

OVERSEAS PRIVATE INVESTMENT CORPORATION
WASHINGTON, D.C. 20527, USA



OFFICE OF THE
PRESIDENT

October 31, 2008

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, D.C. 20515

Dear Madame Speaker:

I am pleased to provide you a copy of the annual report to Congress on the Overseas Private Investment Corporation (OPIC) audit and investigative activities, pursuant to the Inspector General Act Amendments of 1988.

OPIC received an unqualified audit opinion on its FY 2008 financial statements, as it has every year of its history. The audit was performed KPMG LLP and we are pleased to report that they found no material weaknesses.

If you have any questions or would like further information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Mosbacher, Jr.", written over a horizontal line.

Robert Mosbacher, Jr.
President & CEO

Enclosure

**Report of the
Overseas Private Investment Corporation
on
Audit and Investigative Activities
FY 2008**

**Submitted Pursuant to the
Inspector General Act Amendments of 1988**

October 2008

INTRODUCTION

Pursuant to Section 8G of the Inspector General Act Amendments of 1988, the Overseas Private Investment Corporation (OPIC) is presenting the following annual report which provides Audit and Investigative Activities for Fiscal Year (FY) 2008.

INDEPENDENT AUDIT

KPMG, LLP Audit Report

OPIC received an unqualified audit opinion on its FY 2007 financial statements.

The independent accounting firm KPMG LLP performed the FY 2007 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 07-04 required that KPMG LLP perform the audits to obtain reasonable assurance that OPIC's financial statements are free of material misstatement. KPMG LLP opined that OPIC's FY 2007 financial statements present fairly, in all material respects, the financial position of the Overseas Private Investment Corporation as of September 30, 2007 (and 2006), and the results of its operations and its cash flows for those years in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards* KPMG also issued reports dated November 14, 2007 on their consideration of OPIC's internal control over financial reporting and its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. Those reports included Independent Auditors' Reports on Financial Statements; Internal Control Over Financial Reporting; Compliance and Other Matters; and Compliance with Laws and Regulations.

As required, OPIC's FY 2007 audited financial statements were submitted to the Office of Management and Budget (OMB) on November 15, 2007. The audited financial statements and accompanying reports were also included in OPIC's Management Report