



**OIG** Office of Inspector General  
U.S. Department of State • Broadcasting Board of Governors

# Work Plan FY 2018–FY 2019

OIG-EX-18-01

A catalyst for effective management, accountability, and positive change



# OIG Office of Inspector General

U.S. Department of State • Broadcasting Board of Governors

## OUR VISION

To be a world-class organization and a catalyst for effective management, accountability, and positive change in the Department, the Broadcasting Board of Governors, and the foreign affairs community.

## OUR MISSION

To conduct independent audits, inspections, evaluations, and investigations to promote economy and efficiency and to prevent and detect waste, fraud, abuse, and mismanagement in the programs and operations of the Department and the Broadcasting Board of Governors.

## OUR VALUES

### Integrity

We remain independent, striving to maintain the highest level of trust, integrity, and professionalism. Our work is fact-based, objective, and supported by sufficient, appropriate evidence in accordance with professional standards.

### Teamwork

Our success depends on working together and fostering an inclusive and mutually supportive environment. Our work environment encourages collaboration, innovation, flexibility, and integration of OIG resources.

### Accountability

We accept responsibility for our work products and services, upholding the highest professional standards by evaluating and measuring our results against stated performance measures and targets. We strive to ensure that our work is relevant, credible, and timely.

### Communication

We clarify expectations up front and communicate openly, honestly, and accurately with our associates and our stakeholders. We look for ways to improve ourselves and our work products by seeking, giving, and using both praise and constructive feedback.

### Respect

We promote diversity and equal opportunity throughout the organization. We value and respect the views of others.

## Message From the Inspector General



Steve A. Linick

I am pleased to present the Office of Inspector General (OIG) 2-year work plan for Fiscal Years (FY) 2018–2019. This publication describes the audits, inspections, evaluations, and investigative activities planned in support of OIG's vision, mission, and strategic goals and objectives. These activities will advance our oversight agenda for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

OIG is dedicated to delivering timely, high-quality products and services that promote accountability, efficiency, and effectiveness; working with stakeholders to hold accountable those who engage in fraud, waste, or abuse; communicating effectively to deliver information and services that support informed decision-making and effect positive change; and increasing collaboration to leverage the impact of OIG's work.

OIG's goal is to ensure that our work makes a meaningful and productive contribution to strengthening accountability and integrity and promoting positive change in the Department, BBG, and the broader foreign affairs community.

OIG uses several criteria for identifying the activities to focus on each year, including:

- Goals and objectives contained in our strategic plan
- Stakeholder priorities that promote efficiency and effectiveness in the execution of foreign policy
- Results from organizational risk assessments
- Congressional mandates
- New or changing conditions affecting the programs and operations of the Department and BBG
- Availability of resources and expertise

This work plan is an evolving document, which will be revised and updated, as necessary, to ensure that OIG oversight operations remain relevant, timely, and responsive to the priorities of the administration and Congress and the changing demands of our global oversight mission.

We look forward to continuing to work with the Department, the BBG, and the Congress in meeting our goals and fulfilling our mission.

A handwritten signature in black ink, appearing to read "Steve A. Linick".

Steve A. Linick  
Inspector General

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## Oversight Responsibilities and Organization

OIG's mandate is broad and comprehensive, involving oversight of the full scope of Department and BBG programs and operations, including more than 75,000 employees and 275 overseas missions and broadcasting networks, as well as the U.S. Section of the International Boundary and Water Commission. These agencies are funded through combined annual appropriations of approximately \$16.3 billion and nearly \$8.6 billion in consular fees and other income. OIG also is responsible for full or partial oversight of an additional \$17.9 billion in Department-managed foreign assistance. In total, OIG is responsible for overseeing approximately \$43 billion in Department and BBG programs and operations.

Although based in Washington, D.C., OIG operates overseas offices in Afghanistan and Iraq to strengthen its oversight of high-cost, high-risk Department activities in South and Central Asia and the Near East. The Middle East Region Operations (MERO) Directorate within the Office of Audits and the Office of Investigations dedicate on-the-ground resources, expertise, and oversight to critical Department programs and U.S. interests in the front-line states and other crisis and post-conflict countries.

OIG's office in Frankfurt, Germany, co-locates audit and investigative staff with the Department's regional support operations. The Frankfurt office provides oversight of Embassy Baghdad's relocated Contract Management Office—which is expected to manage some \$3.5 billion in contracts over the next several years—the Regional Procurement Support Office, and other regional operations.

Investigative staff are also co-located with the Department's Global Financial Service Center in Charleston, South Carolina. In addition, OIG closely collaborates with the Department of Defense (DoD) and the U.S. Agency for International Development (USAID) OIGs and with the Special Inspector General for Afghanistan Reconstruction (SIGAR) to ensure that its Middle East resources are used efficiently and effectively.

### OIG Office Locations

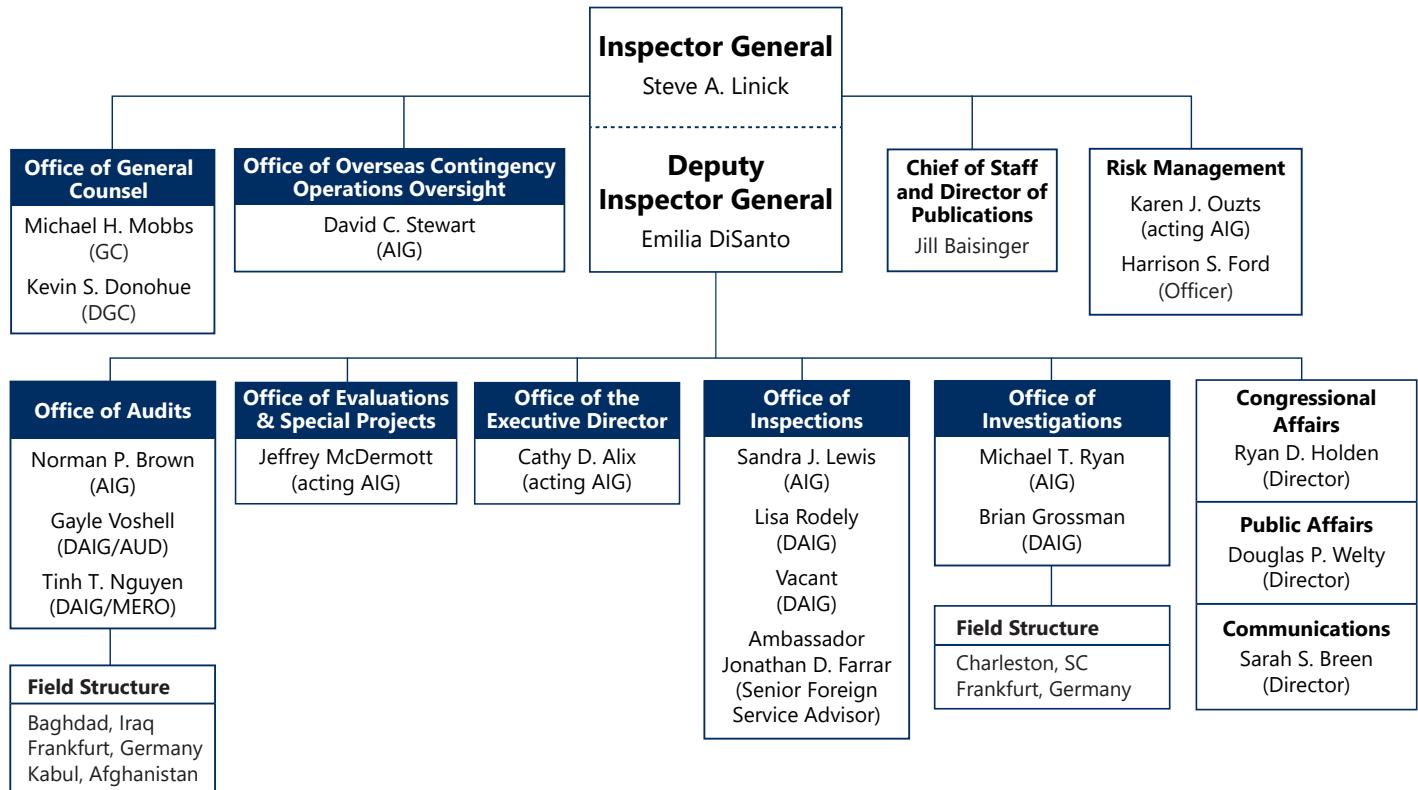


## Management Alerts and Assistance Reports

In FY 2014, OIG launched a new series of rapid-response products to address critical, time-sensitive issues. Management Alerts and Management Assistance Reports supplement and enhance the work of OIG audits, inspections, evaluations, and investigations by alerting senior Department leadership to systemic, high-risk issues or deficiencies that require immediate corrective action. These oversight products are developed by collaborative teams from across the organization in response to major concerns identified in the course of scheduled or requested reviews, or to summarize trends and systemic issues from a broader range of oversight activities.

Management Alerts typically are issued by the Inspector General. Management Assistance Reports are issued by the Assistant Inspectors General. OIG publishes these alerts and reports on its website at [oig.state.gov](http://oig.state.gov), along with Department responses and subsequent actions taken to resolve outstanding issues.

