



U.S. Embassy Tunis, Tunisia

# MONTHLY UPDATE



## July 2019

### MAKING A DIFFERENCE

In June 2019, the vice president of sales for an American furniture manufacturer admitted to obtaining competitors’ confidential bid proposals to win a Department contract to furnish a new U.S. embassy that was under construction. OIG special agents determined that the vice president knowingly obtained from Department employees bid prices and design plans of at least three competitors. The information enabled his company to win the contract to provide furniture. He also admitted to improperly paying a portion of a Department employee’s expenses when they attended dinners, sporting events, and concerts. Sentencing is pending.

In June 2019, the Department debarred a total of seven vendors and individuals for systematically defrauding the U.S. Government. OIG special agents found that several companies and individuals associated with \$241,901 worth of Department contracts provided false information and improperly certified information their System for Award Management and FedBid registrations.

In June 2019, a former Senior Executive Service official serving as Chief Strategy Officer at the U.S. Agency for Global Media pleaded guilty to stealing more than \$40,000 in government funds in 2018. OIG special agents determined the employee fraudulently obtained thousands of dollars by submitting falsified hotel invoices and inflated taxi and Uber receipts and by billing the government for personal travel and travel that had already been paid by third parties. Additionally, he admitted to creating a falsified letter that claimed he needed to fly business class because of medical reasons, resulting in costly business class upgrades at government expense. Sentencing is scheduled for October 2019.

In June 2019, the Department debarred two former locally engaged staff (LES) employees as well as two companies and their owners. OIG and Bureau of Diplomatic Security special agents determined that, from 2013 through 2016, the LES employees used their official U.S. embassy positions as procurement agents for personal gain when they accepted gratuities and cash payments of thousands of dollars in exchange for procuring particular products. The LES employees were terminated from their positions in 2016.

In response to the 2018 report *Audit of the Department of State’s Administration of Its Aviation Program*, the Under Secretary for Management provided updated guidance on centralized management of aviation activities, programs, and contracts in a June 2019 cable. The cable requires all posts and Department organizations to (1) notify the Aviation Governing Board (AGB) of their aviation activities; (2) submit a request to the AGB to approve all new aviation programs or contracts; and (3) comply with specific reporting requirements, including Senior Federal official travel. Additionally, the AGB established new governing committees to help ensure that the AGB has oversight of all decisions related to providing aviation services.

### RECOMMENDATIONS STATUS

as of June 28, 2019

1114

Open Recommendations

41

Recommendations Closed During June

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In response to the June 2018 report *Audit of the Bureau of Overseas Buildings Operations’ Process for Reviewing Invoices for the Construction of the U.S. Embassy in Islamabad, Pakistan*, the Bureau of Overseas Buildings Operations issued a construction alert to employees that requires contract files to contain detailed information supporting invoices. This responds to concerns set forth in the report.

### NEW WORK STARTED

- Audit of the United States Agency for Global Media FY 2019 Financial Statements
- Audit of the Global Engagement Center’s Execution of its Mandate To Coordinate Federal Government Efforts To Counter Disinformation and Propaganda Designed To Undermine the United States
- Audit of the Bureau of African Affairs Monitoring and Coordination of the Trans-Sahara Counterterrorism Partnership

### REPORTS ISSUED

- *Classified Management Assistance Report: Visa Fee Reconciliation (ISP-19-24)\**
- *Classified Inspection of Embassy Port-au-Prince, Haiti (ISP-S-19-18)\**
- *Management Assistance Report: Modernizing Processes To Maintain Overseas Buildings Operations Commissioning Documentation Is Needed (AUD-MERO-19-31)*
- *Audit of the Bureau of Diplomatic Security’s Expenditures for Third-Party Contractors and Personal Services Contractors Supporting the Office of Training and Performance Standards (AUD-SI-19-30)*
- *Inspection of Embassy Port-au-Prince, Haiti (ISP-I-19-18)*
- *Classified Inspection of Embassy Paramaribo, Suriname (ISP-S-19-20)\**
- *Inspection of Embassy Libreville, Gabon (ISP-I-19-16)*
- *Compliance Follow-Up Audit of the Emergency Action Plan at U.S. Embassy Baghdad (AUD-MERO-1-32)\**
- *Audit of the Department of State Implementation of Policies Intended To Counter Violent Extremism (AUD-MERO-19-27)*

\*Report is classified or Sensitive But Unclassified