



U.S. Embassy Budapest, Hungary

MONTHLY UPDATE



January 2020

MAKING A DIFFERENCE

In December 2019, the CEO of a company that provided protective equipment to the U.S. Government was arrested and charged with wire fraud as a result of an investigation by special agents from OIG and several other federal agencies. The contractor allegedly falsely certified that ballistic vests, helmets, riot gear, and other items sold to the federal government were from designated countries, specifically, Hong Kong and the United States. The arrest affidavit alleges that the CEO knew the items were manufactured and bought from China in violation of the Trade Agreements Act. From September 2015 to July 2019, the U.S. Navy and U.S. Department of State were two of at least five federal agencies that placed a total of nine orders with the company for ballistic vests, helmets, or riot gear, valued at approximately \$639,921.

SPOTLIGHT ON SUCCESS

Embassy Stockholm Identified a Life Safety Issue that Resulted in a Worldwide Alert

(Inspection of Embassy Stockholm, Sweden, ISP-I-20-06)

Embassy Stockholm staff discovered a life safety issue with lamps that affected overseas posts. Specifically, lamps purchased under a worldwide General Services Administration contract were dangerous when used with a standard European light bulb. When such a light bulb was placed in the lamp, a portion of the metal bottom of the bulb remained above the lamp’s plastic base. If someone touched the metal portion of the bulb, he or she was at risk of an electrical shock even if the lamp was not turned on. The embassy immediately notified the Bureau of Overseas Buildings Operations’ Office of Safety, Health, and Environmental Management (SHEM) and the Bureau of Administration’s Office of the Procurement Executive (OPE). OPE contacted the vendor, which confirmed the risk through Underwriters’ Laboratories. According to OPE, the Department bought 5,325 of these lamps at an estimated cost of more than \$700,000. SHEM issued a worldwide safety alert instructing overseas posts to remove the lamps from

RECOMMENDATIONS STATUS

as of December 31, 2019

1,080

Open Recommendations

76

Recommendations Closed During December

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service immediately. OPE negotiated with the vendor, which agreed to replace the lamps at no additional cost, including shipping.

NEW WORK STARTED

- Audit of Remote Diplomatic Mission Operations
- Audit of the Food Services Task Order Under the Afghanistan Life Support Services Contract

REPORTS ISSUED

- *Information Report: Department of State 2019 Travel Charge Card Risk Assessment (AUD-CGI-20-11)*
- *Inspection of Embassy Stockholm, Sweden (ISP-I-20-06)*
- *Information Report: Department of State 2019 Purchase Charge Card Risk Assessment (AUD-CGI-20-13)*
- *Audit of the U.S. Agency for Global Media’s FY 2019 Implementation of the Digital Accountability and Transparency Act of 2014 (AUD-FM-IB-20-10)*
- *Management Assistance Report: Continued Health and Welfare Concerns for Antiterrorism Assistance Explosive Detection Canines (ESP-20-02)*
- *Inspection of Embassy Helsinki, Finland (ISP-I-20-08)*

*Report is classified or Sensitive But Unclassified