## OIG Organization Chart



## Overseas Contingency Operations



OIG has a statutorily mandated responsibility to oversee current and future overseas contingency operations (OCOs). Section 848 of the National Defense Authorization Act for FY 2013 (P.L. 112-239) amended the Inspector General Act of 1978 to provide for the designation of a lead inspector general for overseas contingency operations (LIG-OCO) from the inspectors general of DoD, the Department, and USAID. As of September 2017, there are two ongoing OCOs requiring joint oversight by OIG in coordination with the DoD and USAID OIGs: Operation Inherent Resolve to defeat the Islamic State of Iraq and Syria (ISIS) and Operation Freedom's Sentinel to train, advise, and assist Afghan security forces and conduct counterterrorism missions against the remnants of al-Qaeda and other terrorist groups in Afghanistan.

As required under Section 8L of the Inspector General Act, OIG participates actively in oversight of these OCO missions in close collaboration with the inspectors general of DoD and USAID. Joint activities in support of each OCO include (1) strategic planning to provide comprehensive oversight of all OCO programs and operations; (2) program management to track, monitor, and update OCO-related information; and (3) communications to collect information and prepare periodic reports for Congress on OCO projects and activities.

For each OCO, the three OIGs coordinate and conduct joint and individual audits, inspections, evaluations, and investigations to provide independent, effective oversight of all programs and operations of the U.S. Government in support of that OCO. OIG also inspects leadership, policy implementation, and resource management at overseas embassies and domestic bureaus related to OIG's LIG-OCO oversight mandate.

Specific projects planned for FY 2018 and 2019 in support of OIG's OCO oversight mission are listed in the following table; projects are described in more detail on pages 7-26.

## ***Planned FY 2018–2019 OIG Oversight Activities in Support of the LIG-OCO Mandate***

- Audit of the Aviation Working Capital Fund Cost Center
- Audit of Assistance to Afghanistan Refugees in Pakistan
- Audit of Diplomatic Security's Invoice Review Process
- Audit of Fuel Acquisition and Distribution in Lebanon and Turkey
- Audit of Department of State Grants and Cooperative Agreements Intended to Counter Violent Extremism in the Middle East
- Audit of Iraq's Post-Conflict Development and Sustainment
- Audit of Cost Increases Related to the Power Plant in Baghdad, Iraq
- Compliance Follow-up Review of the Audit of the Office of Overseas Buildings Operations Construction and Commissioning of the New Office Annex and Staff Diplomatic Apartment-1 in Kabul, Afghanistan
- Audit of the Office of Overseas Buildings Operations Construction and Commissioning of the Staff Diplomatic Apartment-2 and Staff Diplomatic Apartment-3 in Kabul, Afghanistan
- Audit of the Construction of Physical Security Features at Embassy Kabul, Afghanistan
- Compliance Follow-up Review of the Audit of Department of State Management and Oversight of Non-Lethal Assistance Provided for the Syrian Crisis
- Capping Report Related to Audits of Bureaus' Invoice Reviews
- Audit of Logistics and Freight Forwarding Operations Provided by PAE Government Services, Inc. in Iraq
- Audit of the Selection and Management of Qualified Contracting Officer's Representatives in Afghanistan
- Audit of the Selection and Management of Qualified Contracting Officer's Representatives in Iraq
- Audit of the Bureau of Diplomatic Security Worldwide Protective Task Order Awarded to Triple Canopy, Inc. for Protective Security Services in Iraq

# OIG Strategic Framework

OIG's strategic plan affirms its commitment to providing quality oversight to the agencies it serves and informing the Office of Management and Budget (OMB), Congress, the public, and other stakeholders how OIG is safeguarding taxpayer resources. The plan also emphasizes OIG's continuing obligation to improve its own operations and ensure that its workforce is, and continues to be, highly motivated and well trained to carry out its responsibilities. These strategic goals and objectives provide the framework that will guide OIG's work and activities for FYs 2018–2019.



## GOAL 1

### Promote Positive Change

Strengthen the ability of Department and BBG to effectively and efficiently advance U.S. foreign policy goals and protect U.S. citizens and interests abroad

#### OBJECTIVE

- 1.1 Enhance the Department's ability to protect its overseas employees, facilities, and information
- 1.2 Promote effectiveness and efficiency in foreign assistance programs
- 1.3 Strengthen management of the U.S. diplomatic presence
- 1.4 Communicate OIG findings and recommendations to Department and BBG leadership, OMB, and the Congress



## GOAL 2

### Foster Increased Accountability and Integrity

Increase accountability in Department and BBG personnel, programs, and operations

#### OBJECTIVE

- 2.1 Investigate allegations of criminal activity and employee misconduct
- 2.2 Enhance investigative capabilities and analytical mechanisms
- 2.3 Engage stakeholders to increase awareness of OIG programs and operations, solicit input, and build relationships



## GOAL 3

### Address Core Challenges

Assist the Department and BBG to identify and address systemic challenges

#### OBJECTIVE

- 3.1 Improve integrity in financial, leadership, management, and support systems and identify systemic weaknesses
- 3.2 Identify and report on major vulnerabilities and emerging issues



## GOAL 4

### Harness Outstanding Talent, Leadership, and Effective Operations

Develop a collaborative and talented staff, ensure clear direction from leadership, effectively manage resources, and deliver quality products and services

#### OBJECTIVE

- 4.1 Attract, develop, and maintain a highly qualified, motivated, results-oriented, and diverse workforce
- 4.2 Support and strengthen the independence and security of OIG information systems and physical infrastructure
- 4.3 Maintain excellent management controls and communication, improve financial management, and balance workload and oversight needs
- 4.4 Effectively communicate OIG goals and priorities and encourage collaboration across the organization

## OIG Work Planning Process

OIG assesses relative risks in the programs for which it has oversight authority to identify the areas most in need of attention and, accordingly, to set priorities for the sequence and proportion of resources to be allocated.

This work plan identifies the projects, priorities, and initiatives that will support OIG's ability to achieve its strategic goals and objectives during the next 2 years by:

- Providing independent products and services that promote integrity and positive change
- Engaging stakeholders to conduct effective oversight and addressing Department and BBG priorities and challenges
- Strengthening OIG's workforce and internal operations

Work planning is a dynamic process, and adjustments are made throughout the year to meet priorities and to anticipate and respond to emerging issues with the resources available. The projects and plans presented in this work plan are contingent upon availability of funds, budget decisions, and priorities and are, therefore, subject to revision.

## The Compliance Process

Implementing recommendations issued by OIG to correct problems and vulnerabilities identified in the course of an audit, inspection, evaluation, or other review is one of the most important effects of OIG's oversight activities. After a final report is issued, each entity tasked with corrective action must respond in writing to the formal recommendations in the published report. When Department or BBG management agrees to implement the recommendations, they are considered resolved. Recommendations are closed once OIG determines that the recommended actions have been completed. Benefits of implemented recommendations include improved physical and information security, stronger management controls and accountability, more efficient programs and operations, and monetary benefits from questioned costs and funds that can be put to better use.

OIG also carries out compliance follow-up reviews (CFRs), which generally are conducted 6 to 24 months following the completion of an audit, inspection, or evaluation. The CFR process reviews the implementation of recommendations in the original report to determine whether all necessary corrective actions were implemented, as reported. Recommendations that have not been implemented are reissued in the CFR report, along with recommendations on additional problems and vulnerabilities identified in the course of the CFR.

## Posts Identified in the FY 2018–FY 2019 OIG Work Plan



## Office of Audits

The Office of Audits (AUD) comprises the Audit Directorate and the MERO Directorate. The Audit Directorate is responsible for conducting audits and program evaluations of the management and financial operations of the Department and BBG, including their financial statements, information security, internal operations, and external activities funded by the Department or BBG through contracts or Federal assistance. The MERO Directorate is responsible for performing audits and program evaluations in the Middle East region, as well as in North Africa and South and Central Asia. Many of the projects that AUD performs each year focus on high-risk management challenges within the Department and BBG. Because of limited resources, AUD generally focuses its work on high-cost programs, key management challenges, and vital operations that will provide Department and BBG managers with information that will assist them in, for example, making sound operational decisions. In addition to performing discretionary work, a significant amount of AUD's resources are used to fulfill mandatory requirements, such as annual financial statement and information security audits, or to respond to congressional and Department requests.

