings were reported to the Global Fund on 29 July 2022, disclosing US\$55,067 in overpayments by WVM to suppliers for the 2020 IRS campaign. Following WVI's investigation, WVM terminated the contracts of implicated staff and recommended that WVM enhance its due diligence, negotiation, and monitoring of vehicle hire contracts.

¹ The OIG used the relevant ledger exchange rates for each season to accurately reflect the loss to the Global Fund program. For 2020, US\$1 = MWK 735; for 2021, US\$1 = MWK 804.5473; and for 2022, US\$1 = MWK 929. These rates are averages from Oanda.com, following the method used by the Global Fund Secretariat Country Teams.

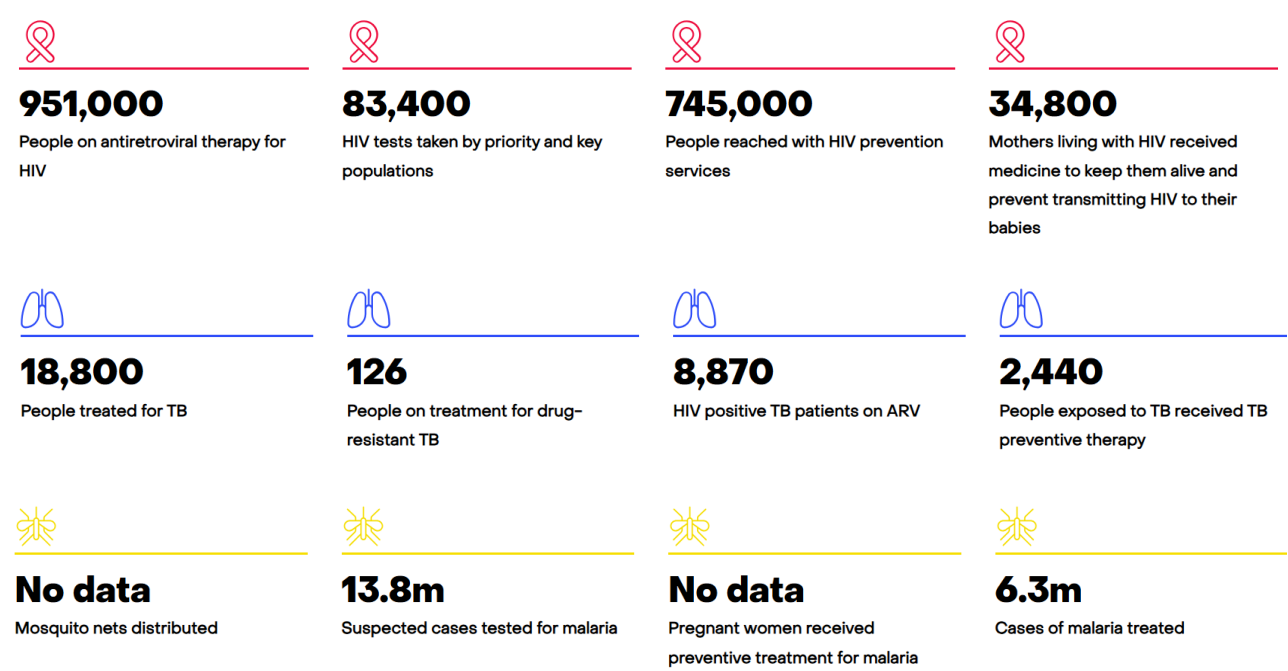
Separately, the OIG received allegations of similar fraudulent practices, affecting a wider scope of vehicle rentals covering 2020-2022. The OIG determined that WVI’s investigation only partially addressed the allegations of fraudulent practices reported to the OIG. Consequently, the OIG independently investigated expenses related to 510 vehicles supplied by nine suppliers over a three-year period, as well as a sample of WVM payments and procurements unrelated to the IRS campaigns.

