



U.S. Embassy Luxembourg, Luxembourg

## February 2022

### MAKING A DIFFERENCE

In response to a recommendation in a 2020 report, *Inspection of the Libya External Office (ISP-I-21-04)*, the Bureau of Near Eastern Affairs provided documentation of a cost-benefit analysis that showed terminated leases of expendable property resulted in putting \$1,466,009 to better use.

In February 2022, a Department contract company agreed to pay a \$930,000 settlement to resolve allegations that it knowingly submitted false claims to the Department for reimbursement under their contract in Iraq. It was alleged that the company did not comply with contractual obligations to properly secure sensitive personnel records and improperly procured controlled substances that were neither U.S. Food and Drug Administration nor European Medicines Agency compliant. In addition, the settlement also resolved a lawsuit brought against the company by former contract company employees under the whistleblower provisions of the False Claims Act.

In February 2022, the Department debarred Mr. and Mrs. John J. Przybyla, Elmer Baker, and two companies for 3 years. Previously, in October 2021, Mr. Przybyla, the former owner of a sub-contracting company, was sentenced to 24 months of probation, 500 hours of community service, a \$30,000 fine, and \$100 assessment for conspiracy to violate the anti-kickback act. In September 2021, Baker was sentenced for his role in the scheme to overbill a General Services Administration (GSA) contract for work performed on a Department facility. GSA, FBI, and OIG special agents determined Baker began receiving kickbacks from Przybyla in the form of meals and vacations in exchange for steering work to Przybyla’s company on the multimillion-dollar GSA project. Baker later began demanding monetary kickbacks and tried to cover his tracks by sending the subcontractor fake invoices to make it appear as though payments were for legitimate work.

In February 2022, while in federal custody, former Contracting Officer (CO) Diane Sturgis pled guilty to a single count of conspiracy to commit bribery and honest services mail fraud. Sentencing is pending. Previously, in December 2021, William Snow, a former contractor who worked for a firm that provided professional staffing services to the U.S. Agency for

### RECOMMENDATIONS STATUS

as of February 28, 2022

<b>578*</b> Open Recommendations	<b>19</b> Recommendations Closed During February
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Classified recommendations above are not included in these totals since their status is currently unavailable due to COVID-19 remote working conditions. \*This total also includes 45 recommendations associated with IBWC.

Global Media, was [indicted](#) for engaging in a bribery and fraud scheme with Sturgis. In November 2021, [Rita M. Starliper was sentenced](#) to 1 year in prison, 2 years supervised release, and was issued a forfeiture judgement in the amount of \$4,078,028, while [Sturgis was sentenced](#) in March 2021 to 2 years in prison and ordered to pay \$45,000 in restitution and a \$10,000 fine for their roles in the bribery and procurement fraud scheme. OIG and FBI special agents determined between late 2014 and 2016, both Snow and Starliper agreed to hire Sturgis’s relative for a job involving minimal work that resulted in payments to the relative of more than \$68,000. In exchange, the former CO provided preferential treatment that included the awarding of a professional staffing contract worth millions of dollars and the steering of the procurement process to benefit Snow, Starliper, and the contracting firm.

### SPOTLIGHT ON SUCCESS

**Virtual Intern Program Supported Embassy Programs While Providing Unique Experience for U.S. Students in Luxembourg** (*Inspection of Embassy Luxembourg, Luxembourg, ISP-I-22-09*)

The Public Diplomacy Section managed Embassy Luxembourg’s virtual intern program that capitalized on the presence of a U.S. study abroad program in Luxembourg. With support from the Department’s Virtual Student

Federal Service Office, the section annually enrolled one to five U.S. students from Miami University's Luxembourg study-abroad program in Embassy Luxembourg's virtual intern program. Rather than physically working in the embassy, the interns worked remotely to assist with such tasks as planning programs and drafting cables and speeches. They also earned course credits and supported embassy activities and events held in public venues. The program required no physical embassy space and minimal support services. This innovative and cost-effective use of the virtual intern program increased the number of interns available to the embassy while giving the students a valuable experience with the Department.

## REPORTS ISSUED

- *Management Letter Related to the Audit of the U.S. Department of State FY 2021 Financial Statements* ([AUD-FM-22-22](#))
- *Audit of the Department of State's Use of "Not Otherwise Classified" Budget Object Codes* ([AUD-FM-22-21](#))
- *Independent Auditor's Report on the International Boundary and Water Commission, United States and Mexico, U.S. Section, FY 2021 and FY 2020 Financial Statements* ([AUD-FM-22-24](#))
- *Management Assistance Report: Internal Controls Are Needed To Safeguard Inherently Governmental Functions at the Global Engagement Center* ([AUD-MERO-22-19](#))
- *Inspection of Embassy Luxembourg, Luxembourg* ([ISP-I-22-09](#))
- *Operation Freedom's Sentinel/Operation Enduring Sentinel, Lead Inspector General Report to the United States Congress, October 1, 2021-December 31* ([February 2022](#))
- *Operation Inherent Resolve, Lead Inspector General Report to the United States Congress, October 1, 2021-December 31, 2021* ([February 2022](#))



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