### Audit Directorate

\*designates project that OIG is required to complete by law or OMB regulation

| Agency/Bureau                                | Project Title   | Fiscal Year |
|--|---|-------------|
| <b>Contracts, Grants, and Infrastructure</b> |   |             |
| Department, BBG                              | Single Audit Act (Desk) Reviews*<br><br>Subpart F of the Uniform Grant Guidance establishes audit requirements for state and local governments, colleges and universities, and nonprofit organizations receiving Federal awards. Under this guidance, covered entities that expend \$750,000 or more a year in Federal funds must obtain an annual, organization-wide "single audit" that includes the entity's financial statements and compliance with Federal award requirements. OIG is mandated to review selected audit reports for findings and questioned costs related to Department and BBG awards and to help the Department and BBG ensure that reports comply with the requirements of the circular. | 2018, 2019  |

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| Agency/Bureau              | Project Title   | Fiscal Year |
|----------------------------|---|-------------|
| Department, BBG,<br>USIBWC | <p><b>Purchase and Travel Card Risk Assessments*</b></p> <p>Risk assessments of credit card programs are mandated under the Government Charge Card Abuse Prevention Act of 2012. The objective of the assessments is to identify and analyze the risk of illegal, improper, or erroneous purchases and payments.</p>  | 2018, 2019  |
| EUR                        | <p><b>Audit of the Office of the Coordinator of U.S. Assistance for Europe and Eurasia's Administration and Monitoring of Foreign Assistance</b></p> <p>The Coordinator of U.S. Assistance to Europe and Eurasia within the Bureau of European and Eurasian Affairs (EUR/ACE) oversees the economic, security, democracy, and humanitarian assistance of all U.S. Government agencies providing assistance to the former Soviet Union and Eastern Europe. The FY 2016 budget included over \$1.1 billion in U.S. Government assistance to Europe and Eurasia. The objective of this audit is to determine whether EUR/ACE monitored and evaluated foreign assistance grant funds transferred to other agencies, operating units, or international organizations, in accordance with Federal requirements and Department policy.</p> | 2018        |
| OBO, A                     | <p><b>Audit of the Bureau of Overseas Buildings Operations' Closeout of Selected Construction Contracts</b></p> <p>The Bureau of Overseas Buildings Operations (OBO) awarded construction contracts to build new embassy compounds (NEC) in London, England; Ashgabat, Turkmenistan; N'Djamena, Chad; and Pristina, Kosovo and a new consulate general in Nuevo Laredo, Mexico. The projects are estimated to have a combined cost of \$1.9 billion. The objective of this audit is to determine whether OBO closed out contracts for selected construction projects as required by Federal regulations and Department guidance.</p>  | 2018        |
| Department                 | <p><b>Audit of the Department of State's Oversight of Selected Grants That Include Cost Sharing</b></p> <p>Cost sharing or matching refers to the portion of a grant project's costs that is not borne by the U.S. Government. The "cost share" pledge by the award recipient may be either a fixed amount of money or a percentage of the project cost. Many grants include elements of cost sharing. Recent OIG audits have identified cost sharing as an area of concern. Ensuring that cost sharing mechanisms are properly utilized and monitored reduces risk and increases the probability that programs and grants will achieve their intended results. The objective of this audit is to determine whether selected grantees fulfilled cost sharing requirements included in the grant agreement.</p>                      | 2018        |

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| Agency/Bureau | Project Title   | Fiscal Year |
|---------------|---|-------------|
| Department    | <p><b>Audit of the Department of State's Management and Control of Overseas Fuel Acquisition</b></p> <p>Fuel usage at posts includes both fuel for personnel housing needs and motor pool needs. Although the Department does not provide exact numbers on fuel usage at overseas posts, facility- or mission-support contracts normally include provisions for fuel supply. For example, under one contract in Iraq, the Department paid a fuel contractor \$428 million. Fuel is a commodity used by all and is highly vulnerable to theft, fraud, waste, and abuse. OIG has issued several reports on country-specific fuel acquisition that have identified significant issues. This audit will assess the Department's overall management and control of fuel acquisition. The objective of this audit is to determine whether the Department has adequately safeguarded and accounted for fuel used at overseas posts.</p>  | 2018        |
| OBO           | <p><b>Audit of the Bureau of Overseas Buildings Operations New Construction Budget Planning</b></p> <p>The cost of building NECs overseas is increasing. For example, NEC London is estimated to cost in excess of \$1 billion and NEC Mexico City is estimated to cost in excess of \$900 million. OBO is responsible for constructing facilities overseas. OBO's FY 2017 budget request for embassy security, construction, and maintenance, when combined with Capital Security Cost Sharing contributions from other agencies and other reimbursements, will provide a total of \$2.2 billion for up to five new construction projects, as well as site acquisitions for future plans. Given the increased costs of constructing a NEC, it is important that OBO provide to its stakeholders transparent construction cost estimates through its capital planning, project prioritization, and budgeting methods. The objective of this audit is to determine whether OBO's process to estimate the cost of construction projects provides reasonable cost estimates.</p> | 2019        |
| J/TIP         | <p><b>Audit of the Administration and Oversight of Grants Within the Office to Monitor and Combat Trafficking in Persons</b></p> <p>The Office to Monitor and Combat Trafficking in Persons' (J/TIP) centrally managed grant program is the only foreign assistance program dedicated solely to combating human trafficking outside of the United States and is critical to the U.S. Government's global effort to combat human trafficking. J/TIP manages an annual foreign assistance budget of approximately \$18 million and typically awards a portion of its foreign assistance funding to nongovernmental organizations, institutions of higher education, and for-profit entities. A 2012 OIG report noted that J/TIP staff had 168 active grants in 68 countries totaling \$64.2 million. The objective of this audit is to determine whether J/TIP's administration and oversight of grants were in accordance with applicable Federal acquisition regulations and Department guidance.</p>   | 2019        |

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| Agency/Bureau | Project Title  | Fiscal Year |
|---------------|--|-------------|
| OBO           | <p><b>Audit of the Bureau of Overseas Buildings Operations' Contract Administration for the Design and Construction of the New Embassy Compound Mexico City</b></p> <p>NEC Mexico City is being built as part of a larger overhaul of embassy facilities across the globe spurred by the Secure Embassy Construction and Counterterrorism Act of 1999. The new embassy complex will be built on 8 acres and will cost approximately \$900 million. The main building will be about 515,000 square feet, making it one of the largest embassies owned by the Department. The Department anticipates its completion by 2019. The objective of this audit is to determine whether the Department administered the design and construction contract for NEC Mexico City in accordance with Federal acquisition regulations and whether the contractor fulfilled the contract terms and conditions.</p> | 2019        |
| CA, A         | <p><b>Audit of the Contract to Modernize the Technology Services Provided by the Bureau of Consular Affairs</b></p> <p>The Bureau of Consular Affairs, Office of Consular Systems and Technology (CA/CST), provides IT resources to support over 300 consular locations, including approximately 230 overseas posts, 29 domestic passport agencies, and 2 visa processing centers. CA/CST posted a solicitation in May 2017 to award up to \$850 million to modernize CA's IT tools and technology in a new initiative called "ConsularOne." The objective of this audit is to determine whether CA/CST complied with Federal regulations and Department policy in the award and administration of the contract for the "ConsularOne" initiative.</p>  | 2019        |
| A/LM/AQM, WHA | <p><b>Audit of Selected Contracts and Grants within the Bureau of Western Hemisphere Affairs</b></p> <p>OIG has identified the management of contracts and grants as a major management challenge in the Department. This audit—one in a series of audits related to the Department's administration of contract and grants—will focus on the administration and oversight of contracts within the Bureau of Western Hemisphere Affairs (WHA). The objective of this audit is to determine whether WHA administered and oversaw selected contracts and grants in accordance with applicable Federal regulations and Department guidance.</p>   | 2019        |

### Financial Management Division

|   |  |      |
|---|--|------|
| A | <p><b>Audit of Foreign Per Diem Rates Established by the Department of State</b></p> <p>The Department establishes foreign per diem rates, which consist of a lodging portion and a meal and incidental expenses portion, for all U.S. Government civilians traveling on official business in foreign areas. The Department processed approximately \$292 million of foreign per diem in travel vouchers from FY 2014 to FY 2016. The objectives of this audit are to determine whether the Department established appropriate foreign per diem rates and whether the Department appropriately paid employees for per diem in accordance with Federal regulations and Department policies.</p> | 2018 |
|---|--|------|

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| Agency/Bureau              | Project Title  | Fiscal Year |
|----------------------------|--|-------------|
| Department, BBG,<br>USIBWC | <p><a href="#">Audits of Financial Statements*</a></p> <p>This audit is required by the Chief Financial Officers (CFO) Act of 1990, as amended. The CFO Act requires agencies to annually submit to the OMB Director financial statements covering all accounts and associated activities of the agency. The act also requires OIG to audit the financial statements. The objective of this audit is to determine whether the agency's financial statements and related notes are presented fairly, in all material respects, in conformity with the accounting principles generally accepted in the United States.</p>  | 2018, 2019  |
| CGFS, BBG                  | <p><a href="#">Audits of Compliance With Improper Payment Requirements*</a></p> <p>Over the past decade, the Federal Government has implemented safeguards to reduce improper payments. In October 2014, OMB updated guidance for agencies to report on the risk of improper payments by their agency. Since July 2010, OIGs have been required to annually review and report on improper payments reporting. The objective of this audit is to determine whether the agency is in compliance with the Improper Payments Information Act, as amended.</p>  | 2018, 2019  |
| INL                        | <p><a href="#">Review of Accounting and Authentication of Drug Control Funds and Related Performance Report for the Office of National Drug Control Policy*</a></p> <p>The Office of National Drug Control Policy (ONDCP) was established by the Anti-Drug Abuse Act of 1988. Its principal purpose is to establish policies, priorities, and objectives for the nation's drug control program. The Director of ONDCP requires agencies to submit annually a detailed accounting of all funds expended by the agencies for National Drug Control Program activities during the previous fiscal year. For example, the Bureau of International Narcotics and Law Enforcement Affairs (INL) annually obligates more than \$500 million in ONDCP funds. In addition, the Director requires that OIG authenticate the information prior to submission. The objective of this project is to authenticate the Department's FY 2017 accounting of drug control funds and related performance report, in compliance with ONDCP guidance.</p> | 2018, 2019  |

