



American Institute in Taiwan, Taiwan

September 2023

MAKING A DIFFERENCE

In September 2023, a vendor agreed to pay \$29,596 to the U.S. government to resolve false claims allegations the company sold counterfeit or previously owned server switches marketed as new products to the Department. OIG special agents and the Office of General Counsel worked together to recover program funds that otherwise would have been lost, using the Program Fraud Civil Remedies Act.

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Also in September, a senior U.S. Agency for Global Media official was demoted for not accurately disclosing to agency ethics officials his outside business relationship with a subordinate employee. Specifically, OIG special agents determined that from February 2020 to April 2021, the senior official continued to use the business Automated Teller Machine card and account after inaccurately disclosing he ended the partnership.

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An August 2023 incident that wasn't highlighted in last month's newsletter notes that an individual was arrested and his residence was searched in connection with his role in a scam to financially defraud unsuspecting applicants of the Department's exchange visitor program. OIG special agents and members of the FBI Financial Crimes Task Force determined the subject engaged in counterfeiting and bank fraud while laundering approximately \$2.5 million through at least 37 bank accounts he created using fictitious identities.

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In response to an August 2022 report, the American Institute in Taiwan, Washington Headquarters, provided documentation showing that it closed a bank account which resulted in \$216,000 put to better use. *Inspection of the American Institute in Taiwan, Washington Headquarters (ISP-I-22-22)* included a recommendation that the institute perform a review of its bank accounts, consolidate accounts where necessary in line with financial management controls guidelines, and put up to \$216,000 to better use.

RECOMMENDATIONS STATUS

as of September 30, 2023

1,046*

Open
Recommendations

68**

Recommendations
Closed During September

[View Recommendations](#)

*Includes 53 recommendations associated with the U.S. International Boundary and Water Commission (USIBWC) and excludes 1 unclassified State Department report with 3 recommendation that are resolved. This total also excludes 1 unclassified U.S. Agency for Global Media (USAGM) report with 3 recommendations (1 is closed and 2 are resolved).

**Includes 18 recommendations closed on OIG's classified network.

Reports

Ongoing Work

NOTABLE OPEN RECOMMENDATION

In the July 2019 report, *Audit of the Department of State Implementation of Policies Intended To Counter Violent Extremism (AUD-MERO-19-27)*, OIG recommended that the Bureau of African Affairs develop and implement standard operating procedures to align its regional strategy objectives, sub-objectives, and performance indicators for countering violent extremism (CVE) with Department and Bureau of Counterterrorism and Countering Violent Extremism strategies, goals, and objectives. This recommendation has been open for over 1,500 days. The delay in implementation of this recommendation hinders the Department's ability to measure the results of CVE awards, identify best practices that could be replicated, or abandon ineffective efforts that do not advance CVE goals and objectives.

MERO TO GEER!

Fiscal Year 2024 brings a name change to OIG. The Middle East Operations Directorate has been renamed the Global Emergencies and Emerging Risks (GEER) Directorate. The first offices of MERO were in the Middle East and this change better reflects the work we do today. GEER plans,

conducts, and coordinates audits and evaluations of high-cost, high-risk Department programs located in crisis, post-conflict, and fragile states worldwide. In addition to having staff at OIG's headquarters, GEER has three overseas offices in Frankfurt, Germany; Baghdad, Iraq; and Kyiv, Ukraine. Our report numbering scheme will be changed to include the new acronym.

REPORTS ISSUED

- *Audit of the Department of State FY 2023 Information Security Program* ([AUD-IT-23-31](#))
- *Audit of Physical Security Standards for Department of State Temporary Structures* ([AUD-SI-23-30](#))
- *OIG's Review of the Department of State's Evacuation of U.S. Embassy Kabul, Afghanistan* ([AUD-MERO-23-33](#))
- *Audit of the U.S. Agency for Global Media FY 2023 Information Security Program* ([AUD-IT-IB-23-32](#))
- *Audit of Selected Cooperative Agreements Supporting Department of State Refugee Resettlement Support Centers* ([AUD-SI-23-28](#))
- *Audit of Department of State Efforts To Identify and Terminate Unneeded Contracts Related to Afghanistan* ([AUD-CGI-23-26](#))
- *Audit of the International Boundary and Water Commission, United States and Mexico, U.S. Section, FY 2023 Information Security Program* ([AUD-IT-23-29](#))
- *Audit of Select Bureau of International Narcotics and Law Enforcement Affairs Assistance Awards to the National Center for State Courts That Were Performed in the Western Hemisphere* ([AUD-SI-23-27](#))
- *Audit of the Department of State FY 2023 Information Security Program for Sensitive Compartmented Information Systems* (AUD-IT-23-25) (Classified)
- *Evaluation of Whistleblower Protection Notification to Contractor and Grantee Employees at the Department of State and U.S. Agency for Global Media* ([ESP-23-03](#))
- *Status of the Accountability Goal in the Department of State's Diversity, Equity, Inclusion, and Accessibility Strategic Plan* ([ISP-I-23-21](#))
- [FY 2024 Comprehensive Oversight Plan for Overseas Contingency Operations](#)

UKRAINE AND AFGHANISTAN OVERSIGHT

In September, OIG released *Audit of Department of State Efforts to Identify and Terminate Unneeded Contracts Related to Afghanistan* ([AUD-CGI-23-26](#)). We found that the Department did not adequately identify contracts that would require termination prior to or after the suspension of operations in Afghanistan, nor did it assess the bona fide need of open obligations related to Afghanistan until it was asked to do so by the financial statement auditor at the end of FY 2021. We made 12 recommendations to improve internal controls relating to the identification and termination of unneeded contracts. OIG considers nine recommendations resolved, pending further action, and three recommendations unresolved.

Also released in September was *OIG's Review of the Department of State's Evacuation of U.S. Embassy Kabul, Afghanistan* ([AUD-MERO-23-23](#)). This information brief summarizes an accompanying classified report, which notes that despite having an approved emergency action plan, the embassy was not adequately prepared for the full scope of challenges it would encounter while executing the evacuation in the final weeks of August 2021. OIG made 10 recommendations, which are considered resolved, pending further action. Since the issuance of the final report, the Department has taken action to implement some of the recommendations.

For complete lists of completed, ongoing, and planned work related to Ukraine, go [here](#). For Afghanistan, go [here](#).

NEW WORK STARTED

- *Audit of the Bureau of Intelligence and Research's Implementation of Emerging Technology*
- *Inspection of Embassy Warsaw and Constituent Post, Poland*
- *Review of the Kyiv Transit Platform*
- *Inspection of the Bureau of Political-Military Affairs*
- *Inspection of Embassy Dar es Salaam, Tanzania*
- *Inspection of Embassy Lilongwe, Malawi*
- *Inspection of Embassy Dili, Timor-Leste*
- *Inspection of Embassy Kuala Lumpur, Malaysia*
- *Review of Implementation of the Interagency Strategy to Counter Illicit Diversion of Advanced Conventional Weapons in Eastern Europe*



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:

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

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