



governmentattic.org

"Rummaging in the government's attic"

Description of document: Final report, report of investigation, closing memo, referral memo, etc. associated with 12 specific Department of the Interior (DOI) Inspector General (OIG) investigations, 2008-2013

Request date: 30-June-2014

Released date: 04-February-2015

Posted date: 02-March-2015

Note: Please see following page for list of included records

Source of document: FOIA Officer
Office of Inspector General
U.S. Department of the Interior
1849 C Street, NW
MS-4428
Washington, DC 20240
Fax: 202-219-1944 (Attn: FOIA Officer)
Email: FOIA@doioig.gov

The governmentattic.org web site ("the site") is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file. The public records published on the site were obtained from government agencies using proper legal channels. Each document is identified as to the source. Any concerns about the contents of the site should be directed to the agency originating the document in question. GovernmentAttic.org is not responsible for the contents of documents published on the website.

INCLUDED OIG RECORDS

1. DOI-OIG Case File No. OI-HQ-10-0604-R - alleged unethical relationships with contractors and vendors
2. OI-OIG Case File No. OI-HQ-10-0616-R – alleged improper use of National Park Service materials and employee labor
3. DOI-OIG Case File No. OI-HQ-12-0316-R - alleged scientific misconduct
4. DOI-OIG Case File No. OI-HQ-13-0011-R - alleged retaliation by supervisory personnel
5. DOI-OIG Case File No. OI-HQ-13-0028-R - alleged misuse of government credit card
6. Case Number OI-MT-08-0356-I - alleged theft scheme
7. DOI-OIG, Case File No. OI-MT-10-0097-I - alleged access of child pornography
8. Case Number OI NY 09 0231 I - alleged conflict of interest
9. Case Number OI-OG-10-0228-I - violation of Title 33, USC, Sect. 1319(c)(4)
10. DOI-OIG Case File No. OI-OK-08-0326-I - alleged inappropriate termination of oil leases
11. DOI-OIG Case File No. OI-OK-07-0412-I - infection of computers with malicious software
12. Case Number OI-OK-08-0562-1 - alleged false trust acquisition application



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

VIA EMAIL

February 4, 2015

Re: OIG-2014-00101

This is in response to your FOIA request dated June 30, 2014, which was received by the Office of Inspector General (OIG) on July 7, 2014. You requested the following information under the Freedom of Information Act (FOIA), 5 U.S.C. § 552: a copy of the final report, report of investigation, closing memo, referral memo, etc associated with 12 specific OIG cases.

A search was conducted and enclosed are copies of the requested investigations. There are 94 pages responsive to your request. Approximately 83 pages contain some information that is being withheld and 11 pages are being released in their entirety.

Deletions have been made of information that is exempt from release under the provisions of 5 U.S.C. §§ 552(b)(6) and (b)(7)(C). These sections exempt from disclosure are items that pertain to: (1) personnel and other similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy and (2) records of information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information could reasonably be expected to constitute an unwarranted invasion of personal privacy. Exemptions (b)(6) and (b)(7)(C) were used to protect the personal privacy interests of witnesses, interviewees, middle and low ranking federal employees and investigators, and other individuals named in the investigatory file.

If you disagree with this response, you may appeal this response to the Department's FOIA/Privacy Act Appeals Officer. If you choose to appeal, the FOIA/Privacy Act Appeals Officer must receive your FOIA appeal **no later than 30 workdays** from the date of this letter if Appeals arriving or delivered after 5 p.m. Eastern Time, Monday through Friday, will be deemed received on the next workday.

Your appeal must be made in writing. You may submit your appeal and accompanying materials to the FOIA/Privacy Act Appeals Officer by mail, courier service, fax, or email. All communications concerning your appeal should be clearly marked with the words: "FREEDOM OF INFORMATION APPEAL." You must include an explanation of why you believe the OIG's response is in error. You must also include with your appeal copies of all correspondence between you and the OIG concerning your FOIA request, including your original FOIA request

and the OIG's response. Failure to include with your appeal all correspondence between you and the OIG will result in the Department's rejection of your appeal, unless the FOIA/Privacy Act Appeals Officer determines (in the FOIA/Privacy Act Appeals Officer's sole discretion) that good cause exists to accept the defective appeal.

Please include your name and daytime telephone number (or the name and telephone number of an appropriate contact), email address and fax number (if available) in case the FOIA/Privacy Act Appeals Officer needs additional information or clarification of your appeal. The DOI FOIA/Privacy Act Appeals Office Contact Information is the following:

Department of the Interior
Office of the Solicitor
1849 C Street, N.W.
MS-6556 MIB
Washington, DC 20240
Attn: FOIA/Privacy Act Appeals Office

Telephone: (202) 208-5339
Fax: (202) 208-6677
Email: FOIA.Appeals@sol.doi.gov

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of FOIA. *See* [5 U.S.C. 552\(c\)](#). This response is limited to those records that are subject to the requirements of 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.

The 2007 FOIA amendments created the Office of Government Information Services (OGIS) to offer mediation services to resolve disputes between FOIA requesters and Federal agencies as a non-exclusive alternative to litigation. Using OGIS services does not affect your right to pursue litigation. You may contact OGIS in any of the following ways:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road - OGIS
College Park, MD 20740-6001
E-mail: ogis@nara.gov
Web: <https://ogis.archives.gov>
Telephone: 202-741-5770
Facsimile: 202-741-5769
Toll-free: 1-877-684-6448

Please note that using OGIS services does not affect the timing of filing an appeal with the Department's FOIA & Privacy Act Appeals Officer.

However, should you need to contact me, my telephone number is 202-208-6742, and the email is foia@doioig.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ryan Mock', with a stylized flourish extending to the right.

Ryan Mock
Government Information Specialist

Enclosure

(1) Demonstrate you paid prior fee within 30 calendar days of the date of billing; or

(2) Pay any unpaid amount of the previous fee, plus any applicable interest penalties (see § 2.53 of this subpart), and pay in advance the estimated fee for the new request.

(c) When the bureau notifies you that an advance payment is due, it will give you an opportunity to reduce the fee by modifying the request.

(d) The bureau may require payment before records are sent to you; such a payment is not considered an "advance payment" under § 2.50(a) of this subpart.

(e) If the bureau requires advance payment, it will start further work only after receiving the advance payment. It will also notify you that it will not be able to comply with your FOIA request unless you provide the advance payment. Unless you pay the advance payment within 20 workdays after the date of the bureau's fee letter, the bureau will presume that you are no longer interested and will close the file on the request.

§ 2.51 What if the bureau needs clarification about fee issues?

(a) If your FOIA request does not contain sufficient information for the bureau to determine your proper fee category or leaves another fee issue unclear, the bureau may ask you to provide additional clarification. If it does so, the bureau will notify you that it will not be able to comply with your FOIA request unless you provide the clarification requested.

(b) If the bureau asks you to provide clarification, the 20-workday statutory time limit for the bureau to respond to the request is temporarily suspended.

(1) If the bureau hears from you within 20 workdays, the 20-workday statutory time limit for processing the request will resume (see § 2.16 of this part).

(2) If you still have not provided sufficient information to resolve the fee issue, the bureau may ask you again to provide additional clarification and notify you that it will not be able to comply with your FOIA request unless you provide the additional information requested within 20 workdays.

(3) If the bureau asks you again for additional clarification, the statutory time limit for response will be temporarily suspended again and will resume again if the bureau hears from you within 20 workdays.

(c) If the bureau asks for clarification about a fee issue and does not receive a written response from you within 20 workdays, it will presume that you are

no longer interested and will close the file on the request.

§ 2.52 How will you be billed?

If you are required to pay a fee associated with a FOIA request, the bureau processing the request will send a bill for collection.

§ 2.53 How will the bureau collect fees owed?

(a) The bureau may charge interest on any unpaid bill starting on the 31st day following the billing date.

(b) The bureau will assess interest charges at the rate provided in 31 U.S.C. 3717 and implementing regulations and interest will accrue from the billing date until the bureau receives payment.

(c) The bureau will follow the provisions of the Debt Collection Act of 1982 (Public Law 97-365, 96 Stat. 1749), as amended, and its administrative procedures, including the use of consumer reporting agencies, collection agencies, and offset to collect overdue amounts and interest.

(d) This section does not apply if you are a state, local, or tribal government.

§ 2.54 When will the bureau combine or aggregate requests?

(a) The bureau may aggregate requests and charge accordingly when it reasonably believes that you, or a group of requesters acting in concert with you, are attempting to avoid fees by dividing a single request into a series of requests on a single subject or related subjects.

(1) The bureau may presume that multiple requests of this type made within a 30-day period have been made to avoid fees.

(2) The bureau may aggregate requests separated by a longer period only where there is a reasonable basis for determining that aggregation is warranted in view of all the circumstances involved.

(b) The bureau will not aggregate multiple requests involving unrelated matters.

§ 2.55 What if other statutes require the bureau to charge fees?

(a) The fee schedule in appendix A to this part does not apply to fees charged under any statute that specifically requires the bureau to set and collect fees for particular types of records.

(b) If records otherwise responsive to a request are subject to a statutorily-based fee schedule, the bureau will inform you whom to contact to obtain the records.

§ 2.56 May the bureau waive or reduce your fees at its discretion?

(a) The bureau may waive or reduce fees at its discretion if a request involves furnishing:

(1) A copy of a record that the bureau has reproduced for free distribution;

(2) One copy of a personal document (for example, a birth certificate) to a person who has been required to furnish it for retention by the Department;

(3) One copy of the transcript of a hearing before a hearing officer in a grievance or similar proceeding to the employee for whom the hearing was held;

(4) Records to donors with respect to their gifts;

(5) Records to individuals or private nonprofit organizations having an official, voluntary, or cooperative relationship with the Department if it will assist their work with the Department;

(6) A reasonable number of records to members of the U.S. Congress; state, local, and foreign governments; public international organizations; or Indian tribes, when to do so is an appropriate courtesy, or when the recipient is carrying on a function related to a Departmental function and the waiver will help accomplish the Department's work;

(7) Records in conformance with generally established business custom (for example, furnishing personal reference data to prospective employers of current or former Department employees); or

(8) One copy of a single record to assist you in obtaining financial benefits to which you may be entitled (for example, veterans or their dependents, employees with Government employee compensation claims).

(b) You cannot appeal the denial of a discretionary fee waiver or reduction.

Subpart H—Administrative Appeals

§ 2.57 When may you file an appeal?

(a) You may file an appeal when:

(1) The bureau withholds records, or parts of records;

(2) The bureau informs you that your request has not adequately described the records sought;

(3) The bureau informs you that it does not possess or cannot locate responsive records and you have reason to believe this is incorrect or that the search was inadequate;

(4) The bureau did not address all aspects of the request for records;

(5) You believe there is a procedural deficiency (for example, fees are improperly calculated);

(6) The bureau denied a fee waiver;

(7) The bureau did not make a decision within the time limits in § 2.16 or, if applicable, § 2.18; or

(8) The bureau denied, or was late in responding to, a request for expedited

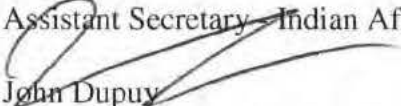


OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR


AUG 31 2010







Memorandum

To: Larry Echo Hawk
Assistant Secretary - Indian Affairs




From: 
John Dupuy
Assistant Inspector General for Investigations

Subject: Referral – For Bureau Action as Deemed Appropriate –
No Response Required

Re:  et al.
DOI-OIG Case File No. OI-HQ-10-0604-R

On July 12, 2010, the Office of Inspector General (OIG) received a complaint alleging , Space Management Specialist, Bureau of Indian Affairs (BIA), Washington, D.C., is involved in unethical relationships with contractors and vendors in violation of the Buy Indian Act and anti-kickback laws. The complaint specifically alleged  accepted gratuities from  of Diversified Products and an owner of a moving company whose first name is "". Further, it was alleged  Supervisory Criminal Investigator, BIA, Aberdeen SD, violated personnel rules by offering  a law enforcement position and that Kevin Bearquiver, Deputy Bureau Director – Indian Services, BIA, Washington, D.C., and Margaret Treadway, Counselor to the Deputy Assistant Secretary – Indian Affairs, Washington, D.C., improperly reprogrammed realty funds from BIA.

On July 20, 2010, the OIG referred the aforementioned complaint to Michael Oliva, Director, Office of Internal Evaluation and Assessment, Office of the Assistant Secretary – Indian Affairs, Reston, VA, requesting a review and response to our office.

Subsequent to our referral to Oliva, the OIG received additional information from the Office of Civil Rights, U.S. Department of the Interior, Washington, D.C., that included allegations of wrongdoing by , Special Assistant for Trust Management, and Paul Tsosie, Chief of Staff. As the allegations concern  and Tsosie, we are referring the additional information to you for review and any action deemed appropriate. If you have any questions, please contact me at .

