



NEWSLETTER



Monthly Snapshot



Issued **4**
oversight
products



Made **4**
recommendations
to the DoD



Executed **12**
law enforcement
actions



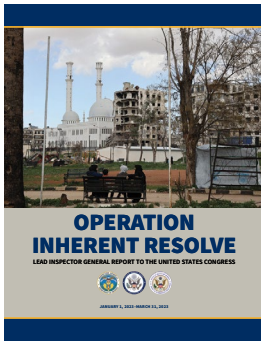
Received **1,935**
contacts to the
DoD Hotline

OVERSIGHT HIGHLIGHTS

This newsletter summarizes the oversight activities of the DoD Office of Inspector General (OIG) for the previous month. Below is a highlight from April.

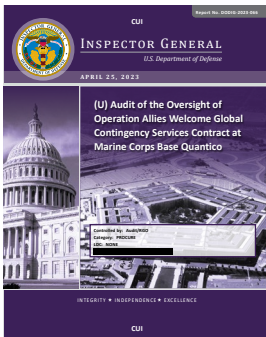
- **HFAC Hearing.** On April 19, Inspector General (IG) Robert Storch provided testimony before the House Committee on Oversight and Accountability on the U.S. withdrawal from Afghanistan in 2021. In both his testimony and his answers to questions from members of the committee, IG Storch highlighted the body of oversight work conducted by the DoD OIG over many years that identified many key concerns left unchecked that contributed to the rapid collapse of Afghan security forces and the highly contested evacuation effort. IG Storch also discussed the DoD OIG's role as the Lead IG, coordinating with the State Department and U.S. Agency for International Development OIGs, the Special Inspector General for Afghan Reconstruction, and other partner oversight agencies to develop annual oversight plans and issue quarterly reports ensuring comprehensive coverage of operations in Afghanistan.

RECENTLY ISSUED



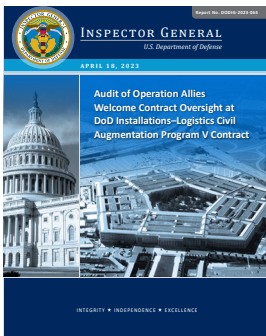
Lead Inspector General Quarterly Report for Operation Inherent Resolve, January 1, 2023 – March 31, 2023

This product is a quarterly Lead IG report to Congress on Operation Inherent Resolve, the overseas contingency operation to advise, assist, and enable local partner forces until they can independently defeat the Islamic State of Iraq and Syria in designated areas of Iraq and Syria, thereby setting conditions for the implementation of long-term security cooperation frameworks.



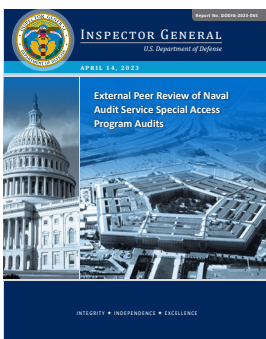
Audit of the Oversight of Operation Allies Welcome Global Contingency Services Contract at Marine Corps Base Quantico

This audit determined that Navy contracting personnel did not fully execute contract administration responsibilities at Marine Corps Base Quantico. Navy contracting personnel provided adequate oversight of contractor performance for dining, medical, and facilities sustainment services supporting the relocation of Afghan evacuees, but did not adequately review all contractor invoices.



Audit of Operation Allies Welcome Contract Oversight at DoD Installations–Logistics Civil Augmentation Program V Contract

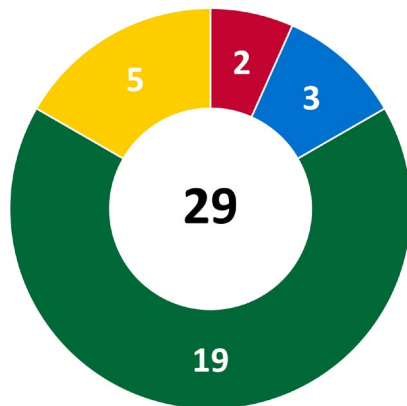
This audit determined that Army contracting personnel complied with Federal and DoD guidance for contract oversight by ensuring that contracting officer's representatives (CORs) were officially appointed, completed required COR training, performed contract oversight procedures, and ensured the contractor took corrective actions to address deficiencies. However, the procuring contracting officer did not ensure invoices were reviewed before payment to verify contractor-reported costs.



External Peer Review of Naval Audit Service Special Access Program Audits

Based on this review, it is our opinion that the system of quality control for Naval Audit Service Special Access Program (SAP) audits in effect for the period April 20, 2018, through December 31, 2021, has been suitably designed and complied with to provide it with reasonable assurance of performing and reporting in conformity in all material respects with Government Auditing Standards and applicable legal and regulatory requirements, with the exception of a deficiency described in the report. The Naval Audit Service has received an external peer review rating of pass with a deficiency for its SAP audits.

UKRAINE-RELATED OVERSIGHT



The DoD OIG continues to prioritize Ukraine-related oversight. Since Russia's invasion of Ukraine in February 2022, the DoD OIG produced the following related to Ukraine:

- 2 reports
- 3 management advisories
- 19 ongoing projects
- 5 planned projects

Get the latest on our planned, ongoing, and completed work related to Ukraine and our ongoing coordination with the State and USAID OIGs at www.dodig.mil/Ukraine.

