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United States Department of State
and the Broadcasting Board of Governors

Office of Inspector General

JUN 06 2013

Re: OIG FOIA Case No. 13-00041-FOI

This is in response to your Freedom of Information Act (FOIA), 5 U.S.C. § 552, request dated March 29, 2013, to the U.S. Department of State's Office of Inspector General (OIG).

You requested "a copy of the first five pages of The Final Report, Report of Investigation, Closing Memo, Referral Memo and/or Referral Letter, whichever is applicable," for specific closed State Department OIG investigations.

To timely respond to your request, we are providing you the executive summary for the closed cases. The executive summary provides a summary of the significant findings resulting from the investigation. Enclosed are 17 documents responsive to your request. The documents are being released to you in part, redacted under FOIA exemptions (b)(6) and (b)(7)(C). Four documents (Case Numbers: C2007032, C2008097, C2009023 and C2009111) are being withheld, pursuant to FOIA exemption (b)(3). This exemption protects information specifically exempted from disclosure by other federal statutes. The documents requested are subject to Rule 6(e) of the Federal Rules and Criminal Procedure and cannot be disclosed to anyone who is not authorized by the court overseeing the case. We have enclosed a separate sheet explaining the exemptions.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. *See* 5 U.S.C. § 552(c) (2006 & Supp. IV 2010). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

You may appeal this decision within 60 days to the Chairman of the Appeals Panel of the U.S. Department of State as explained in the enclosed. Appeals should be addressed to: Chairman, Appeals Review Panel, Attention: Appeals Officer, A/ISS/IPS/PP/LC, Room 8100, State Annex 2 (SA-2), U.S. Department of State, Washington, D.C. 20522-8100.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Geisel', with a stylized flourish at the end.

Harold W. Geisel
Deputy Inspector General

Enclosures: As stated



Executive Summary

(b)(6) (b)(7)(C)

Number: C2007037

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: KUWAIT

Opening Date: September 11, 2007

Closing Date: June 20, 2012

How Received: In person

Complainant Source: OIG/AUD

Executive Summary:

BASIS FOR INVESTIGATION:

On September 11, 2007, this investigation was initiated based on a referral from Office of Audits (AUD), Office of Inspector General (OIG), U.S. Department of State (DOS) regarding the construction of the New Embassy Compound (NEC) in Baghdad, Iraq. The referral was made by [REDACTED] who alleged false statements/certifications by [REDACTED]. Additional allegations concerning prime contractor [REDACTED] paying bribes to unnamed individuals and engaging in product substitution during construction of the NEC were also received.

RESULTS OF INVESTIGATION:

In addition to the alleged and developed allegations sited above, multiple allegations related to technical deficiencies during the construction of NEC Baghdad were received by the OIG. An audit of the contract administration, commissioning, accreditation, design and construction was conducted by OIG/AUD and supported by the United States Army Corp of Engineers (USACE). Between August 2008 and March 2009, auditors, engineers and technicians conducted twenty days of facility inspections, multiple records reviews and multiple interviews with personnel in Baghdad and in the Washington D.C. area. Several findings were enumerated in the OIG/AUD

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and USACE reports. OIG/Office of Investigations (INV) conducted several interviews, many related to the fire suppression system and electrical wiring, which were incorporated in the OIG/AUD and USACE reports and used to support their findings.

Additionally, a separate, parallel investigation was conducted by the Special Inspector General for Iraq Reconstruction (SIGIR), case [REDACTED] in conjunction with the Department of Justice (DOJ), Civil Fraud Branch, regarding allegations of false claims by [REDACTED]. The allegations were enumerated in a complaint filed in the Eastern District of Virginia on December 11, 2006 in civil qui tam, [REDACTED].

[REDACTED] Due to the investigative resources available to INV at that time, and due to the fact that SIGIR employed investigators located in Baghdad, SIGIR conducted the qui tam investigation. SIGIR's investigation did not substantiate that [REDACTED] submitted false claims. On May 15, 2008, DOJ filed a Notice of Election to Decline Intervention. The case was closed on August 11, 2009.

1) Whether [REDACTED] made false statements, in violation of 18 U.S.C. 1001 – Statements or entries generally

This investigation found that [REDACTED] did not make false statements/certifications when [REDACTED] issued a Certificate of Substantial Completion on December 16, 2007, certifying that the requirements of the New Embassy Compound (NEC) contracts SALMEC-05-C-0019, SALMEC-05-C-0020, SALMEC-05-C-0021, SALMEC-05-C-0030, and SALMEC-05-D-0042 had been completed in a satisfactory manner, although in March 2008, approximately 966 deficiencies in the NEC had been identified. The investigation found that as the [REDACTED]

[REDACTED] in Baghdad, [REDACTED]

[REDACTED] conducted the final walk through of the facilities with [REDACTED]

[REDACTED] who found it substantially complete, and therefore, [REDACTED] made the certification as such. The investigation found no evidence that [REDACTED] "knowingly and willfully falsified, concealed or covered up" deficiencies in the NEC by certifying substantial completion in December 2007. The investigation, supported by both OIG/AUD and USACE reports, found that [REDACTED]

[REDACTED] r, was the senior DOS representative on-site. In [REDACTED] interview, [REDACTED] referred to [REDACTED] as [REDACTED] 'realistic' [REDACTED] although [REDACTED] supervisor of record was [REDACTED]. The investigation, along with the OIG/AUD and USACE reports found that

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██████ was empowered with many of the traditional ██████ duties and responsibilities. ██████ job description as ██████ contained broad and sweeping authorities, including that of on-site functional representative of the government. The OIG/AUD and USACE reports found that ██████, a stand-alone element within OBO, had no internal controls to ensure contract compliance; and ██████ and ██████ did not have any background in, or basis for, making decisions involving complex electrical, mechanical, and structural systems. In January 2008, ██████ was disbanded. In a response to this finding, OBO replied that stand alone project offices, such as ██████, are a mistake.

██████ retired from DOS on December 31, 2007.

██████ resigned from ██████ in January 2008.

██████ resigned from DOS on November 6, 2009.

2) Whether ██████ offered/paid bribes, in violation of 18 U.S.C. 201 – Bribery of public officials and witnesses; and/or whether ██████ attempted/paid kickbacks, in violation of 41 U.S.C. 51 - The Anti-Kickback Act of 1986

The investigation found no evidence that ██████ attempted, or paid bribes. The investigation found one individual, ██████ who told agents that ██████ sub-contractor, witnessed a bribe payment made by ██████ to sub-contractor ██████. However, there was no evidence to support the claim and ██████ and ██████ denied the allegation. There was no derogatory financial information relating to ██████. Additionally, there was no derogatory financial information relating to ██████ and ██████.

3) Whether ██████ engaged in product substitution, in violation of 18 U.S.C. 287 – False, fictitious or fraudulent claims

The investigation was unable to substantiate that ██████ engaged in product substitution. Although during construction of the NEC, multiple substitutions, contract changes and contract variances were found and documented by this investigation and by the OIG and USACE audits, the investigation found that several contract changes, variances and substitutions were authorized by DOS personnel. ██████ admitted to agents that ██████ approved several product substitutions, contract changes and contract variances, some verbally, and some that ██████ did not document.

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4) Whether [REDACTED] made false statements, in violation of 18 U.S.C. 1001 – Statements or entries generally

The investigation found the [REDACTED] did not make a false statement when [REDACTED] provided a 5-page addendum to his Questionnaire for National Security Position (also known as the SF-86), listing that [REDACTED] was a Registered Professional Engineer in the states of Texas and Louisiana, although there is negligible evidence to indicate this is factual. [REDACTED]

[REDACTED] conducted [REDACTED] security clearance investigation and [REDACTED] told agents that during [REDACTED] interview with [REDACTED] answered "no" to the question of professional licenses held, as [REDACTED] noted in [REDACTED] report. [REDACTED] added that at the time of [REDACTED] interview, [REDACTED] provided [REDACTED] a 3-page addendum, which [REDACTED] did not attach to [REDACTED] final report, but referenced it in [REDACTED] report as "employment history." [REDACTED] stated [REDACTED] has no knowledge of the 5-page addendum, which is different than the 3 page addendum, provided to [REDACTED] by [REDACTED].