Attachment



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

JUL 28 2010

Memorandum

To: [REDACTED]
Special Agent in Charge, Office of Professional Responsibility
National Park Service

From: *Scott L. Culver* [REDACTED]
Deputy Assistant Inspector General for Investigations

Subject: Referral – For Bureau Action as Deemed Appropriate –
Response Required

Re: Brunnemann, Eric et al.
DOI-OIG Case File No. OI-HQ-10-0616-R

The Office Inspector General received information from [REDACTED], Captain, U.S. Park Police, Oakland, CA, that Eric Brunnemann, Superintendent, Pinnacles National Monument in California, directed employees to use National Park Service materials and employee labor to build a bell tower at a local school his children attended and where his wife teaches. Further, it was alleged that the Chief of Maintenance is on the Board of Directors for the school and that his children also attended the school (see Attachment).

We have determined that this complaint would be better addressed by the Office of Professional Responsibility; therefore, we are referring it to your office for review and action. Please provide a written response with a completed Accountability Form (attached) within 90 days of the date of this memorandum and mail it to: Office of the Inspector General, Office of Investigations, 12030 Sunrise Valley Drive, Suite 350, Reston, VA 20191. In addition, please send an email to doioigreferrals@doioig.gov to advise that your response has been mailed to us or, if necessary, to request an extension to the due date. The extension request should include a brief case status note with additional time needed for completion. If during the course of your review you develop information or questions that should be discussed with this office, please contact Special Agent [REDACTED] at [REDACTED].

Attachments



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

APR 16 2012

Memorandum

To: Jonathan B. Jarvis
Director, National Park Service

Attention: [REDACTED]
Human Resources Specialist

From: For Scott L. Culver [REDACTED]
Deputy Assistant Inspector General for Investigations

Subject: Referral – For Bureau Action as Deemed Appropriate –
Response Required

Re: NPS Draft EIS and Atkins Peer Review - Drakes Bay Oyster Company
DOI-OIG Case File No. OI-HQ-12-0316-R

The Office Inspector General received a complaint from [REDACTED] alleging scientific misconduct by the National Park Service (NPS) and Vanasse Hangen Brustlin employees regarding the NPS draft Environmental Impact Statement and the Atkins peer-review concerning Drakes Bay Oyster Company (see Attachment).

We have determined that this complaint would be better addressed by the NPS; therefore, we are referring it to your office for review and action. Please provide a written response with a completed Accountability Form (attached) within 90 days of the date of this memorandum and mail it to: Office of the Inspector General, Office of Investigations, 12030 Sunrise Valley Drive, Suite 350, Reston, VA 20191. In addition, please send an email to doioigreferrals@doioig.gov to advise that your response has been mailed to us or, if necessary, to request an extension to the due date. The extension request should include a brief case status note with additional time needed for completion. If during the course of your review you develop information or questions that should be discussed with this office, please contact Special Agent [REDACTED] at [REDACTED].

Attachments

cc: [REDACTED], NPS Chief, Division of Labor & Employee Relations
Maureen D. Foster, NPS Chief of Staff



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

OCT 25 2012

Memorandum

To: Jonathan B. Jarvis
Director, National Park Service

Attention: [REDACTED], Human Resources Specialist
Branch of Labor and Employee Relations

From: *For* Scott L. Culver [REDACTED]
Deputy Assistant Inspector General for Investigations

Subject: Referral – For Bureau Action as Deemed Appropriate –
Response Required

Re: [REDACTED]
DOI-OIG Case File No. OI-HQ-13-0011-R

The Office of Inspector General received a complaint from [REDACTED], former Archeologist, Puukohola Heiau National Historic Site, National Park Service (NPS), Hawaii, alleging retaliation by [REDACTED], Supervisory Architect, NPS, Honaunau, HI. [REDACTED] believes [REDACTED] gave [REDACTED] a poor review when [REDACTED] applied for a position at the NPS Kalaupapa National Historic Park in Hawaii because [REDACTED] previously reported alleged illegal activities at the Puukohola Heiau National Historic Site in Hawaii (see Attachment).

We have determined this complaint would be better addressed by the NPS; therefore, we are referring it to your office for review and action. Please provide a written response with a completed Accountability Form (attached) within 90 days of the date of this memorandum and mail it to: Office of the Inspector General, Office of Investigations, 12030 Sunrise Valley Drive, Suite 350, Reston, VA 20191. In addition, please send an email to doioigreferrals@doioig.gov to advise that your response has been mailed to us or, if necessary, to request an extension to the due date. The extension request should include a brief case status note with additional time needed for completion. If during the course of your review you develop information or questions that should be discussed with this office, please contact Special Agent [REDACTED] at [REDACTED].

Attachments

cc: [REDACTED], Human Resources Officer
Maureen D. Foster, NPS Chief of Staff



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

NOV 13 2012

Memorandum

To: Jonathan B. Jarvis
Director, National Park Service

Attention: [REDACTED] Human Resources Specialist
Branch of Labor and Employee Relations

From: For Scott L. Culver [REDACTED]
Deputy Assistant Inspector General for Investigations

Subject: Referral – For Bureau Action as Deemed Appropriate –
Response Required

Re: [REDACTED]
DOI-OIG Case File No. OI-HQ-13-0028-R

The Office of Inspector General received a complaint from an anonymous complainant alleging that [REDACTED] Housing Management Assistant, Virgin Islands National Park, St. Thomas, VI, misused her government credit card. Allegedly, [REDACTED] had over \$3,000 worth of unaccounted merchandise on her credit card and a \$1,000 purchase with no receipt from Kmart. Reportedly, former Superintendent [REDACTED] and current Deputy Superintendent [REDACTED] were informed but did not take any action. Further, it was alleged that [REDACTED] abuses her time, never works her original hours, and continue to leave early and arrive late. Reportedly, [REDACTED] Facility Operations Specialist, pursued administrative action but was not permitted by park management (see Attachment).

We have determined this complaint would be better addressed by the National Park Service; therefore, we are referring it to your office for review and action. Please provide a written response with a completed Accountability Form (attached) within 90 days of the date of this memorandum and mail it to: Office of the Inspector General, Office of Investigations, 12030 Sunrise Valley Drive, Suite 350, Reston, VA 20191. In addition, please send an email to doioigreferrals@doioig.gov to advise that your response has been mailed to us or, if necessary, to request an extension to the due date. The extension request should include a brief case status note with additional time needed for completion. If during the course of your review you develop information or questions that should be discussed with this office, please contact Special Agent [REDACTED] at [REDACTED].

Attachments

Cc: [REDACTED] Human Resources Officer
Maureen D. Foster, NPS Chief of Staff



**United States Department of the Interior
Office of Inspector General**

REPORT OF INVESTIGATION

Case Title Addison, Amanda	Case Number OI-MT-08-0356-I
Reporting Office Billings, MT	Report Date December 28, 2009
Report Subject Report of Investigation	

SYNOPSIS

This investigation was initiated on May 16, 2008, based upon information received from [REDACTED] Self-Determination Specialist, Bureau of Indian Affairs (BIA), Rocky Mountain Regional Office, Billings, MT, regarding account reconciliation work conducted by [REDACTED] Certified Public Accountants [REDACTED]. [REDACTED] identified an alleged theft scheme perpetrated at the Northern Arapaho Tribe of Indians (NATI), Department of Social Services (NANDSS), Wind River Indian Reservation, Fort Washakie, WY by Melody St. Clair, former Finance Director, NANDSS and Amanda Ortiz, formerly Amanda Addison, and former Payroll Clerk, NANDSS.

Our investigation revealed that St. Clair and Ortiz were responsible for the issuance of all NANDSS check payments. During 2005 and 2006, St. Clair and Ortiz issued themselves pay advance and loan check payments in excess of \$163,000. These payments violated Northern Arapaho Tribal policy regarding salary advances and were financed through the fraudulent misuse of Public Law 93-638 Indian Self-Determination contract funds.

During our investigation, St. Clair and Ortiz were interviewed and admitted issuing themselves improper pay advances and loans. St. Clair received \$80,225.66 in pay advances and loans and Ortiz received \$82,902.30. Both St. Clair and Ortiz admitted that they used this money, in part, for gambling purposes. Both women also stated they had made monthly payments to NATI in an effort to reimburse the tribe for the money they owed. We were unable to verify whether any repayments had occurred.

Our investigative findings are being referred to the United States Attorney's Office for their prosecutorial consideration.

Reporting Official/Title [REDACTED], Special Agent	Signature
Approving Official/Title [REDACTED], Special Agent in Charge	Signature

Authentication Number: 1BCF9DF547DC16E601FFA3079EA63DB8

This document is the property of the Department of the Interior, Office of Inspector General (OIG), and may contain information that is protected from disclosure by law. Distribution and reproduction of this document is not authorized without the express written permission of the OIG.

BACKGROUND

The Wind River Indian Reservation of Wyoming is comprised of over two million acres and is home to the Eastern Shoshone and Northern Arapaho Tribes of Indians. Each Tribal body maintains an array of government programs, including the Northern Arapaho Nation Department of Social Services. The main goal of this program is to provide general welfare assistance to Northern Arapaho Tribal members in an effort to help them become more self-sufficient. The Northern Arapaho Nation Department of Social Services is entirely funded through various Public Law 93-638 Indian Self-Determination Act contracts and grants.

Public Law 93-638, or the Indian Self-Determination and Education Assistance Act of 1975, often referred to simply as the Indian Self-Determination Act, enacted authorization for the U.S. Department of the Interior and other U.S. Departments to enter into contracts with, and make grants directly to, federally-recognized Indian Tribes. These contracts enable Tribal governments to have greater control over the management of funds and internal decisions regarding the welfare of their enrolled membership.

DETAILS OF INVESTIGATION

Our investigation was initiated on May 16, 2008, based upon information received from [REDACTED] Self-Determination Specialist, BIA, Billings, MT regarding account reconciliation work conducted by [REDACTED]. The account reconciliation work identified a theft scheme involving two employees of the NANDSS. St. Clair, former Finance Director, and Amanda Addison, former Payroll Clerk, NANDSS were responsible for issuing themselves pay advances and loans in excess of \$163,000. The pay advances and loans were not only unauthorized and in violation of Tribal policy, but illegally funded through the misuse of Public Law 93-638 Indian Self-Determination funds (Federal Funds) provided by the BIA.

Our investigative findings are organized into the following report sections:

1. [REDACTED] Certified Public Accountants Reconciliation Work
2. Witness Interviews
3. Subject Interviews

During this investigation, we examined records obtained from [REDACTED], we interviewed key [REDACTED], NANDSS, and BIA officials, and we interviewed St. Clair and Ortiz.

1. [REDACTED] Certified Public Accountants Reconciliation Work

In 2004, the NATI was sanctioned by the BIA for delinquent audits and was in jeopardy of losing its federal contract and grant funding authority. In February 2004, [REDACTED] was hired by NATI to conduct necessary account recovery work in preparation for a pending audit. At that time, NATI's last financial audit was conducted in 1998. The 1998 audit had been disclaimed, meaning that the records were un-auditable and no opinion was expressed (**Attachment 1**).

At the time [REDACTED] initiated accounting work, NATI policy allowed for employee pay advances and loans. The NATI Business Council issued a Memorandum, dated June 4, 2003, that stated pay advances could be provided to Tribal employees in an amount not to exceed \$300 per quarter, to be paid in full

by the next pay period. The Memorandum also stated that Tribal employees were allowed one loan in an amount not to exceed \$1,000 at 15% interest, and that it was to be re-paid within the year (Attachment 2).

On December 23, 2006, [REDACTED] issued a letter to former [REDACTED] [REDACTED], Northern Arapaho Business Council, regarding the misuse of Federal Funds for employee pay advances and loans. The letter stated that NANDSS was in violation of NATI's employee pay advance and loan policies and procedures. Furthermore, NANDSS had also utilized federal cash accounts for the issuance of employee pay advances and loans. These federal cash accounts were restricted for the administration of NANDSS programs, according to [REDACTED].

The letter noted that NATI employees were receiving pay advances and loans in excess of limits as detailed in NATI policy dated June 4, 2003. In addition, the letter referenced a NATI moratorium on all employee pay advances and loans enacted in 2006.

[REDACTED] completed an analysis of employee pay advances issued from the NANDSS federal cash accounts. Their analysis revealed that a total of \$139,937.61 was paid to 39 employees in the form of pay advances during the period of January 1 through November 30, 2006. Specifically, St. Clair received \$29,755 in pay advances and Ortiz received \$34,062 in pay advances.

An examination of employee loans issued from the NANDSS federal cash accounts revealed that a total of \$85,583 was paid to 14 employees in the form of loans during the period of January 1 through November 30, 2006. Specifically, St. Clair received \$26,811 in loans and Ortiz received \$39,587 in loans.

The letter further documented that an itemized list of all payments relating to employee pay advances and loans made from the NANDSS federal cash accounts was provided to the Northern Arapaho Business Council. The amount of known disbursements inappropriately paid from the federal cash accounts was \$159,928. [REDACTED] suggested that NATI immediately transfer \$175,000 to the accounts affected in order to repay the federal programs. This would not only repay the federal programs but would also provide a cushion to cover any other disallowed disbursements (Attachment 3).

