



Risk-Based Oversight and Investigations in West Bank, Gaza, and Broader Region

INTRODUCTION

The 2026 Consolidated Appropriations Act¹ required the U.S. Department of State (Department), Office of Inspector General (State OIG) as one of “the Inspectors General with authority to conduct oversight of programs carried out in the Middle East” to coordinate and submit plans for conducting risk-based investigations and related oversight of U.S.-funded implementing partners, including subawards, in the West Bank and Gaza. According to the Act, plans should focus on, but not be limited to:

1. Responding to reports of material support or the employment of staff or contractors who are members of, or are affiliated with, a U.S.-designated terrorist organization or have participated in any terrorist act.
2. Ensuring compliance with existing, and making recommendations to improve, risk-mitigation measures necessary to protect taxpayer funds, complying with applicable statutory and award-based provisions, and ensuring that intended beneficiaries receive aid in accordance with core humanitarian principles.²

Oversight of the response by the Department and the U.S. Agency for Global Media to the situation in Israel, Gaza, the West Bank, and wider region is a leading priority for State OIG. Since the October 2023 Hamas terrorist attacks, the Department increased its diplomatic efforts, security assistance, and other engagement in the region. The ensuing conflict sparked further violence in the Middle East, heightened security

concerns, added to assistance requirements in the region, and influenced Department and interagency operations.

Figure 1: Map of Israel showing the locations of Gaza and the West Bank



Through oversight and investigative activities, State OIG helps to ensure that taxpayer money is used properly; programs achieve intended outcomes; and risks, including fraud, corruption, and mismanagement, are identified and mitigated. We regularly coordinate with oversight partners including the U.S. Agency for International Development (USAID) OIG and the U.S. Government Accountability Office (GAO) to promote effective coverage of leading risks associated with the broader U.S. government

response, including our plans for work in the West Bank and Gaza.

This plan highlights State OIG’s ongoing and future engagements in the Middle East region in response to the requirement, as established by the Act.

REGIONAL ENGAGEMENT

Conflict in and around Israel, the West Bank, and Gaza has been ongoing for decades, characterized by suicide bombings and militant attacks, as well as large-scale military operations. Notably, on October 7, 2023, Hamas, a U.S.-designated Foreign Terrorist Organization since 1997 and the governing party in Gaza, attacked southern Israel, resulting in the deaths of approximately 1,200 people, including U.S. citizens.

The Department plays a central role in the region, advancing U.S. government objectives in Israel, the West Bank, and Gaza. On several occasions, Department officials have supported negotiations between the Government of Israel and the governing bodies of the West Bank and Gaza, including discussing ceasefires and prisoner exchanges and brokering political agreements.

U.S. Foreign Assistance



Since the mid-1990s, Congress has appropriated bilateral economic and security assistance in support of Palestinian governance, civil society, and economic development, as

well as humanitarian aid for Palestinians in the region. U.S. humanitarian assistance has prioritized food security, medical supplies, and support for health infrastructure. Additionally, the United States has supported efforts to promote good governance, transparency, and the

rule of law in the West Bank and Gaza, with the goal of fostering stability and preparing for post-conflict governance.

Table 1 shows U.S. foreign assistance obligations and disbursements in the West Bank and Gaza from FY 2021 through FY 2025.

Table 1: U.S. Foreign Assistance to West Bank and Gaza—FY 2021 through FY 2025 (in millions)

FY	Obligations	Disbursements
2021	\$123.9	\$30.6
2022	\$154.3	\$110.1
2023	\$293.6	\$112.0
2024	\$938.4	\$259.0
2025 ^a	\$556.3	\$492.2
Total	\$2,666.5	\$1,003.9

^a According to ForeignAssistance.gov, only partial data for FY 2025 have been reported.

Source: OIG generated based on data from ForeignAssistance.gov, the U.S. government’s central platform for budgetary and financial data reported by agencies that manage foreign assistance programs.

Since the 1960s, the Department and USAID have had responsibility for administering, managing, and overseeing most foreign assistance to the region. On July 1, 2025, USAID functions, including foreign assistance programs and associated awards, were transferred to the Department, making it the single largest provider of U.S. foreign assistance to the West Bank and Gaza. However, the Department has faced significant obstacles in the region, including Hamas interference with aid, violence in the West Bank, and complex regional dynamics.

OVERSIGHT TOOLS

Since the October 2023 Hamas terrorist attacks, the Department substantially increased its diplomatic efforts, security assistance, and other engagement in the region. The Department's continued commitments in Israel, the West Bank, and Gaza, as well as its significant foreign assistance investments in the region, require robust and thoughtful oversight. State OIG has applied and will continue to employ the full range of oversight and investigative tools at our disposal, including new and emerging technology and analytics, to Department activities in the West Bank, Gaza, and the broader region.