*(continued on next page)*

| Agency/Bureau   | Project Title   | Fiscal Year |
|-----------------|---|-------------|
| Department      | <p><a href="#">Audit of the Department of State's Unliquidated Obligations</a></p> <p>An unliquidated obligation (ULO) is the amount of goods and or services ordered, which have not been actually or constructively received. When ULO amounts are no longer needed because goods and services have been received and paid, any remaining ULO amount should be deobligated so that funding is available. Deobligated funds may be reobligated within the period of availability of the appropriation. The Department reported more than \$19 billion in ULOs as of September 30, 2016, that covered a broad range of budgetary authority, including annual, multi-year, and no-year appropriations. During its audit of the Department's FY 2016 financial statements, an external auditor identified an invalid ULO balance of \$10.4 million related to a sample of ULOs review. The objective of this audit is to determine whether ULOs selected for testing are valid.</p>                                     | 2018        |
| A, HR, CGFS     | <p><a href="#">Audit of Post Assignment Travel</a></p> <p>Post assignment travel (PAT) is crucial for staffing the Department's overseas missions with trained personnel and ensuring effective management of human resources. PAT supports the permanent change of station requirements for Foreign Service and Civil Service personnel, ensuring timely deployment of personnel, families, and personal effects. The costs can include travel, shipment, storage, training per diem, and accommodation. In FY 2016, the Department received almost \$207 million for PAT activities. The objectives of this audit are to determine whether the Department is paying for travel costs in compliance with PAT policies, whether the Department is monitoring contractors providing PAT services in compliance with applicable regulations, and whether the Department has performed acquisition planning in the selection of contractors providing relocation services in accordance with applicable regulations.</p> | 2019        |
| Department, BBG | <p><a href="#">Audits of Compliance with the Digital Accountability and Transparency Act*</a></p> <p>The Digital Accountability and Transparency Act of 2014 (DATA Act) expands the requirements for Federal agencies to disclose agency expenditures and link contract, loan, and grant spending information to programs of agencies to enable taxpayers and policy makers to track Federal spending more effectively. The law also requires the establishment of Government-wide data standards for financial data and consistent, reliable, searchable Government-wide spending data that is displayed accurately. The objectives of this audit are to assess the completeness, timeliness, quality, and accuracy of spending data submitted by the agency and to assess the implementation and use by the agency of data standards required by the DATA Act.</p>  | 2019        |

*(continued on next page)*

| Agency/Bureau                          | Project Title   | Fiscal Year |
|--|---|-------------|
| A                                      | <p><b>Audit of the Aviation Working Capital Fund Cost Center</b></p> <p>The Department's aviation working capital fund (AWCF) cost center is used to help fund airplane acquisitions, maintenance, and operations to support customers within the Department and other Federal agencies primarily in Iraq and Afghanistan. Federal regulations and Department policies require that working capital funds charge customers sufficient fees to cover all operating and overhead expenses but not in excess of what is needed to cover costs. In FY 2016, the AWCF had costs of approximately \$336 million and revenue of approximately \$407 million. Despite this, according to the Department, the AWCF is not at full cost recovery with respect to costs incurred in Iraq or Afghanistan. The Department planned for a 50 percent cost recovery in FY 2017 with a goal to reach full cost recovery by FY 2019. The objective of this audit is to determine whether the fees collected by the AWCF cost center were sufficient to cover all costs required to sustain operations for the activity.</p> | 2019        |
| <b>Information Technology Division</b> |   |             |
| DS, INR, IRM                           | <p><b>Audit of the Information Security Program for Sensitive Compartmented Information Systems at the Department of State*</b></p> <p>The E-Government Act of 2002, as amended by the Federal Information Security Modernization Act of 2014, requires OIG to conduct an annual evaluation of its agencies' information security programs. This audit will focus specifically on the Sensitive Compartmented Information (SCI) systems. The objective of this audit is to evaluate the effectiveness of security controls and techniques for SCI systems and compliance with Department policies; intelligence community directives of the Director of National Intelligence; and Federal Information Security Management Act (FISMA) and related information security policies, procedures, standards, and guidelines.</p>  | 2018, 2019  |
| Department, BBG, USIBWC                | <p><b>Audits of Information Security Programs*</b></p> <p>The E-Government Act of 2002, as amended by the Federal Information Security Modernization Act of 2014, requires OIG to conduct an annual evaluation of its agencies' information security programs. These audits will focus on each agency's information security program. The objective of these audits is to evaluate the effectiveness of security controls and techniques for selected information systems and compliance with FISMA and related information security policies, procedures, standards, and guidelines.</p>   | 2018, 2019  |

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| Agency/Bureau             | Project Title  | Fiscal Year |
|---------------------------|--|-------------|
| IRM, DS, A                | <p><b>Audit of Outdated and Unsupported Operating Systems at the Department of State</b></p> <p>Operating systems are software that manage the memory, processes, and hardware of a computer system. Throughout its lifecycle, an operating system requires vendor support in the form of upgrades, fixes, and new versions. For example, when a weakness is identified in a system, the vendor may have to provide a patch that would address the weakness. When the operating system's lifecycle ends, it becomes an unsupported or outdated operating system. That means that the vendor will not automatically provide updates to the system, which can cause security deficiencies and increased costs. The objectives of this audit are to determine if the Department has implemented security measures to protect information stored and processed by unsupported or outdated operating systems and to determine the cost of maintaining the unsupported or outdated systems.</p>  | 2018        |
| IRM, DS, Regional Bureaus | <p><b>Audit of the Department of State's Process to Sanitize IT Equipment Before Disposal</b></p> <p>Computer hard drives and storage media contain various kinds of data, some of which are sensitive or are personally identifiable information. If the IT equipment is not properly sanitized before disposal, information on the IT equipment could be released without authorization. The objective of this audit is to determine whether the Department is sanitizing IT equipment before disposal in accordance with Federal guidance and Department policies.</p>  | 2018        |
| IRM, DS                   | <p><b>Audit of the Department of State's Efforts to Address Concerns Identified With High Value Assets</b></p> <p>OMB issued M-16-04, "Cybersecurity Strategy and Implementation Plan for the Federal Civilian Government," on October 30, 2015, to strengthen the cybersecurity of Federal networks, systems, and data. As part of this guidance, OMB directed agencies to identify information systems that were considered to be High Value Assets. OMB also directed the Department of Homeland Security (DHS) to lead a team to "continuously diagnose and mitigate the cybersecurity protections" around the High Value Assets as well as to "conduct proactive assessments" of the systems. As of August 2017, DHS had performed six proactive assessments of systems identified by the Department as being High Value Assets and had provided reports to the Department on these assessments, including recommendations. The objective of this audit is to determine whether the Department has taken appropriate actions to address selected recommendations included in DHS's reports on the Department's High Value Assets.</p> | 2018        |

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| Agency/Bureau         | Project Title  | Fiscal Year |
|-----------------------|--|-------------|
| IRM, DS, M/PRI        | <p><b>Audit of the Department of State's Efforts to Prevent Data Loss</b></p> <p>Data loss prevention is a strategy used by organizations to ensure that information system users do not send sensitive or critical information outside of the organization. Data loss prevention software is often used to create rules to classify and protect confidential and critical data so organization users cannot accidentally or maliciously share this data and put the organization at risk. The objective of this audit is to determine if the Department is complying with Department policies and Federal guidance to prevent the loss of sensitive information.</p>  | 2019        |
| IRM, Regional Bureaus | <p><b>Audit of the Department of State's Local Configuration Boards</b></p> <p>The Department uses a variety of IT systems to execute its global mission. Agencies are supposed to develop and implement controls to ensure IT security requirements are met. One requirement is configuration change control, which ensures that changes requested for IT systems are performed with management's knowledge and consent and that unnecessary changes or changes that could introduce security weaknesses are prevented. Changes that only impact a local network can be approved by a Local Configuration Control Board, which can be at a post or within a domestic bureau. The objectives of this audit are to determine whether Local Configuration Control Boards limited their review to change requests for local networks and whether the Local Configuration Control Boards approved and tested change requests in accordance with Federal requirements and Department policies.</p>  | 2019        |
| IRM                   | <p><b>Compliance Follow-Up Audit of the Department of State's Implementation of a Process to Select and Approve IT Investments</b></p> <p>In March 2016, OIG issued the <i>Audit of the Department of State Process to Select and Approve Information Technology Investments</i> (AUD-FM-16-31). OIG reported that the Department generally did not select IT investments in accordance with OMB requirements and the Department did not always report to OMB accurate and complete information on its IT investments. Because of these issues, OIG stated that stakeholders lack visibility into the Department's IT portfolio, the Department made duplicative IT investments, and the Department was not well-positioned to implement new IT mandates. The objectives of this audit are to determine whether the actions taken by the Department to close recommendations have corrected the original deficiencies found in the OIG report and whether actions taken to address the recommendations that remain open are sufficient to close those recommendations or whether the findings should be modified and recommendations reissued.</p> | 2019        |

