



U.S. Embassy Helsinki, Finland

## June 2018

### MESSAGE FROM THE IG

I am pleased to announce that we issued 62 reports in the first six months of fiscal year 2018. Our work produced more than \$129 million in recommended financial savings and \$6 million in investigative results, as noted in our recently published [Semiannual Report to the Congress](#). We also published, along with our Department of Defense and U.S. Agency for International Development counterparts, [two Lead IG quarterly reports](#), which describe significant events involving the three overseas contingency operations we are jointly responsible for overseeing. **Finally, as of June 1, our public website is on our own OIG network, and our new website address is [www.stateoig.gov](http://www.stateoig.gov).**

### MAKING A DIFFERENCE

In May 2018, [a former Department program manager pleaded guilty](#) to stealing Federal funds intended for a foreign exchange program. OIG and Federal Bureau of Investigation special agents determined that, from February 2011 through March 2016, the former employee conspired with others to steal portions of Federal money allocated to the foreign exchange program by falsifying vendor-related invoices and creating fraudulent checks. Over the 5-year span, the former employee stole approximately \$17,335. Sentencing is scheduled for August 2018. A co-conspirator was recently [sentenced to 14 months in prison](#).

In May 2018, the director of a former Department sub-grantee was debarred for embezzling

### RECOMMENDATION STATUS

as of May 31, 2018

# 1,103

Open Recommendations

# 31

Recommendations Closed During May

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approximately \$19,000 in Department funds. The grant, which was valued at \$29,000, was awarded in 2014 for the purpose of publishing a news website providing independent local, national, and international news inside Russia. OIG special agents determined the organization's director withdrew approximately \$19,000 of the grant funds and fled from Russia to the United States, where he sought asylum. Before his debarment, in April 2018, the director was suspended from conducting business with the U.S. Government, and his application for asylum was denied. In addition, the Department of Homeland Security placed him in removal proceedings.

In a 2017 report, [Inspection of Embassy Valletta, Malta](#), OIG recommend that Embassy Valletta dispose of a rarely used Chief of Mission backup armored vehicle. In response to our recommendation, Embassy Valletta provided documentation that the vehicle had been destroyed in accordance with the Department's 12 FAM 388 procedures, resulting in \$18,000 in estimated annual maintenance costs being put to better use.

### SPOTLIGHT ON SUCCESS

**Handbook Provides Guidance on Official Residence Expenses** (*Inspection of Embassy Lisbon and Consulate Ponta Delgada, Portugal, ISP-I-18-22*, May 2018)

Embassy Lisbon developed an Official Residence Expenses Handbook to help the Ambassador, Deputy Chief of Mission, and Ponta Delgada Principal Officer better understand and follow required procedures related to the management of their official residence staff. The embassy based the handbook on Department requirements and standards as well as on Portuguese labor law and customs. The Human Resources and Financial Management Offices also consulted Embassy Athens colleagues who had created a similar product and incorporated their best practices. In addition to serving as a valuable resource to Mission Portugal's principal officers, the handbook has the potential to help other posts manage official residence staff.

## NEW WORK STARTED

- Audit of the Execution of Security-Related Construction Projects at U.S. Embassy Kabul, Afghanistan
- Audit of the International Boundary and Water Commission, United States and Mexico, U.S. Section, 2018 and 2017 Financial Statements
- Audit of the Broadcasting Board of Governors 2018 and 2017 Financial Statements
- Audit of Grants and Cooperative Agreements Intended to Counter Violent Extremism
- Lessons Learned from Office of Inspector General Audits Concerning the Review and Payment of Contractor Invoices Supporting Overseas Contingency Operation
- Evaluation of the Health and Welfare of the Dogs Utilized in the Bureau of Diplomatic Security's Explosive Detection Canine Program.
- Inspection of the Bureau of Consular Affairs, National Passport Center

## REPORTS ISSUED

- *2017 Examination of the Diplomatic Security Special Forces Antiterrorism Assistance Project* (AUD-FM-18-41 and AUD-FM-18-42)\*
- *Lead Inspector General for Operation Inherent Resolve and Operation Pacific Eagle-Philippines | Quarterly Report to Congress (January 1– March 31, 2018)*
- *Audit of Food Safety Controls Under Baghdad Life Support Services Task Order SAQMMA14F0721* ([AUD-MERO-18-38](#))
- *Inspection of Embassy Lisbon and Consulate Ponta Delgada, Portugal* ([ISP-I-18-22](#))
- *Classified Inspection of Embassy Lisbon and Consulate Ponta Delgada, Portugal* (ISP-S-18-22)\*
- *Audit of Department of State FY 2017 Compliance With Improper Payments Requirements* ([AUD-FM-18-40](#))

- *Classified Inspection of Embassy San Jose, Costa Rica* (ISP-S-18-13)\*
- *Inspection of Embassy Riyadh and Constituent Posts, Saudi Arabia* ([ISP-I-18-17](#))
- *Classified Inspection of Embassy Riyadh and Constituent Posts, Saudi Arabia* (ISP-S-18-17)\*
- *Audit of Broadcasting Board of Governors FY 2017 Compliance With Improper Payments Requirements* ([AUD-FM-IB-18-39](#))
- *Inspection of Embassy Georgetown, Guyana* ([ISP-I-18-19](#))
- *Classified Inspection of Embassy Georgetown, Guyana* (ISP-S-18-19)\*
- *Inspection of Embassy Guatemala City, Guatemala* ([ISP-I-18-16](#))
- *Management Assistance Report: Personnel Under Chief of Mission Authority Working in Spaces that Do Not Meet Department Physical Security Standards* (ISP-S-18-10)\*
- *Management Assistance Report: The Department of State Is Not Managing Unsupported Operating Systems in Accordance With Federal Requirements* (AUD-IT-18-43)\*
- *Classified Inspection of Embassy Copenhagen, Denmark* (ISP-S-18-23)\*
- *Lead Inspector General for Operation Freedom's Sentinel | Quarterly Report to Congress (January 1 to March 31, 2018)*
- *Inspection of the U.S. Mission to the African Union, Addis Ababa, Ethiopia* ([ISP-I-18-20](#))
- *Inspection of Embassy Addis Ababa, Ethiopia* ([ISP-I-18-18](#))
- *Semiannual Report to the Congress (October 1, 2017, to March 31, 2018)*

\*Report is classified or sensitive but unclassified.



The Office of Inspector General conducts independent oversight of the Department of State and the Broadcasting Board of Governors on behalf of American taxpayers to:

- Promote economy, efficiency, and effectiveness.
- Prevent and detect fraud, waste, and abuse.
- Identify vulnerabilities and recommend constructive solutions.

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