On 27 November 2024, the OIG provided WVM and multiple suppliers with its preliminary findings. WVM responded on 11 December 2024, with a follow up response on 18 December 2024. Following these clarifications, the OIG made findings with respect to one supplier, Planet Car Hire. The Supplier did not respond to OIG’s Letter of Preliminary Findings, although they confirmed receipt of the letter. The OIG duly considered WVM’s response in the relevant sections of this document, and a summary of WVM’s response is included in Annex A.

1.3 Context

Since 2003, the Global Fund has invested over US\$2.2 billion in Malawi: US\$1.8 billion for HIV, US\$468 million for Malaria and US\$8 million for tuberculosis.² The malaria grant seeks to help the country eliminate malaria by 2030 by increasing the proportion of the population protected by malaria vector control interventions from 37% in 2022 to 90% in 2030.³ IRS campaigns represented a key component of grant activity.

Key Malaria, HIV and TB results of Global Fund investments in 2023 in Malawi:⁴



² The Data Explorer, <https://data.theglobalfund.org/location/MWI/financial-insights>, accessed on 25 April 2025.

³ Malawi and Global Fund Launch New Grants to Accelerate Progress Against HIV, TB and Malaria, <https://www.theglobalfund.org/en/updates/2024/2024-08-27-malawi-global-fund-new-grants-accelerate-progress-against-hiv-tb-malaria/>, accessed on 1 April 2025.

⁴ In 2023, Routine Bed Net distribution and Preventive Treatment for Pregnant Women were not funded by the Global Fund. During the Grant Cycle 6, the Global Fund financed only the Bed Net Mass Distribution Campaign held in 2021/2022, which distributed a total of 9.3 million nets, but did not fund routine net distribution. Consequently, no bed nets funded by the Global Fund were distributed in 2023. Global Fund Key Results 2024, Malawi HIV portfolio, <https://www.theglobalfund.org/en/results/>, accessed on 1 April 2025.

WVM served as Principal Recipient for one of the two Global Fund malaria grants for Malawi from 2016 to 2023. This grant supported the annual IRS campaigns in four districts. WVM implemented US\$33 million in activities in the 2021-2023 grant period. Of this amount, travel related costs (including vehicle hire) accounted for US\$11.5 million, or 32% of the total grant budget.

In Grant Cycle 7 (2023-2025), IRS was excluded from vector control measures in Malawi according to the current National Malaria Strategic Plan (2023-2030). Consequently, IRS funding in Malawi was discontinued. WVM continues to serve as Principal Recipient for one of the two Global Fund TB/HIV grants for Malawi under Grant Cycle 7.

Under the Global Fund Grant Regulations, Principal Recipients are required to preserve and protect grant funds, and ensure they are used solely for their intended purposes. The Grant Regulations require WVM to take appropriate and necessary actions to ensure that the Global Fund Code of Conduct for Suppliers is communicated to all suppliers, ensuring their awareness of the standards of conduct the Global Fund requires, including requirements not to engage in prohibited practices. WVM is also accountable for its suppliers' compliance with such policies.

The Global Fund Codes of Conduct for Recipients and Suppliers⁵ define a fraudulent practice as "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."

In case of findings of non-compliance, the Global Fund may notably take action through its Sanctions Panel Procedures Relating to the Code of Conduct for Suppliers.⁶ While the Global Fund Code of Conduct for Suppliers was communicated to the Supplier in the 2020 contract, WVM did not cascade it consistently across all relevant contracts, as required by the Grant Agreement. However, prohibitions against fraudulent practices were explicitly referenced in all WVM contracts with the Supplier.

The Grant Agreement requires WVM to maintain books and records for the program and to adhere to Global Fund Budgeting Guidelines, which stipulate that grant expenditure can be non-compliant for several reasons, including lack of supporting documentation that makes it difficult or impossible to determine the compliance of an expenditure. Failure by recipients to maintain sufficient supporting records and/or records without appropriate authorizations may lead to affected expenditures being found to be non-compliant.