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| Agency/Bureau                             | Project Title  | Fiscal Year |
|---|--|-------------|
| <b>Security and Intelligence Division</b> |  |             |
| A, Regional Bureaus                       | <p><b>Audit of the Department of State's Overseas Fleet of Motor Vehicles</b></p> <p>The Department operates a worldwide fleet of motor vehicles to support its overseas and domestic missions. The fleet consists of approximately 12,900 vehicles with a net book value of approximately \$387 million (an acquisition value of more than \$972 million) and annual operating costs of \$200 million. OIG's inspections and audits have identified weaknesses in the management of motor vehicles throughout the Department. The objective of this audit is to determine whether the Bureau of Administration manages the Department's motor vehicle fleet in accordance with Federal guidelines and Department policy, to include the management of the vehicle allocation methodology process.</p>   | 2018        |
| S/GAC, Regional Bureaus                   | <p><b>Audit of the Department of State's Role in Leading the Implementation of the President's Emergency Plan for AIDS Relief</b></p> <p>The President's Emergency Plan for AIDS Relief (PEPFAR) program's implementation is a broad interagency effort that is led by the Department and involves the U.S. Agency for International Development, the Peace Corps, and the Departments of Health and Human Services, Defense, Commerce, and Labor, as well as local and international non-governmental organizations, faith- and community-based organizations, private sector entities, and partner governments. The Department's FY 2017 budget request included \$6 billion for Global Health Programs aimed at country-based HIV/AIDS activities; technical support, strategic information, and evaluation support for international partners; and oversight and management. The Global Health Programs account is the largest source of funding for PEPFAR and is overseen and coordinated by the Department's Office of the U.S. Global AIDS Coordinator and Health Diplomacy. The objectives of this audit are to determine whether the Department has effectively coordinated with PEPFAR interagency partners on policy and program management issues, overseen overseas partners to ensure successful program performance, and monitored overseas partners' progress towards meeting PEPFAR goals.</p> | 2018        |

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| Agency/Bureau        | Project Title  | Fiscal Year |
|----------------------|--|-------------|
| DS                   | <p><b>Audit of the Bureau of Diplomatic Security's Controls Over Special Protective Equipment</b></p> <p>The Bureau of Diplomatic Security (DS) is responsible for providing a safe and secure environment for the conduct of U.S. foreign policy, both domestically and overseas. DS special agents and Regional Security Officers carry and utilize Special Protective Equipment (SPE), such as firearms and body armor, in the performance of their law enforcement duties. The Foreign Affairs Manual specifies requirements for the receipt, management, and disposal of all Government property, including firearms and other SPE. The Foreign Affairs Manual also sets forth the policy for DS special agents' use and care of SPE. In April 2011, OIG issued a report on the <i>Audit of Department of State Controls Over Bureau of Diplomatic Security Firearms and Optics</i> (AUD/SI-11-25). In this report, OIG stated that not all DS divisions track and account for their SPE in a consistent and consolidated manner to safeguard and control these materials. The objectives of this audit are to determine whether DS is adhering to Department policies regarding proper accountability for, maintenance of, and control over SPE and to determine whether the actions taken by the Department to close recommendations from OIG's 2011 report have corrected the original deficiencies.</p> | 2018        |
| DS, Regional Bureaus | <p><b>Audit of Department of State's Implementation of the Post Security Program Reviews</b></p> <p>DS manages the oversight of regional security offices at all U.S. missions through the Post Security Program Review (PSPR) process. The purpose of the PSPR is to ensure posts manage life safety, emergency preparedness, and information security programs with full mission support and participation, adequate personnel, sufficient resources, and appropriate management controls. The DS High Threat Program Directorate conducts a PSPR annually for all high-threat high-risk posts and every 3 years for all other posts. The objective of this audit is to determine whether DS manages the PSPR process in accordance with Department policies and guidelines.</p>   | 2018        |
| DS, INL, A           | <p><b>Audit of the Armored Vehicle Procurement Process</b></p> <p>As of May 2016, the Department reported 4,560 armored vehicles within the official inventory record. On average, a single armored vehicle procurement costs approximately \$150,000, and the Department procures a significant number of armored vehicles each year. The objective of this audit is to determine whether Department contractors providing armoring services to the Department comply with contract terms and conditions.</p>   | 2019        |

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| Agency/Bureau | Project Title   | Fiscal Year |
|---------------|---|-------------|
| OBO           | <p>Compliance Follow-Up Audit of the Maintenance and Improvements of Overseas Real Property</p> <p>In September 2010, OIG issued the <i>Audit of Maintenance and Improvements of Overseas Real Property</i> (AUD/FM-10-30). OIG reported that in general, posts' maintenance and improvement needs were not met because of insufficient funding. OIG also identified inconsistencies in the process used to prioritize the funding of some repair and improvement funds. In addition, OIG reported that the Department was not accurately reporting deferred maintenance. The objectives of this audit are to determine whether the actions taken by the Department to close recommendations have corrected the original deficiencies found in the OIG report and whether actions taken to address the recommendations that remain open are sufficient to close those recommendations or whether the findings should be modified and recommendations reissued.</p>  | 2019        |
| ECA           | <p><b>Audit of Selected Grants and Cooperative Agreements</b><br/> <b>Funded by the Bureau of Educational and Cultural Affairs' Exchange Programs</b></p> <p>Among other things, the Bureau of Educational and Cultural Affairs (ECA) designs and implements exchange programs to achieve foreign policy goals. ECA exchange programs are intended to encourage the spread of democratic values; promote secure, peaceful communities and counter violent extremism; unlock economic growth; and increase mutual understanding by exposing foreign audiences to U.S. policies, values, and culture. In FY 2017, the two largest professional and cultural exchange programs were the International Visitor Leadership Program and the Citizen Exchange Program. ECA uses grants and cooperative agreements to implement these exchange programs. The objective of this audit is to determine whether selected recipients of ECA grants and cooperative agreements for exchange programs expended funds in accordance with Federal regulations, Department guidance, and the grant or cooperative agreement.</p> | 2019        |

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| Agency/Bureau | Project Title  | Fiscal Year |
|---------------|--|-------------|
| PRM           | <p>Audit of Department of State Refugee Admissions Program Resettlement Support Centers</p> <p>According to the Department's FY 2017 Congressional Budget Justification, the United States has the largest refugee resettlement program in the world. The Bureau of Population, Refugees and Migration (PRM) funds and manages nine resettlement support centers (RSC), which process all refugee applicant cases. The RSCs collect biographic and other information from the applicants to prepare for the adjudication interview and for security screening. Enhanced security screening is a joint responsibility of the Department and DHS and includes the participation of multiple U.S. Government security agencies. During FYs 2015 and 2016, RSCs received over \$90 million in foreign assistance funding from PRM. The objectives of this audit are to determine whether PRM provides sufficient oversight of the RSCs, whether the RSCs ensure that refugee applicants undergo the appropriate security checks, and whether the RSCs ensure that required documentation and case files are complete for each refugee before admission into the United States.</p> | 2019        |

## Middle East Region Operations Directorate

| Agency/Bureau             | Project Title  | Fiscal Year |
|---------------------------|--|-------------|
| A, NEA, Embassy Baghdad   | <p><b>Audit of the Selection and Management of Qualified Contracting Officer's Representatives in Iraq</b></p> <p>Contract oversight by qualified, trained Contracting Officer's Representatives (COR) in Iraq has been identified as an ongoing weakness in multiple OIG audit reports. While the Bureau of Near Eastern Affairs (NEA) is responsible for nominating qualified CORs for selection by Contracting Officers, OIG identified that the CORs assigned to Iraq during the FY 2017 summer transfer season, who will oversee contracts valued at roughly \$4 billion, do not all have the necessary qualifications, including the required Federal Acquisition Certification for Contracting Officer's Representatives certification level. Further, the CORs report to the Management Officer at Embassy Baghdad, rather than NEA, which may impact the Department's ability to hold CORs accountable for their performance. The objectives of this audit are to determine whether the COR nomination and selection process for Iraq considered qualified candidates as required by Federal and Department requirements and whether the management structure of CORs in Iraq allows for effective supervision and accountability for executing COR responsibilities.</p> | 2018        |
| OBO, DS, A, Embassy Kabul | <p><b>Audit of the Construction of Physical Security Features at Embassy Kabul, Afghanistan</b></p> <p>Over the last 8 years, OBO has undertaken a major office and residential expansion at the U.S. Embassy in Kabul. As part of this expansion, OBO contracted with Caddell Construction to build a number of new facilities at the embassy including office buildings, residential housing, and a number of other support facilities. Past OIG reports found weaknesses with the way in which OBO and other Department stakeholders managed construction projects. The objective of this audit is to determine whether OBO and other Department stakeholders managed the construction of physical security features at Embassy Kabul's newly constructed facilities to ensure that they met industry standards and contract requirements.</p>  | 2018        |
| PRM                       | <p><b>Audit of Assistance to Afghanistan Refugees in Pakistan</b></p> <p>According to PRM, there are approximately 1.2 million Afghan refugees living in Pakistan. Since 2009, PRM has provided approximately \$510 million in voluntary contributions, grants, and cooperative agreements to international and local non-government organizations to assist Afghan refugees living in Pakistan. The objectives of this audit are to determine whether the Department distributed Federal assistance to organizations working with Afghan refugees in Pakistan in accordance with Federal law and Department guidance, whether the Department has effectively monitored these organizations, and whether the assistance has achieved its intended results.</p>   | 2018        |