2. Witness Interviews

[REDACTED] *Certified Public Accountant (CPA)*, [REDACTED]

In an interview, [REDACTED] stated that from 2004 until 2007 he was assigned by [REDACTED] to reconcile NATI accounts in regard to a number of different NATI enterprises, to include: the Tribal ranch, college, housing authority, and NANDSS. [REDACTED] said that all Tribal programs were plagued with financial problems; however, NANDSS was the only NATI program in which Federal Funds had been misappropriated.

According to [REDACTED] nobody was tracking the actual amounts of pay advances and loans that employees were receiving. [REDACTED] opined that the NATI and NANDSS Finance Departments were separate, each operating on different financial ledger software that did not interface. Due to this discrepancy, NATI Finance was unable to supervise or inspect NANDSS financial records.

Upon reviewing NANDSS accounting statements [REDACTED] identified that Federal Funds had been

inappropriately utilized to issue pay advances and loans. [REDACTED] stated that he uncovered records detailing disproportionate amounts of pay advances and loans issued to St. Clair and Ortiz during 2005 and 2006. [REDACTED] said that NANDSS operated solely on Federal Funds (See Attachment 1).

[REDACTED] stated that both St. Clair and Ortiz were responsible for the issuance all NANDSS check payments, and because of this they were in positions to issue themselves pay advances and loans. [REDACTED] stated that St. Clair and Ortiz may have utilized NANDSS checks that were pre-signed and authorized by George Moss, Director, NANDSS in order to issue themselves pay advances and loans. [REDACTED] acknowledged that he had not verified that Moss pre-signed NANDSS checks and stated that if true, the pre-signed checks were most likely for use in the event that Moss was absent and NANDSS needed to issue an emergency payment. [REDACTED] stated that in 2005 and 2006 St. Clair was issued \$80,225.66 in pay advances and loans and Ortiz was issued \$82,902.30 in pay advances and loans (**Attachment 4**).

Sometime after December 23, 2006, [REDACTED] spoke with St. Clair about the pay advances and loans that she received. [REDACTED] said that St. Clair was embarrassed by her actions, admitting that she should not have taken the money. St. Clair was also concerned that her actions may have a negative effect on NANDSS program funding [REDACTED] said that St. Clair was in tears during their conversation and admitted to having a gambling addiction.

[REDACTED] stated that he authored the above referenced letter dated December 23, 2006, and presented the letter on or about the same date to the NATI Business Council; Moss; and [REDACTED], NATI Tribal Attorney. [REDACTED] noted that NATI later utilized non-federal, Tribal discretionary funding in the amount of \$180,000 to repay NANDSS Federal Funds that were utilized to provide illegal pay advances and loans (See Attachments 1 and 3).

Agent's note: [REDACTED] [REDACTED] Self Determination Specialist, BIA, Rocky Mountain Regional Office, Billings, MT was contacted in reference to the purported \$180,000 repayment of Federal Funds by NATI. [REDACTED] agreed to research the issue and provide the OIG with confirmation of the payment and the date that it occurred.

[REDACTED] former Accounts Payable Clerk, NANDSS

[REDACTED] was interviewed and stated that sometime prior to November 2006, Ortiz was absent from work. Since payroll was due, [REDACTED] telephoned St. Clair, and informed St. Clair about Ortiz's absence. St. Clair directed [REDACTED] to complete payroll for that pay period. While she was completing payroll [REDACTED] noticed Ortiz's paycheck amount to be excessive. [REDACTED] noticed that Ortiz had been receiving disproportionate amounts of pay advances and loans for some time. [REDACTED] spoke with Moss, stating that he (Moss) should pay more attention to what was happening in the Finance Department. [REDACTED] did not provide Moss with details concerning observations that she had made in regard to Ortiz's pay.

[REDACTED] claimed prior to St. Clair and Ortiz leaving employment with NANDSS, they were in charge of the NANDSS checks. During that time blank NANDSS First Interstate Bank checks were kept unsecured in the NANDSS Accounts Payable Office. Moss routinely pre-signed approximately 30 blank NANDSS checks per month per St. Clair's request. [REDACTED] opined that St. Clair and Ortiz used the pre-signed NANDSS checks to issue themselves pay advances and loans (**Attachment 5**).

George Moss, Executive Director, NANDSS

Moss was interviewed and stated that St. Clair was in charge of all finance related duties within the NANDSS program. This included the creation of the NANDSS yearly budget and requests of Federal Funds to the BIA. The budget identified how Federal Funds were to be utilized by NANDSS programs. Moss also stated that Ortiz was hired into the position of Payroll Clerk by St. Clair sometime after 1999. Ortiz was responsible for preparing and processing all payroll related items.

Moss stated that sometime prior to 2005, [REDACTED] was hired by NATI to complete accounting work in association with required audits that were to be conducted. On December 19, 2006, [REDACTED] presented Moss with information showing that St. Clair and Ortiz had allegedly embezzled money from the NANDSS federal cash accounts. On this same date the NATI Business Council created separate repayment agreements for St. Clair and Ortiz, deciding that St. Clair was to begin repaying the stolen funds at a rate of \$500 per month and Ortiz at a rate of \$250 per month.

Agent's note: The OIG has requested that Moss provide copies of the repayment agreements; however, Moss has yet to comply with the request.

St. Clair and Ortiz retained their positions with NANDSS until they were finally terminated in July 2008. Moss stated that both St. Clair and Ortiz were related to members of the Business Council. These familial relationships may have influenced the Business Council's decision in allowing them (St. Clair and Ortiz) to continue to work for NANDSS for such a long period of time after the theft of Federal Funds was discovered. Moss personally believed that St. Clair and Ortiz should have immediately been terminated; however, the authority to make this decision belonged to the Business Council.

Moss stated that NATI policy limited pay advances to one per calendar quarter, in the maximum amount of \$300 and that the advance was to be paid in full by the next pay period and that loans were capped at \$1000. Moss stated that all pay advances and loans had to be requested through a memo that was submitted by the employee making the request to the program administrator. It was the program administrator's job to either approve or disapprove the employee's request. If approved by the administrator, a copy of the requesting memo was provided to Moss. Moss stated that he had the authority to override the administrator's decision but that he always agreed with St. Clair's recommendation. Moss acknowledged that St. Clair and Ortiz took large amounts of money in the form of pay advances and loans, but did not recall seeing an overabundance of pay advance and loan request memos from either of them.

Once a request memo was approved, the Finance Department prepared a check for the amount requested and provided the check to Moss for signature approval. St. Clair or Ortiz would present Moss with NANDS payroll checks every two weeks and Moss opined that the pay advance and loan checks were probably intermingled with the payroll checks. Moss said that he routinely inquired with St. Clair about the checks that she brought him, asking if everything was in order and accounted for. Moss said that St. Clair would always answer yes. Moss admitted to signing every check that was given to him stating, "I just signed everything that came across my desk" (**Attachment 6**).

[REDACTED], [REDACTED] Wind River Agency, BIA

[REDACTED] provided the OIG with documentation pertaining to Federal Funds awarded to NANDSS for the years 2005, 2006, 2007, and 2008. A review of these documents provided the following information.

(Attachment 7)

- In 2005 the NANDSS received funding in the amount of \$654,551.
- In 2006 the NANDSS received funding in the amount of \$441,400.
- In 2007 the NANDSS received funding in the amount of \$480,225.
- In 2008 the NANDSS received funding in the amount of \$234,043.

3. Subject Interviews

Melody St. Clair, former Finance Director, NANDSS

When interviewed, St. Clair said she served as NANDSS Finance Director from August 1999 to July 2008 when she voluntarily resigned. St. Clair's duties were to maintain the general ledger, reconcile accounts with the bank, complete financial reports, supervise accounts payable, oversee administrative expenses in reference to all NANDSS departmental programs, and supervise the NANDSS Payroll Department. St. Clair was also responsible for helping to develop the yearly NANDSS budget that was submitted to by the BIA. NANDSS was awarded Federal Funds as a result of this budgeting process.

St. Clair admitted that pay advances and loans were provided to NANDSS employees. An official application process did not exist in regard to either pay advances or loans. Employees would simply complete a written, unofficial memo requesting an advance or loan. This memo was provided to St. Clair, Ortiz and/or Moss and they would forward it to the NANDSS Payroll Department. The Payroll Department would complete a NANDSS check in reference to the pay advance or loan and Moss would sign the check. St. Clair stated that pay advance and loan requests were never questioned, checks were just issued. St. Clair acknowledged that Federal Funds were utilized to provide pay advances and loans.

St. Clair was aware of the 2003 NATI memorandum concerning policy that limited employee pay advances/loans and admitted that she knew of a subsequent NATI moratorium that had been placed upon pay advances and loans.

St. Clair admitted she received \$56,566.94 in pay advances and loans in 2006. St. Clair explained that she utilized some of the money associated with her pay advances and loans to help cover trip expenses when tending to sick relatives in Denver, CO. St. Clair also admitted that she spent much of this money at the Wind River Casino where she gambled. St. Clair said that taking the advances and loans was wrong and illegal, and Federal Funds were not supposed to be utilized for pay advances and loans.

Agent's note: [REDACTED] identified an additional \$13,891.34 in pay advances and loans that St. Clair received in 2005. St. Clair was uncertain but did not dispute taking these funds in 2005.

St. Clair said that during 2005 and 2006 she and Ortiz would issue NANDSS pay advance and loan checks to each other and then provide these checks to Moss for approval. Moss never questioned the payments and just signed the checks

St. Clair claimed that Ortiz received many NANDSS checks without St. Clair's knowledge. At one point, St. Clair said that she issued a memo to Ortiz ordering her stop obtaining pay advances and loans due to Ortiz's excessive debt. After receiving the memo, Ortiz continued to issue checks to herself; however, Ortiz issued checks to herself that were out of numerical sequence. St. Clair believed that

Ortiz did this in an attempt to veil the fact that she was continuing to issue herself pay advances and loans.

St. Clair claimed to have provided NATI with \$500 per pay period during 2007, in an attempt to repay the money that she took (**Attachment 8**).

Amanda (Addison) Ortiz, former Payroll Clerk, NANDSS

Ortiz was interviewed and said that her employment with NANDSS was terminated in July 2008. While employed as NANDSS Payroll Clerk, Ortiz's responsibilities included handling payroll deductions, pay advances, and payroll taxes.

Moss would review and approve payroll advances. Ortiz estimated she processed five payroll advances per day for the program, to assorted tribal members. Ortiz admitted to personally misusing \$80,902.30 through excessive pay advances and loans from NANDSS.

Ortiz gave primarily two reasons for her conduct: one, she used money to gamble at the Wind River Casino; two, her then-husband, [REDACTED] [REDACTED] drank excessively and squandered her pay check, leading her to use the loan/advance process to get money. Ortiz said she knew at the time her pay advances were wrong because unlike most other NANDSS employees, she received a pay advance anytime she wanted; however, Ortiz denied having knowledge of the 2003 NATI policy Memorandum concerning limits on employee pay advances/loans. She said she was unaware the pay advances were derived from federal funds.

Ortiz denied stealing checks from the Finance Office and writing herself payments. Ortiz also denied taking NANDSS funds without St. Clair's knowledge (**Attachment 9**).

Ortiz claimed that she has provided NATI with \$2,000 in payments as of November 30, 2006, in an attempt to repay the money that she took.

SUBJECTS

Name: Melody St.Clair	Social Security: [REDACTED]
Home Address: [REDACTED]	Date of Birth : Pending
	Current Employment: None
Home Phone: ([REDACTED])	

Name: Amanda (Addison) Ortiz	Social Security: [REDACTED]
Home Address: [REDACTED]	Date of Birth: [REDACTED]
	Current Employment: None
Home Phone: ([REDACTED])	

DISPOSITION

The allegations in this matter were substantiated. Our investigative findings will be referred to the United States Attorney's Office, District of Wyoming, for their prosecutorial consideration.

ATTACHMENTS

1. IAR – Interview of [REDACTED] [REDACTED] dated October 29, 2009.
2. Arapaho Finance Office Memorandum dated June 4, 2003.
3. [REDACTED] Letter Regarding Use of Federal Funds for Loans/Advances, dated December 23, 2006.
4. Spreadsheets Prepared by [REDACTED] [REDACTED] Detailing St. Clair’s and Ortiz’s Pay Advances and Loans.
5. IAR – Interview of [REDACTED] [REDACTED] dated October 13, 2009.
6. IAR – Interview of George Moss, dated October 9, 2009.
7. IAR – Review of Federal Contract Funds Provided to NANDSS, dated October 20, 2009.
8. IAR – Interview of Melody St. Clair, dated August 14, 2009.
9. IAR - Interview of Amanda (Addison) Ortiz, dated August 8, 2009



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

MAR 30 2012

Action Referral Memorandum

To: Debra Sonderman, Director
Office of Acquisition and Property Management

From: Robert Knox, Assistant Inspector General
Recovery Oversight Office

Subject: Recommendation for the Debarment of:

Amanda M. Addison aka Amanda Ortiz

DOI-OIG Case No: OI-MT-08-0356-1: Addison

The following facts are offered in support of this recommendation for the proposed debarment of Amanda M. Addison aka Amanda Ortiz (Addison). The Nonprocurement Suspension and Debarment Rule provides for the debarment, suspension, and ineligibility of participants at 2 C.F.R. Part 180, adopted by the U.S. Department of the Interior (DOI) at 2 C.F.R. Part 1400. Specifically, DOI's Office of Inspector General (DOI-OIG) recommends that the named respondent be debarred for a three-year period under 2 C.F.R. Part 180.