5) Whether [REDACTED] made unauthorized commitments which exceeded [REDACTED] authority as [REDACTED], in violation of FAR 1.602-2, DOSAR 601.603-3 and 14 FAH-2 H-132.1

The investigation found that [REDACTED] did exceed [REDACTED] authority as [REDACTED] when [REDACTED] committed the U.S. Government to multiple product substitutions and contract deviations and variances without the proper authority. The investigation, supported by the audit, found that [REDACTED] failed to adequately perform [REDACTED] responsibilities as the [REDACTED], which were specified in a September 26, 2005 Delegation of [REDACTED] Responsibility letter, signed by [REDACTED] and issued to [REDACTED] by the Contracting Officer. The letter detailed [REDACTED] responsibilities, and [REDACTED] admitted to agents that [REDACTED] deferred many of those responsibilities to the Washington branch of [REDACTED], or that [REDACTED] simply missed or changed the contract requirements, and that [REDACTED] approved product substitutions without properly documenting them. In [REDACTED] interview, [REDACTED] provided several occasions in which [REDACTED] authorized changes, variances, and substitutions to the contract.

JUDICIAL ACTION:

On May 15, 2008, DOJ filed a Notice of Election to Decline Intervention of the civil false claims act allegations. On November 13, 2009, Trial Attorney [REDACTED], Criminal Division, Department of Justice, who had been consulted during the entirety of the investigation, declined criminal prosecution of all allegations related to [REDACTED] and [REDACTED]

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Offense Code(s):

BRIBERY

CONTRACT FRAUD OR IRREGULARITIES

FALSE CLAIMS

FALSE STATEMENTS

KICKBACKS

Department of State

Office of Inspector General
Office of Investigations



Executive Summary

(b)(6) (b)(7)(C)

Number: C2008011

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation: [REDACTED]

Duty Post: DISTRICT OF COLUMBIA

Opening Date: February 15, 2008

Closing Date: April 12, 2012

How Received: Other

Complainant Source: OIG/ISP

Executive Summary:

Basis for Investigation:

On January 25, 2008, the Office of Inspector General (OIG), Office of Investigations (INV), received a referral from the OIG, Office of Inspections (ISP), concerning allegations of numerous irregularities with the official travel authorizations and vouchers of [REDACTED]
[REDACTED]

Results of Investigation:

The investigation determined [REDACTED] was overpaid \$17,612.87 due to [REDACTED] filing false travel vouchers. Please refer to the Report of Investigation attached in IMS for further details. On September 7, 2011, HR/ER proposed [REDACTED] for a 10 day suspension. On April 9, 2012, INV received the final administrative adjudication from DS/PSS. No other investigative activity is warranted. This case is closed.

Offense Code(s):

FALSE CLAIMS

Department of State

Office of Inspector General
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Executive Summary

Number: C2008013

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: VIRGINIA

Opening Date: March 10, 2008

Closing Date: April 17, 2012

How Received: Other

Complainant Source: Anonymous or unknown

Executive Summary:

BASIS FOR INVESTIGATION:

This investigation was initiated based upon information provided by the Bureau of Alcohol, Tobacco and Firearms (ATF), that [REDACTED] was knowingly filing for false labor based visas for aliens attempting to obtain legal permanent residency in the U.S. The ATF informed the Immigration and Customs Enforcement (ICE), Document and Benefit Fraud Task Force (DBFTF) that [REDACTED] had filed for labor based visas for aliens on behalf of several area companies looking to employ foreign workers, but that none of the foreign workers would actually work for the companies. An ICE Confidential Informant (CI) was introduced to [REDACTED] in an attempt to see if [REDACTED] would file fraudulent paperwork for a labor based visa on the CI's behalf through a local company.

VIOLATIONS:

[REDACTED] 18 USC section 1546 Fraud and Misuse of Visas, Permits, and other Documents (Under Investigation), 18 USC section 1001 False Statements (Under Investigation).

INVESTIGATIVE CONCLUSIONS:

On February 28, 2008, an ICE CI met with [REDACTED] at [REDACTED]. During the meeting the CI stated he/she was illegally residing in the U.S. without the proper documentation. [REDACTED] said it would be difficult and expensive to help



the CI with the CI's immigration status, but [REDACTED] said [REDACTED] would try to locate a labor based visa sponsor for the CI. [REDACTED] requested that the CI provide [REDACTED] with a resume outlining the CI's work experience.

On April 3, 2008, the CI contacted [REDACTED] regarding the labor based visa. (Agents Note: In order to obtain a labor based visa, the foreign worker must first apply for a Labor Certification (LC) through the U.S. Department of Labor (DOL). Once the LC has been approved by DOL, if the foreign worker is overseas they will be issued their visa to enter the U.S., if they are already in the U.S. they can adjust their immigration status in the U.S. for a fee.) [REDACTED] stated that [REDACTED] had a couple of places of employment in mind for the CI and told him/her that it would cost \$65,000 to complete the labor certification process. [REDACTED] told the CI that [REDACTED] would need a down payment of \$25,000.

On April 7, 2008, [REDACTED] had the CI fill out some papers and accepted the \$25,000 as a down payment for the fraudulent LC. The CI reminded [REDACTED] that he/she was not able to legally work and [REDACTED] responded that [REDACTED] was aware of the CI's situation and the CI would not be required to actually work. [REDACTED] told the CI to fill out a work experience letter that would be sent with the other paperwork to the DOL. A fraudulent work experience letter was created by the agents and sent to [REDACTED] through the CI.

On June 9, 2008, an email was received from [REDACTED] secretary, at the ICE email account created for the ICE CI. The email stated that the CI should make some changes to the CI's reported experience, using the title of bookkeeper, two years experience, adding the CI's date of birth and a home address rather than the company's address.

On June 10, 2008, a consensually monitored phone call was conducted between the CI and [REDACTED]. They spoke regarding the CI's experience letter that the CI had previously provided. The CI asked [REDACTED] what employer to list on the letter, adding that he/she did not know what to put since he/she didn't really work at the listed business. [REDACTED] advised the CI to take out the employer altogether. The CI said that he/she did not have experience as a bookkeeper, only as a bartender. The CI asked [REDACTED] if ICE would be checking with the listed employer and [REDACTED] responded not to worry about it. The CI told [REDACTED] that a friend got the experience letter from the internet. [REDACTED] said to change the address to an address that the CI lived at in Korea. [REDACTED] told the CI to send over a completed copy.

On July 3, 2008, a consensually monitored and recorded meeting took place between the ICE CI and a secretary at [REDACTED]. During the

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meeting, the CI provided the secretary with the CI's corrected experience letter. The secretary told the CI that they would need the original signed copy. The CI told the secretary that it was not a real document, and that because he/she never actually worked at the company, the CI could not get the employer to sign it. The secretary then told the CI that the CI or someone would need to sign it, and [REDACTED] provided the CI with a pen. The CI then signed the experience letter, handed it to the secretary and departed.

On October 28, 2008, the case agents learned that DOL had received the LC filing on behalf of the ICE CI. The filing indicated the petitioner was [REDACTED] a company owned by [REDACTED] and which used the same address, [REDACTED] as [REDACTED]. [REDACTED] ICE tracked the \$25,000 check the CI had paid [REDACTED] as a deposit. [REDACTED] deposited the check into a [REDACTED] bank account.

The case agents learned that the CI's LC paperwork was not progressing through the system in a timely fashion. The DOL OIG agent assigned to the case discovered that DOL was auditing the CI's paperwork. DOL stated that they were approximately fourteen months behind on audits. In late 2010, the U.S. Attorney's Office contacted DOL to see if the CI's LC paperwork could be completed and approved.

As of April 2012, the case agents have had the CI maintain contact through phone calls and meetings with [REDACTED] concerning the status of the LC paperwork. The agents also submitted a search warrant affidavit to Assistant U.S. Attorney [REDACTED] for [REDACTED] review.

CASE STATUS:

It has been determined that since the investigation mostly involves immigration and DOL matters, Department of State, Office of Inspector General participation is no longer required. The ICE DBFTF will continue to investigate this case to its logical conclusion. ICE's case number is [REDACTED].

Offense Code(s):

VISA MALFEASANCE OR FRAUD



**Office of Inspector General
Office of Investigations**

Executive Summary

Number: C2008068

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: VIRGINIA

Opening Date: July 8, 2008

Closing Date: April 16, 2012

How Received: Other

Complainant Source: Anonymous or unknown

Executive Summary:

BASIS FOR INVESTIGATION:

This investigation was initiated based upon information provided by U.S. Immigration and Customs Enforcement (ICE), Document Benefit Fraud Task Force (DBFTF) Special Agent (SA) [REDACTED] and its [REDACTED], were suspected of committing H1B visa fraud. A fraud assessment by U.S. Citizenship and Immigration Services (USCIS) found that a sampling of employees who obtained their visas as sponsored employees of [REDACTED] were not living in the locations where their applications indicated they were hired to work. In addition, it was found that [REDACTED] had filed over 1,800 employment based petitions with USCIS since 2001. This case is being worked jointly by ICE DBFTF, U.S. Department of State, Office of Inspector General (DOS OIG), U.S. Department of Labor, Office of Inspector General (DOL OIG), and the Bureau of Diplomatic Security (DS).

