



U.S. Embassy N'Djamena, Chad

November 2020

MAKING A DIFFERENCE

In response to five recommendations in a 2017 report, *Audit of Select Cost-of-Living Allowances for American Employees Stationed in Foreign Areas*, the Bureau of Administration changed its process to calculate Cost-of-Living Allowances (COLA). New COLA rates that used independent economic data were published in October 2020. In addition, the Bureau reviewed and revised Department of State Standardized Regulations to reflect the change in post allowance methodology to a market-based calculation using independent economic data.

In response to a recommendation in a 2018 report, *Audit of the Department of State's Administration of its Aviation Program*, the Bureau of International Narcotics and Law Enforcement Affairs developed and implemented new policies and procedures. These changes require that all foreign assistance aviation programs have documented nationalization plans with clear goals and attainable objectives, both at the headquarters level and for each country of operation.

In September 2020, the Office of the Undersecretary for Management advised OIG that the Department submitted a Congressional Notification to reprogram additional funding for the Ashgabat, Turkmenistan, New Embassy Compound (NEC) on June 22, 2020. A February 2020 report, *Review of Delays Encountered Constructing the New Embassy Compound in Ashgabat, Turkmenistan*, found that delays in completing the construction of the NEC were caused when the Government of Turkmenistan ordered a halt to construction of a New Office Building (NOB). The NOB was being constructed in a location that violated the city's red line, which is a requirement that buildings be set back a certain distance from the road to achieve an aesthetic alignment. As a result, the NOB remained unfinished and without a clear path forward for completion. The Department is currently engaging with Congress to secure release of the funding necessary to complete the project. In an October 2020 meeting, senior OBO leaders thanked OIG's Office of Audits for its report and said that OIG's detailed findings provided critical support for the Department's reprogramming request.

In October 2020, the Department debarred two individuals and a company for their role in a wire fraud scheme. OIG special agents

RECOMMENDATIONS STATUS

as of October 30, 2020

634* Open Recommendations	32* Recommendations Closed During September
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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.

determined the company owner submitted an invoice to the Department that appeared to be from a company email address; however, the illegitimate address was used to divert a \$16,944 payment for personal use. In January 2020, the owner pled guilty to one count of wire fraud and in August 2020 his co-conspirator entered into a pre-trial diversion agreement and agreed to pay joint restitution. Sentencing is pending.

In October, a contractor agreed to pay more than \$240,000 to the U.S. Government to resolve issues related to inconsistent equipment purchasing practices on a Department contract. OIG special agents investigated this case, which culminated with OIG's Office of General Counsel seeking, through the Program Fraud Civil Remedies Act, an action resulting in the settlement payment by the contractor.

In October 2020, three individuals were indicted for using a business email compromise scheme, or BEC, to defraud the Department. OIG and FBI special agents determined the individuals tricked the Department and a nonprofit agency into wiring at least \$575,000 into bank accounts they controlled for the purpose of enriching themselves and their co-conspirators.

REPORTS ISSUED

- *Independent Accountant's Report on the Application of Agreed-Upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management (AUD-FM-21-01, October 2020)*
- *Management Assistant Report: Deficiencies Identified in Communications Security Account Management (ISP-21-01)**
- *Classified Inspection of Embassy Prague, Czech Republic (ISP-S-21-02)**
- *Classified Inspection of the Libya External Office (ISP-S-21-04)**
- *FY 2021 Comprehensive Oversight Plan for Overseas Contingency Operations (October 1, 2020)*

*Report is classified or Sensitive But Unclassified



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