



April 2018

RECOMMENDATION STATUS

as of March 30, 2018

In March, we issued ten audit, inspection, and evaluation reports. With help from our Department of Defense and USAID OIG counterparts, we also [published a report](#) that describes the IG’s January 2018 trip to Iraq and Afghanistan in support of our mandate to oversee Operation Inherent Resolve and Operation Freedom’s Sentinel. Finally, our recently established Office of Enterprise Risk Management is developing a blueprint that will inform and educate OIG’s internal operations and oversight.

846 Open Recommendations	67 Recommendations Closed During March	View Latest Monthly Recommendation Reports
		View Report Highlights

MAKING A DIFFERENCE

In March 2018, a German citizen living in the United States was [indicted](#) on a charge related to a scheme to defraud the Department of more than \$1.2 million. The case was investigated by OIG special agents. According to the indictment, the individual, as director of a company, was awarded grant funds to support and promote U.S. global internet freedom efforts based on the claim that the company was a 501(c)(3) non-profit organization. According to the indictment, however, the company was not a 501(c)(3) and thus was ineligible for the grant, and the individual spent much of the grant funds on personal expenses. An OIG Special Assistant U.S. Attorney and a Justice Department Assistant U.S. Attorney are prosecuting the case.

During the Council of the Inspectors General on Integrity and Efficiency [Audit, Investigations, and Evaluations Roundtable](#) on March 6, OIG employees presented *A Case Study: Inter-office Collaboration on Armored Vehicle Program Management*. The presentation focused on our work involving the Bureau of Diplomatic

Security’s Armored Vehicle Program and demonstrated how OIG’s Offices of Audit, Inspections, and Investigations worked collaboratively to produce significant results. Our work resulted in both monetary benefits and positive programmatic changes. As part of this project, we released two audit reports containing 40 recommendations that addressed widespread findings of serious mismanagement in the armored vehicle program, potential for fraud, and questioned costs of more than \$51 million. In addition, our investigative work culminated in the conviction of individuals who misappropriated and resold Department vehicles, totaling at least \$512,420 in value, for personal profit.

In the 2017 report, [Inspection of Embassy Beijing and Constituent Posts, China](#), OIG recommended that Embassy Beijing de-obligate unliquidated obligations totaling \$581,634 and put the funds to better use. During the inspection itself, Embassy Beijing reported that the Financial Management Officer successfully de-obligated all the invalid prior year obligations and, in March 2018, provided evidence confirming that \$581,634 was de-

obligated as a result of this recommendation.

SPOTLIGHT ON SUCCESS

Warden Training on Assisting Victims of Crime (*Inspection of Embassy Managua, Nicaragua, ISP-I-18-12, March 2018*)

Embassy Managua developed an innovative training program for its American citizen wardens, who volunteer at the embassy to help U.S. residents and visitors in Nicaragua. After a series of violent crimes against American citizens, some in remote areas not immediately accessible to consular staff, the embassy engaged with the Bureau of Consular Affairs, Office of Overseas Citizens Services, to develop victims’ assistance training for wardens. As a result, in April 2017, Consular Section employees and a Department victims’ assistance expert trained 23 of Managua’s 35 active wardens on the immediate and long-term effects of trauma, coping mechanisms, local and U.S.-based resources, and the availability and limits of embassy assistance. The training was put into action almost immediately when an American citizen was assaulted in a remote part of Nicaragua.

SPOTLIGHT ON SUCCESS (continued)

Successful Trade Promotion and Coordination (*Inspection of Embassy Managua, Nicaragua, [ISP-I-18-12](#), March 2018*)

Embassy Managua's commercial promotion activities and initiative for regional coordination generated noteworthy results. In the absence of a U.S. Commercial Service presence, Embassy Managua strategically focused its commercial promotion efforts on three industry sectors - construction, franchising of U.S. businesses, and hotel/restaurant equipment. The embassy also increased the number of commercial services it provided to U.S. businesses. These combined efforts directly contributed to \$19.4 million worth of U.S. exports to Nicaragua from January through October 2017, an improvement over 2016, when embassy efforts contributed to \$10.9 million in U.S. exports. In addition, regional interagency roundtables, initiated by the embassy in 2017, enabled better information-sharing and generated a common tool for multiple U.S. agencies to track commercial promotion activities across Central America..

NEW WORK STARTED

- Annual Audit of the Information Security Program for the International Boundary and Water Commission, United States and Mexico, U.S. Section
- Audit of the Bureau of Near Eastern Affairs' Selection and Management of Contract Oversight Personnel in Iraq
- Audit of the Information Security Program for Sensitive Compartmented Information Systems at the Department of State
- Audit of the Nonproliferation and Disarmament Fund Financial and Contract Activities During Fiscal Years 2016 and 2017
- Audit of the Department of State 2017 and 2018 Financial Statements
- Inspection of Embassy New Delhi, India
- Inspection of Embassy Nairobi, Kenya
- Inspection of U.S. Mission to Somalia
- Inspection of Embassy Dakar, Senegal
- Inspection of Embassy Banjul, The Gambia
- Inspection of Embassy Kolonia, Federated States of Micronesia

- Inspection of Embassy Koror, Republic of Palau
- Inspection of Embassy Majuro, Republic of the Marshall Islands
- Inspection of the Bureau of Democracy, Human Rights, and Labor
- Inspection of the Bureau of Consular Affairs, Office of Fraud Prevention Programs

REPORTS ISSUED

- *Management Assistance Report: Cultural Property Advisory Committee Reporting Under the Federal Advisory Committee Act* ([ESP-18-01](#))
- *Management Assistance Report: Incorporation of Clause Requiring Contractor Cooperation with the Office of Inspector General* ([ESP-18-02](#))
- *Management Assistance Report: Cost Controls for Food Services Supporting Department of State Operations in Iraq Require Attention* ([AUD-MERO-18-31](#))
- *Inspection of Embassy Managua, Nicaragua* ([ISP-I-18-12](#))
- *Classified Inspection of Embassy Managua, Nicaragua** ([ISP-S-18-12](#))
- *Inspection of Yemen Affairs Unit* ([ISP-I-18-21](#))
- *Independent Review of the U.S. Department of State Accounting of FY 2017 Drug Control Funds and Related Performance Report* ([AUD-FM-18-25](#))
- *Management Letter Related to the Audit of the International Boundary and Water Commission, United States and Mexico, U.S. Section, 2017 Financial Statements* ([AUD-FM-18-09](#))
- *Management Assistance Report: Contract Administration Practices Involving the Construction of the New Office Compound Taipei, Taiwan, Require Attention* ([AUD-SI-18-34](#))
- *Audit of the Administration and Oversight of Fuel Contracts at U.S. Embassy Amman, Jordan* ([AUD-MERO-18-33](#))
- *Lead IG Special Report: Observations from Travel to Iraq, Afghanistan, and Qatar* ([March 2018](#))

*Report is classified or sensitive but unclassified.



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