I. Introduction

The DOI-OIG requests that you propose the debarment of Addison who was convicted of embezzlement or conversion of monies from an organization receiving Federal funds and aiding and abetting under 18 U.S.C. §§ 666 (a)(1)(A) and 2. The offense evidences a serious lack of business honesty and integrity.

II. Party Involved

Addison's last known residential mailing address is

III. Background

- A. The Northern Arapaho Tribe is a federally recognized Indian tribe located on the Wind River Indian Reservation in Wyoming. The Northern Arapaho Business Council is the governing body elected to conduct business on behalf of the Northern Arapaho Tribe.

The Northern Arapaho Business Council receives funding pursuant to Federal programs and other forms of Federal assistance, including Public Law 93-638 contract (638 contract) funding from the DOI Bureau of Indian Affairs (BIA) (Attachment 1).

- B. The Northern Arapaho Nation Department of Social Services (NANDSS) contracts annually through BIA to fund NANDSS programs and operations. NANDSS seeks to provide general welfare assistance to Northern Arapaho Tribal members and their families in an effort to help them become more self-sufficient and also to provide child welfare services (Attachment 1).
- C. Addison was the NANDSS payroll clerk. She was supervised by Melody St. Clair (St. Clair). St. Clair was the Finance Director, and her duties included maintaining the general ledger, preparing bank reconciliations and financial reports, and supervising the accounts payable, payroll, and procurement departments. George Moss (Moss) was the Executive Director of NANDSS, and his duties included planning, developing, executing, and evaluating the social services program, supervising NANDSS staff, and providing fiscal and financial reports to the Northern Arapaho Business Council, the BIA superintendent, and the contracting officers. Moss supervised St. Clair (Attachment 1).
- D. The Northern Arapaho Tribe's finance component, the Northern Arapaho Tribal Finance Office, is separate from the NANDSS finance department headed by St. Clair. It had an internal policy that allowed employees to obtain employee loans and payroll advances. The Northern Arapaho Tribal Finance Office payroll advance policy was implemented on June 4, 2003, and limited advances to one per calendar quarter and to a maximum amount of \$300 per quarter. The advances were to be repaid by the next biweekly pay period (Attachment 1).
- E. Programs federally funded through 638 contracts are required to follow Federal guidelines set out in the 638 contract with regard to Federal funds. No payroll advances may be paid using Federal funds (Attachment 1).

IV. Allegations for Action Basis

- A. Moss allowed NANDSS employees to take payroll advances and loans from the Federal funds provided to NANDSS through the 638 contracts. In addition, Moss disregarded the Northern Arapaho Tribe's internal policy governing the frequency and amount of payroll advances and employee loans, and he allowed employees to take advances and loans far in excess of the amounts allowed by the tribe (Attachment 1).
- B. Moss had check signing authority within NANDSS, and no one within NANDSS had oversight over his spending. The Northern Arapaho Business Council did not have access to NANDSS financial records. This decentralized structure and lack of management oversight allowed NANDSS employees to write themselves numerous employee loans and payroll advances, many times on a weekly basis, with no readily available means of repayment (Attachment 1).

- C. Moss and St. Clair knew the Northern Arapaho Tribe limited employee pay advances to a maximum amount of \$300 per quarter, and they also knew that they had been making employee pay advances or loans using Federal funds.
- D. Addison would prepare and submit requests for pay advances and loans to St. Clair. St. Clair would routinely approve the written payroll advance and loan requests from Addison and forward them to Moss, who would simply sign the checks without requiring any reason for the requested funds (Attachment 1).
- E. St. Clair would also request that Addison prepare pay advance or loan checks on St. Clair's behalf and forward them to Moss along with St. Clair's written pay advance or loan requests. Moss simply signed the checks without question (Attachment 1).
- F. Between April 2005 and December 2006, Addison received more than \$70,000 in improper and illegal pay advances and loans (Attachment 1).
- G. From April 25, 2005 and continuing until December 31, 2006, Addison, Moss, and St. Clair conspired to embezzle more than \$5,000 of NANDSS funds (Attachment 1).
- H. From January 17, 2006 until December 31, 2006, Addison, Moss, and St. Clair embezzled more than \$5,000 of NANDSS funds (Attachment 1).

V. Factual Narrative for Action Basis

- A. On January 12, 2011, Addison, Moss, and St. Clair were indicted in the U.S. District Court for the District of Wyoming and charged with conspiracy to embezzle (18 U.S.C. § 371) and embezzlement and aiding and abetting under 18 U.S.C. §§ 666 (a)(1)(A) and 2 (Attachment 1).
- B. On November 29, 2011, the DOI Suspending and Debarring Official issued a Notice of Suspension to Amanda M. Addison aka Amanda Ortiz based upon the criminal information returned against her (Attachment 2).
- C. On January 27, 2012, the DOI Suspending and Debarring Official issued a Determination of Uncontested Suspension to Amanda M. Addison aka Amanda Ortiz (Attachment 3).
- D. On November 23, 2011, Addison was found guilty of Count 3 (18 U.S.C. § 666(a)(1)(A) and 2 — embezzlement or conversion of monies from an organization receiving Federal funds, and aiding and abetting) of the Indictment (Attachment 4).
- E. On November 23, 2011, Addison was sentenced to imprisonment for twelve months, followed by three years of probation and a \$100.00 assessment (Attachment 4).

VI. Impact Analysis

Addison was convicted of an offense demonstrating a lack of business honesty and integrity. Addison has experience as the former payroll clerk of NANDSS, an organization that

received Federal assistance in excess of \$10,000 annually during the period between April 2004 and September 2007. Addison may participate in Federal discretionary assistance, loans, and benefits programs or may seek work funded under a Federal assistance program. Accordingly, Addison is a “participant” under the Nonprocurement Suspension and Debarment Rule at 2 C.F.R. Parts 180 and 1400.

VII. Statement of Authorities

Addison’s November 23, 2011 criminal conviction establishes cause for debarment under 2 C.F.R. §§ 180.800(a)(3) and/or (a)(4).

VIII. Administrative Coordination

- A. This case was investigated by DOI-OIG.
- B. This recommended action has also been coordinated among other Federal agencies that may have an interest in this matter. Lead is deferred to DOI in the matter.

IX. Recommendation

The DOI-OIG recommends the debarment of Addison for a three-year period, generally anticipated under the rule to protect the interests of the U.S. Government only doing business with responsible parties.

Attachments (4)



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

MAR 30 2012

Action Referral Memorandum

To: Debra Sonderman, Director
Office of Acquisition and Property Management

From: Robert Knox, Assistant Inspector General
Recovery Oversight Office [REDACTED]

Subject: Recommendation for the Debarment of:

George Philip Moss
[REDACTED]

DOI-OIG Case No: OI-MT-08-0356-I: Moss

The following facts are offered in support of this recommendation for the proposed debarment of George Philip Moss (Moss). The Nonprocurement Suspension and Debarment Rule provides for the debarment, suspension, and ineligibility of participants at 2 C.F.R. Part 180, adopted by the U.S. Department of the Interior (DOI) at 2 C.F.R. Part 1400. Specifically, DOI's Office of Inspector General (DOI-OIG) recommends that the named respondent be debarred for a three-year period under 2 C.F.R. Part 180.

I. Introduction

The DOI-OIG requests that you propose the debarment of Moss who was convicted of embezzlement or conversion of monies from an organization receiving Federal funds, and aiding and abetting under 18 U.S.C. §§ 666 (a)(1)(A) and 2.

II. Party Involved

Moss's last known residential mailing address is [REDACTED]
[REDACTED]

III. Background

- A. The Northern Arapaho Tribe is a federally recognized Indian tribe located on the Wind River Indian Reservation in Wyoming. The Northern Arapaho Business Council is the governing body elected to conduct business on behalf of the Northern Arapaho Tribe.

The Northern Arapaho Business Council receives funding pursuant to Federal programs and other forms of Federal assistance, including Public Law 93-638 contract (638 contract) funding from the DOI Bureau of Indian Affairs (BIA) (Attachment 1).

- B. The Northern Arapaho Nation Department of Social Services (NANDSS) contracts annually through BIA to fund NANDSS programs and operations. NANDSS seeks to provide general welfare assistance to Northern Arapaho Tribal members and their families in an effort to help them become more self-sufficient and also to provide child welfare services (Attachment 1).
- C. Moss was the Executive Director of NANDSS, and his duties included planning, developing, executing, and evaluating the social services program, supervising NANDSS staff, and providing fiscal and financial reports to the Northern Arapaho Business Council, the BIA superintendent, and the contracting officers. Melody St. Clair (St. Clair) was the Finance Director and her duties included maintaining the general ledger, preparing bank reconciliations and financial reports, and supervising the accounts payable, payroll, and procurement departments. Moss supervised St. Clair. St. Clair supervised Amanda Addison aka Amanda Ortiz (Addison) who was the payroll clerk (Attachment 1).
- D. The Northern Arapaho Tribe's finance component, the Northern Arapaho Tribal Finance Office, is separate from the NANDSS finance department headed by St. Clair. It had an internal policy that allowed employees to obtain employee loans and payroll advances. The Northern Arapaho Tribal Finance Office payroll advance policy was implemented on June 4, 2003, and limited advances to one per calendar quarter and to a maximum amount of \$300 per quarter. The advances were to be repaid by the next biweekly pay period (Attachment 1).
- E. Programs federally funded through 638 contracts are required to follow Federal guidelines set out in the 638 contract with regard to Federal funds. No payroll advances may be paid using Federal funds (Attachment 1).

IV. Allegations for Action Basis

- A. Moss allowed NANDSS employees to take payroll advances and loans from the Federal funds provided to NANDSS through the 638 contracts. In addition, Moss disregarded the Northern Arapaho Tribe's internal policy governing the frequency and amount of payroll advances and employee loans, and he allowed employees to take advances and loans far in excess of the amounts allowed by the tribe (Attachment 1).
- B. Moss had check signing authority within NANDSS, and no one within NANDSS had oversight over Moss's spending. The Northern Arapaho Business Council did not have access to NANDSS financial records. This decentralized structure and lack of management oversight allowed NANDSS employees to write themselves numerous employee loans and payroll advances, many times on a weekly basis, with no readily available means of repayment (Attachment 1).

- C. Moss and St. Clair knew the Northern Arapaho Tribe limited employee pay advances to a maximum amount of \$300 per quarter, and they also knew that they had been making employee pay advances or loans using Federal funds.
- D. Addison would prepare and submit requests for pay advances and loans to St. Clair. St. Clair would routinely approve the written payroll advance and loan requests from Addison and forward them to Moss, who would simply sign the checks without requiring any reason for the requested funds (Attachment 1).
- E. St. Clair would also request that Addison prepare pay advance or loan checks on St. Clair's behalf and forward them to Moss along with St. Clair's written pay advance or loan requests. Moss simply signed the checks without question (Attachment 1).
- F. From January 17, 2006 until December 31, 2006, Moss embezzled more than \$5,000 of NANDSS funds (Attachment 1).

V. Factual Narrative for Action Basis

- A. On January 12, 2011, Moss, St. Clair, and Addison were indicted in the U.S. District Court for the District of Wyoming and charged with conspiracy to embezzle (18 U.S.C. § 371) and embezzlement and aiding and abetting under 18 U.S.C §§ 666(a)(1)(A) and 2 (Attachment 1).
- B. On November 29, 2011, the DOI Suspending and Debarring Official issued a Notice of Suspension to Moss based upon the indictment filed against him (Attachment 2).
- C. On January 27, 2012, the DOI Suspending and Debarring Official issued a Determination of Uncontested Suspension to Moss (Attachment 3).
- D. On November 30, 2011, Moss was convicted of Count 2 of the indictment (18 U.S.C. § 666 (a)(1)(A) and 2 – embezzlement or conversion of monies from an organization receiving Federal funds, and aiding and abetting) (Attachment 4).
- E. On November 30, 2011, Moss was sentenced to three years of probation, ordered to pay a fine of \$2,500.00 and a \$100.00 assessment (Attachment 4).

VI. Impact Analysis

Moss was convicted of an offense demonstrating a lack of business honesty and integrity. Moss has experience as the former Executive Director of NANDSS. Moss may be expected to participate in Federal discretionary assistance, loans, and benefits programs or may seek work funded under a Federal assistance program. Therefore, Moss is a "participant" under the Nonprocurement Suspension and Debarment Rule at 2 C.F.R. Parts 180 and 1400.