VIOLATIONS:

[REDACTED] 18 USC section 1546 Fraud and Misuse of Visas, Permits, and other Documents (Under Investigation), 18 USC section 1001 False Statements (Under Investigation).

INVESTIGATIVE CONCLUSIONS:

Since 2001, [REDACTED] filed over 1,800 employment based petitions for

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foreign workers. The majority of the petitions were for employment locations in Chantilly, Reston, and Fairfax, VA. The USCIS Fraud Detection and National Security Unit (USCIS FDNS) reviewed USCIS receipt files for a [REDACTED] who was sponsored for an employment based petition by [REDACTED]. On this petition, [REDACTED] indicated that [REDACTED] intended to hire [REDACTED] to work for [REDACTED] at [REDACTED] from 5/11/2006 to 3/1/2009. The petition was approved by USCIS on 4/6/2006. On 10/12/2006, USCIS FDNS conducted a site visit to [REDACTED] at the [REDACTED] location in order to interview the petitioner, [REDACTED], and the beneficiary, [REDACTED]. The USCIS FDNS officer was met by [REDACTED] who said [REDACTED] was out of the state at the time. [REDACTED] had no knowledge of [REDACTED] and was certain that [REDACTED] was not employed at the Chantilly location. [REDACTED] indicated that [REDACTED] was probably at another [REDACTED] location in North Carolina or Pennsylvania. The USCIS FDNS officer noted that the application clearly stated that [REDACTED] was to work in the Chantilly location and there was no amendment indicating that the work location had been changed or that a change had been sought. [REDACTED] indicated that there were 400 employees at various locations and that it was difficult to keep track of them. When asked, [REDACTED] stated that the company had approximately 44 employees at the Chantilly location, 40 of whom were H1B visa holders. According to USCIS records approximately 600 petitions were filed for the business located at [REDACTED]. The ICE DBFTF then examined ten individuals petitioned by [REDACTED] including [REDACTED] all of whom were allegedly working at the [REDACTED] location. Record checks found that all of the subjects were living outside the Northern Virginia area in various parts of the United States.

The DS SA assigned to the DBFTF requested that DS in India conduct a site visit to the reported [REDACTED] office in Chennai. The reported address was found to be a building under construction. A nearby business indicated there had been a gas company at the location prior to the construction, and they were unfamiliar with a company called [REDACTED]. DS also conducted a site visit to the [REDACTED] office in Hyderabad, India. The building manager there told the DS agents that the [REDACTED] office closed in June 2007 due to an H1B visa scam carried out by the [REDACTED] at the office.

The DBFTF requested ICE offices in the U.S. conduct site visits to the various [REDACTED] offices located around the country. One purported [REDACTED] office location was found to simply be a mail forwarder, another was a single small room leased from another business that saw only one person use it for a few weeks, and another was sub-leased to another

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company soon after [REDACTED] leased it.

CASE STATUS:

It has been determined that since the investigation mostly involves immigration matters, DOS OIG participation is no longer required. The ICE DBFTF will continue to investigate this case to its logical conclusion. ICE's case number is [REDACTED]

Offense Code(s):

VISA MALFEASANCE OR FRAUD



Executive Summary

Number: C2009032

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor [REDACTED]

Duty Post: DISTRICT OF COLUMBIA

Opening Date: November 21, 2008

Closing Date: July 20, 2012

How Received: Other

Complainant Source: CONSULAR AFFAIRS

Executive Summary:

BASIS FOR INVESTIGATION:

On November 14, 2008, the U.S. Department of State (Department), Office of Inspector General (OIG), Office of Investigation (INV), initiated an investigation based upon information obtained through the Department's Office of Legal Affairs (OLA), Passport Monitor Unit (PMU). It is alleged, that between January 1, 2005 and October 24, 2007, [REDACTED] accessed the passport applications of multiple persons through the Department's Passport Information Electronic Records System (PIERS) without authorization or for official purpose.

RESULTS OF INVESTIGATION:

The investigation determined that [REDACTED] while working as a [REDACTED] from September 2004 to September 28, 2008, accessed and viewed passport records of individuals in the PIERS system without authorization or for official purpose on multiple occasions between January 5, 2005 and January 25, 2008.

A review of [REDACTED] PIERS history records revealed that [REDACTED] accessed and viewed the passport records of 41 celebrities and professional athletes as well as 26 family members or persons with the last name [REDACTED]. Additionally, during [REDACTED] interview, [REDACTED] identified from [REDACTED] PIERS history records, 20 other individuals' records [REDACTED] searched without authorization or

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official purpose. These individuals were identified as relatives, friends, former schoolmates and coworkers. [REDACTED] admitted during [REDACTED] interview with OIG/INV Special Agents that [REDACTED] did not have authorization or official purpose to access these records.

(Agent Note: At the time of this report, [REDACTED] is currently employed as a [REDACTED] and has maintained [REDACTED] access to PIERS without incident or any unauthorized access since [REDACTED] last noted violation on January 25, 2008. [REDACTED] has been the recipient of two awards since PMU first notified [REDACTED] supervisors of [REDACTED] unauthorized access. [REDACTED] was also promoted to [REDACTED] in February 2011.)

[REDACTED] was issued a Letter of Warning and admonishment by PSS and HR respectively. See Attachments for details.

CASE STATUS: Closed.

Offense Code(s):

COMPUTER FRAUD (18-USC-1030)



Executive Summary

Number: C2009038

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: VIRGINIA

Opening Date: December 9, 2008

Closing Date: December 3, 2012

How Received: Other

Complainant Source: [REDACTED]

Executive Summary:

BASIS OF INVESTIGATION:

This investigation was initiated based upon information received from

[REDACTED]
who alleged a conflict of interest by OBO employee [REDACTED] in [REDACTED]
relationship with [REDACTED] a [REDACTED]
Department contractor. At that time, [REDACTED] held three OBO contracts
[REDACTED] valued at
\$223,225,086.

RESULTS OF INVESTIGATION:

[REDACTED] engaged in conflict of interest, in violation of 18 USC 208 (a)
– Acts affecting a personal and financial interest.

The investigation found that [REDACTED] did not engage in conflict of interest. The investigation found no evidence that [REDACTED] participated "personally and substantially" with regard to [REDACTED] award of current or future OBO contracts. [REDACTED] held [REDACTED] position as [REDACTED] since August 2008, [REDACTED] construction contracts were awarded prior to [REDACTED] employment with OBO. Additionally, the investigation found no evidence that [REDACTED] had involvement with [REDACTED] in any of the following activities directly related to [REDACTED] procurements: drafting, reviewing, approving, preparing or developing, evaluating bids or proposals, selecting a source, negotiating price or terms and conditions, or

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reviewing and approving the award or the contract.

Whether [REDACTED] sought employment, in violation of 5 C.F.R. 2635, Subpart F – Standards of Ethical Conduct for Employees of the Executive Branch, Seeking Other Employment.

Although the investigation found that [REDACTED] was seeking employment with [REDACTED] when [REDACTED] forwarded [REDACTED] resume to [REDACTED] on October 14, 2008, [REDACTED] did not violate the standards of ethical conduct for employees seeking other employment because there was no evidence that [REDACTED] participated “personally and substantially” in any particular matter involving [REDACTED]

Whether [REDACTED] provided contractor bid or proposal information, in violation of FAR 3-104 – Procurement Integrity.

The investigation found that [REDACTED] did not violate procurement integrity when [REDACTED] sent [REDACTED] an email containing a 5-part strategy approach on how [REDACTED] could resolve the contracting problems that [REDACTED] was having with OBO; when [REDACTED] provided [REDACTED] with copies of unclassified, redacted DOS cables concerning monthly updates of project performance on the [REDACTED] and [REDACTED] contracts; and when [REDACTED] provided [REDACTED] with a document concerning the [REDACTED].

The investigation found that the information [REDACTED] provided [REDACTED] did not contain any of the following: cost or pricing data; indirect costs and direct labor rates; or proprietary information about manufacturing process, operations, or techniques marked by the contractor as “contractor bid or proposal information.” There is no evidence that [REDACTED] provided [REDACTED] with procurement or sensitive information.