Audits & Evaluations



State OIG's Office of Audits (AUD) conducts independent, objective audits and evaluations in accordance with GAO's Government Auditing Standards (i.e., the Yellow

Book) and the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation (i.e., the Blue Book), respectively.

Audits and evaluations:

- Measure performance.
- Assess internal controls.
- Determine compliance with applicable laws, regulations, and policies.
- Identify savings, funds put to better use, and questioned costs.
- Share best practices and approaches.
- Assess allegations of fraud, waste, abuse, and mismanagement.

Inspections

Our Office of Inspections (ISP) delivers independent assessments of Department operations, both overseas and domestically. The Foreign Service Act of 1980



requires that OIG inspect every overseas post and each Department bureau at least once every 5 years,³ although Congress routinely waives the requirement. In addition, ISP conducts Blue Book evaluations of Department programs, including foreign assistance, consular affairs, and embassy security.

What is the difference?

Audits provide an independent, objective assessment of government programs and operations. Audits are designed to assist legislators, oversight bodies, management, and the public by determining whether officials are managing resources and using their authority properly and in compliance with laws and regulations; government programs are achieving their objectives and desired outcomes; and government entities are providing services effectively, efficiently, economically, ethically, and equitably.

Evaluations are a systematic, independent assessment of the design, implementation, and results of operations, programs, or policies. They provide timely, credible information that is useful for managers, policymakers, and others. Evaluations are used to determine efficiency, effectiveness, impact, and sustainability of operations, programs, or policies.

Inspections typically assess the effectiveness of operations, identify potential efficiencies and cost-saving measures, encourage self-evaluation and correction, and identify problems and recommend solutions.

Investigations



Our Office of Investigations (INV) conducts worldwide investigations of criminal, civil, and administrative misconduct related to Department programs and operations. INV employs trained, credentialed, and sworn federal law enforcement officers who conduct investigations. The office also maintains the State OIG Hotline, a confidential channel to receive complaints about violations of law or regulation, gross waste of funds, abuse of authority, or substantial and specific danger to public health and safety. INV works closely with federal, state, local, and international law enforcement partners and prosecutors.

Whistleblower Integrity

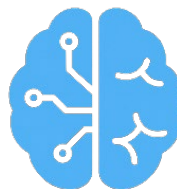
The Office of Whistleblower Integrity and Special Projects (WISP) examines, reviews, and investigates:



- Allegations of whistleblower reprisal.
- Allegations of senior official non-criminal misconduct.
- Matters brought to our attention by congressional stakeholders to improve the execution of programs and operations within the foreign affairs community.
- Alleged systemic misconduct or similar administrative investigations involving senior agency officials.

To the greatest extent possible while maintaining appropriate privacy protections, State OIG publishes WISP's findings and recommendations associated with its investigations and examinations on our website. WISP refers substantiated misconduct to the relevant agency for appropriate action.

Data Analytics & Artificial Intelligence



We are committed to leveraging technology and data to enhance oversight, ensuring that program offices explore, understand, and communicate data in meaningful ways. In

addition, State OIG remains at the forefront of new and emerging technology, providing staff with AI access and training to boost oversight efforts. The emphasis on emerging technology and data analytics promotes efficiency and economy in our work and will ensure timely and effective oversight in key areas, including Israel, the West Bank, Gaza, and the surrounding region.

OVERSIGHT APPROACH

State OIG has developed a robust body of work related to the ongoing conflict and other complex issues in Israel, the West Bank, and Gaza and will continue to expand these regional oversight efforts throughout FY 2026 and into FY 2027. By integrating existing oversight tools with emerging technologies, including data analytics and AI, we will bolster our abilities to detect discrepancies, assess risk, and respond to evolving threats. This oversight will help to protect taxpayer funds from fraud, waste, and abuse. AUD and ISP regularly and routinely work with INV and WISP during oversight engagements to ensure appropriate consultation on both potential fraud and whistleblower response and protection. Finally, State OIG executive leaders coordinate and discuss strategic oversight priorities, such as the West Bank and Gaza, providing judicious guidance of our overall objectives.

