

# The Washington Times

## Millions misspent on AIDS relief in Africa, audit finds

By Drew Johnson  
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Recent audits showing that at least \$2.6 million in federal AIDS relief funding to Africa was misspent raises concerns about how effectively nearly \$1 billion in taxpayer funds intended to combat Ebola in the region will be used.

An audit last week by the Office of Inspector General for the Department of Health and Human Services found that some of the federal money that the President's Emergency Plan for AIDS Relief (PEPFAR) sent to Ethiopia to combat AIDS was incorrectly reported in accounting ledgers. Other funds were claimed by the Ethiopian government through improper taxes, the auditors found.

According to the report, \$68,000 given to the Ethiopian Public Health Association improperly went to pay value-added taxes levied on supplies purchased for the humanitarian effort, something not allowed under federal rules. An additional \$23,000 was inaccurately recorded in accounting documents and may have been improperly used.

The public health agency was also six months late in submitting its annual progress report to the Centers for Disease Control and Prevention.

This is far from the first time questionable spending and poor bookkeeping has plagued the PEPFAR program, which spent \$48 million between 2008 and 2013 fighting AIDS in Africa.

Good has come from all the spending: A State Department official who spoke on the condition of anonymity said PEPFAR, begun under President George W. Bush, helped provide life-saving antiretroviral treatment for 6.7 million people worldwide, and more than 1 million babies have been born HIV-free as a result of the federal program.

Still, much of that money is poorly spent, according to audits by the HHS inspector general.

"Anyone who has ever worked on any overseas aid program recognizes that there is waste, inefficiencies and - many times - corruption," Dr. Steven Bucci, director of the Douglas and

Sarah Allison Center for Foreign and National Security Policy at the Heritage Foundation, said, "... It is why the U.S. must do a better job with picking which, if any, aid projects America embarks."

For failing to control the mismanagement of U.S. tax dollars under its supervision, PEPFAR receives this week's Golden Hammer award for waste, fraud and abuse of taxpayers' hard-earned money.

Auditors found that Ethiopia's Ministry of Health was also guilty of misspending U.S. tax dollars. In a September report, inspectors discovered that the bureaucracy spent \$295,000 on expenses unrelated to combatting AIDS.

The State Department official said that changes are being implemented to improve PEPFAR's effectiveness and provide taxpayers with a better bang for their buck, with greater transparency for the public.

A new monitoring system for federal AIDS relief efforts promises to "ensure that the people we serve receive the right service, at the right time, in the right setting."

The State Department official contended that the monitoring plan will limit waste by "facilitating both U.S. government and partner accountability. Partners that perform poorly and do not show improvement over time may be more vulnerable to future funding decisions."

Unfortunately, those steps were not in place in 2010, when three South African agencies that received federal money for their efforts to treat people with AIDS combined to waste \$1.7 million, according to auditors. A portion of the money went toward unallowable purchases. More still went toward paying taxes that were not supposed to be collected. Workers even received inappropriate cash advances, courtesy of American taxpayers.

Financial inspectors found similar issues in Namibia and Zambia.

The AIDS spending raises questions over whether new U.S. funds to combat the raging Ebola virus will also be poorly spent and monitored. Congress in August approved \$750 million to fight Ebola in West Africa over the next six months, on top of a \$175 million the administration had already spent.

Marian L. Tupy, the editor of HumanProgress.org, said, however, that U.S. taxpayers may ultimately have little to show for anti-Ebola efforts in West Africa.

"[Americans] have spent billions of dollars building hospitals in West Africa, but the local

governments have failed to maintain their medical infrastructure," said Mr. Tupy, a senior policy analyst at the Cato Institute's Center for Global Liberty and Prosperity. "The spread of Ebola in West Africa is primarily a result of poverty and mismanagement that are characteristic of the incompetent, corrupt and often venal local governments."