Whether [REDACTED] engaged in unauthorized disclosures to the media and general public, in violation of 10 FAM 126 – Unofficial Speaking, Writing, and Teaching.

The investigation determined that [REDACTED] did make unauthorized disclosures to the general public when [REDACTED] provided [REDACTED] with copies of unclassified, redacted DOS cables concerning monthly updates of the [REDACTED] and [REDACTED] contracts; when [REDACTED] provided [REDACTED] with a document concerning the [REDACTED] that was not intended for the public; and when [REDACTED] provided [REDACTED] a copy of a DOS [REDACTED] document. According to [REDACTED] warranted DOS Contracting Officer and [REDACTED] a DOS contractor does not have independent access to the DOS telegram/cable system and DOS cables concerning monthly project



performance are not provided to the contractor. Also, concerning the [REDACTED] document, the bureau of Public Affairs website states [REDACTED] is not a [REDACTED] and is not to be handed out, e-mailed or faxed to anyone outside the Administration. Additionally, the investigation found that [REDACTED] also made an unauthorized, non public disclosure when [REDACTED] informed [REDACTED] in an email [REDACTED] sent to [REDACTED] on November 7, 2008, in which [REDACTED] disclosed that the [REDACTED] will be released in a week.

Whether [REDACTED] used his public office for private gain, in violation of 5 C.F.R. 2635.702 – Use of Public Office for Private Gain.

The investigation determined that [REDACTED] did use [REDACTED] public office for private gain when [REDACTED] provided [REDACTED] unsolicited OBO information not available to the public, as noted above [REDACTED] attempt to curry favor with a potential employer, although unsuccessful, made it appear as if [REDACTED] was an insider, with valuable information to share, thus the performance of [REDACTED] official duties would have affected [REDACTED] private interest, if successful.

Offense Code(s):

CONFLICT OF INTEREST

ETHICS IN GOVERNMENT ACT VIOLATION(S)

Department of State

Office of Inspector General
Office of Investigations

(b)(6) (b)(7)(C)



Executive Summary

Number: C2009060

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: CHINA

Opening Date: February 20, 2009

Closing Date: February 9, 2012

How Received: Internet (Email)

Complainant Source: DIPLOMATIC SECURITY

Executive Summary:

BASIS FOR INVESTIGATION

This investigation was initiated on August 28, 2008, by the U.S. [REDACTED] of State (DOS) Office of Professional Responsibility (DS/PR) based upon information provided by the U.S. Consulate Montreal [REDACTED] and the Hamilton Police Service in the Province of Ontario, Canada (Exhibit 1). This case was referred to the Office of Inspector General (OIG) Office of Investigations (INV) on February 5, 2009, due to the suspected misuse of the Passport Information Electronic Records System (PIERS). It was alleged that [REDACTED], a Foreign Service Officer, used PIERS to obtain personal information and/or locate a former [REDACTED] friend, [REDACTED]. The Hamilton Police Service specifically, has accused [REDACTED] of a pattern of unwanted harassment that has resulted in their issuance of an arrest warrant for [REDACTED].

RESULTS OF INVESTIGATION

[REDACTED] admitted to accessing [REDACTED] passport records through PIERS. [REDACTED] admitted to accessing or trying to access passport records for family and friends of [REDACTED]. [REDACTED] admitted to obtaining border crossing information through a U.S. Department of Homeland Security (DHS) computer system. [REDACTED] admitted to creating and using more than 60 different email addresses to contact [REDACTED] in hopes of rekindling a personal relationship. [REDACTED] admitted to continuing the behavior of contacting [REDACTED] even after [REDACTED] was

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warned twice by the Hamilton Police Service to stop harassing [REDACTED] [REDACTED] admitted to sending [REDACTED] an unsolicited email discussing the status and whereabouts of [REDACTED] passport. [REDACTED] admitted that neither [REDACTED] nor any of [REDACTED] family members gave [REDACTED] permission to look up or access their passport information.

CASE STATUS:

On January 20, 2010, HR/ER proposed [REDACTED] for separation. On September 30, 2011 the Foreign Service Grievance Board upheld HR/ER's decision to terminate [REDACTED] employment.

DS/SI/PSS notified OIG/INV on 2/9/2012 that [REDACTED] Top Secret Security Clearance was revoked.

CASE STATUS: CLOSED.

Offense Code(s):

COMPUTER FRAUD (18-USC-1030)



Executive Summary

Number: C2009063

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: IRAQ

Opening Date: March 10, 2009

Closing Date: April 9, 2012

How Received: Other

Complainant Source: Anonymous or unknown

Executive Summary:

BASIS FOR INVESTIGATION:

This investigation was initiated based upon information received from the Special Inspector General for Iraq Reconstruction (SIGIR) and Defense Criminal Investigative Service (DCIS). It was alleged that [REDACTED] while employed as a Department of Defense (DOD) contractor with [REDACTED] and as a [REDACTED] for the Department of State (DOS) in Iraq, solicited and received kickbacks from Iraqi contractor [REDACTED] and others, in exchange for facilitating the awarding of reconstruction projects in Southern Iraq. It was also alleged that [REDACTED] for DOD contractor with [REDACTED] conspired with [REDACTED] to receive kickbacks from Iraqi contractors.

RESULTS OF INVESTIGATION:

The investigation determined that between April 2005 and October 2009, [REDACTED] conspired with [REDACTED] an Iraqi DOD sub-contractor to [REDACTED] to commit wire fraud conspiracy, wire fraud, receipt of illegal kickbacks, receipt of illegal bribes, and conspiracy when [REDACTED] provided confidential bidding information and assisted [REDACTED] obtain contracts funded by the DOD in exchange for kickbacks and bribes totaling \$106,820. The investigation also determined that [REDACTED] attempted to obtain \$113,800 in kickbacks and bribes relating to a

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DOS contract to Iraqi contractor [REDACTED] owner of [REDACTED] [REDACTED] however immediately following the award of the contract, the contract was cancelled due to past poor performance by the contractor.

The investigation determined that [REDACTED] contractor, conspired with [REDACTED] to receive kickbacks and bribes relating to DOD sub-contracts. DOJ accepted [REDACTED] cooperation in exchange for being charged in the conspiracy.

On February 8, 2011, [REDACTED] plead guilty to wire fraud conspiracy and wire fraud. On January 19, 2012, [REDACTED] was sentenced to 33 months confinement, ordered to pay \$106,820 in restitution, ordered to pay a \$200 special assessment fee, and serve two years supervised release.

[REDACTED]

On October 8, 2009, a Criminal Complaint was filed in the U.S. District Court, Western District of Texas (Exhibit 1). [REDACTED] was subsequently arrested on October 16, 2009 (Exhibit 2).

On January 20, 2011, an Information was filed in the in the U.S. District Court, Western District of Texas charging [REDACTED] with one count of violation of 18 USC 1349 (Wire Fraud Conspiracy) and one count of violation of 18 USC 1343 (Wire Fraud) (Exhibit 3). [REDACTED] subsequently pled guilty to the Criminal Information (Exhibit 4).

On January 19, 2012, [REDACTED] was sentenced in the U.S. District Court, Western District of Texas, on a two count Criminal Information charging [REDACTED] with one count of Wire Fraud Conspiracy, (18 USC 1349), and one count of Wire Fraud (18 USC 1343). [REDACTED] was sentenced to 33 months confinement on each count (to run concurrently), ordered to pay restitution in the amount of \$106,820, special assessment fee of \$200 and 2 years supervised release (Exhibit 5).

FOSTER:

AUSA [REDACTED] and [REDACTED] counsel entered into negotiations and a position paper was drafted and finalized to determine [REDACTED] culpability (Unattached Exhibit 9). AUSA [REDACTED] subsequently declined to prosecute [REDACTED]

IRAQI CONTRACTORS:

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Prosecution was declined in favor of administrative action.

CASE STATUS: CLOSED.

Offense Code(s):

CONSPIRACY

CONTRACT FRAUD OR IRREGULARITIES

KICKBACKS

MAIL OR WIRE FRAUD



Executive Summary

Number: C2009072

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: HAWAII

Opening Date: May 1, 2009

Closing Date: February 1, 2012

How Received: Other

Complainant Source: OTHER BUREAU/POST

Executive Summary:

BASIS FOR INVESTIGATION:

This investigation was predicated upon the receipt of a referral on April 15, 2009, from the Bureau of Diplomatic Security (DS), Diplomatic Security Service (DSS), [REDACTED] Professional Responsibility Division (PR), wherein it was reported that Los Angeles Field Office (LAFO), Honolulu Resident Office (HRO), [REDACTED] was misusing [REDACTED] government owned vehicle (GOV).