Ongoing Oversight Projects

Several ongoing State OIG engagements will shed light on the Department's operations and

activities throughout the West Bank, Gaza, and the broader region:

- *Audit of the Bureau of Population, Refugees, and Migration's (PRM) Efforts To Mitigate Terrorist Financing Risks in the Near East:* examines whether PRM implemented appropriate measures to mitigate risks that public international organization activities could benefit terrorist groups, their members, or their supporters following the October 7, 2023, Hamas attack.
- *Audit of the Department's Efforts to Provide Food Assistance to Gaza:* analyzes whether the Department has developed and implemented an effective structure to provide food assistance to civilians in Gaza and whether food-assistance awards are achieving intended results.
- *Evaluation of the Department's Administration of Foreign Assistance Programs Transferred From USAID:* describes the Department's administration of foreign assistance programs and associated awards transferred to the Department from USAID, including those in the West Bank and Gaza. Through this audit, we will assess how the Department adapted to new management responsibilities, how it addressed risks related to food delivery and program oversight, and how the Department used monitoring and evaluation mechanisms to measure outcomes.
- *Evaluation of Regional Bureaus' Administration of Foreign Assistance Programs:* examines how regional bureaus are administering foreign assistance programs and assesses the implementation of foreign assistance budgeting, planning, program design, award design, monitoring, and evaluation in light of the Department's reorganization and shifts in its approach to administering foreign assistance programs.

Focus Area 1

Responding to reports of material support or the employment of staff or contractors who are members of, or are affiliated with, a U.S.-designated terrorist organization or have participated in any terrorist act.

Because we are committed to monitoring and responding to reports of material support relating to U.S. programs and activities in Israel, the West Bank, and Gaza, we worked quickly to promote the integrity of taxpayer funds that finance diplomatic operations and foreign assistance programs in the region. State OIG has increased fraud awareness engagements with implementers delivering foreign assistance as well as the Department bureaus and missions supporting this work, increasing the focus on identifying any material support provided to terrorist organizations and improving employee and contractor vetting to identify any potential staff or contractors who are believed to be members of designated terrorist organizations or who may have participated in a terrorist act. Our staff have also engaged with oversight counterparts in international organizations and among other foreign assistance implementers operating in West Bank and Gaza to strengthen lines of communication and set frameworks for detecting, assessing, and investigating potential fraud and identifying implementer staff and contractors with terrorism ties.

State OIG is also committed to employing the full array of oversight and investigative tools in response to related concerns. We use data analytics to identify related risks and apply this information to drive proactive outreach and engagement. To address emergent threats, we have also established a multidisciplinary rapid-response team that can deploy on short notice to take action as information about critical threats emerges.

Planned Oversight Projects

State OIG is planning several audits, evaluations, and inspections designed to address Department operations and activities in Israel, the West Bank, Gaza, and the surrounding region:

- *Audit of the Department's Counterterrorism Vetting:* will determine whether the Department designed its risk-management and counterterrorism vetting procedures to prevent terrorist organizations from benefitting from U.S. foreign assistance funds. Name-check vetting is a critical tool for mitigating the risk that Department foreign assistance activities could inadvertently benefit terrorist groups, their members, or their supporters.
- *Audit of the Department's Oversight of Non-Federal Audits of Foreign Organizations Receiving Awards:* will determine whether the Department has established and implemented an oversight program for identifying, tracking, and addressing non-federal audits of foreign organizations receiving foreign assistance awards, including those in the West Bank, Gaza, and throughout the Middle East. Requirements for non-federal audits take on increased significance as the Department works to implement controls over foreign assistance awards that transitioned from USAID.
- *Audit of the Department's Application of Updated Terms and Conditions To Awards Transferred From USAID:* will determine whether the Department updated the terms and conditions of awards transferred from USAID to reflect applicable regulations and guidance and removal of requirements related to USAID administration. Department terms and conditions represent a legally binding framework for the Department, defining performance expectations and dispute-resolutions processes. This audit will

provide an independent assessment of whether and to what extent the Department updated terms and conditions, ensuring that Department personnel can administer, monitor, and evaluate awards transferred from USAID effectively.

- *Inspection of Embassy Jerusalem, Israel, and Constituent Posts:* State OIG plans to inspect Embassy Jerusalem in spring 2027. This inspection was originally planned for fall 2025 but was postponed due to the 43-day federal government shut down and further delayed because of Operation Epic Fury. This inspection will evaluate all aspects of embassy operations to ensure accountability and effective management of U.S. resources.

Focus Area 2

Ensuring compliance with existing, and making recommendations to improve, risk-mitigation measures necessary to protect taxpayer funds, complying with applicable statutory and award-based provisions, and ensuring that intended beneficiaries receive aid in accordance with core humanitarian principles.

