



U.S. Embassy Chisinau, Moldova

# OIG MONTHLY UPDATE



## JANUARY 2018

### MESSAGE FROM THE IG

Happy New Year. This monthly update highlights OIG work in November and December 2017. During this time, our investigations led to three convictions and a \$25,000 settlement. In addition, one of our audits resulted in cost recoveries totaling more than \$1.8 million. We also issued our work plan for Fiscal Years 2018–2019, which describes the audits, inspections, evaluations, and investigative activities we have planned.

### RECOMMENDATION STATUS

as of December 29, 2017

<p><b>829</b> Open Recommendations</p>	<p><b>112</b> Recommendations Closed During November and December</p>	<p>View Latest Monthly Recommendation Reports</p>
		<p>View Report Highlights</p>

### MAKING A DIFFERENCE

In November 2017, a [federal jury convicted a former Government contractor](#) for his role in a contract kickback scheme that caused a loss of more than \$3.4 million to the Department. OIG special agents determined the contractor conspired with others to inflate the lease of real property for use on a Department contract. The contractor facilitated kickback payments directly to other contractors, who were sentenced in 2017. Sentencing is scheduled for February 2018.

In November 2017, a [former Department employee pleaded guilty](#) to a conspiracy to commit theft of government property and wire fraud. OIG and FBI special agents determined the employee conspired with others to misappropriate and resell Department vehicles, totaling at least \$512,420 in value, for personal profit. A February 2017 report, [Audit of the Bureau of Diplomatic Security's Administration of the Armored Vehicle Program](#), described a lack of internal

controls in the Department's vehicle program that made it possible for the employee to misappropriate vehicles in the first place. Pursuant to the plea agreement, the former employee will pay \$416,020 in restitution and an additional \$53,000 in a forfeiture judgment. Sentencing is scheduled for February 2018.

Cost recoveries due to an OIG audit have totaled more than \$1.8 million and exceeded unsupported and unallowable costs identified by the OIG. In the June 2017 report, [Audit of Grants and Cooperative Agreements Awarded to Kennesaw State University](#), OIG identified approximately \$1.6 million in unsupported and unallowable costs. In August 2017, the Bureau of Administration's Grants Officer ordered the university to pay back \$838,732. In November 2017, the Bureau of South and Central Asian Affairs ordered the university to repay \$294,239. Additionally, the Department de-obligated \$711,523 in

award funds not yet paid to the university.

In December 2017, [the former owner of a transportation company pleaded guilty](#) to stealing \$17,335 in Federal grant funds intended for a Department-maintained foreign exchange program. OIG and FBI special agents determined the owner conspired with a Department official to steal portions of the \$247,200 grant by submitting false and inflated invoices. Sentencing is scheduled for April 2018.

In December 2017, a U.S. citizen agreed to pay a \$25,000 settlement to resolve allegations that he knowingly submitted false information to the Department. OIG special agents determined a U.S. embassy issued 13 immigrant work visas based on false information submitted by the individual. The visa recipients did not actually work for the sponsoring organization during their time in the United States.

## SPOTLIGHT ON SUCCESS

### Fraud Prevention Tool Flags High-Risk Applicants

*(Inspection of Embassy Beijing and Constituent Posts, China, [ISP-I-18-04](#), December 2017)*

Consulate General Guangzhou's fraud prevention unit developed a data analysis tool that enabled consular staff to pre-screen nonimmigrant visa applications to identify similarities between current applicants and previous applicants linked to fraud. This tool, which all consular sections in Mission China adopted, has helped consular officers more easily spot potential fraud cases and make more informed decisions.

### FAST Officers as Team Leaders at Consulate General

*Shanghai (Inspection of Embassy Beijing and Constituent Posts, China, [ISP-I-18-04](#), December 2017)*

First- and Second-Tour (FAST) officers assigned to Consulate General Shanghai served as team leaders to assist consular managers in using staff effectively to process nonimmigrant visas efficiently. For example, team leaders rotated as line leaders on each interviewing shift; in this role, they monitored workflow, modified work assignments as necessary, and handled visa applicants' special needs. The team leaders also created daily work assignment schedules, factoring in issues such as leave, temporary duty assignments to other posts, and outreach events. This program allowed consular managers to spend more time on other supervisory responsibilities while providing FAST officers with opportunities to enhance their own management skills.

## NEW WORK STARTED

- Compliance Follow-up Audit of Department of State Actions to Address Cybersecurity Weaknesses Identified with the Integrated Personnel Management System
- Audit of Department of State Management and Use of Unsupported Operating Systems
- Review of Department of State FY 2017 Drug Control Funds and Related Performance Reports for the Office of National Drug Control Policy
- Audit of Bureau of Diplomatic Security Worldwide Protective Services Contract 2 - Task Order 2, Awarded to Triple Canopy, Inc., for Protective Security Services in Baghdad, Iraq
- Audit of Department of State Directorate of Defense Trade Controls' Export Licensing Processes

- Audit of the Bureau of Overseas Buildings Operations' Value Engineering Program
- Audit of the Sanitization of IT Media Before Disposal at Selected Bureaus and Posts
- Evaluation of the Bureau of Diplomatic Security's Aegis Construction Contract at Camp Eggers in Kabul, Afghanistan

## REPORTS ISSUED

- *Quarterly Report Operation Inherent Resolve (July 1, 2017-September 30, 2017)* ([OCO-OIR-17-11](#))
- *Management Assistance Report: Although Progress Has Been Made, Challenges Remain in Monitoring and Overseeing Antiterrorism Assistance Program Activities in Afghanistan* ([AUD-MERO-18-16](#))
- *Quarterly Report Operation Freedom's Sentinel (July 1, 2017-September 30, 2017)* ([OCO-OFS-17-10](#))
- *Classified Inspection of New Embassy Compound Jakarta, Indonesia* (ISP-S-18-08)\*
- *Inspection of Consulate General Hong Kong, China* ([ISP-I-18-06](#))
- *Classified Inspection of Consulate General Hong Kong, China* (ISP-S-18-06)\*
- *Information Report: Department of State 2017 Charge Card Risk Assessment* ([AUD-CGI-18-19](#))
- *Work Plan FY 2018-FY 2019* ([OIG-EX-18-01](#))
- *Inspection of Embassy Beijing and Constituent Posts, China* ([ISP-I-18-04](#))
- *Classified Inspection of Embassy Beijing and Constituent Posts, China* (ISP-S-18-04)\*
- *Information Report: International Boundary and Water Commission, United States and Mexico, U.S. Section, 2017 Charge Card Risk Assessment* ([AUD-CGI-18-21](#))
- *Management Assistance Report: Lapse in Oversight at Embassy Islamabad, Pakistan, Allowed Design Change To Proceed Without the Contracting Officer's Knowledge* ([AUD-MERO-18-01](#))
- *Information Report: Broadcasting Board of Governors 2017 Charge Card Risk Assessment* ([AUD-CGI-IB-18-20](#))
- *Audit of Emergency Action Plan for Embassy Kyiv, Ukraine* (AUD-MERO-18-11)\*

\*Report is classified or sensitive. Please contact Ryan Holden at [Ryan.D.Holden@stateoig.gov](mailto:Ryan.D.Holden@stateoig.gov) to request a copy.



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- Identify vulnerabilities and recommend constructive solutions.

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