RESULTS OF INVESTIGATION:

On August 27, 2009, [REDACTED] was issued a letter of proposed disciplinary action, suspending [REDACTED] for 45 days for [REDACTED] willful misuse of a Government vehicle, failure to maintain accurate vehicle logs, and [REDACTED] lack of candor during [REDACTED] interview with OIG investigators.

On October 7, 2009, [REDACTED] was issued the final letter of disciplinary action by [REDACTED]. The letter notified [REDACTED] that [REDACTED] proposed 45 days suspension had been mitigated to 35 days suspension, due to the lack of candor charge not being sustained.

Since [REDACTED] has received his final letter of disciplinary action, no further investigation is warranted.



On January 15, 2010, SA [REDACTED] was advised by [REDACTED] that [REDACTED] has been issued a proposed security clearance revocation notice. [REDACTED] stated this process could take a while. SA [REDACTED] advised that we would need a copy of the final decision for our files.

On January 26, 2012, INV received a copy of the letter sent to [REDACTED] from [REDACTED] informing [REDACTED] that the Appeal Panel (Panel) voted to reverse the decision of DS to revoke [REDACTED] security clearance. The letter stated that the Panel noted that the transgressions that led DS to revoke [REDACTED] security clearance, including [REDACTED] admitted misuse of a Government vehicle and [REDACTED] failure to be fully and immediately forthcoming with Government investigators when questioned about the misuse. The Panel strongly cautioned [REDACTED] that any future transgressions could once again serve as a basis the revocation of [REDACTED] security clearance and that this letter would be brought to the attention of the Panel should [REDACTED] become the subject of any future security clearance revocation proceedings.

Since all action have been finalized in this investigation, the case is closed.

Offense Code(s):

EMPLOYEE MISCONDUCT MATTERS



Executive Summary

Number: C2009087

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: WASHINGTON (STATE OF)

Opening Date: June 12, 2009

Closing Date: November 4, 2009

How Received: Other

Complainant Source: Anonymous or unknown

Executive Summary:

BASIS FOR INVESTIGATION

This investigation was initiated on June 11, 2009, based upon information obtained from the Arlington County, Virginia Police Department. Arlington County provided Incident Report [REDACTED] indicating [REDACTED] was arrested on June 8, 2009 for assault and battery on [REDACTED]

RESULTS OF INVESTIGATION

SA [REDACTED] met with [REDACTED] at SA-6 on June 15, 2009, and identified [REDACTED] as a Special Agent of the Department of State (DOS) Office of Inspector General (OIG) Office of Investigations. [REDACTED] affirmed that [REDACTED] was arrested on June 8, 2009 for assault and battery. [REDACTED] stated that [REDACTED] was not aware of the 12 FAM regulations requiring [REDACTED] to notify DS/SI/PSS about the arrest. SA [REDACTED] provided [REDACTED] with a copy of 12 FAM 272 and explained that DOS/OIG/INV would now make the contact to DS/SI/PSS on [REDACTED] behalf. [REDACTED] stated that [REDACTED] court date is scheduled for on or about July 16, 2009. SA [REDACTED] told [REDACTED] that DS/SI/PSS would contact [REDACTED] if they have any additional questions or instructions regarding [REDACTED] security clearance. No further investigation will be conducted by DOS/OIG/INV due to pending court case.

DS/SI/PSS responded "No Action."

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CASE STATUS: Closed.

Offense Code(s):

PROHIBITED PERSONNEL PRACTICES



Executive Summary

Number: C2009098

Title: [REDACTED] (QUI TAM)

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: AFGHANISTAN

Opening Date: July 23, 2009

Closing Date: April 9, 2012

How Received: Other

Complainant Source: Anonymous or unknown

Executive Summary:

BASIS FOR INVESTIGATION:

On June 22, 2009, notification was received from the Department of Justice (DOJ) regarding a Qui Tam Complaint filed on May 15, 2009. [REDACTED] and [REDACTED] the Qui Tam Plaintiffs, alleged that [REDACTED] made false claims to the U.S. Department of State (DOS) in regards to Civilian Police Contract (CPC) SLMAQM-04-C-0030 and the Central Poppy Eradication (CPE) Task Order SAQMPD-04-C-1076 by failing to supply eight weeks of classroom based training to Poppy Eradication Force (PEF) personnel between May 2008 through September of 2008. The Qui Tam Plaintiffs further alleged that [REDACTED] falsely reported to DOS the total number of PEF students trained in order to be paid under the contract.

RESULTS OF INVESTIGATION:

The investigation determined that the allegations that [REDACTED] failed to provide all of the required classroom based training under the PEF contract are unfounded. Task Order (TO) SAQMPD04C1076 and the Statement of Work (SOW) require that training of four opium poppy crop destruction teams be conducted, but neither the TO or SOW specify whether training be classroom-based or field-based. Interviews with witnesses revealed that due to the fact that many of the Afghan police personnel selected for training by the Afghan Ministry of Interior (MOI) were illiterate, an eight week classroom-based training program would not have been practical.



The investigation also determined that allegations that [REDACTED] falsified the number of Afghan police personnel who received the poppy eradication-specific training, in order to be paid under the contract, were unfounded. Although the SOW required [REDACTED] to assist the Afghanistan Ministry of Interior in selecting and training a 675-person PEF, [REDACTED] did not submit invoices based on the number of PEF students trained. A review of invoices submitted by [REDACTED] to DOS for the PEF contract from April 2008 through August of 2008 showed no indication that [REDACTED] billed DOS based on the number of Afghan police personnel trained. Also, the TO did not tie in any potential reimbursements that [REDACTED] could exercise under the terms of the TO to the number of PEF personnel trained. Finally, OIG's Middle East Regional Office conducted performance audit [REDACTED] in December 2009 and concluded that [REDACTED] met its contractual requirements to establish, train and equip an Afghan PEF.

On February 14, 2011, [REDACTED] and [REDACTED] notified the Court of their voluntary dismissal of their claim.

On October 15, 2010, [REDACTED] Assistant United States Attorney, filed Notice of Election to Decline Intervention in the Qui Tam to the United States District Court for the District of Columbia.

CASE STATUS: CLOSED.

Offense Code(s):

CONTRACT FRAUD OR IRREGULARITIES

Office of Inspector General
Office of Investigations



Executive Summary

Number: C2009102

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: IRAQ

Opening Date: August 3, 2009

Closing Date: June 18, 2012

How Received: Other

Complainant Source: Anonymous or unknown

Executive Summary:

BASIS FOR INVESTIGATION:

On May 20, 2009, the U.S. Department of State (Department), Office of Inspector General (OIG), Office of Investigations (INV), received information from the Federal Bureau of Investigation (FBI) regarding allegations of theft of diesel fuel in Baghdad, Iraq. According to a witness who was subsequently identified as [REDACTED] employees [REDACTED] and [REDACTED] developed a scheme that enabled them to steal fuel from the U.S. Government. Accordingly, the fuel pertained to Department funded Task Order 151, which was under the Logistic Civil Augmentation Program (LOGCAP).

RESULTS OF INVESTIGATION:

This was a joint investigation involving OIG/INV, the Federal Bureau of Investigation (FBI) and the Defense Criminal Investigative Service (DCIS). This investigation determined that [REDACTED] employee [REDACTED] made admissions to stealing fuel purchased by the U.S. Government. FBI SAs [REDACTED] and [REDACTED] and DCIS SA [REDACTED] interviewed [REDACTED] regarding the fuel theft. [REDACTED] admitted that on two occasions [REDACTED] conspired with [REDACTED] and [REDACTED] to steal fuel and to keep the proceeds derived from the resale. The fuel was originally provided by [REDACTED] but had been purchased by the Department. [REDACTED] told agents that the first time [REDACTED] stole fuel was with [REDACTED] and the second time was with [REDACTED]

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█████ stated █████ personally received approximately \$6,000.00 from the resale of the fuel.

During the initial stage of the investigation █████ was on rest and recuperation break. (Agent Note: █████ is a █████ citizen) Soon after █████ learned of the allegations, █████ contacted █████ and resigned and did not return to Iraq. Additionally, after █████ learned of the allegations, █████ did not report back to work and █████ terminated █████ employment. (Agent Note: █████ is an █████ national). No attempts were made to locate either █████ or █████ in their respective countries due to the declination for prosecution.