1.4 Impact of the investigation

In total, the OIG identified US\$125,901 in non-compliant expenditures. The investigation highlights that WVM's failure to keep adequate books and records in relation to the use of grant funds, as required by Global Fund rules, led to WVM paying for vehicles that were either not provided or billed twice. WVM's record keeping practices and lack of supporting documentation also made it difficult or impossible to determine the compliance of expenditures related to all vehicles reportedly hired by WVM. The absence of reliable records similarly prevented the OIG from confirming whether IRS activities actually took place as reported. As a result, the OIG could not reach a conclusion on the programmatic impact of these expenditures.

⁵ The Global Fund Grant Regulations, clause 6.6(1), 2014 version.

⁶ Sanctions Panel Procedures Relating to the Code of Conduct for Suppliers, https://www.theglobalfund.org/media/6015/corporate_sanctionsprocedures_policy_en.pdf, accessed on 1 April 2025.

Regarding the fraudulent practices involving the Principal Recipient's staff, the oversight mechanisms in place at WVM at the time were not effective, as they failed to identify the payments linked to the fraudulent practices.

WVI was forthcoming with the results of its investigation and cooperated throughout the OIG investigative process. Following WVI's own investigation, WVM terminated the contracts of staff implicated, ceased business with the two car suppliers involved, and recommended strengthening its due diligence, negotiation and monitoring processes for vehicle hire contracts. Consequently, WVM reported having already addressed the weaknesses identified by OIG's investigation by enhancing its internal systems and restructuring its Finance, Procurement and Administration departments. Core functions, such as payments, procurement, and logistics requisitions, have been centralized and digitalized to reduce manual handling, increase transparency, and eliminate the semi-autonomy of the Global Fund Project Management Unit.

WVM also reported that the staff implicated in the prohibited practices identified by OIG's investigation have been removed from managing Global Fund grants, and disciplinary proceedings have been initiated against them. Additionally, WVM decided to no longer use the suppliers it considered to have engaged in misconduct.

WVM acknowledged that it had not systematically cascaded the Global Fund Code of Conduct for Suppliers to all its suppliers involved in Global Fund-financed grants and has committed to ensuring this requirement is implemented going forward. Nevertheless, all of WVM's contracts with the Supplier included prohibitions against engaging in fraudulent and corrupt practices.

2. Findings⁷

2.1 Finding 1 – Vehicles supply contracts were compromised by fraudulent practices, resulting in US\$46,922 in non-compliant transactions

The OIG conducted a sample review of 228 vehicle records out of the 510 vehicles used by WVM from 2020 to 2022. The review entailed a comparison of Malawi vehicle registration data and supplier invoices and contract forms reported to have been paid by WVM, vehicle logbooks, and inspection reports. Following the review, the OIG invited the relevant suppliers to provide clarification regarding discrepancies between vehicle registration records and supplier invoices and inspection reports, as well as an opportunity to provide explanation for invoices which the OIG identified as containing potentially false billing. Any discrepancy identified by the OIG that was reasonably attributed to human error was excluded from the findings presented in this report.

As a result of the review, the OIG identified sufficient evidence to find that the Supplier engaged in fraudulent practices by submitting invoices for rental vehicles that were not provided as presented. In doing so, the Supplier knowingly or recklessly misled WVM, in order to obtain a financial benefit.

(a) The Supplier submitted 13 invoices linked to fraudulent practices for 41 vehicles

The OIG found that the Supplier submitted 13 invoices linked to fraudulent practices for 41 vehicles supplied over two years of IRS campaigns, which resulted in the Supplier receiving a total of US\$46,922 in grant funds.

Of those 41 vehicles, four, associated with ten invoices, were falsely listed as 13-seater Land Cruisers/SUVs or 26-32 seater buses, when, in fact, they were registered as motorcycles and small cars, making them non-compliant and unsuitable for the transportation of passengers and equipment for the IRS campaign. The total invoiced for the four vehicles amounted to US\$19,638. The OIG also identified that one of the four vehicles was owned by an unrelated third party, who confirmed that the vehicle listed by the Supplier in invoices was never subleased.