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| Agency/Bureau               | Project Title   | Fiscal Year |
|-----------------------------|---|-------------|
| OBO, DS, A, Embassy Baghdad | <p><b>Audit of Cost Increases Related to the Power Plant in Baghdad, Iraq</b></p> <p>In 2012, the Department awarded a contract to Desbuild-Limak Group 77 to construct a new power plant to support Embassy Baghdad. The announcement indicated the project would be firm-fixed price, ranging from \$60-80 million. The project began in 2013 but was delayed in 2014 because of the ISIS crisis. Limited construction began again in 2015. Currently, the power plant project is progressing and the plant is expected to go online in March 2018, with final commissioning in January 2018. The Department has obligated \$106.4 million for this project. The objectives of this audit are to determine the reasons for cost increases for the construction of the power plant in Baghdad, whether cost increases were supported with required documentation, and whether the Department's oversight and management of the project was in compliance with Department guidance.</p> | 2018        |
| CT                          | <p><b>Audit of Department of State Grants and Cooperative Agreements Intended to Counter Violent Extremism in the Middle East</b></p> <p>The Bureau of Counterterrorism and Countering Violent Extremism (CT) works with governments and non-governmental partners to address the spread of violent extremism and the conditions that make communities susceptible to it. Hundreds of millions of dollars have been provided to help counter violent extremism in Egypt, Morocco, the West Bank, and Gaza, among other regions. The objectives of this audit are to determine whether CT has developed goals and objectives for its strategy to counter violent extremism and monitored funds provided to support those objectives.</p>   | 2018        |
| DS                          | <p><b>Audit of the Bureau of Diplomatic Security's Invoice Review Process</b></p> <p>The Department authorizes Contracting Officers to delegate to CORs reviews of invoices for payment. Although the Department reported to Congress in June 2013 that it had enhanced COR training, OIG reported that inadequate training adversely affected invoice reviews and resulted in millions of dollars in questioned costs. OIG has conducted reviews on NEA and the Bureau of South and Central Asian Affairs invoice review process. The objectives of this audit are to determine whether DS's invoice review policies and procedures, training, staffing, and invoice review practices and accountability measures are sufficient to support overseas contingency operations and ensure invoice payments are reviewed in accordance with Federal requirements and Department guidance.</p>  | 2018        |

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| Agency/Bureau           | Project Title   | Fiscal Year |
|-------------------------|---|-------------|
| DS, INL, SCA, NEA       | Capping Report Related to Audits of Bureaus' Invoice Reviews  | 2018        |
|                         | <p>OIG has issued numerous reports faulting the Department's reviews of contract invoices presented for payment. Specifically, six invoice review audit reports that OIG issued between October 2014 and April 2016 collectively questioned \$35.6 million in costs. While Department guidance contains requirements for reviewing invoices based on the type of expense, various bureaus supplement Department guidance with internal practices and processes that often vary widely, both in the requirements and the rigor of the review. The lack of a standardized process often leaves desk officers and CORs uncertain as to what level of review is required and what the requirements for invoice review and approval are across the types of expenses. The objectives of this audit are to determine whether the Department would benefit from standardized invoice review policies and procedures, training, staffing, and invoice review practices and accountability measures and to identify best practices related to invoice reviews used within the Department.</p>  |             |
| A, NEA, Embassy Baghdad | <p><b>Audit of Logistics and Freight Forwarding Operations Provided by PAE Government Services, Inc. in Iraq</b></p>  | 2018        |
|                         | <p>In 2012 and 2013, the Department awarded two Iraq-related contracts to PAE Government Services, Inc. (PAE) with 5 year periods of performance and a combined value of \$3 billion to provide life support services and logistics functions, and operations and maintenance services for U.S. personnel at various U.S. Government sites within Iraq. PAE relies on various subcontractors to provide services and support, such as freight forwarding. The two PAE subcontracts for freight forwarding in support of the two Iraq-related contracts are valued at a minimum of \$17 million for the period of May 2013 to February 2017. OIG issued an audit report in June 2017, <i>Audit of Baghdad Diplomatic Support Center Task Orders Awarded Under Operations and Maintenance Support Services Contract SAQMMA12D0165 (AUD-MERO-17-45)</i>, that identified concerns regarding freight charges. The objectives of this audit are to determine whether logistics and freight forwarding are being conducted in accordance with acquisition regulations and Department policies, are being monitored by the Department, and include fair and reasonable prices.</p> |             |

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| Agency/Bureau         | Project Title  | Fiscal Year |
|-----------------------|--|-------------|
| DS                    | <p><b>Audit of the Bureau of Diplomatic Security Worldwide Protective Task Order Awarded to Triple Canopy, Inc. for Protective Security Services in Iraq</b></p> <p>DS uses contractors to assist in the protection of personnel, facilities, and information worldwide, including to pre-plan, organize, establish, deploy, and operate protective service details for the protection of U.S. and high ranking foreign government officials. In 2016, the Department awarded a new Worldwide Protective Services (WPS) contract to provide comprehensive protective security services to support Department operations around the world. The contract has a "not-to-exceed" value of \$10.2 billion. Seven contractors were awarded task orders to implement the contract. Under the contract, the Department awarded a task order to Triple Canopy, Inc., for protective services in Baghdad, Iraq, valued at up to \$809.7 million over 5 years. The objective of this audit is to determine whether DS's management and oversight of the Triple Canopy task order is being conducted in accordance with Federal and Department regulations and guidelines.</p>   | 2018        |
| A, SCA, Embassy Kabul | <p><b>Audit of the Selection and Management of Qualified Contracting Officer's Representatives in Afghanistan</b></p> <p>Contract oversight by qualified, trained CORs in the Department has been identified as an ongoing weakness in multiple OIG audit reports. For example, a June 2017 audit, <i>Audit of the Bureau of South and Central Asian Affairs Invoice Review Process for the Afghanistan Life Support Services Contract</i> (AUD-MERO-17-47), found that while the Bureau of South and Central Asian Affairs (SCA) currently had enough qualified staff members at Embassy Kabul to oversee the contract and manage the invoice review workload, SCA had not established invoice review training to prepare less experienced CORs who may be assigned to Embassy Kabul in the future. With the added challenges of conducting oversight in a contingency environment, the Department needs to ensure that qualified, trained CORs are assigned to oversee contracts in Afghanistan. The objectives of this audit are to determine whether the COR nomination and selection process for Afghanistan considered qualified candidates as required by Federal and Department requirements and whether the management structure of CORs in Afghanistan allows for effective supervision and accountability for executing COR responsibilities.</p> | 2019        |

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| Agency/Bureau         | Project Title   | Fiscal Year |
|-----------------------|---|-------------|
| A, NEA, DRL           | <p>Compliance Follow-up Review of the Audit of Department of State Management and Oversight of Non-Lethal Assistance Provided for the Syrian Crisis</p>   | 2019        |
|                       | <p>In 2015, OIG issued the <i>Audit of Department of State Management and Oversight of Non-Lethal Assistance Provided for the Syrian Crisis</i> (OIG-MERO-15-39), which found that bureaus did not provide sufficient monitoring for grants and cooperative agreements providing non-lethal assistance to Syria. The report also identified \$1.6 million in questioned costs and \$77,000 in funds that could be put to better use. OIG recommended, among other things, that the Bureau of Administration review and recover applicable questioned costs and that NEA and the Bureau of Democracy, Human Rights, and Labor (DRL) implement a process to verify that grant officers develop monitoring plans with specific baselines and targets that assess recipient performance. Since the audit, U.S. humanitarian assistance to Syria has increased from \$3.7 billion to \$6.5 billion, showing a continuing need to adequately monitor Department assistance provided to the region. The objective of this compliance follow-up review is to determine whether the Department implemented actions to address the deficiencies identified in the prior OIG report.</p> |             |
| OBO, A, Kabul Embassy | <p>Compliance Follow-up Review of the Audit of the Office of Overseas Buildings Operations Construction and Commissioning of the New Office Annex and Staff Diplomatic Apartment-1 in Kabul, Afghanistan</p>  | 2019        |
|                       | <p>Between 2016 and 2017, OIG issued three audit reports that focused on a range of issues affecting construction and commissioning of the New Office Annex and the Staff Diplomatic Apartment-1 at Embassy Kabul. OIG made 24 recommendations to address deficiencies found, 21 of which have been resolved based on planned actions by the Department. Because a number of deficiencies affect the life, health, and safety of embassy personnel, it is important that the Department take corrective actions to address the recommendations made in the prior reports quickly. The objective of this compliance follow-up review is to determine whether the Department implemented actions to address the deficiencies identified in the prior OIG reports.</p>   |             |