The investigation did not produce any evidence to corroborate █████ admissions or allegations █████ and █████ as co-conspirators. The investigation did not produce any evidence to determine the precise dollar loss to the U.S. Government

DS/SI/PSS returned a response, "No action" on December 5, 2011. Their office defers to DS/IS/IND.

DS/IS/IND responded on 6/15/2012 stating they notified DISCO.

CASE STATUS: CLOSED.

Offense Code(s):

THEFT OF GOVERNMENT PROPERTY

Department of State

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Executive Summary

Number: C2009112

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: AFGHANISTAN

Opening Date: August 28, 2009

Closing Date: January 17, 2012

How Received: Other

Complainant Source: HOTLINE

Executive Summary:

BASIS FOR INVESTIGATION:

This investigation was predicated upon information received from a Civil Qui Tam Complaint, Case Number [REDACTED] on August 17, 2009, in United States District Court for the District of Columbia by [REDACTED] pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730 (b). [REDACTED] was the [REDACTED] Under Department of State (DOS) contract S-AQMPD-07-C0054 and Department of the Navy (Navy) contract N33191-07-D-1357, [REDACTED] provided local guard force personnel to conduct physical security for the U.S. Embassy in Kabul, Afghanistan and the Naval Support Activity Facilities in Manama, Bahrain.

[REDACTED] company based in [REDACTED] was a wholly-owned indirect subsidiary of [REDACTED] is a [REDACTED] company that acquired [REDACTED] in May 2008. [REDACTED] is a [REDACTED] wholly-owned subsidiary of [REDACTED]. Subsequent to the acquisition of [REDACTED] by [REDACTED] was made a subsidiary of [REDACTED], and [REDACTED] assisted [REDACTED] with fulfilling its obligations under the DOS and Navy contracts.

[REDACTED] alleged that [REDACTED] was not in compliance with the DOS and Navy contracts for the following reasons: [REDACTED] personnel, including supervisors, committed human trafficking violations by soliciting prostitutes; [REDACTED] failed to provide qualified and trained guards to protect the U.S. Embassy in



Kabul (USEK); and [REDACTED] violated the Defense Security Services (DSS) Foreign Ownership, Control, or Influence (FOCI) requirements by utilizing the members of their proxy board to conduct business on behalf of [REDACTED] parent company, [REDACTED]

RESULTS OF THE INVESTIGATION:

1. Based upon numerous interviews and reviews of documents, the investigation revealed that [REDACTED] failed to implement a Trafficking Victims Protection Act policy as required under the contract, and failed to prevent its personnel who were working on the DOS contract from procuring commercial sex acts. [REDACTED] submitted claims for payment for guard services rendered by guards who procured commercial sex acts, which were subsequently paid by the DOS. The value of these guards was significantly diminished due to their actions, and the United States' reputation and diplomatic mission as a whole suffered as a result.
2. Based upon numerous interviews and reviews of documents, the investigation revealed that [REDACTED] misrepresented the qualifications of thirty-eight TCN guards. [REDACTED] submitted claims for payment for the services of the guards for the period November 1, 2007 to June 30, 2010.
3. Based upon numerous interviews and reviews of documents, the investigation revealed that [REDACTED] failed to comply with the FOCI mitigation requirements set forth in a proxy agreement dated October 14, 2005, between [REDACTED] and the [REDACTED] failed to follow the reporting requirements of the National Industrial Security Program Operating Manual (NISPOM) and placed undue reliance on [REDACTED] personnel, resources and past performance in connection with their proposal for and performance on the contracts.

JUDICIAL ACTION:

On August 28, 2009, this investigation was assigned to [REDACTED] Trial Attorney, Civil Division, Commercial Litigation Branch, Frauds Section, U.S. Department of Justice (DOJ).

On January 24, 2011, DOJ entered into settlement negotiations with [REDACTED] who was represented by attorney [REDACTED] and law firm [REDACTED]

On April 26, 2011, DOJ and [REDACTED] enlisted the assistance of mediator [REDACTED]

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██████████ to continue previously failed settlement negotiations.

On April 29, 2011, DOJ filed a motion in U.S. District Court for the District of Columbia to intervene on behalf of ██████████ on the three allegations previously listed.

On June 30, 2011, a settlement agreement was signed between ██████████ and DOJ in the amount of \$7,536,510.41.

ADMINISTRATIVE ACTION:

A/OPE responded "no action warranted". See attachments for details.

CASE STATUS: Closed.

Offense Code(s):

FALSE CLAIMS

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Executive Summary

Number: C2009120

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: WASHINGTON (STATE OF)

Opening Date: September 14, 2009

Closing Date: June 13, 2012

How Received: Other

Complainant Source: Anonymous or unknown

Executive Summary:

BASIS FOR INVESTIGATION:

This investigation was predicated upon information received from the Bureau of Diplomatic Security (DS). DS received information from [REDACTED] alleging [REDACTED] for [REDACTED] contract with DS Office of Domestic Facilities Protection (DFP), had misused [REDACTED] position and exceeded [REDACTED] authority as [REDACTED] through involvement in internal [REDACTED] matters related to [REDACTED] employees working on the contract. Specifically, it was alleged [REDACTED] has developed a personal relationship with [REDACTED] employee [REDACTED] and has directed a series of raises and promotions for [REDACTED] and friends.

Results of Investigation:

The investigation determined [REDACTED] 1) engaged in an inappropriate relationship with [REDACTED] assistant, [REDACTED] contract employee [REDACTED] 2) exceeded the scope and authority of [REDACTED] warrant as a [REDACTED] by interfering in the supervision and timekeeping of [REDACTED] employees, 3) influenced the hiring process of multiple [REDACTED] employees to the contract for which [REDACTED] serves as [REDACTED], hiring friends and family of [REDACTED] and 4) directed [REDACTED] to make numerous modifications to [REDACTED] position resulting in numerous promotions and more than doubling [REDACTED] salary despite no increase in qualifications or duties on [REDACTED] part.

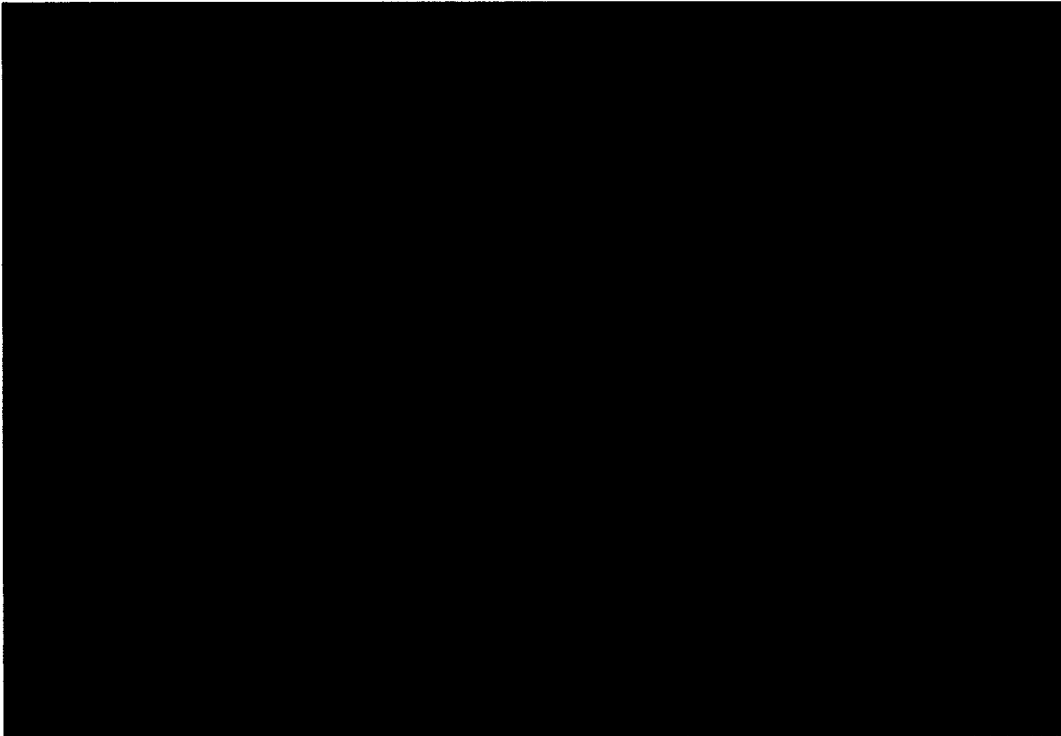
The investigation determined [REDACTED] misused [REDACTED] position for the financial benefit of friends by influencing the hiring and promotion actions of [REDACTED] personnel in violation of the Standards of Ethical Conduct for Employees of

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the Executive Branch (5 CFR 2635.702). A reasonable person may question the integrity of the Department's programs and operations when the [REDACTED] is widely viewed as having a close personal relationship with a contract employee. [REDACTED] involvement in internal [REDACTED] matters is not described in the duties of [REDACTED] position and, therefore, cannot be purported as in the best interest of the Department's management of the contract.*



A preliminary review of the contract and [REDACTED] employee files indicates that several contract personnel did not meet the requirements for their labor category, resulting in a potential loss to the Department. OIG/INV recommends an audit of all personnel on the contract to ensure that the department is being billed at the correct rate.