INVESTIGATIONS

The Defense Criminal Investigative Service (DCIS) investigates criminal matters related to DoD programs and operations. Below are examples of cases DCIS investigated jointly with its federal law enforcement partners. Indictments, Criminal Informations, and Complaints are only allegations. *All persons charged are presumed to be innocent unless and until found guilty in court.*

Adobe Inc. Agrees to Pay \$3 Million to Settle Kickback Allegations Involving Federal Software Sales

On April 13, 2023, Adobe Inc. agreed to pay \$3 million to resolve False Claims Act allegations that it made payments in violation of the Anti-Kickback Act in return for influence over the sale of Adobe software to the DoD and other federal government agencies.



Man Sentenced for Bribery Schemes Involving Millions of Dollars in U.S.-Funded Military Contracts and Visa Fraud

On April 12, 2023, Orlando Clark was sentenced to 3 years and 10 months in federal prison, followed by 3 years of supervised release, for his roles in two bribery conspiracies. Clark, a project manager who deployed to Afghanistan to evaluate bids for U.S.-funded reconstruction contracts awarded by the U.S. military in 2011 and 2012, received approximately \$400,000 in bribes from an Afghan company. The bribes were paid in return for Clark and a co-conspirator assisting the company in obtaining millions of dollars through at least 10 contracts that involved the construction of an Afghan police station and a security checkpoint for U.S. forces.

Justice Department Announces Nationwide Coordinated Law Enforcement Action to Combat COVID-19 Health Care Fraud

On April 10, 2023, criminal complaints of healthcare and wire fraud were filed in federal court against Anthony Hao Dinh, Hanna Trinh Dinh, and Matthew Hoang Ho for their alleged participation in various fraud schemes involving health care services that exploited the COVID-19 pandemic and resulted in over \$150 million in COVID-19 related false billings to federal programs and theft from federally funded pandemic programs. All persons against whom complaints have been filed are presumed to be innocent unless and until found guilty in court.

Los Angeles Businessman, Utah Fuel Plant Operators and Employees Sentenced to Prison for Billion-Dollar Biofuel Tax Fraud Scheme

On April 7, 2023, five individuals were sentenced to federal prison for their roles in a \$1 billion biofuel tax conspiracy: Lev Asian Dermen was sentenced to 40 years, Jacob Kingston was sentenced to 18 years, Isaiah Kingston was sentenced to 12 years, Rachel Kingston was sentenced to 7 years, and Sally Kingston was sentenced to 6 years. Dermen was ordered to pay \$442,615,520 in restitution and received a money judgment of more than \$181 million. Kingston was ordered to pay \$511 million in restitution and imposed a money judgement of \$338 million. Isaiah Kingston was ordered to pay \$511 million in restitution.

Orange County Pharmacist Sentenced to 15 Years in Federal Prison for Helping to Defraud U.S. Military's Health Plan of \$11.1 Million

On April 5, 2023, Sandy Mai Trang Nguyen was sentenced to 180 months in federal prison, followed by 2 years of supervised release, and ordered to pay \$11,098,756 in restitution for her role in a health care fraud scheme in which more than 1,000 bogus prescriptions for compounded medications were filled, costing Tricare more than \$11 million in losses.

ANNOUNCED PROJECTS

We list project announcements in chronological order. An asterisk denotes a project related to Ukraine oversight.

Review of DoD OIG-Issued Reports Related to Protecting Classified Information

The objective of this project is to identify trends, lessons learned, and best practices from prior work by summarizing unclassified and classified audit and evaluation reports issued by the DoD OIG that included findings and recommendations related to insider threats, cybersecurity risk areas within DoD components, and physical or industrial security weaknesses.

Quality Control Review of PricewaterhouseCoopers LLP and the Defense Contract Audit Agency FY 2022 Single Audit of The Charles Stark Draper Laboratory, Inc.

The objective of this review is to determine whether PricewaterhouseCoopers LLP and the Defense Contract Audit Agency performed the FY 2022 single audit of The Charles Stark Draper Laboratory, Inc. in accordance with generally accepted government auditing standards and federal requirements for single audits.

Evaluation of the Security Assistance Group-Ukraine Coordination of the Movement of Defense Articles to Ukraine*

The objective of the external peer review is to determine, for the 3-year period ended December 31, 2022, whether the quality control system for Air Force Audit Agency Special Access Program audits was suitably designed and complied with to provide reasonable assurance that the Agency was performing and reporting in conformity with the Government Auditing Standards and applicable legal and regulatory requirements in all material respects.

Audit of DoD Actions to Implement Software Assurance Countermeasures Throughout the Weapon System Acquisition Life Cycle

The objective of this audit is to determine whether DoD program management offices are implementing software assurance countermeasures to mitigate software vulnerabilities throughout the weapon system acquisition life cycle.

DoD OIG Assistance with OPM's Attestation of the Agreed Upon Procedures for Reviewing FY 2023 Civilian Payroll Withholding Data and Enrollment Information

The Office of Management and Budget Bulletin No. 22-01, "Audit Requirements for Federal Financial Statements," August 26, 2022, requires that we perform certain agreed-upon procedures on DoD payroll and personnel files.