VII. Statement of Authorities

Moss's November 30, 2011 criminal conviction establishes cause for debarment under 2 C.F.R. §§ 180.800 (a)(3), (a)(4) and/or (d).

VIII. Administrative Coordination

- A. This case was investigated by DOI-OIG.
- B. This recommended action has also been coordinated among other Federal agencies that may have an interest in this matter. Lead is deferred to DOI in the matter.

IX. Recommendation

The DOI-OIG recommends the debarment of Moss for a three-year period, generally anticipated under the rule to protect the interests of the U.S. Government in only doing business with responsible parties.

Attachments (4)



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Action Referral Memorandum

MAR 30 2012

To: Debra Sonderman, Director
Office of Acquisition and Property Management

From: Robert Knox, Assistant Inspector General
Recovery Oversight Office

Subject: Recommendation for the Debarment of:

Melody St. Clair

DOI-OIG Case No: OI-MT-08-0356-I: St. Clair

The following facts are offered in support of this recommendation for the proposed debarment of Melody St. Clair (St. Clair). The Nonprocurement Suspension and Debarment Rule provides for the debarment, suspension, and ineligibility of participants at 2 C.F.R. Part 180, adopted by the U.S. Department of the Interior (DOI) at 2 C.F.R. Part 1400. Specifically, DOI's Office of Inspector General (DOI-OIG) recommends that the named respondent be debarred for a three-year period under 2 C.F.R. Part 180.

I. Introduction

The DOI-OIG requests that you debar St. Clair who was convicted of embezzlement or conversion of monies from an organization receiving Federal funds and aiding and abetting under 18 U.S.C. §§ 666(a)(1)(A) and 2. The offenses evidence a serious lack of business honesty and integrity.

II. Party Involved

St. Clair's last known residential mailing address is

III. Background

- A. The Northern Arapaho Tribe is a federally recognized Indian tribe located on the Wind River Indian Reservation in Wyoming. The Northern Arapaho Business Council is the governing body elected to conduct business on behalf of the Northern Arapaho Tribe. The Northern Arapaho Business Council receives funding pursuant to Federal programs

and other forms of Federal assistance, including Public Law 93-638 contract (638 contract) funding from the DOI Bureau of Indian Affairs (BIA) (Attachment 1).

- B. The Northern Arapaho Nation Department of Social Services (NANDSS) contracts annually through BIA to fund NANDSS programs and operations. NANDSS seeks to provide general welfare assistance to Northern Arapaho Tribal members and their families in an effort to help them become more self-sufficient and also to provide child welfare services (Attachment 1).
- C. St. Clair was the finance administrator of NANDSS, and her duties included maintaining the general ledger, preparing bank reconciliations and financial reports, and supervising the accounts payable, payroll, and procurement departments. She was supervised by George Moss (Moss). St. Clair supervised Amanda Addison aka Amanda Ortiz (Addison) who was the payroll clerk (Attachment 1).
- D. The Northern Arapaho Tribe's finance component, the Northern Arapaho Tribal Finance Office, is separate from the NANDSS finance department headed by St. Clair. It had an internal policy that allowed employees to obtain employee loans and payroll advances. The Northern Arapaho Tribal Finance Office payroll advance policy was implemented on June 4, 2003, and limited advances to one per calendar quarter and to a maximum amount of \$300 per quarter. The advances were to be repaid by the next biweekly pay period (Attachment 1).
- E. Programs federally funded through 638 contracts are required to follow Federal guidelines set out in the 638 contract with regard to Federal funds. No payroll advances may be paid using Federal funds (Attachment 1).

IV. Allegations for Action Basis

- A. Moss allowed NANDSS employees to take payroll advances and loans from the Federal funds provided to NANDSS through the 638 contracts. In addition, Moss disregarded the Northern Arapaho Tribe's internal policy governing the frequency and amount of payroll advances and employee loans, and he allowed employees to take advances and loans far in excess of the amounts allowed by the tribe (Attachment 1).
- B. Moss had check signing authority within NANDSS, and no one within NANDSS had oversight over Moss's spending. The Northern Arapaho Business Council did not have access to NANDSS financial records. This decentralized structure and lack of management oversight allowed NANDSS employees to write themselves numerous employee loans and payroll advances, many times on a weekly basis, with no readily available means of repayment (Attachment 1).
- C. St. Clair and Moss knew the Northern Arapaho Tribe limited employee pay advances to a maximum amount of \$300 per quarter, and they also knew that they had been paying employee pay advances or loans using Federal funds.

- D. Moss was responsible for signing all of the NANDSS checks that Addison would prepare and submit requests for pay advances and loans to St. Clair. St. Clair would routinely approve the written payroll advance and loan requests from Addison and forward them to Moss, who would simply sign the checks without requiring any reason for the requested funds (Attachment 1).
- E. St. Clair would also request that Addison prepare pay advance or loan checks on St. Clair's behalf and forward them to Moss along with St. Clair's written pay advance or loan requests. Moss simply signed the checks without question (Attachment 1).
- F. From April 25, 2005 and continuing until December 31, 2006, St. Clair, Moss, and Addison conspired to embezzle more than \$5,000 of NANDSS funds (Attachment 1).
- G. During this period and as a part of the conspiracy, St. Clair received more than \$65,000 in improper and unlawful pay advances and loans (Attachment 1).
- H. From January 17, 2006 until December 31, 2006, St. Clair, Moss, and Addison embezzled more than \$5,000 of NANDSS funds, with the intent to aid and abet each other (Attachment 1).

V. Factual Narrative for Action Basis

- A. On January 12, 2011, St. Clair, Moss, and Addison were indicted in the U.S. District Court for the District of Wyoming and charged with conspiracy to embezzle (18 U.S.C § 371) and embezzlement or conversion of monies from an organization receiving Federal funds and aiding and abetting under 18 U.S.C §§ 666(a)(1)(A) and 2 (Attachment 1).
- B. On October 31, 2011, St. Clair agreed to plead guilty to embezzlement or conversion of monies from an organization receiving Federal funds and aiding and abetting under 18 U.S.C. §§ 666(a)(1)(A) and 2 (Attachment 2).
- C. On January 10, 2012, St. Clair was sentenced to five months of imprisonment and ordered to pay a \$100.00 assessment (Attachment 3).

VI. Impact Analysis

St. Clair was convicted of embezzling from a tribe that receives Federal funds. St. Clair has experience as the finance administrator of NANDSS. St. Clair may be expected to participate in Federal discretionary assistance, loans, and benefits programs or may seek work funded under a Federal assistance program. Therefore, St. Clair is a "participant" under the Nonprocurement Suspension and Debarment Rule at 2 C.F.R. Parts 180 and 1400.

VII. Statement of Authorities

St. Clair's criminal conviction establishes cause for debarment under 2 C.F.R. §§ 180.800(a)(3), (a)(4) and/or (d).

VIII. Administrative Coordination

- A. This case was investigated by DOI-OIG.
- B. This recommended action has also been coordinated among other Federal agencies that may have an interest in this matter. Lead is deferred to DOI in the matter.

IX. Recommendation

The DOI-OIG recommends the debarment of Melody St. Clair for a period of three years, generally anticipated under the rule to protect the interests of the U.S. Government in only doing business with responsible persons.

Attachments (3)



**OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR**

August 12, 2010

To: Sam D. Hamilton, Director
U.S. Fish and Wildlife Service

Attention: [REDACTED], Human Resources Specialist
Division of Human Capital
U.S. Fish and Wildlife Service

From: Jack L. Rohmer [REDACTED]
Special Agent in Charge

Subject: Referral – For Bureau Action as Deemed Appropriate
Response Required

Re: [REDACTED] Fish Biologist, Jackson Fish Hatchery, U.S. Fish and
Wildlife Service, Jackson, WY
DOI-OIG, Case File No. OI-MT-10-0097-I

This memorandum transmits the results of the Office of Inspector General investigation into allegations involving [REDACTED] Fish Biologist, Jackson Fish Hatchery (JFH), U.S. Fish and Wildlife Service (FWS), Jackson, WY. It was alleged that [REDACTED] may have accessed and viewed child pornography with his FWS computer.

As part of our investigation, we interviewed [REDACTED] and several other JFH employees. [REDACTED] maintained that he never used his government laptop computer to search for or view pornographic images of any kind; however, he has received inappropriate images sent to him by email. [REDACTED] admitted he viewed the inappropriate images with his FWS computer but denied ever searching for or viewing child pornography. Additionally, [REDACTED], Maintenance Manager, JFH, admitted he viewed inappropriate, pornographic images with his assigned FWS computer. [REDACTED] denied searching for or viewing child pornography.

Ours investigation could not determine if [REDACTED] knowingly or purposely accessed child pornography with his FWS computer. The investigation disclosed that [REDACTED] FWS computer did not contain a warning banner pursuant to Departmental policy.

The inappropriate images obtained by our office during this investigation, [REDACTED] and [REDACTED] FWS-issued computers, and audio of their interviews, are currently maintained in our case file. These items will be provided upon request to the appropriate reviewing officials with your office.

This matter is being referred to you for your review and action as deemed appropriate. Please read the protective markings in the attached Report of Investigation (ROI), and upon completion of your review, please provide a written response with a completed Accountability Form (attached) **within 90 days** of the date of this memorandum, and mail your response to Office of Inspector General, Office of Investigations, Attn: [REDACTED], 1849 C Street NW, Mail Stop 4428, Washington, DC 20240.

If you have any questions regarding this matter, please contact Assistant Special Agent in Charge [REDACTED] at [REDACTED], or me at [REDACTED].

Attachments:

1. ROI dated July 16, 2010.
2. Accountability Form.



**OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR**

REPORT OF INVESTIGATION

Case Title [REDACTED]	Case Number OI-MT-10-0097-I
Reporting Office Billings, MT	Report Date July 16, 2010
Report Subject Report of Investigation	

SYNOPSIS

This investigation was initiated on November 19, 2009, based upon allegations received from the Fish and Wildlife Services' (FWS) Regional Information Technology (IT) Security Manager located in Lakewood, CO. It was alleged that [REDACTED] Fish Biologist, Jackson Fish Hatchery (JFH), U.S. Fish and Wildlife Service (FWS), Jackson, WY may have accessed and viewed child pornography with his FWS computer. [REDACTED] had contacted the FWS Help Desk and reported he was having problems with pop-ups on his laptop. FWS Regional IT officials connected remotely with [REDACTED] laptop and observed three icons that appeared pornographic. [REDACTED] was instructed to ship his computer into the Regional office. Once received, the Regional IT Security Manager conducted a further examination of [REDACTED] computer and observed what she believed was child pornography.

As part of this investigation, we interviewed [REDACTED] and several other JFH employees. [REDACTED] maintained that he never used his government laptop computer to search for or view pornographic images of any kind; however, he has received inappropriate images sent to him by email. [REDACTED] admitted he viewed inappropriate images with his FWS computer but denied ever searching for or viewing child pornography. [REDACTED], Maintenance Manager, JFH also admitted he viewed inappropriate, pornographic images with his assigned FWS computer. [REDACTED] denied searching for or viewing child pornography.

This investigation could not determine if [REDACTED] knowingly or purposely accessed child pornography with his FWS computer. The investigation disclosed that [REDACTED] FWS computer did not contain a warning banner pursuant to Departmental policy. This matter will be referred to the FWS for review of administrative action as deemed necessary.

Reporting Official/Title [REDACTED], Special Agent	Signature
Approving Official/Title [REDACTED], Special Agent in Charge	Signature

Authentication Number: 684E2939AE44FB959F385A25B5C31FBE

This document is the property of the Department of the Interior, Office of Inspector General (OIG), and may contain information that is protected from disclosure by law. Distribution and reproduction of this document is not authorized without the express written permission of the OIG.

DETAILS OF INVESTIGATION

This investigation was initiated on November 19, 2009, based upon information received from [REDACTED], Regional Information Technology (IT) Security Manager, U.S. Fish and Wildlife Service (FWS), Lakewood, CO. [REDACTED] reported that [REDACTED] may have accessed and viewed child pornography with his FWS computer. [REDACTED] had contacted the FWS Help Desk and reported he was having problems with pop-ups on his laptop. [REDACTED] with FWS IT connected remotely with [REDACTED] laptop and observed 3 icons that appeared pornographic. [REDACTED] was instructed to ship his computer into the Regional office. Once received, [REDACTED] conducted a further exam and observed what she believed may be child pornography images.

