

U.S. DEPARTMENT OF STATE OFFICE OF INSPECTOR GENERAL
INVESTIGATIONS



INVESTIGATIVE CASE SUMMARIES



January 2020

In January 2020, a Department contractor agreed to pay \$1.5 million to settle civil fraud allegations involving two former contract employees. Special agents from OIG and the FBI determined the contract employees had solicited and accepted kickbacks from an Iraqi subcontractor in order to inflate the cost of leases acquired by the contractor. The cost of the inflated leases was passed on to the Department. In November 2017, the former contract employees pleaded guilty to soliciting and accepting \$390,000 in kickbacks in violation of the Anti-Kickback Act, and they were sentenced to 3 and 4 years, respectively, in prison. A Romanian citizen was also sentenced to 3 years in prison in connection with the scheme.

In January 2020, a Department grantee organization and its owner were debarred from doing business with the U.S. government for 3 years. The grantee failed to pay a consultant and falsified documents related to a \$130,597 Department grant intended to support youth centers and unemployed youth in marginalized areas of the Middle East.