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| Agency/Bureau  | Project Title   | Fiscal Year |
|--|---|-------------|
| NEA  | Audit of Iraq's Post-Conflict Development and Sustainment   | 2019        |
|  | <p>In recent OIG audits and inspections, OIG found that missions and bureaus do not consistently build sustainability into foreign assistance programs. In a 2014 inspection of INL, OIG found its programs did not consistently include sustainability in project design or as a performance measure for monitoring and evaluation. Information gathered during that inspection found that fewer than 10 percent of the reviewed projects included metrics on sustainability. Post-ISIL, the Department plans to provide hundreds of millions of dollars in assistance to Iraq and Syria. It is imperative that the Department has benchmarks and evaluation processes in place to ensure that training programs and other development assistance efforts achieve their goals. The objective of this audit is to determine whether the Department has policies in place to ensure that its post-conflict foreign assistance programs in Iraq are sustained.</p>  |             |
| OBO, Consulate Erbil   | Audit of New Consulate Construction - Erbil, Iraq   | 2019        |
|  | <p>In September 2013, the Department and the head of the Department of Foreign Relations for the Kurdistan Regional Government signed an agreement allocating land for the construction of a new consulate general building and compound in Erbil. In March 2014, the Bureau of Administration issued a presolicitation notice for the design and construction of offices, housing, and support facilities. OBO conducted an informational meeting with industry officials in March 2016, and the solicitation notice indicated an increase in both size requirements and cost (from \$250-\$300 million to \$385-\$405 million). The objective of this audit is to determine whether OBO has effective quality assurance processes in place to ensure that the contractor builds Consulate General Erbil to the specifications agreed to in the contract.</p>  |             |
| A, NEA, EUR, Embassy Beirut, Embassy Ankara, U.S. Consulate General Istanbul | Audit of Fuel Acquisition and Distribution in Lebanon and Turkey  | 2019        |
|  | <p>Fuel is a critical resource, which requires significant controls to mitigate fraud, waste, and abuse and ensure the safety and security of post personnel. OIG recently conducted three audits of fuel in Kabul, Iraq, and Jordan and questioned all of the costs paid to contractors in Iraq and Jordan. For example, in December 2016, OIG questioned \$64 million related to the Iraq fuel contract. In the past 5 years, OIG's Office of Investigations has conducted four investigations related to fuel and has additional investigations ongoing, demonstrating the significant risk involved with fuel. The objectives of this audit are to determine whether the Department's oversight personnel in Lebanon and Turkey have implemented adequate controls to ensure that the fuel contractor performed acquisition, storage, and distribution of fuel in accordance with contract terms, Federal regulations, and Department guidance and whether the Bureaus are adhering to policies and procedures to ensure the safety and security of post personnel.</p> |             |

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| Agency/Bureau            | Project Title   | Fiscal Year |
|--------------------------|---|-------------|
| OBO, A, Embassy<br>Kabul | Audit of the Office of Overseas Buildings Operations<br>Construction and Commissioning of the Staff Diplomatic<br>Apartment-2 and Staff Diplomatic Apartment-3 in Kabul,<br>Afghanistan | 2019        |
| CT, DS                   | Capping Report Related to Audits of Anti-Terrorism Activities<br>in Selected Countries  | 2019        |

## Office of Evaluations and Special Projects

The Office of Evaluations and Special Projects (ESP) conducts independent and objective analyses of Department and BBG programs and operations. These management and programmatic evaluations are intended to provide insight into issues of concern to the Department, Congress, and the American public. ESP blends the skills of attorneys, investigators, and analysts to:

- Analyze patterns and practices that contribute to waste and abuse of tax dollars and other funds and resources under the control of the Department and BBG.
- Fulfill OIG's statutory duties under Federal whistleblower laws.
- Author management alerts.
- Develop capping reports with a focus on thematic and systemic issues.
- Conduct special reviews.

ESP's portfolio includes work that is reactive in nature, which requires its operations to be responsive to swiftly changing Department and BBG priorities and time-sensitive congressional requests.

## Whistleblower Protection

ESP also manages OIG's Whistleblower Protection Program to provide assurance that Department and BBG employees, contractors, subcontractors, and grantees are protected from reprisal for reporting what they reasonably believe to be evidence of wrongdoing. OIG also is required to investigate whistleblower retaliation allegations by employees of Department contractors, grantees, and subcontractors.

The Whistleblower Protection Enhancement Act of 2012 requires Inspectors General to designate a whistleblower ombudsman, who supports OIG in its mandate to receive and investigate complaints or information from employees concerning possible violations of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety. Responsibilities of the ombudsman include:

- Educating Department and BBG employees and managers about prohibitions on retaliation for protected disclosures, and educating employees who have made or are contemplating making a protected disclosure about their rights and remedies against retaliation for protected disclosures.
- Ensuring that OIG promptly and thoroughly reviews complaints that it receives and that it responds to whistleblowers in a timely fashion.
- Coordinating with the U.S. Office of Special Counsel, other agencies, and non-governmental organizations on matters related to whistleblower protection.

The ombudsman cannot act as a legal representative, agent, or advocate for any individual whistleblower. Employees who are concerned about or believe they may have been subject to reprisal may contact the ombudsman at: [WPEAOmbuds@stateoig.gov](mailto:WPEAOmbuds@stateoig.gov).

## Evaluations and Special Projects

| Agency/Bureau | Project Title   | Fiscal Year |
|---------------|---|-------------|
| S/OCR         | <a href="#">Review of Sexual Harassment Processes</a><br><br>This evaluation will assess how the Office of Civil Rights responds to sexual harassment allegations made against Department employees and whether discipline is taken when allegations are substantiated. | 2018        |
| A/LM/AQM      | <a href="#">Review of Contractor Qualifications</a><br><br>This evaluation will examine whether the Department has policies and procedures to verify that contractor employees meet the relevant qualifications and labor categories required by the contract.          | 2018        |

## Office of Inspections

The Office of Inspections (ISP) is comprised of multidisciplinary teams responsible for carrying out OIG's mandate to inspect overseas missions and domestic entities of the Department and BBG. Inspections are conducted to provide the Department and BBG with independent assessments that cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved, whether U.S. interests are being accurately and effectively represented, and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instances of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

ISP uses a risk-based approach to inspections. This approach considers a variety of factors to create and implement a multi-tiered system for planning and conducting inspections. OIG seeks to target the Department's most significant vulnerabilities and to make its inspections as effective and efficient as possible. OIG's approach for planning overseas inspections incorporates risk factors that assess major functions at posts, including physical and information security, consular operations, and management platforms. OIG also specifically considers the Department's major management challenges:

- Protection of people and facilities
- Oversight of contracts, grants, and foreign assistance
- Informational security and management
- Financial and property management
- Operating in contingency and critical environments
- Workforce management
- Promoting accountability through internal coordination and clear lines of authority

### Planned FY 2018 Inspections by Region

| Region    | Inspection  | Initiation Date |
|-----------|---|-----------------|
| Africa    | Embassy Addis Ababa, Ethiopia                                   | Fall 2017       |
|           | Embassy Djibouti, Djibouti                                      |                 |
|           | United States Mission to the African Union                      |                 |
| East Asia | Embassy Nairobi, Kenya  | Spring 2018     |
|           | United States Permanent Mission to the UN Environment Programme |                 |
|           | Embassy Dakar, Senegal  |                 |
|           | Embassy Nouakchott, Mauritania                                  |                 |
| East Asia | Embassy Kolonia, Federated States of Micronesia                 | Spring 2018     |
|           | Embassy Koror, Palau  |                 |
|           | Embassy Majuro, Marshall Islands                                |                 |

| Region                 | Inspection   | Initiation Date |
|------------------------|--|-----------------|
| Europe                 | Embassy Copenhagen, Denmark<br>Embassy Dublin, Ireland<br>Embassy Lisbon, Portugal   | Winter 2018     |
| Near East              | Embassy Riyadh & Constituent Posts, Saudi Arabia<br>Yemen Affairs Unit   | Fall 2017       |
| South and Central Asia | Embassy New Delhi & Constituent Posts, India   | Spring 2018     |
| Western Hemisphere     | Embassy Guatemala City, Guatemala<br>Embassy Managua, Nicaragua<br>Embassy San Jose, Costa Rica<br>Embassy Georgetown, Guyana            | Fall 2017       |
| Domestic               | Bureau of Information Resource Management, Governance, Resource, and Performance Management<br>Bureau of South and Central Asian Affairs | Fall 2017       |
|                        | Bureau of Diplomatic Security, Domestic Operations, Office of Domestic Facilities Protection   | Winter 2018     |
|                        | Bureau of Administration, Office of Logistics Management, Critical Environment Contracting Analytics                                     |                 |
|                        | Bureau of Consular Affairs, Policy Coordination and Public Affairs   |                 |
|                        | Bureau of Consular Affairs, Office of Fraud Prevention Programs  | Spring 2018     |
|                        | Bureau of Democracy, Human Rights, and Labor   |                 |