Our investigative findings are organized into the following report sections:

1. Preliminary Investigative Work
2. Witness Interviews and Document Reviews
3. Interview of [REDACTED] and other JFH employees

1. Preliminary Investigative Work

During the week of October 19, 2009, [REDACTED], IT Specialist, Help Desk, FWS, Lakewood, CO received a phone call from [REDACTED]. [REDACTED] was experiencing pop-up problems with his FWS issued laptop computer (laptop). [REDACTED] connected remotely to [REDACTED] laptop and was unable to identify the cause of the pop-up problems. [REDACTED] consulted [REDACTED], IT Specialist, FWS, Lakewood, CO for assistance. [REDACTED] recognized three icons located on the laptop's desktop that contained pornographic images and titles. [REDACTED] confirmed the images to be pornographic in nature and [REDACTED] proceeded to shut the laptop down. [REDACTED] forwarded the laptop to Lakewood, CO for review. [REDACTED] prepared an email regarding this matter (**Attachment 1**).

On November 20, 2009, OIG IT Specialist [REDACTED] conducted a digital forensic review of [REDACTED] laptop hard drive and identified 13 images that were suspected of being child pornography contained within the laptop's unallocated space. OIG Special Agent [REDACTED], CCU sent the 13 images in question to the National Center for Missing and Exploited Children (NCMEC) for potential identification of the images (**Attachment 2**).

On or about February 8, 2010, OIG Special Agent [REDACTED] reported that NCMEC did not find the submitted pictures in their database containing known child pornographic images

On February 12, 2010, this investigation was officially opened and assigned to OIG Special Agent (SA) [REDACTED].

2. Witness Interviews and Document Reviews

On February 9, 2010, SA [REDACTED] received color printed images of the 13 potential child pornography images that were discovered by OIG IT Specialist [REDACTED]. That same day OIG Special Agent [REDACTED] presented the images to AUSA [REDACTED], District of Montana, Billings, MT for inspection. AUSA [REDACTED] is assigned to prosecute child pornography cases for the District of Montana. AUSA [REDACTED]

positively identified one of the images as being child pornography. AUSA [REDACTED] identified an additional image stating that it was probably child pornography (**Attachment 3**).

On February 12, 2010, SA [REDACTED] telephonically spoke with Assistant United States Attorney (AUSA) [REDACTED], Cheyenne, WY. AUSA [REDACTED] requested a copy of the laptop banner that was located on the subject computer (**Attachment 4**).

On February 12, 2010, SA [REDACTED] requested a copy of the FWS warning banner from [REDACTED] laptop. OIG IT Specialist [REDACTED] determined that a banner was not installed on [REDACTED] laptop. It was determined, however, that [REDACTED] received Federal Information Systems Security Awareness Training for 2006, 2007, 2008, and 2009 (**Attachments 5 and 6**).

On March 16, 2010, [REDACTED], Regional Information Technology (IT) Security Manager, FWS was interviewed and said that she reviewed [REDACTED] laptop for pornography. [REDACTED] noticed that the laptop's desktop was clear of pornography related icons. [REDACTED] noted that the removal of desktop icons is a deliberate user process.

[REDACTED] recovered approximately 200 to 500 pornographic JPEG images that had been deleted from the laptop. [REDACTED] examined each of the 200 to 500 JPEG images in order to identify the images as either adult or child pornography. In [REDACTED] opinion, three of the images that she inspected contained children or references to children. [REDACTED] notified OIG IT Specialist [REDACTED] and OIG Special Agent [REDACTED]. When notified, SA [REDACTED] took the laptop's hard drive into his custody (**Attachment 7**).

On April 7, 2010, [REDACTED] was interviewed and said that he has assisted [REDACTED] with computer pop up issues and that he was unable to successfully solve the problem. [REDACTED] collaborated with [REDACTED] who noticed three separate icons located on the laptop's desktop and each contained pornographic images. Although [REDACTED] recognized the images as pornographic, he could not recall the images specifically. In [REDACTED] opinion none of the pornographic images appeared to be related to children. [REDACTED] telephoned [REDACTED] and requested that [REDACTED] forward his laptop to the FWS office in Lakewood, CO for scanning and repair. [REDACTED] said that it may be possible for pornographic images to be unintentionally placed onto a computer even when the computer's user is not specifically searching for or viewing pornography (**Attachment 8**).

On April 7, 2010, [REDACTED] was interviewed and said that he assisted [REDACTED] with in attempt to remedy problems that [REDACTED] was having with his laptop. [REDACTED] noticed three separate desktop icons containing pornographic images. More specifically, one of the icons contained the naked image of a woman's backside; [REDACTED] could not recall the other icons in detail. In [REDACTED] opinion, all three of the icons were adult pornography. [REDACTED] did not open the icons and opined that the icons may have been placed on [REDACTED] computer desktop through a computer virus program. In other words, the laptop user may not have been responsible for placing the pornographic icons on the computer desktop (**Attachment 9**).

3. Interview of [REDACTED] and other JFH employees

On June 7, 2010, [REDACTED] was interviewed by SA [REDACTED] and said that he has worked at the JFH for 10 years. [REDACTED] said that each JFH employee has their own FWS-issued computer and that each is password protected. [REDACTED] has never used the FWS issued laptop computer that is assigned to [REDACTED].

██████████ admitted using his FWS issued computer to look at pornography. ██████████ said that he has opened internet links that he received by way of email from his brothers, and that these links have taken him to pornographic websites. ██████████ stated that on occasion he has perused these pornographic websites.

██████████ admitted using his FWS issued computer to view sportsillustrated.com and has chatted with others people through the website's "fannation" function. ██████████ said that he has viewed hardcore pornography pictures that others will post on "fannation". ██████████ admitted that he has also utilized search engines like Google to locate pornography with his FWS issued computer. ██████████ stated that he has never viewed pornography with any of the other JFH employees, nor has he traded or sent pornographic email images from his FWS computer. ██████████ has also never utilized any of the other FWS computers to view pornography.

██████████ said that a retired FWS employee by the last name of ██████████ has sent ██████████ emails of a questionable nature. ██████████ said that ██████████ has forwarded some of these emails to him and that the emails contained "boobs, things like that". ██████████ said that the emails are usually humorous in nature. ██████████ has never witnessed or known ██████████ to look at adult or child pornography.

██████████ stated that the backdoor to the JFH office is always left unlocked, but that in his 10 years of working there he has never caught anyone trespassing in the office. ██████████ voluntarily surrendered his FWS issued laptop computer, service tag number: 6PL4PD1 (**Attachment 10**).

On June 7, 2010, ██████████ was interviewed by SA ██████████. Also present during the interview was FBI Special Agents ██████████ and ██████████. ██████████ said that he leaves his laptop computer turned on from Monday through Friday and shuts it down on the weekends. ██████████ computer does not log off or shut down on its own. ██████████ said that the back door to the JFH office is always left unlocked.

██████████ claimed that he did not have any knowledge of the pornographic icons that were located by Information Technology, FWS employees in Lakewood, CO on his FWS issued computer. ██████████ maintained that he never used his government laptop computer to search for or view pornographic images of any kind; however, he has received inappropriate images sent to him by email. ██████████ admitted that a retired FWS employee by the name of ██████████ has sent him topless images of women via email. ██████████ said that ██████████ email address is ██████████. ██████████ said that ██████████ has never sent him child pornography and that he (██████████) has never viewed child pornography.

██████████ does not know how pornographic images may have found their way into his FWS issued computer (**Attachment 11**).

SUBJECT(S)

██████████
Supervisory Fish Biologist
Jackson Fish Hatchery
U.S. Fish and Wildlife Service
Jackson, WY
██████████
Maintenance Manager

Jackson Fish Hatchery
U.S. Fish and Wildlife Service
Jackson, WY

DISPOSITION

This matter will be referred to the FWS for review of administrative action as deemed necessary.

ATTACHMENTS

1. [REDACTED] email dated November 10, 2009.
2. IAR - CCU Digital Forensic Report, dated February 17, 2010.
3. IAR - Meeting AUSA [REDACTED], dated February 10, 2010.
4. IAR - Conversation with AUSA [REDACTED], dated February 12, 2010.
5. IAR - CCU Digital Forensic Report, dated March 2, 2010.
6. IAR - Student Transcript for [REDACTED], dated February 24, 2010.
7. IAR - Interview of [REDACTED], dated April 1, 2010.
8. IAR - Interview of [REDACTED], dated April 16, 2010.
9. IAR - Interview of [REDACTED], dated April 16, 2010.
10. IAR - Interview of [REDACTED], dated July 18, 2010.
11. IAR - Interview of [REDACTED], dated July 18, 2010.



**OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR**

REPORT OF INVESTIGATION

Case Title [REDACTED]	Case Number OI-NY-09-0231-I
Reporting Office New York Field Office	Report Date October 27, 2011
Report Subject Report of Investigation - [REDACTED]	

SYNOPSIS

In 2009, this office received allegations that [REDACTED] ([REDACTED] [REDACTED]), Gateway National Recreation Area, National Park Service (NPS), had a conflict of interest with a company named Special Projects Management, Inc. (SPMI), which was involved with an NPS-led project named Operation Clean Bay (OCB). Those allegations included that [REDACTED] personally profited from OCB, conducted business for SPMI in his NPS uniform at Floyd Bennett Field (FBF), National Park, received a loan from the principal of SPMI for one of [REDACTED] personally owned vehicles, implied he was a law enforcement official, and was soliciting donations.

The investigation revealed that, among other things, [REDACTED] was listed as a signatory on a SPMI bank account from May 2007 through April 2008, solicited/received donations for SPMI for NPS related projects/events in and around FBF, had \$3,500 in personal car loan payments paid through the SPMI account, conducted business for SPMI after April 2008, utilized vehicles owned by SPMI and/or its' current principal for a period of time to include the period in which OCB was still an ongoing project, and obtained personal loans amounting to approximately \$75,000 from the principal of SPMI during the period of time in which OCB was an active NPS-led project. The investigation revealed that [REDACTED] contact with various local property owners/representatives resulted in SPMI being provided work associated with OCB. The investigation also revealed that contacts [REDACTED] had with the public left some people feeling intimidated. Additionally, we found that the leadership at FBF failed to provide adequate supervision to [REDACTED] and failed to provide adequate oversight of the programs and projects that he was officially involved with.

In June 2010, the United States Attorney's Office – Eastern District of New York declined to prosecute [REDACTED]. We are providing a copy of this report to NPS management for any administrative action deemed appropriate.

Reporting Official/Title [REDACTED] Special Agent	Signature
Approving Official/Title Megan Wallace/ Special Agent in Charge	Signature

Authentication Number: B555CD77FB02A45919B19BB615FD375B

This document is the property of the Department of the Interior, Office of Inspector General (OIG), and may contain information that is protected from disclosure by law. Distribution and reproduction of this document is not authorized without the express written permission of the OIG.

BACKGROUND

Operation Clean Bay and Wright Brothers Fly-In

In 2000, NPS initiated Operation Clean Sweep (OCS) to address the problem of abandoned vessels in Jamaica Bay in FBF. The agencies involved with OCS, in addition to NPS, included the New York City Department of Sanitation (NYCDS), the New York State Department of Environmental Conservation (NYSDEC), the New York Police Department Harbor [Unit], and local community activists. OCS lasted approximately four to six years and was definitively a NPS driven project. Stickers were distributed to derelict vessel owners so that these vessels would eventually be brought to the sea plane ramp at FBF behind Hanger B to be crushed and disposed of by the NYCDS to a landfill. [REDACTED] the then acting assistant superintendent of the Jamaica Bay Unit, which encompassed FBF, among other NPS sites, stated there were no written agreements between the different agencies and entities involved with OCS and problems arose as agencies were not consistent in their involvement (**Attachment 1**).

When [REDACTED] became the assistant superintendent in [REDACTED] he became more involved in the administrative aspect of running the park. [REDACTED] noted that when [REDACTED] became the acting district ranger, [REDACTED] wanted to straighten out the “boat removal thing” and try to do it correctly. [REDACTED] stated that OCB started in the spring of 2008 and was a NPS-led project. [REDACTED] noted that OCB was considered part of the daily responsibilities of the NPS employees that came into contact with OCB. The NPS engaged with NYSDEC, United States Park Police, United States Coast Guard (USCG), United States Army Corps of Engineers and NYCDS to conduct this project (see Attachment 1).

[REDACTED] stated [REDACTED] informed him that cost recovery would be discussed between the NYSDEC and the volunteer salvage company. [REDACTED] stated he could not figure out how the volunteer system worked. [REDACTED] added that he could not tell if these volunteers were working for us [NPS] or the NYSDEC. [REDACTED] added that NPS volunteers do get reimbursed, in certain cases, for expenses like travel or education, but the reimbursements to the volunteer salvage companies involved in OCB did not make sense to him (see Attachment 1).

[REDACTED] ([REDACTED] Supervisory Park Ranger, Gateway National Recreation Area, NPS, stated having law enforcement involved with OCB would prevent the project becoming a place where anyone could abandoned a boat and have it taken care of by the NPS without any retribution. [REDACTED] stated Jamaica Bay was not entirely federal waters. [REDACTED] stated that the state and local agencies involved in OCB had interests beyond Jamaica Bay and therefore the approach of OCB would be to include all the creeks and estuaries that lead into Jamaica Bay. [REDACTED] noted that “what is a city problem today might be mine tomorrow.” [REDACTED] recounted the USCG, the New York Police Department Marine Unit, NYCDEC, New York State District Attorney’s Office, New York City Dock Master Unit, among others, as being part of OCB (**Attachment 2**).