The investigation also determined [REDACTED] distributed inappropriate emails through the Department's unclassified system, including sexually explicit photographs and jokes in violation of 5 FAM 723.

[REDACTED] received numerous promotions and salary increases at the behest of [REDACTED] despite not meeting the minimum qualifications for several of the positions. With each successive promotion, [REDACTED] previous positions were not backfilled, and [REDACTED] initially claimed to have simply

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continued performing all [REDACTED] previous duties, despite being unable to cite them and in contradiction to [REDACTED] claim of never having seen a position description for any of [REDACTED] jobs. [REDACTED] admitted the information contained on [REDACTED] resume was inaccurate, listing [REDACTED] previous job title as [REDACTED] in violation of 18 USC 1001 – False Statements. [REDACTED] admitted never having served in this position or possessing the requisite qualifications for a [REDACTED] [REDACTED] further admitted [REDACTED] does not possess the knowledge, experience, or qualifications for [REDACTED] current position of [REDACTED]

The investigation also determined [REDACTED] distributed inappropriate emails through the Department's unclassified system, including sexually explicit photographs and jokes in violation of 5 FAM 723.

- * On 4/25/11 DS/SI/PSS issued a Warning Memorandum to [REDACTED]
- * On 6/13/12 HR/ER proposed a 10 day suspension of [REDACTED] without pay.

Offense Code(s):

FALSE CLAIMS

FALSE STATEMENTS

Department of State

(b)(6) (b)(7)(C)

Office of Inspector General
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Executive Summary

Number: C2009121

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: VIRGINIA

Opening Date: September 15, 2009

Closing Date: August 2, 2012

How Received: Other

Complainant Source: ANOTHER AGENCY

Executive Summary:

This investigation was initiated on August 31, 2009, based upon information received from the General Services Administration, Office of Inspector General, (GSA/OIG), alleging [REDACTED] Fairfax, VA, engaged in labor mischarging by incorrectly calculating direct labor rates, assigning unqualified personnel to GSA schedule Task Orders, and over billing labor categories. GSA/OIG alleges Department of State Contracting Officer [REDACTED] improperly signed waivers authorizing the use of unqualified [REDACTED] personnel on Department Task Orders (under GSA contracts) after the work had been performed and billed to the Department.

Results of Investigation:

Through investigative interviews and reviews of procurement records and contract files, this investigation determined there was insufficient evidence to prove or disprove that [REDACTED] and an unknown subject at [REDACTED] committed the offense of 18 USC 371: Conspiracy, or that [REDACTED] personally benefited from signing the labor qualification waivers for [REDACTED] or that [REDACTED] committed offenses of 18 USC 287: False Claims and 18 USC 1001: False Statements.

This investigation is closed.

Offense Code(s):

Department of State

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CONTRACT FRAUD OR IRREGULARITIES

FALSE CLAIMS



Executive Summary

Number: **C2009123**

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: OKLAHOMA

Opening Date: September 18, 2009

Closing Date: August 6, 2012

How Received: Other

Complainant Source: OTHER BUREAU/POST

Executive Summary:

BASIS FOR INVESTIGATION:

This investigation was predicated upon information received from the U.S. Department of State (DOS), Bureau of Educational and Cultural Affairs (ECA), Office of Exchange Coordination and Compliance (ECC) on September 11, 2009 that Clinton, OK based Exchange Visitor (EV) Sponsor [REDACTED] was abusing DOS' Exchange Visitor Program (EVP). Specifically, [REDACTED] and [REDACTED] [REDACTED] was committing visa fraud by inducing J-1 Non-Immigrant Visa (NIV) recipients to come to the U.S. through promises of offering them management training, only to staff them in menial labor positions in businesses that [REDACTED] owned in Clinton, OK. In March 2011, DOS' Diplomatic Security Service (DSS) Dallas Resident Office, and DOS' Office of Inspector General (OIG), Office of Investigations (INV), received separate allegations of visa fraud against [REDACTED] by an [REDACTED] named [REDACTED] [REDACTED]

CONCLUSION:

The investigation identified substantial evidence indicating that [REDACTED] [REDACTED] and [REDACTED] committed the following federal felonies:

Title 8 U.S.C. § 1324 (Bringing in and Harboring Certain Aliens): [REDACTED] [REDACTED] and [REDACTED] induced and encouraged aliens to



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come to, enter, and reside in the U.S. knowing or in reckless disregard for the fact that their doing so would be a violation of law; engaged in a conspiracy to do so; and aided and abetted the commission of these acts. Specifically, [REDACTED] and [REDACTED] engaged in a conspiracy to induce foreign nationals from India and elsewhere to come to the U.S. through the EVP by offering them management training, only to place them in menial labor positions in businesses that they owned. Doing this violated the terms of the EVP under Title 22 Code of Federal Regulations (C.F.R.) Part 41.62 and was prohibited under the terms of the J-1 NIV.

Title 18 U.S.C. § 2 (Aiding and Abetting): [REDACTED] and [REDACTED] willfully caused acts to be done which if directly performed by [REDACTED] or another would be an offense against the U.S., and aided, abetted, counseled, commanded, induced, or procured the commission of these offenses. Specifically, [REDACTED] and [REDACTED] counseled, commanded, and induced employees of [REDACTED] and others to help them recruit Indian foreign nationals and others to come to the U.S. under the auspices of providing them with management training, knowing that they had no intention of providing them with this training, contrary to the purposes of the EVP and in violation of the C.F.R.

Title 18 U.S.C. § 371 (Conspiracy): [REDACTED] and [REDACTED] conspired to commit offenses against the U.S. and to defraud the U.S. Specifically, [REDACTED] and [REDACTED] conspired to commit visa fraud and other crimes by inducing Indian foreign nationals and others to come to the U.S. under the auspices of providing them with management training, knowing that they had no intention of providing them with this training, contrary to the purposes of the EVP and in violation of the C.F.R.

Title 18 U.S.C. § 1001 (False Statements, Generally): [REDACTED] and [REDACTED] knowingly and willfully made materially false, fictitious, and fraudulent statements and representations, and used false writings and documents, knowing them to contain materially false, fictitious, and fraudulent statements, in matters within the jurisdiction of DOS, an executive branch of the government of the U.S. Specifically, [REDACTED] and [REDACTED] submitted multiple DS-7002 (Training / Internship Placement Plan) forms to U.S. diplomatic facilities overseas that purported to detail a plan of management training that J-1 NIV applicants were supposed to receive, knowing that they never intended to provide this training and instead planned to utilize these J-1 NIV recipients as menial labor in businesses they owned, contrary to the purposes of the EVP and in violation of the C.F.R.

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Title 18 U.S.C. 1351 (Fraud in Foreign Labor Contracting): [REDACTED] and [REDACTED] knowingly and with intent to defraud recruited, solicited and hired foreign nationals for the purpose of employment in the United States by means of materially false and fraudulent pretenses, representations and promises regarding that employment. Specifically, [REDACTED] and [REDACTED] knowingly recruited Indian foreign nationals and others to come to the U.S. under the auspices of providing them with management training, knowing that they never intended to provide this training and instead planned to utilize these J-1 NIV recipients as menial labor in businesses they owned, contrary to the purposes of the EVP and in violation of the C.F.R.

Title 18 U.S.C. § 1546 (Visa Fraud): [REDACTED] and [REDACTED] knowingly obtained documents prescribed by statute or regulation for entry or as evidence of authorized stay in the U.S., knowing them to have been procured by means of false claims or statements, and to have been otherwise procured by fraud or unlawfully obtained. Specifically, [REDACTED] and [REDACTED] assisted and directed Indian foreign nationals and others to obtain J-1 NIVs from overseas U.S. diplomatic facilities utilizing false documentation that they had provided that was necessary to obtain these J-1 NIVs. During interviews, U.S. Consular Officers who had issued J-1 NIVs to these foreign nationals stated that they never would have issued the J-1 NIVs to these foreign nationals if they had known that [REDACTED] had no intention of providing the foreign nationals with management training, and only intended to utilize them in menial labor positions in businesses owned by [REDACTED] and [REDACTED].