The audits, evaluations, and inspections described in the ongoing and planned work sections address each aspect of this focus area. We are also taking steps to enhance our ongoing and planned work in Israel, West Bank, Gaza, and throughout the Middle East, applying all oversight tools at our disposal. This includes conducting focused and targeted outreach that encourages implementers and regional authorities to report issues to State OIG, accelerating Hotline processing of related allegations, triaging to determine what oversight tools are most appropriate for responding, and employing data analytics to the greatest extent possible to ensure data-driven decision making.

International Organization Oversight



In addition to planned and ongoing oversight projects, State OIG has dedicated resources to enhance oversight of Department engagement with international organizations,

many of which conduct humanitarian and development work in the West Bank and Gaza.

In December 2025, we published the *Evaluation of the Department's Efforts To Improve Oversight of Its Funding to International Organizations*.⁴

The objective of this evaluation was to (1) determine the nature and extent to which the Department funds and participates in international organizations and (2) evaluate the Department's use of oversight provisions for the funds it contributes to these organizations. We found that the Department inconsistently applied oversight provisions to its agreements, with provisions varying by Department bureau and type of mechanism used to provide the funds, which created a barrier to the Department's and State OIG's abilities to properly oversee funds voluntarily contributed to international organizations.

In March 2024, Congress directed the Department to advance agreements with international organizations to promote OIG and GAO access to international organization information on U.S. contributions.⁵ However, progress toward these agreements has been limited. Leveraging observations on agencies' past international organization oversight practices, on May 4, 2026, State OIG published its *Information Brief: Best Practices for Oversight of International Organizations*,⁶ which identified four best practices for enhanced oversight of international organizations. Equipped with these best practices, agencies have a toolkit for

strengthening management and oversight of contributions to these international organizations and reinforcing accountability for U.S. taxpayer funds.

We are actively working to further our engagement with international organizations, particularly those with a role in Israel, the West Bank, and Gaza. State OIG senior staff have recently visited international organizations in New York, Geneva, and Rome to deepen our understanding of U.S.-funded activities and to coordinate with their oversight bodies and promote information sharing. Complementing these efforts, we have been working with Department personnel to ensure they have tools and information for responding to risks of fraud, waste, and abuse that can arise in the context of U.S. contributions to international organizations.

CONCLUSION

Oversight of the Department's response to the situation in Israel, Gaza, the West Bank, and the wider region is a leading State OIG priority.

We are committed to robust coordination with oversight entities working throughout the region, including USAID OIG and GAO. We will continue to engage with these agencies to mitigate duplication of efforts and conduct timely and efficient oversight activities.

State OIG intends to update and adjust this plan as the situation on the ground changes and offices complete current work and identify new future projects. Changes to the plan as well as the status of oversight projects can be found at: <https://www.stateoig.gov/Israel-Related-Oversight>.



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1-800-409-9926

[Stateoig.gov/HOTLINE](https://stateoig.gov/HOTLINE)

If you fear reprisal, contact the
OIG Whistleblower Coordinator to learn more about your rights.

ABBREVIATIONS

AUD	Office of Audits, U.S. Department of State, Office of Inspector General
GAO	U.S. Government Accountability Office
INV	Office of Investigations, U.S. Department of State, Office of Inspector General
ISP	Office of Inspections, U.S. Department of State, Office of Inspector General
OIG	Office of Inspector General
PRM	Bureau of Population, Refugees, and Migration, U.S. Department of State
USAID	U.S. Agency for International Development
WISP	Office of Whistleblower Integrity and Special Projects, U.S. Department of State, Office of Inspector General

State OIG developed this oversight and investigative plan in accordance with the Council of Inspectors General for Integrity and Efficiency's *Quality Standards for Federal Offices of Inspector General*. These standards require adherence to professional standards of independence, due professional care, and quality assurance, including procedures to ensure the accuracy of the information presented.

END NOTES

¹ *Consolidated Appropriations Act, 2026* (Public Law 119-75, February 3, 2026).

² The Joint Explanatory Statement accompanying the *National Security, Department of State, and Related Programs Appropriations Act, 2026*, which was incorporated into Public Law 119-75, includes this requirement on page 52.

³ *Foreign Service Act of 1980*, Section 209(a)(1) (Public Law 96-465), codified at 22 U.S. Code § 3929(a)(1).

⁴ State OIG, *Evaluation of the Department's Efforts To Improve Oversight of Its Funding to International Organizations* (ISP-I-26-02, December 2025).

⁵ *Further Consolidated Appropriations Act, 2024*, Section 7048(h) (P.L. 118-47, March 23, 2024).

⁶ State OIG, *Information Brief: Best Practices for Oversight of International Organizations* (OIG-26-03, May 2026).