According to [REDACTED] OCB was responsible for the successful removal of 122 vessels [through March 2009]. [REDACTED] stated the NPS did not actually perform the vessel removal, which was done by local boating companies volunteering their time. [REDACTED] stated he viewed the local boating companies as a group volunteering their services and, as such, should have filled out a volunteer form and submitted it to the NPS (See Attachment 2).

██████████ identified the volunteers as ██████████ and ██████████ of White Cap Marine, ██████████ ██████████ of Sea Tow, and ██████████ and ██████████ ██████████ of SPMI. ██████████ stated ██████████ also owned a company named ██████████ that provided services at FBF, on a volunteer basis, for the NPS interpretive event called the Wright Brothers Fly-In in 2007, which had over twenty aircraft appearing at FBF. ██████████ stated that the aforementioned volunteers formed a company called ██████████ so that they “could chase grants as a not-for-profit” (See Attachment 2).

██████████ Marine Enforcement Unit, New York State Environmental Conservation Police, NYSDEC, noted that you just cannot take a boat and dispose of it. There are environmental issues ranging from fluids in the boat to solid waste disposal law. ██████████ explained that the NYSDEC set up a complaint system in which callers can give information about environmental issues. ██████████ stated that callers would call the hotline regarding derelict vessels and then a complaint would be opened on the matter. ██████████ noted that it was mostly ██████████ who would call the hotline about derelict vessel issues. ██████████ noted that if the derelict vessel’s boat owner could be identified, he or she would be contacted and instructed to properly dispose of the vessel. ██████████ stated a consent order was a separate contract between New York State and the boat owner to dispose of the vessel in a legal manner and that he would request a receipt from the boat owner regarding the company utilized to remove the vessel. ██████████ stated SPMI was a company that had the capacity to lift a vessel out of the water and perform the removal of derelict vessels in connection with OCB. ██████████ stated that, in most cases, the boat owners would just ask, “Who do I use?” in connection with boat removal. ██████████ noted that he did not see NPS employees dealing with identified boat owners and/or money to remove derelict vessels. ██████████ highlighted that OCB not only dealt with derelict vessel but also with debris (Attachment 3).

OCB and the Wright Brothers Fly-In, a NPS interpretive event in which various aircraft landed at FBF in 2007, were viewed as successful projects in the local community and well received by the media. One example of the positive local news coverage was an article in the Canarsiecourier.com dated August 14, 2008, entitled, *Polluting Boat Wrecks Being Removed from Jamaica Bay*. The articles stated that , “Since the National Park Service (NPS) launched the program three months ago, 48 boats have been salvaged, including a 25-foot fishing boat and an 18-foot recreational boat last Thursday and a jet ski a few days earlier.” The article also cited Congressman Anthony Weiner’s call for a plan “to crackdown on owners who leave boats in Jamaica Bay by creating a \$25 million federal matching grant program for states and cities to remove abandoned boats that are hazardous to the marine environment” (Attachment 4).

According to ██████████ OCB was temporarily suspended [March 4, 2009] pending the formulization of agreements between the NPS and the other entities participating in the project (See Attachment 2) (Attachment 5).

DETAILS OF INVESTIGATION

In January 2009, ██████████ (██████████ retired sea captain, contacted the DOI-OIG and alleged that ██████████ was running “Operation Clean Bay.” ██████████ stated that ██████████ told him that any boats recovered in the operation, that could be identified, would be fined and that the companies that helped in said cleanup would receive a portion of the fines. ██████████ explained that the cleanup was expensive and that a portion of these fines would help defray the cost of participating

in the operation. [REDACTED] stated [REDACTED] told him at one point that the fines levied against the owners of abandoned boats went to SPMI and he became agitated at this as [REDACTED] told him that a portion of the fines would be given to him to offset his costs of volunteering for OCB (**Attachment 6**).

[REDACTED] stated he, along with the local boating companies, decided to form a company named [REDACTED]. [REDACTED] stated it was [REDACTED] who suggested designating the ETO as a not-for-profit organization so that the organization could possibly receive government grants on future projects. [REDACTED] stated [REDACTED] started SPMI five or six years ago with a person named [REDACTED] and that [REDACTED] was the current [REDACTED] of SPMI. [REDACTED] presented to the DOI-OIG [REDACTED] NPS business card containing [REDACTED] telephone number on it, and a Courier Life newspaper advertisement regarding OCB in which that same telephone number [(XXX) XXX-XXXX] appeared under the name SPMI. [REDACTED] stated "something did not smell right" with SPMI (See Attachment 6) (**Attachments 7 & 8**).

In furtherance of this notion, [REDACTED] stated [REDACTED] asked him, on behalf of SPMI, to become an overnight security guard for a movie company utilizing a hangar at FBF for a film involving Danny DeVito [Charlotte Productions][August 2008]. [REDACTED] stated the movie company was paying SPMI for "security, catering and everything else," and opined it was through [REDACTED] assignment as liaison to the movie company that [REDACTED] was able to secure such an arrangement (See Attachment 6).

[REDACTED] stated that [REDACTED] in his NPS uniform at FBF, handed him a check numbered [REDACTED], in the amount of \$500.00, dated September 17, 2008, written against a SPMI's account at Chase Bank to cover expenses related to OCB. [REDACTED] stated [REDACTED] also gave a SPMI check to [REDACTED] that same day for the same amount (See Attachment 6) (**Attachment 9**).

[REDACTED] stated [REDACTED] went to [REDACTED] Port Sheepshead Marina, Brooklyn, New York, to ask them for a \$300 donation to SPMI in exchange for negating a fine on one of [REDACTED] abandoned boats (See Attachment 6).

Additionally, [REDACTED] supplied the DOI-OIG with photographs of [REDACTED] at a job site associated with the cleanup of the waterway behind Avenue U in Brooklyn, New York, the site of a new Lowes store. [REDACTED] indicated one of the photographs was taken on Tuesday, January 27, 2009, in which it appears [REDACTED] was at the job-site in his NPS uniform (See Attachment 6) (**Attachment 10**).

[REDACTED] based in Brooklyn, New York, was interviewed regarding this matter. [REDACTED] stated [REDACTED] would ask him to volunteer his time and then promised him that the next time his services were needed he would be paid. [REDACTED] stated, "He led me to believe that there will be work down the road." [REDACTED] added that [REDACTED] asked [REDACTED] for a \$10,000 loan, as well as free lodging at one of [REDACTED] properties. Both requests were denied. [REDACTED] stated [REDACTED] was associated with every project at the park [FBF] and [REDACTED] as a NPS employee, had a definitive conflict of interest because of [REDACTED] association with SPMI. [REDACTED] believed [REDACTED] had an interest in SPMI and that SPMI's address was the same as [REDACTED]. [REDACTED] highlighted that [REDACTED] was "always in uniform," and "implies he is law enforcement and walks around with a radio." [REDACTED] opined that to the untrained eye [REDACTED] could fool people into believing that he had some sort of law enforcement power by the way he carried himself (**Attachment 11**).

[REDACTED] noted at that one point [REDACTED] delivered light towers to FBF for the Wright Brothers Fly-In event, which he accepted on [REDACTED] behalf. [REDACTED] provided the DOI-OIG with [REDACTED] "Rental Out Contract" dated September 7, 2007, in which SPMI was identified as the customer and

██████████ as the person who ordered the equipment. The aforementioned document also identified ██████████ ██████████ as the contact person and to call ██████████ FOR FURTHER DIRECTION.” A copy of ██████████ personal check made payable to ██████████, a company affiliated with ██████████ received by the DOI-OIG from ██████████ listed ██████████ telephone number as XXX-XXX-██████████ (Attachments 12, 13, 14, & 15).

██████████ ██████████ based in Brooklyn, New York, was interviewed regarding this matter. ██████████ stated he met ██████████ through a person named ██████████ at ██████████ [in Brooklyn, New York], in May 2007. ██████████ stated he participated in the cleanup of derelict boats in the Jamaica Bay area for approximately two years. ██████████ explained ██████████ asked him to remove one boat from the area and then it developed into numerous boats. ██████████ stated ██████████ was “always in uniform” and always seeking donations. ██████████ added that ██████████ “shakes people down.” ██████████ explained that SPMI was now owned by ██████████ [██████████ and that ██████████ was still closely tied to the company (See Attachment 12). ██████████ stated ██████████ told him that ██████████ loaned ██████████ the money to pay off ██████████ ██████████]. ██████████ also stated that he heard ██████████ had received money in connection with a non-NPS salvage job SPMI serviced at the Lowe’s property in the Mill Basin section of Brooklyn, New York (Attachments 16 & 17).

██████████ ██████████ a boating company based in Brooklyn, New York, was interviewed regarding this matter. ██████████ opined that ██████████ received the Lowe’s job [in the Mill Basin section of Brooklyn, New York] through ██████████ intervention and that ██████████ had an ██████████ interest in ██████████ ██████████ stated that ██████████ handed him ██████████ check numbered ██████████ in the amount of ██████████ while in uniform at FBF [in September 2008]. ██████████ stated that up until this point he thought special projects management was a NPS project as opposed to a real company. ██████████ stated that whenever he heard ██████████ talk about special projects management ██████████ always said “we.” It was only when ██████████ handed him the ██████████ check that ██████████ realized special projects management was a company and not part of a government program (Attachment 18).

The DOI-OIG also received a facsimile of a letter addressed to ██████████ from ██████████ dated March 1, 2009. The letter described, among other things, various actions attributed to ██████████ in connection with the West Indian cooking party which took place at FBF in 2008. The letter stated, in describing the cleanup of FBF the day after the event, “He [██████████] took pictures of the people how {sic} were cleaning up the ground the next day. He had the Balls {sic} to ask those workers for their residence paper or their passports.” The aforementioned letter went on to describe ██████████ as a “Hitler” and alleged that ██████████ “took the boats out of the water because he [██████████] and his buddies are making a profit out of it” (Attachment 19).

██████████ Personnel Folder

A review of ██████████ personnel folder contained, among other things, a certificate signed by ██████████ on April 7, 2006, regarding compliance with DOI regulations governing Employee Responsibilities and Conduct (43 CFR Part 20). ██████████ personnel folder also contained copies of affidavits signed by the Board Members of the ██████████ to include ██████████ ██████████ ██████████ ██████████ as well as letters of support regarding allegations made by ██████████ against ██████████. The letters of support cite the ETO, SPMI and ██████████ as having a “distinguished record of service and have given significant time, money and resources in the effort to improve the environment and community.” These affidavits cited the community service and civic responsibility of the principals of SPMI and stated, among other things, that “██████████ has no

relationship with SPMI.” These affidavits also stated that “SPMI’s business activities have no connection to ETO or NPS” (**Attachments 20, 21, 22 & 23**).

██████████ allegations against ██████████ communicated to the NPS in late February 2009 sparked a number of civil suits between these parties. ██████████ supplied the DOI-OIG with a copy of an Affidavit of Merit with ██████████ name on it in which ██████████ described himself as a Park Ranger for the NPS. The aforementioned affidavit, related to Index No. 60247/2009, White Cap Marine Rescue Services, Inc., Plaintiff, against SPMI, Defendant, in the Civil Court of the City of New York, County of Kings, stated that, “As a Park Ranger, I am prohibited from having any interest in entities that work in conjunction with the National Parks Service” (See Attachment 20) (**Attachments 24, 25 & 26**).

██████████ and his relationship with SPMI and its’ principals

The State of New York, Department of State – Corporations Division, provided certified copies of the certificate of incorporation of SPMI, in response to a Department of the Interior – Office of Inspector General (DOI-OIG) subpoena duces tecum. According to the aforementioned documents, ██████████ was incorporated in the State of New York on April 30, 2007, and listed ██████████ ██████████ ██████████ as the corporate address. (*Agent’s Note:* ██████████ ██████████ ██████████) The documents revealed that a certificate of change of the certificate of incorporation was filed on November 7, 2008, with the corporate address being ██████████ ██████████. The certificate of change document identified ██████████ as the ██████████ (See Attachment 20) (**Attachments 27, 28, 29 & 30**).

The DOI-OIG received the banking information of SPMI, in response to a DOI-OIG subpoena duces tecum, from JP Morgan Chase Bank, to include, among other things, bank statements and copies of checks and deposits for the accounts numbered ██████████. The aforementioned bank records revealed that the first activity in the SPMI bank account numbered ██████████ was on May 7, 2007. The signature card for this account listed ██████████ as president and ██████████ as vice president. On April 24, 2008, ██████████ name was removed as a signatory on this account, replaced by ██████████. The address appearing on the SPMI bank statements was ██████████ ██████████, for the period May 7, 2007, through February 29, 2008, when it changed to another address. On May 15, 2008, the SPMI bank account numbered ██████████ had its’ first transaction (**Attachments 31, 32, 33, & 34**).