The Supplier also submitted, and WVM paid, three summary invoices worth US\$27,284 for 40 vehicles. Evidence indicated that these vehicles were not delivered as invoiced.⁸ The summary invoices, all submitted in January 2021, lacked supporting individual invoices detailing vehicle registration numbers, rental days, usage dates, and billed amounts. Additionally, 35 of the 40 listed vehicle reference invoice numbers were duplicate invoice references from other rental periods, that were previously supported and separately paid by WVM.

Despite repeated requests from the OIG, the Supplier failed to respond and did not provide any documentation, such as underlying invoices, to support that the abovementioned summary invoices were accurate, and that the associated vehicles were provided as stated. As such, it is more likely than not that the vehicles listed in the three summary invoices referenced above were not provided to WVM as presented.

⁷ OIG findings are made pursuant to the OIG's assessment that a conclusion is more likely than not, following the applicable standards for administrative investigations.

⁸ Three out of these 40 vehicles are the same vehicles referenced in the paragraph above.

(b) The Supplier knowingly or recklessly misled WVM in order to obtain a financial benefit

As demonstrated above, the OIG found that the Supplier submitted invoices to WVM for 41 vehicles that were either not in their possession, contained false descriptions of the vehicles purportedly provided, or referenced invoices from previously paid periods.

The OIG further finds that the creation and submission of invoices that misrepresented vehicle descriptions, along with modifications to dates and vehicle types to falsely align with the claimed supply period, demonstrate that the Supplier knowingly or recklessly attempted to mislead WVM.

Based on the above, the OIG concludes that the Supplier, more likely than not, engaged in fraudulent practices by knowingly or recklessly submitting fraudulent invoices to WVM in order to obtain the associated financial benefit.

The total loss of grant funds due to the fraudulent practices by the Supplier amounts to US\$46,922. The OIG finds this amount non-compliant and potentially recoverable.

The relevant Grant Agreement places the responsibility on the Grantee and the Principal Recipient for all grant resources,⁹ and provides that they shall be liable for the loss or theft of all program assets and grant funds.¹⁰ In this case, WVM failed in its obligation to safeguard the use of grant funds entrusted to it.

2.2 Finding 2 – Payment requisitions totaling US\$22,122 were compromised by fraudulent practices

In reviewing a sample of WVM payments and procurements unrelated to the IRS campaigns from 2020 to 2022, the OIG finds that two fictitious payment requisitions created and processed through WVM's Business Online System by WVM finance staff were compromised by fraudulent practices.¹¹ The OIG finds that the WVM finance staff knowingly or recklessly misled WVM, resulting in a financial benefit for the recipients of these payments for a total amount of US\$22,122. The WVM finance staff had an obligation to prudently manage Global Fund grant funds.

(a) WVM staff created and processed two fictitious payment requisitions

The OIG identified that, after initially paying a supplier (Supplier A) US\$8,776 in February 2022 through its bank account listed in the Business Online System, the WVM finance staff made a second payment of US\$8,757, in April 2022, supposedly to the same supplier, although to a different bank account. An entry in the Business Online System indicated that the April 2022 payment was understood to be made to Supplier A's General Manager's personal bank account, rather than the bank account which WVM had in its system for the supplier.

The General Manager of Supplier A denied receiving the funds, and stated the invoice related to the April 2022 payment was not issued by his company. The OIG confirmed that the bank account that received the transfer in April 2022 did not belong either to the General Manager or to Supplier A.

The WVM finance staff informed the OIG that the April 2022 payment was made in error, and was a duplicate payment. He could not explain why the payment was made to a separate account, and could not provide any additional supporting documentation for the transaction, or any communication

⁹ Global Fund Grant Regulations (2014), Article 3.1. See also Global Fund Code of Conduct for Recipients Article 2.2. (https://www.theglobalfund.org/media/6011/corporate_codeofconductforrecipients_policy_en.pdf)

¹⁰ Global Fund Grant Regulations (2014), Article 6.4(2).