The investigation determined that [REDACTED] and [REDACTED] used [REDACTED] to recruit foreign nationals to come to the U.S. to work at businesses [REDACTED] owned under the auspices of providing them with training in hotel and restaurant management. These foreign nationals, with the assistance and inducement of [REDACTED] and [REDACTED], applied for J-1 NIVs at various U.S. Embassies and Consulates throughout the world and submitted documents required by DOS that specifically stated that they would be coming to the U.S. to participate in a sanctioned EVP in which they would receive actual training in hotel or restaurant management. These documents contained multiple false statements written by [REDACTED] that caused Consular Officers to issue NIVs to scores of foreign nationals whom they would otherwise not have issued to if they had known that the information presented on the documents was false.

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The EVs who received the NIVs were from countries where the standard of living was much lower than in the U.S., and paid [REDACTED] and their third party foreign facilitators substantial amounts of money in order to participate in the EVP. They also paid substantial amounts of money for airline tickets to the U.S. and for transportation to Clinton, Oklahoma in order to participate in the EVP, leaving many and their families in debt. Upon arrival in Clinton, the EVs discovered that they would not in fact be receiving any type of management training, but instead would be working as servers and dishwashers in [REDACTED] and [REDACTED] or would be working as groundskeepers, maids, and laundry personnel in [REDACTED] and [REDACTED].

The EVs also earned only minimum wage or less, and had substantial portions of their salaries deducted by [REDACTED] for various reasons (such as housing fees) that left them with barely enough money to survive on the local economy. [REDACTED] required the EVs to live in crowded, substandard housing that was owned by [REDACTED] and they were charged a substantial amount per month, as well as frequently threatened with expulsion from the EVP if they did not obey [REDACTED] multiple and arbitrary rules and regulations, or did not keep their housing clean and orderly. The EVs had no transportation in Clinton, Oklahoma, and were required to find adequate housing after [REDACTED] stopped providing housing for the EVs in homes [REDACTED] owned. Indian EVs working at [REDACTED] were threatened with expulsion from the EVP by [REDACTED] if they spoke Hindi in [REDACTED] and were sometimes required to work seven days per week. Additionally, the investigation determined that certain [REDACTED] EVs from Indonesia participating in the Summer Work Travel (SWT) category of the EVP were approached by [REDACTED] at night in their [REDACTED] owned housing and were asked to provide massages to [REDACTED] for money. In addition, several witnesses stated that [REDACTED] actually did receive massages from at least one [REDACTED] SWT EV participant, and that [REDACTED] acknowledged to a neighbor that foreign nationals were providing [REDACTED] with massages.

The stated purpose of DOS' EVP is to provide training opportunities for foreign students that help to build partnerships, promote mutual understanding, and promote the image of the U.S. as these foreign national EVs move into leadership roles in their own countries. With regard to the Intern and Trainee categories of the EVP, they are designed to provide actual management training to foreign nationals in various fields of study. These categories were specifically not designed to provide sources of cheap foreign labor for American businesses. The investigation has shown that the manner in which [REDACTED] and [REDACTED] administered [REDACTED]

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EVP defrauded DOS and the foreign national EVs they sponsored, and that these actions harmed the image of the U.S. and brought DOS into notoriety and disrepute.

STATUS:

As a result of this investigation and an investigation by ECC, on August 19, 2011, [REDACTED] for Private Exchange sent a formal letter to [REDACTED] in which [REDACTED] accepted [REDACTED] previous voluntary withdrawal of their designation as a sponsor of Intern and Trainee EVs, effective August 11, 2011. ECC further indicated that they were considering additional sanctions against [REDACTED] and their removal of status as a designated Sponsor of SWT EVs.

On March 26, 2012, this investigation was referred to DOJ's Office of Human Rights and Special Prosecutions, where it was later declined for prosecution on June 07, 2012 by Senior Trial Attorney [REDACTED] because of a lack of prosecutorial resources. Senior Trial Attorney [REDACTED] noted that [REDACTED] office had felt the case so compelling that they had approached the U.S. Attorney's Office for the Western District of Oklahoma on two occasions in order to attempt to convince them to prosecute the case, but that they had likewise declined because of similar issues involving a lack of resources.

Offense Code(s):

VISA MALFEASANCE OR FRAUD

Department of State

Office of Inspector General
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Executive Summary

Number: C2010006

Title: [REDACTED]

Lead Agent: [REDACTED]

Investigation Supervisor: [REDACTED]

Duty Post: TURKEY

Opening Date: October 28, 2009

Closing Date: April 12, 2012

How Received: In person

Complainant Source: ANOTHER AGENCY

Executive Summary:

BASIS FOR INVESTIGATION:

On October 16, 2009, U.S. Department of Homeland Security (DHS), Immigration and Customs Enforcement (ICE) Special Agent (SA) [REDACTED] contacted the U.S. Department of State (Department), Office of Inspector General (OIG), Office of Investigations (INV), to request assistance in an illegal export investigation targeting [REDACTED] and [REDACTED] the [REDACTED] of [REDACTED]. SA [REDACTED] sought the involvement of INV as [REDACTED] had made previous statements that Department officials in Turkey had given [REDACTED] permission to conduct business in Iran which is prohibited by U.S. law. SA [REDACTED] requested that INV assist in identifying whether [REDACTED] did have any conversations with Department officials, and if so, what those conversations entailed.

RELEVANT STATUTES/CITATIONS:

31 CFR 560 - Iranian Transactions Regulations

50 USC 1701 et. seq. - U.S. International Emergency Economic Powers Act

15 CFR 730 et. seq. - Export Administration Regulations

INVESTIGATIVE CONCLUSIONS:

Based on the request for assistance from ICE, INV Special Agent in Charge (SAC) [REDACTED] prepared a memorandum to the Department's Bureau of

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Diplomatic Security, Criminal Investigations Liaison (DS/CR/CIL). In the memorandum, SAC [REDACTED] requested that the Regional Security Office (RSO) in Ankara, Turkey provide any visitor records from the U.S. Consulate General in Istanbul, Turkey showing business between the consulate staff and [REDACTED] and if such records existed, to provide contact information for consulate personnel with whom [REDACTED] met. DS SA [REDACTED] provided INV with the visitor logs for February 4, 2009, showing that [REDACTED] had been to the consulate. SA [REDACTED] also provided information that [REDACTED] had met with [REDACTED]. On November 16, 2009, U.S. Department of Commerce (DOC), Bureau of Industry and Security (BIS), Office of Export Enforcement (OEE) SA [REDACTED] conducted a telephonic interview with [REDACTED]. Contradicting [REDACTED] statements, [REDACTED] said [REDACTED] warned [REDACTED] specifically about the prohibitions on conducting business with Iran and Iranian companies.

The investigation to date established that [REDACTED] maintained dual citizenship in the U.S. and Turkey, and that Tunca was the [REDACTED] Directors of BestAir. The investigation also determined that [REDACTED] signed a lease with [REDACTED] to provide one MD-82 aircraft with a full crew (a "wet lease"). The lease was signed January 21, 2009. Although the lease was not signed by [REDACTED] Turkish passport showed that [REDACTED] was in Iran at the time the lease was signed.

The United States Attorney's Office (USAO) for the Northern District of Illinois, through the U.S. Department of Justice, submitted a Mutual Legal Assistance Treaty (MLAT) to the Government of Turkey requesting law enforcement in Turkey to obtain and execute a search warrant on the headquarters of [REDACTED] in Istanbul. The USAO had hoped to execute simultaneous search warrants on [REDACTED] and [REDACTED] residence. In September 2011, the Government of Turkey rejected the MLAT. The USAO and case agents still plan to obtain a search warrant for [REDACTED] residence.

CASE STATUS:

It has been determined that since the investigation primarily involves the International Emergency Economic Powers Act and other economic sanctions, OIG/INV participation is no longer required. ICE and BIS/OEE will continue to investigate this case to its logical conclusion. The ICE case number is [REDACTED]. The OEE case number is [REDACTED].

Offense Code(s):

Department of State

Office of Inspector General
Office of Investigations



CUSTOMS VIOLATIONS