



July 2020

OIG continues to fulfill its mission to provide oversight of the Department of State and the U.S. Agency for Global Media. However, the unprecedented disruptions related to the COVID-19 pandemic are affecting the nature and quantity of OIG’s work. For example, we are unable to travel overseas, and our ability to perform classified work is limited by our efforts to promote social distancing and maximize telework for our staff.

On May 29, 2020, OIG transmitted to Congress our unclassified semi-annual report (SAR) for the period of October 1, 2019, to March 31, 2020. In the transmittal email, we indicated that our ability to prepare and transmit the classified annex to the SAR for this period had been affected, and that this portion of the SAR would be delayed. Given the ongoing disruptions related to COVID-19 and the effects described above, OIG will forego issuance of the classified annex to the SAR for the period of October 1, 2019, to March 31, 2020. OIG will incorporate any relevant information for this period into the next classified annex.

MAKING A DIFFERENCE

In June 2020, a federal grand jury indicted Keith Fisher Sr., the former president of a company providing goods to federal government agencies, [for trying to defraud businesses in connection with government contracting](#). OIG, Naval Criminal Investigative Service, and General Services Administration (GSA) OIG special agents found that, while on supervised release for conspiring to commit mail fraud, Fisher allegedly bid on federal contracts by using an alias to subcontract with a third-party vendor to provide goods directly to the government agency. In addition, he allegedly made false and fraudulent claims to other potential subcontractor vendors. Both Fisher and his company were debarred for 10 years.

In June 2020, Alutiq International Solutions LLC (AIS) [entered into a non-prosecution agreement and has agreed to pay over \\$1.25 million](#) to resolve a Department of Justice investigation into a kickback and fraud scheme on a contract to modernize the U.S. Department of State Harry S. Truman Building in Washington, D.C. According to AIS admissions in the non-prosecution agreement, former AIS project manager Elmer

RECOMMENDATIONS STATUS

as of June 30, 2020

684*
Open
Recommendations

62*
Recommendations
Closed During June

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* Classified recommendations are not included in these totals because of delays in preparing classified materials due to OIG’s effort to maximize telework and social distancing during the COVID-19 pandemic.

Baker began receiving kickbacks in 2010 from a subcontractor on the project in exchange for steering work to that subcontractor. By 2015, Baker began demanding cash kickbacks equivalent to 10 percent of the value of contract modifications awarded to the subcontractor. In May 2019, a federal grand jury indicted Baker for conspiracy to violate the Anti-Kickback Act and wire fraud. Baker’s trial is scheduled for December 2020. OIG, FBI, and GSA OIG special agents investigated this case.

In June 2020, a former owner, his company, and the former vice president of sales were debarred for 5 years after being convicted in June 2019 of conspiring to defraud the federal government. OIG, FBI, and Homeland Security Investigations special agents determined that these defendants conspired to supply substitute body armor plates to a federal government contractor. This resulted in the delivery of plates that falsely claimed they conformed to certain specifications. In September 2019, the contractor replaced \$3,252,642 worth of non-conforming body armor with legitimate products.

In June 2020, the Department debarred a former contractor employee for theft. The former contractor employee was implementing two Department cooperative agreements to train local governments to carry out their

legislative functions more effectively and to prepare for upcoming local and national elections. OIG and company investigators determined that the former contractor employee stole approximately \$172,000 from a company bank account. This person had signatory authority over the account and used that authority to withdraw the funds improperly. He later tried to conceal the withdrawal by preparing false bank statements. Previously, in July 2019, the company terminated this person's employment.

SPOTLIGHT ON SUCCESS

Travel Request Application Reduced Work (*Inspection of Embassy Dhaka, Bangladesh, ISP-I-20-17*)

The Information Management Office created a travel request application to help employees prepare and expedite their travel plans. The application incorporated a user's saved profile preferences with his or her travel plans to create a comprehensive itinerary. It also offered travel-specific reminders related to such things as visa requirements and leave requests. The application helped to reduce the time it takes employees and the travel office coordinator to finalize travel plans.

Mission Geneva Adopted a "Whole of Government" Approach (*Inspection of the U.S. Mission to the United Nations and Other International Organizations in Geneva, Switzerland, ISP-I-20-16*)

Mission Geneva adopted a "whole of government" approach to staffing arrangements to meet its multifaceted and unique mandate. The mission's staff comprised experts from several federal agencies, in addition to Department generalists, to represent the U.S. to the United Nations (UN) and other international organizations in Geneva. This collaboration contributed to Government efficiency. For example, the co-location of a U.S. Agency International Development (USAID) representative in the Humanitarian Affairs Section reflected the longstanding collaboration between USAID and the Department on humanitarian issues and resulted in effective collaboration on oversight of humanitarian organizations and food aid coordination. More significantly, since 2016, personnel from four federal agencies (Commerce, USAID, Health and Human Services,

and the Department) worked together in a single Multilateral Economic and Political Affairs Section led by two senior Department officers. Personnel from five specialized units within the section coordinated constantly and backstopped each other as U.S. priorities shifted and workloads fluctuated. The diversity of the section staff led to the development and delivery of a coordinated U.S. response on common political themes.

NEW WORK STARTED

- Audit of Department of State Use of Appropriated Funds Prior to Expiration and Cancellation.
- Audit of the Information Security Program at the Department of State
- Audit of the International Boundary and Water Commission, United States and Mexico, U.S. Section, Information Security Program
- Audit of the U.S. Agency for Global Media Information Security Program

REPORTS ISSUED

- *Semiannual Report to the Congress (October 1, 2019 to March 31, 2020)*
- *Inspection of the Bureau of Counterterrorism's Foreign Assistance Program Management (ISP-I-20-14)*
- *Management Assistance Report: Quarterly Reporting on the Afghan Special Immigrant Visa Program Needs Improvement (AUD-MERO-20-34)*
- *Inspection of the U.S. Mission to the United Nations and Other International Organizations in Geneva, Switzerland (ISP-I-20-16)*
- *Inspection of Embassy Dhaka, Bangladesh (ISP-I-20-17)*
- *Review of the Afghan Special Immigrant Visa Program (AUD-MERO-20-35)*
- *Compliance Follow-Up Review: Targeted Review of Leadership and Management at the National Passport Center (ISP-C-20-27)*
- *Management Assistance Report: Department of State Guidance Does Not Comply With Federal Travel Regulations (AUD-CGI-20-37)*
- *Audit of Selected Internal Controls for the Special Needs Education Allowance (AUD-FM-20-33)*



The Office of Inspector General conducts independent oversight of the Department of State and the U.S. Agency for Global Media on behalf of American taxpayers to:

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- Prevent and detect fraud, waste, and abuse.
- Identify vulnerabilities and recommend constructive solutions.

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