¹¹ An online banking system used by WVM.

requesting the change in bank account information. The OIG confirmed that both the change in bank account information, and processing of the payment with no supporting request for payment, were carried out by the WVM finance staff, and approved by his manager.

The WVM finance staff also made a duplicative payment to the bank account of another supplier (Supplier B). Unlike the payment above, this duplicative payment was made to the account originally registered in the Business Online System. Two payments, both for US\$13,365, were made to the supplier, in December 2021 and March 2022. With regard to the March 2022 payment, WVM said it did not procure or receive the products indicated in the invoice from Supplier B used to support the payment, nor was there a payment request from Supplier B at the time.

The OIG established that the signature of a WVM staff on the delivery note, which was used to support Supplier B's invoice for the March 2022 payment, was forged, and distinct from the original and authentic invoice submitted in December 2021. The WVM finance staff could not explain how he received the supporting documents, or who signed the delivery note for the March 2022 payment. Consequently, it is more likely than not that the payment made in March 2022 was for goods which were not received.

(b) WVM staff knowingly or recklessly misled WVM in order to benefit third parties

Following requests by the OIG, WVM could not provide any documented evidence of requests to initiate the new bank account entry related to the duplicative payment made to Supplier A. No evidence available to the OIG supports the possibility that the request for payment originated from outside WVM.

With respect to the duplicative payment made to Supplier B's bank account, similarly, WVM failed to provide any evidence to demonstrate that the payment request and false delivery note signature originated from outside WVM, and WVM could not provide other documentation to support the processing of the payments. Given that the request contained a forged signature and alteration from the previously authentic invoice, the OIG finds that this was a deliberate attempt to process a false invoice and that the WVM finance staff knowingly or recklessly misled WVM in order to benefit the recipient account holders.

Based on the above and the evidence obtained during the investigation, the OIG concludes that it is more likely than not that these acts constitute fraudulent practices.

In both instances, the responsible WVM finance staff did not abide by their professional duties to the Principal Recipient with respect to its obligations to prudently manage Global Fund grant funds and prevent the occurrence of prohibited practices.

During the investigation, the OIG inquired with WVM regarding the abovementioned transactions. Following the OIG's inquiry, WVM sought and received a refund of the related expenses from the recipient account holders and therefore no loss is identified and no recovery of the funds related to the two duplicative payments is recommended.

3. Additional Observations

3.1 WVM failed to adequately reconcile vehicle hire services

Under Global Fund Grant Regulations, Principal Recipients must ensure the prudent management of grant funds and are accountable for their suppliers' compliance with the Global Fund Code of Conduct for Suppliers.

The Framework Agreements signed between WVM and the vehicle suppliers for the 2020 IRS campaign stipulated that, upon service delivery, vehicle suppliers must submit their invoices to the WVM National Office for payment. However, the 2021 and 2022 Framework Agreements signed between WVM and the vehicle suppliers did not include any such requirement.

WVM had a policy requiring that all vehicles used for the IRS campaigns were to be inspected, to ensure their compliance with the Framework Agreements. WVM told the OIG that they inspected all vehicles hired for 2020 - 2022 campaigns. However, the OIG identified that 165 out of 510 vehicles used by WVM did not appear in any inspection reports.

The OIG established that WVM district teams followed inconsistent processes for reviewing vehicle suppliers' invoices, ranging from no reconciliation to sample reconciliations or full reconciliations of the invoices against the inspection reports and District Vehicle File.¹² The failure to implement a uniform, comprehensive reconciliation process directly contributed to WVM's inability to detect the fraudulent invoicing by the supplier identified in section 2.1.

The OIG identified eight additional vehicles for which key records necessary to verify expenditures were missing. Of these eight, three vehicles are amongst the 165 that did not appear in any of WVM's inspection reports. Per the Global Fund's Budgeting Guidelines,¹³ these expenditures are considered as non-compliant due to missing proof of inspection, fuel consumption, logbooks or invoices.

