



Deputy IG Shaw testifying before Congress on OIG oversight of Ukraine response efforts

March 2023

MAKING A DIFFERENCE

In response to a recommendation, the U.S. embassy in the Dominican Republic provided documentation showing it had reviewed all unliquidated obligations. This resulted in putting \$863,785 to better use. In the 2019 report *Embassy Santo Domingo, Dominican Republic (ISP-I-19-17)*, OIG recommended that the embassy review its unliquidated obligations in accordance with Department guidance and put up to \$1.3 million to better use.

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In March 2023, a former Department of Defense contractor was **convicted of 12 counts** of wire fraud, two counts of false claims, and making and using a false document in connection with his companies' performance on federal contracts.

The conviction follows a July 2020 indictment and arrest. OIG, Department of Labor, and Naval Criminal Investigative Service special agents determined that, from 2015 through 2018, the contractor used his two companies to defraud multiple federal agencies by providing false information about the delivery, source, and condition of the telecommunications equipment he sold, in addition to fabricating and forging certifications. Sentencing is pending.

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In March 2023, an individual was sentenced to 1 year and a day in federal prison, 3 years supervised release, \$535,000 in forfeiture, and \$535,000 in restitution for taking part in a scheme to redirect and receive Department retirees' pension payments.

OIG and other federal partners determined the subject and co-conspirators used sophisticated technological methods, including the "Dark Web" to obtain personally identifiable information from over 1,000 individuals in the U.S. That information was subsequently used to open drop accounts at numerous financial institutions nationwide, as well as to apply for a variety of COVID-19

RECOMMENDATIONS STATUS

as of March 31, 2023

928*

Open
Recommendations

60**

Recommendations
Closed During March

[View Recommendations](#)

*Includes 46 recommendations associated with the U.S. International Boundary and Water Commission (USIBWC).

**Includes 24 recommendations closed on OIG's classified network.

Reports

Ongoing Work

related unemployment benefits from several different U.S. states, obtain Federal Emergency Management Agency disaster recovery loans, Small Business Association Economic Injury Disaster Loans, Social Security Administration retiree payments, and Department retiree payments. Previously, in December 2022, the individual pleaded guilty to one count of conspiracy to commit wire fraud.

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Also in March, the owner of a body armor company **pled guilty** to one count of wire fraud for falsifying safety test records and submitting false claims that his products were made in the U.S. OIG, Department of Homeland Security investigators, and other federal partners determined the defendant, through his company, sold approximately \$2.7 million worth of personal protective equipment to government agencies, \$555,000 of which he falsely claimed were made in the U.S. and met specified ballistic testing standards.

NEW WORK STARTED

- *Audit of Department of State FY 2023 and FY 2022 Financial Statements*
- *Inspection of the Bureau of Medical Services*
- *Inspection of Embassy Baghdad and Constituent Post, Iraq*
- *Inspection of Embassy Singapore, Singapore*
- *Inspection of Embassy Vienna, Austria*
- *Inspection of the U.S. Mission to International Organizations in Vienna*
- *Inspection of the U.S. Mission to the Organization for Security and Cooperation in Europe*
- *Classified Inspection of Sofia, Bulgaria*
- *Inspection of the American Institute of Taiwan-Taipei and Kaohsiung*

REPORTS ISSUED

- *Management Alert: Technical Security Issues at U.S. Embassy Kyiv, Ukraine, Require Immediate Attention (MA-23-01) (Classified)*
- *Management Letter Related to the Audit of the International Boundary and Water Commission, United States and Mexico, U.S. Section, FY 2022 Financial Statements (AUD-FM-23-14)*
- *Inspection of Embassy Khartoum, Sudan (ISP-I-23-13)*
- *Classified Inspection of Brussels Tri-Mission, Belgium (ISP-S-23-11)*
- *Review of Challenges in the Afghan Placement and Assistance Program (ESP-23-01)*
- *[Spring Addendum to Work Plan Fiscal Years 2023-2024](#)*

UKRAINE OVERSIGHT

In March, inspectors general from the Department of Defense (DoD) and U.S. Agency for International Development (USAID) joined us in issuing the report [Joint Oversight of the Ukraine Response](#). This report covers the whole-of-government effort to conduct independent, comprehensive oversight of the \$113 billion appropriated for the U.S. government's Ukraine response since Russia's February 2022 invasion.

Also, on March 29, Deputy Inspector General Diana Shaw joined her colleagues from DoD and USAID in appearing before Congress. The respective IGs [testified](#) before the House Foreign Affairs Committee regarding efforts to oversee the use of security assistance and humanitarian and economic aid that accounts for the majority of the Ukraine-related funds appropriated by Congress since last year. Committee members expressed interest in getting the IGs the tools needed to effectively oversee the large U.S. response effort. Shaw highlighted the need for additional flexible hiring authorities and direct hire authority. There was also widespread interest in OIG efforts to get personnel on the ground in Ukraine. State OIG's written statement is available [here](#).



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