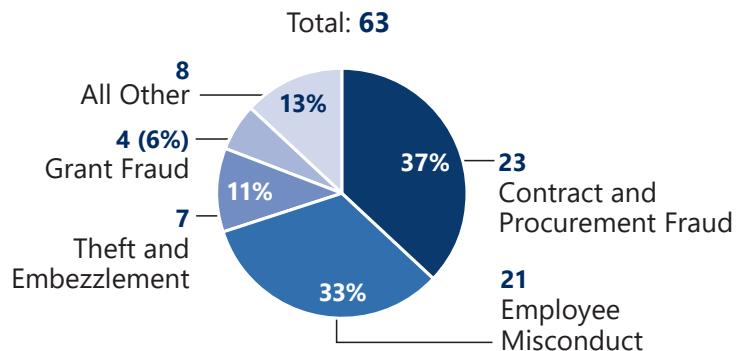
ISP will conduct full inspections of overseas posts and domestic operations in the fall and spring. During its winter inspection cycle, ISP will conduct shorter, targeted inspections and compliance follow-up reviews and will develop management assistance reports. Compliance follow-up reviews, along with management assistance reports, will be announced separately. Please note that the schedule is contingent upon availability of funds, budget decisions, and changes in inspection priorities and is, therefore, subject to revision.

ISP will use the risk-based approach to develop its FY 2019 inspection schedule and will announce that schedule to the Department in July 2018.

## Office of Investigations

The Office of Investigations (INV) conducts worldwide investigations of criminal, civil, and administrative violations related to programs and operations of the Department, BBG, and USIBWC. Investigations conducted by OIG special agents are usually initiated as a result of allegations received from the following: OIG Hotline, OIG audit or inspection teams, Department or BBG management or employees, other OIGs, other Federal law enforcement agencies, Congress, or the public. Criminal and civil investigations are referred to the Department of Justice for prosecution. In addition, investigations may be referred to the Bureau of Human Resources, the Bureau of Diplomatic Security, the Office of the Procurement Executive, or other agencies for administrative or other appropriate action. Procurement and grant funds represent a key component of foreign assistance, and OIG plays a critical oversight role to ensure these funds are expended properly and are not subject to fraud, waste, or abuse. Since FY 2011, INV has continued to focus on identifying and referring appropriate cases to the Department and BBG for suspension and debarment, as shown below.

### FY 2017 Cases Closed



### FY 2018–FY 2019 Areas of Emphasis and Preventive Actions

INV's top priorities for FY 2018 and FY 2019 will continue to be protecting the integrity of Department, BBG, and USIBWC programs and operations through investigations, including procurement fraud, grant fraud, and public corruption, as well as enhancing investigative capabilities in order to identify and deter criminal activity and misconduct. INV's field offices in Frankfurt, Germany, and Charleston, SC, play a vital role in OIG's investigative oversight of the Department's high-risk, high-cost programs and operations.

To increase OIG's oversight ability, INV's data analytics team will assist OIG by assuming a proactive and risk-based approach, supporting efforts to identify potential fraud and other vulnerabilities, as well as ongoing investigations. This capability will also allow OIG to more effectively conduct strategic planning and identify work plan priorities.

The Inspector General is charged with fraud prevention as well as detection. To meet this objective, INV issues management assistance reports that identify systemic weaknesses and vulnerabilities to fraud, waste, and abuse in Department systems and programs and recommend corrective actions to help Department managers address these shortcomings. INV also actively participates in OIG outreach programs by providing fraud awareness briefings to educate Department employee groups and training classes on potential indicators of fraud.

During FY 2016, INV conducted more than 80 outreach presentations to Department groups and training classes involving over 3,000 Department employees that included contracting officers, contracting officer representatives, grants officers, and grants officer representatives.

INV maintains a cooperative relationship with the Department's Office of the Procurement Executive to ensure information developed in the course of investigations is appropriately shared in furtherance of administrative remedies. INV also proactively consults other stakeholders in the Department, BBG, and Congress regarding high-risk areas and management challenges and appropriately adjusts investigative priorities in line with evolving areas of concern. Certain programs and operations in the Department and BBG are periodically identified as high priority, or of particular importance, and investigative resources are concentrated in those areas.

## **OIG Hotline**

INV also maintains the OIG Hotline, a confidential channel for complaints concerning violations of law or regulation, fraud, waste, abuse, or substantial and specific threats to public health and safety. Complaints to the OIG Hotline have generated numerous successful investigations resulting in criminal, civil, and administrative actions. In FY 2016, the hotline processed nearly 2,000 complaints. OIG recently refocused its hotline collection and referral processes to more efficiently identify significant issues, including whistleblower complaints.

Allegations may be reported to the hotline by contacting [oig.state.gov/hotline](http://oig.state.gov/hotline) or by calling 1-800-409-9926. Written information may be mailed to: Office of Inspector General Hotline, U.S. Department of State, Post Office Box 9778, Arlington, Virginia 22219-1778.

## Appendix A: Abbreviations and Definitions

| Abbreviation | Definition   |
|--------------|--|
| A            | Bureau of Administration   |
| AIG          | Assistant Inspector General  |
| A/LM/AQM     | Office of Acquisitions Management  |
| AUD          | Office of Audits   |
| AWCF         | aviation working capital fund  |
| BBG          | Broadcasting Board of Governors  |
| CA           | Bureau of Consular Affairs   |
| CA/CST       | Bureau of Consular Affairs, Office of Consular Systems and Technology  |
| CFO Act      | Chief Financial Officer Act of 1990  |
| CFR          | compliance follow-up review  |
| CGFS         | Bureau of Comptroller and Global Financial Services  |
| COR          | Contracting Officer's Representatives  |
| CT           | Bureau of Counterterrorism and Countering Violent Extremism  |
| DAIG         | Deputy Assistant Inspector General   |
| DATA Act     | Digital Accountability and Transparency Act of 2014  |
| Department   | Department of State  |
| DGC          | Deputy General Counsel   |
| DoD          | Department of Defense  |
| DHS          | Department of Homeland Security  |
| DRL          | Bureau of Democracy, Human Rights, and Labor   |
| DS           | Bureau of Diplomatic Security  |
| ECA          | Bureau of Educational and Cultural Affairs   |
| ESP          | Evaluations and Special Projects   |
| EUR          | Bureau of European and Eurasian Affairs  |
| EUR/ACE      | Bureau of European and Eurasian Affairs ,Office of the Coordinator of U.S. Assistance for Europe and Eurasia |
| FISMA        | Federal Information Security Management Act  |
| GC           | General Counsel  |
| HR           | Bureau of Human Resources  |
| INL          | Bureau of International Narcotics and Law Enforcement Affairs  |
| INR          | Bureau of Intelligence and Research  |
| INV          | Office of Investigations   |
| IRM          | Bureau of Information Resource Management  |
| ISIS         | Islamic State of Iraq and the Levant Syria   |
| ISP          | Office of Inspections  |
| IT           | Information Technology   |
| J/TIP        | Office to Monitor and Combat Trafficking in Persons  |
| LIG-OCO      | lead inspector general for overseas contingency operations   |

*continued on next page*

| <b>Abbreviation</b> | <b>Definition</b>   |
|---------------------|---|
| M/PRI               | Office of Management Policy, Rightsizing, and Innovation                            |
| MERO                | Middle East Region Operations   |
| NEA                 | Bureau of Near Eastern Affairs  |
| NEC                 | New Embassy Compound  |
| OBO                 | Bureau of Overseas Buildings Operations   |
| OCO                 | overseas contingency operations   |
| OIG                 | Office of Inspector General   |
| OMB                 | Office of Management and Budget   |
| ONDCP               | Office of National Drug Control Policy  |
| PAE                 | PAE Government Services, Inc.   |
| PAT                 | post assignment travel  |
| PEPFAR              | President's Emergency Plan for AIDS Relief  |
| PRM                 | Bureau of Population, Refugees, and Migration                                       |
| PSPR                | Post Security Program Review  |
| RSC                 | resettlement support centers  |
| S/GAC               | Office of the U.S. Global AIDS Coordinator and Health Diplomacy                     |
| S/OCR               | Office of Civil Rights  |
| SCA                 | Bureau of South and Central Asian Affairs   |
| SCI                 | sensitive compartmented information   |
| SIGAR               | Special Inspector General for Afghanistan Reconstruction                            |
| SPE                 | Special Protective Equipment  |
| ULO                 | unliquidated obligation   |
| USAID               | U.S. Agency for International Development   |
| USIBWC              | International Boundary and Water Commission, United States and Mexico, U.S. Section |
| WPS                 | Worldwide Protective Services   |



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1-800-409-9926

**OIG.state.gov/HOTLINE**

If you fear reprisal, contact the  
OIG Whistleblower Ombudsman  
to learn more about your rights.

**WPEAOmbuds@stateoig.gov**

Questions regarding this publication should be addressed to:  
[OIG-Reports@stateoig.gov](mailto:OIG-Reports@stateoig.gov)

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