For the remaining 143 vehicles that were not inspected by WVM, the OIG did not find sufficient evidence to consider them as non-compliant, as adequate supporting documentation was available to consider that the contracted services were delivered.

As mentioned above, Global Fund Grant Regulations place the responsibility on the Principal Recipient for all grant resources. Global Fund Budgeting Guidelines provide that grant expenditure can be non-compliant for several reasons, including lack of supporting documentation making it difficult or impossible to determine the compliance of the expenditure. WVM's failure to maintain sufficient supporting records and/or records without appropriate authorizations led to affected expenditures being found to be non-compliant.

Consequently, the OIG could not determine the appropriateness of expenditures concerning these eight additional vehicles related to 15 billing documents. This resulted in an additional US\$56,857 of non-compliant expenditure.

¹² The WVM staff who led the inspection in each district was responsible for drafting the inspection report. The same person listed all vehicles accepted by WVM after the inspection in an Excel master spreadsheet. The District Vehicle File is this Excel master spreadsheet.

¹³ Global Fund Budgeting Guidelines (2019), Section 5.2, updated in 2023, Section 2.5.1.

3.2 WVM failed to communicate the Global Fund Code of Conduct for Suppliers to all its suppliers

The OIG reviewed all Framework Agreements and Local Purchase Orders (LPOs) issued by WVM for the 2020, 2021 and 2022 IRS campaigns, and identified several instances where WVM did not follow Global Fund Grant Regulations.

Global Fund Grant Regulations require WVM to take appropriate and necessary actions to ensure that the Code of Conduct for Suppliers is communicated to all suppliers.¹⁴

The 2021 and 2022 Framework Agreements signed between WVM and vehicle suppliers, and the LPOs issued to three suppliers for the 2021 IRS campaign, did not refer to the Global Fund Code of Conduct for Suppliers.

WVM's failure to communicate the Global Fund's Code of Conduct for Suppliers to its suppliers is not compliant with the Global Fund Grant Regulations.

¹⁴ The Global Fund Grant Regulations, clause 6.6 (2), 2014 version.

4. Global Fund Response

Action to be taken	Due date	Owner
1. 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 2025	Chair, Recoveries Committee

In light of the enhancements implemented by WVM in response to WVI's investigation report, the OIG does not recommend additional management actions to strengthen WVM's procurement and finance policies addressing the identified weaknesses. Furthermore, due to the Ministry of Health's policy decision not to fund IRS under Grant Cycle 7, no further IRS-related management actions are required.

Annex A: Summary of subject responses

On 27 November 2024, the OIG provided the Principal Recipient, WVM, and the Supplier with a Letter of Preliminary Findings, which represented the full record of relevant facts and preliminary findings related to the OIG investigation. WVM and the Supplier were requested to review the preliminary findings and provide their comments and supporting documents in response to the OIG's preliminary findings and conclusions.

WVM provided its response on 11 December 2024, with a follow up response on 18 December 2024. The Supplier did not respond to the OIG's Letter of Preliminary Findings, although they acknowledged receipt of it.

On 26 March 2025, the OIG issued a Notice of Findings to both WVM and the Supplier for their review. WVM responded on 9 April 2025, while the Supplier again acknowledged receipt but did not respond. WVM's response largely reiterated the information previously submitted in response to the Letter of Preliminary Findings.

The OIG carefully reviewed all points raised and made appropriate revisions to the findings reflected in this final report. A summary of WVM's responses is provided below, with the OIG's additional considerations noted in italics.

- WVM claimed that human errors in the documentation process contributed to discrepancies in vehicle registration numbers and descriptions for some transactions. WVM also stated that vehicle hire companies often subcontract vehicles from individual owners, and that vehicle registration numbers could be reassigned upon ownership changes, or if vehicles are inactive for over two years. WVM explained that some original vehicle owners may be unaware their vehicles were used in IRS campaigns, due to subcontracting practices by vehicle hire companies. WVM supported its claim with the relevant sub-hiring contracts. As a result, they claimed that vehicle registration records are not fully reliable.

The OIG duly considered this information when reassessing which vehicles were fraudulent, non-compliant, or eligible for removal from the OIG findings. WVM partially clarified certain inconsistencies between invoices and vehicle details, leading to the removal of adequately explained transactions from the OIG's findings. Discrepancies that remained unjustified are retained in this Investigation Report.

- WVM did not contest OIG's findings regarding fraudulent practices by the Supplier; however, it claimed that the findings overlapped with losses already identified by WVI in its investigation. Accordingly, WVM requested that the OIG adjust the reported loss to the Global Fund.

The OIG considered this information when finalizing its investigation report. One of the three vehicle providers under WVI's investigation was also investigated by the OIG. The overpayments identified by WVI are separate from those found by the OIG, with only US\$3,490 overlapping between the two investigations. The overlap will be factored in by the Global Fund Secretariat when determining the final non-compliant and recoverable amount.

- WVM indicated that they have been sharing with their suppliers World Vision's Code of Conduct for Suppliers, which they believe incorporates all the elements of the Global Fund Code of Conduct for Suppliers.

The OIG has reviewed WVM's position. While World Vision's Code of Conduct for Suppliers includes some components of the Global Fund Code of Conduct for Suppliers, the OIG has determined that it does not fully align, as not all Global Fund definitions are reflected. However, the prohibition of fraudulent practices was included in this document, and in all the relevant contracts with the Supplier.

Annex B: Methodology

Why we investigate:

Wrongdoing, in all its forms, is a threat to the Global Fund's mission to end the AIDS, tuberculosis and malaria epidemics. It corrodes public health systems and facilitates human rights abuses, ultimately stunting the quality and quantity of interventions needed to save lives. It diverts funds, medicines and other resources away from countries and communities in need. It limits the Global Fund's impact and reduces the trust that is essential to the Global Fund's multi-stakeholder partnership model.¹⁵

What we investigate:

The OIG is mandated¹⁶ to investigate any use of Global Fund funds, whether by the Global Fund Secretariat or grantees, Principal Recipients and their sub-recipients, Country Coordinating Mechanisms, Local Fund Agents, or suppliers who work to support Global Fund-funded programs, and report its findings in a transparent and accountable manner.¹⁷ The Global Fund Secretariat ensures this oversight is included in related agreements.

Investigations aim to identify instances of wrongdoing, such as fraudulent and corrupt practices, but also failure to uphold the applicable human rights standards and instances of sexual exploitation and abuse. Investigations are predicated by whistle-blower allegations¹⁸, routine escalation of business information, risk analysis or referrals from other entities.

The OIG bases its investigations on the contractual commitments undertaken by grant recipients and suppliers. Requirements with respect to the management of funds and performance of activities are notably defined in the Global Fund's Code of Conduct for Suppliers and Code of Conduct for Recipients.¹⁹

OIG investigations aim to:

- identify the nature and extent of wrongdoing affecting Global Fund grants and the entities accountable and, if applicable, determine the amount of grant funds that may have been compromised by wrongdoing; and
- place the Global Fund in a position to understand the root causes for the wrongdoing, to recover funds, and to take remedial action and preventative measures by identifying where and how the misused funds have been spent.

Who we investigate:

The OIG investigates wrongdoing by the entities accountable for performance and execution of activities funded by the Global Fund. These are grantees, Principal Recipients and their sub-recipients, Country Coordinating Mechanisms or Board Constituencies who receive financial support from the Global Fund, Local Fund Agents, recipients of Catalytic Funding, and other suppliers to the

¹⁵ [Global Fund Policy to Combat Fraud and Corruption](#), §1.1.

¹⁶ [Charter of the Office of the Inspector General](#), as amended from time to time.

¹⁷ [Policy for the Disclosure of Reports Issued by the Office of the Inspector General](#), as amended from time to time.

¹⁸ [Whistle-blowing Policy and Procedures for the Global Fund to Fight AIDS, Tuberculosis and Malaria](#), as amended from time to time.

¹⁹ [Global Fund Code of Conduct for Suppliers](#), and the [Code of Conduct for Recipients of Global Fund Resources](#), as amended from time to time. Grants are typically subject to the [Grant Regulations \(2014\)](#), which incorporate the Code of Conduct for Recipients and mandate communication of the Code of Conduct for Suppliers. Terms may vary however in certain agreements.

Global Fund or to recipients. Secretariat activities linked to the use of funds are also within the scope of the OIG's work.

Principal Recipients are accountable to the Global Fund for their compliance with all applicable contracts, Codes and policies in the use of all grant funds, including those disbursed to sub-recipients and paid to suppliers.²⁰ They ensure the appropriate requirements are made applicable to those entities.

How we investigate:

The OIG conducts administrative, not criminal, investigations. It is not a law enforcement or judicial authority. It is the recipients' and suppliers' responsibility to demonstrate that their actions and those of their agents and employees comply with applicable agreements. OIG findings are based on facts and related analysis, which may include drawing reasonable inferences. Findings are established by a preponderance of evidence. All available information, inculpatory or exculpatory, is considered by the OIG.²¹

Investigations into sexual exploitation and abuse are conducted with a victim-centered, trauma-informed methodology, following a case-specific risk assessment, and are guided by the Global Fund's Operational Framework on the Protection from Sexual Exploitation and Abuse, Sexual Harassment, and Related Abuse of Power.²²

The investigation will attempt to quantify the extent of any non-compliant expenditures, including an amount proposed to the Secretariat as recoverable.

The OIG may also discharge its mandate by overseeing the activities of recipients or other parties having the appropriate capacity and mandate to perform investigative tasks. It may also share allegations and evidence with third parties, pursuant to its confidentiality obligations, where it is relevant to their work.

What happens after an investigation?

The OIG ensures the relevant entities have the opportunity to review and provide evidence or comments on the findings and on the draft report.²³

The OIG has a fact-finding role and does not determine what remedial and preventative measures the Global Fund may take as a result of its findings. The OIG is required to make final investigation reports available publicly in full.²⁴

Following an investigation, the OIG and the Secretariat agree on management actions that will mitigate the risks that wrongdoing poses to the Global Fund and its recipients' or suppliers' activities. These may include specific managerial decisions, financial recoveries, instructions applicable to implementers and suppliers, internal process changes, or other contractually available remedies. With respect to suppliers, this can include recommending a referral to the Sanctions Panel.²⁵ The scope of such actions is subject to the mandate and capacity of the Global Fund and does not directly amend, or otherwise deviate from, the existing terms of agreements and contracts.

²⁰ Compliant expenditures are defined in the [Global Fund Guidelines for Grant Budgeting](#), as amended from time to time.

²¹ These principles comply with [the Uniform Guidelines for Investigations, 2nd edition, Conference of International Investigators](#).

²² See [The Global Fund's Operational Framework on the Protection from Sexual Exploitation and Abuse, Sexual Harassment, and Related Abuse of Power](#), in particular sections IV. 2. *Investigations* and IV. 3. *Support to survivors & victims*, as amended from time to time.

²³ See the [OIG Investigations Stakeholder Engagement Model](#), as amended from time to time.

²⁴ See the [Policy for the Disclosure of Reports](#) Issued by the Office of the Inspector General, as amended from time to time.

²⁵ See the [Sanctions Panel Procedures Relating to the Code of Conduct for Suppliers](#), as amended from time to time.

OIG may make referrals to other organizations which have an interest in the investigation outcome, or to national authorities for criminal prosecutions or other regulatory and administrative actions, and support such processes as appropriate. The Global Fund, in its sole discretion, may share also information related to its findings, including regarding individuals identified in this report, with third parties, as deemed appropriate.