██████████ was interviewed regarding this matter and stated SPMI was started in 2006, but was incorporated in the State of New York in May or June 2007. ██████████ explained that it was ██████████ idea to start SPMI and ██████████ agreed to the title of vice-president of SPMI. The reason for the incorporation was that donations to SPMI for the air show [Wright Brothers Fly-In] or cleanup projects in the Brooklyn, New York area received by ██████████ and ██████████ could not be deposited into their personal accounts. ██████████ highlighted that the business plan was to associate SPMI with various projects in the area to get a good name for the company, as well as to build a network of companies it could draw upon for services when needed on future for-profit projects. ██████████ noted that all the money collected by SPMI to assist in the “Fly-In” project at FBF, as well as cleanup projects were collected with the hope of making SPMI a profitable venture in the future. ██████████ stated he organized a luncheon at a local restaurant [date unknown] to discuss SPMI’s future plans with ██████████ in attendance. ██████████ also stated that he wrote a letter to the NPS explaining what SPMI intended to do and the local cleanup projects that the company was undertaking (**Attachment 35**). (*Agent’s note:* A

copy of this letter has never been produced by the NPS.)

█████ stated the company was put in his name as █████ was worried about a conflict of interest with his employment with NPS, but █████ failed to see this as a conflict of interest. █████ stated that █████ received all the SPMI bank statements at █████ home located at █████ █████ New York, as █████ address was also SPMI's address. █████ added that he had never lived at the address listed above and was living in New Jersey during the time SPMI started until the present. █████ stated that there was no written agreement in place between him and █████ and that the company's profits were to be split in equal portions for both himself and █████. █████ added that █████ did not draw a salary from SPMI as the company was new and was not profitable, however, █████ did withdraw money from the account through ATM withdrawals to pay for personal expenses (See Attachment 35) (**Attachment 36**).

█████ stated that the SPMI account at JPMorgan Chase had two debit cards issued with it: one card was issued to him and the other card issued to █████. According to █████ he used the debit card only when necessary and never purchased gasoline in New York. █████ specified that █████ did not have access to his █████ debit card and that said debit cards would have included the name of the individual on the card itself and possibly the name of the company. █████ did not know what card number was his but eventually identified his card number ending in █████ and █████ debit card ending in █████, based upon the bank activity the participating agents displayed to him (See Attachment 35).

█████ identified transactions with JetBlue and Garretts Clock Sale, using the debit card ending in █████ as not being made by him and therefore must have been made by █████. Upon reviewing the debit card purchases for the card ending in the number █████, █████ was moved to say that the card was █████ "personal gas card apparently." █████ also remembered that █████ did go to Florida in 2007. █████ noted, given the bank activity showed to him by the participating agents that █████ benefitted from the creation of SPMI, while he did not. █████ also noted that all the money that left the account was to pay someone or to █████ (See Attachment 35). (*Agent's note: A review of the SPMI bank account numbered █████ at the JPMorgan Chase Bank revealed that the debit card ending in █████ was used 113 times during the existence of this account, approximately one year's time, for a variety of purchases and ATM withdrawals amounting to \$21,121.78. Of that \$21,121.78, there was a transaction with JetBlue (\$374.60) in August 2007, along with various purchases made in Florida (\$233.69) in September 2007, as well as \$1,778.04 in gas purchases (37 times) and \$5,905.84 in hotel room charges associated with pilots for the Fly-In (See Attachment 33)(Attachment 37).*)

The investigation obtained two receipts from the █████ restaurant located in Brooklyn, New York, in which the debit card ending in █████ was used on April 18, 2008, and April 21, 2008, amounting to \$240 and \$200, respectively. █████ of █████ restaurant, stated that █████ had come in for dinner with █████ a friend of █████ (**Attachments 38, 39 & 40**).

█████ JPMorgan Chase Bank, was interviewed regarding the issuance of debit cards associated with SPMI's bank accounts at the aforementioned institution. █████ stated that debit cards were issued to the following persons relative to SPMI's account numbered █████ (**Attachment 41**):

Debit Card Number	Issued to	Issue Date	Activate Date	Closed Date
█████	█████	█████	█████	█████

Debit Card Number	Issued to	Issue Date	Activate Date	Closed Date
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED] stated that if the debit card did not have an activate date then she assumed it was activated on the date of issue (See Attachment 41).

[REDACTED] reviewed copies of cancelled SPMI checks and stated he knew [REDACTED] was writing checks out and recalled signing blank checks at the request of [REDACTED]. [REDACTED] noticed two SPMI checks made payable to Ford Credit, numbered [REDACTED], in the amounts of \$1,500 and \$2,000, respectively. The checks' dates were within a week of each other in July 2007 and [REDACTED] grew angry as to the closeness of the payments to Ford Credit. [REDACTED] stated that the check numbered [REDACTED] was filled out in [REDACTED] handwriting, but signed by [REDACTED]. [REDACTED] added that the aforementioned checks were for a vehicle registered to [REDACTED] not to SPMI (See Attachment 35) (**Attachment 42**). (*Agent's note: The aforementioned check numbered [REDACTED] included a handwritten note on its face that read, "[REDACTED]" and the memorandum section of the check read, "[REDACTED]." The aforementioned check numbered [REDACTED] included a handwritten note on its face that read, "[REDACTED]." A Vehicle Title Record obtained from the State of New York, Department of Motor Vehicles, revealed that [REDACTED] was the [REDACTED] of a 2006 Ford [REDACTED] from August 23, 2006, through February 13, 2008 (Attachment 43).*)

[REDACTED] added there were several other SPMI checks that were filled out by [REDACTED] but signed by [REDACTED]. SPMI checks numbered [REDACTED]. [REDACTED] stated that most of the deposits into the SPMI bank account [REDACTED] were donations for either a beach cleanup or the air show at FBF and noted that numerous landscaping businesses wrote checks to SPMI in connection with these projects. [REDACTED] stated he did not want to be involved anymore with SPMI as he felt as if he owed all of these businesses who had donated money and wanted instant gratification in the form of jobs generated by SPMI projects. [REDACTED] explained that [REDACTED] kept focusing on the disposal of boats as projects for SPMI and [REDACTED] disagreed with that direction. [REDACTED] characterized [REDACTED] to be "out of control," with regard to his focus on the removal of boats from the local waterways. [REDACTED] stated that he separated himself from SPMI in January 2008 because he did not like the direction that the company was going in. (*Agent's note: [REDACTED] for Art + Commerce stated that a person named [REDACTED] from SPMI gave him a price estimate and an invoice for services SPMI provided at a FBF photo shoot in April 2008.*) (See Attachments 35 & 36) (**Attachments 44 & 45**)

[REDACTED] was interviewed three times during this investigation: November 2, 2009; November 29, 2010; and February 1, 2011. In the initial interview, [REDACTED] stated he started speaking about the concept of SPMI at [REDACTED] in 2005 or 2006. [REDACTED] stated he never knew SPMI was incorporated using his address and that he never received any money or compensation from SPMI. [REDACTED] stated he was not issued a debit card associated with a SPMI bank account and he did not receive SPMI bank statements at his apartment. When shown a copy of the signature card associated with the SPMI checking account numbered [REDACTED], [REDACTED] confirmed his signature and his social security number, but did not recall signing it. [REDACTED] stated he could have made deposits, but "I'm not sure." If he did make deposits for SPMI, he did so "as a favor." Ultimately, [REDACTED] position on making deposits for SPMI was "I don't recall" (See Attachment 37).

In later interviews, ██████ stated that he did have knowledge of SPMI's bank account and that in his previous interview he was confused. ██████ confirmed he was an officer of SPMI at the time of the 2007 Fly-In event. ██████ stated he had a mission to accomplish and added that the NPS did not have a process with which to make payments to successfully operate the 2007 Fly-In event at FBF. ██████ stated he does not recall ever using a SPMI debit card in his name and did not use the SPMI debit card in his name to purchase airline ticket for him to go to Florida in 2007, but he did use those tickets to go to Florida in 2007. ██████ stated that his handwriting appeared on, among other items, SPMI checks numbered ██████ as well as on SPMI deposit slips dated ██████ to include endorsing the associated checks made payable to SPMI (**Attachments 46, 47, 48 & 49**).

██████ estimated he removed himself as an owner of SPMI by the end of August 2007 and remembered signing a piece of paper in a black stock binder. (*Agent's note: the State of New York certificate of change regarding SPMI's ██████ was filed November 7, 2008 (See Attachment 30).*) ██████ stated that "because of negligence, I didn't realize that there was a company started as Special Projects Management." ██████ in his interviews with the DOI-OIG, stated he met ██████ in 2006 or 2007 at FBF and took over ██████ interest in SPMI in 2007. ██████ described ██████ as always being in the middle of everything and a "fly in the ointment." ██████ stated the reason ██████ wanted to leave SPMI was due to a conflict of interest that ██████ believed he had by working at NPS while having an ownership interest in SPMI. ██████ stated he gained an ownership interest in SPMI when ██████ left and he came in, with the remaining percentage being held by ██████ ██████ stated he did not pay any money to gain this ownership interest, other than paying for taxes and legal fees associated with the company to date. ██████ added that ██████ left after a while and ██████ took his place for a brief period of time before leaving the company as well. ██████ added that when ██████ left, ██████ became the sole owner of the company. ██████ stated that SPMI, under ██████ would benefit from the work that SPMI had under ██████ ownership. ██████ agreed that SPMI's projects were all generated through a connection with ██████ FBF, and NPS (See Attachment 46 & 48) (**Attachments 50, 51, 52 & 53**).

██████ two other companies in addition to SPMI, as well as having a full-time job which required extensive traveling. ██████ therefore could not keep control of SPMI on a daily basis. To that end, ██████ was introduced to ██████ by ██████ at FBF in connection with removing boats from the local waterways and asked ██████ in early 2008, to manage the company. ██████ described himself as being "ignorant" by not keeping control of SPMI and by delegating those duties to ██████ ██████ also described his role as an owner who just showed up to meet SPMI clients briefly before leaving the scene. ██████ highlighted the reason he owned several companies was the hope that one of these companies would become successful enough to make him rich (See Attachment 50).

Allegation of conducting business for SPMI

- ██████ **distributing SPMI checks at FBF**

Regarding SPMI checks numbered ██████, made payable to ██████ and ██████ respectively, both dated September 17, 2008, both in the amount of \$500, ██████ denied passing these checks to them while in his uniform at FBF. ██████ stated he did not remember filling out the pay to the order of section of these checks, but confirmed that the sections of these checks were his handwriting. ██████ opined that check numbered ██████ might have been a reimbursement for fuel.

█ definitively stated, "I did not distribute checks." █ explained that █ and █ distributed checks in connection with OCB (See Attachment 51). █ highlighted that he considered OCB to clearly be divided between taskforce members comprised of Federal, State and Local authorities and OCB volunteers consisting of various individuals and their respective companies. █ agreed that OCB was a NPS-led project and that he, as part of his NPS employment at FBF, was assigned to work on this project (See Attachments 33 & 46) (**Attachment 54**).

Regarding SPMI check numbered █ in the amount of \$1,000, dated January 13, 2009, made payable to Sea Tow, alleged by █ to have been given to him by █ while in uniform at the FBF, █ stated he was not sure when asked if he had passed this check to the recipient, █ in his NPS uniform at FBF (**Attachments 55 & 56**) (See Attachment 33 & 46).

- **SPMI job with Charlotte Production at FBF**

█ Charlotte Productions LLC (CPLLC), was interviewed regarding this matter. █ stated he was the location manager for CPLLC at FBF, NPS, located in Brooklyn, New York, for a film entitled, *The True Confessions of Charlotte Doyle*. █ met █ for the first time on July 25, 2008. █ needed the use of the runways, a hangar at FBF, as well as catering, tents, bathrooms and security. █ added that the NPS agreed to have a park ranger on the work site during the day and to have a non-NPS security guard at night.

█ stated that █ introduced him to █ on the very first day of scouting at FBF by saying, "This is a friend of mine doing a lot of work on the property." █ stated that █ and █ were clearly friends, but that did not bother him in the least. █ decided to use SPMI based solely on cost. SPMI was charging him approximately \$12 per hour [for overnight security] and █ did not get involved with SPMI's bids. █ noted █ did call him once and asked █ to hurry in getting the SPMI security guards paid and added that he did not think █ was associated with SPMI, but something did seem "hinky" (**Attachment 57**).

█ Quentin Auto Center, Brooklyn, New York, was interviewed regarding this matter and stated he was employed as a security guard at FBF, NPS, in August or September 2008, his shift was 5:00PM to 5:00AM, and his responsibility was to patrol the airstrip, one of the hangars at FBF, guard supplies, etc. in connection with a movie shoot taking place at FBF involving Danny DeVito [the CPLLC film shoot]. █ stated he was hired by █ for this position, he did not fill out an application with the NPS nor any paperwork associated with this employment, he took his instructions regarding this employment from █ and that █ provided him with the walkie-talkie, the white van, and determined his pay, which was \$10 per hour or \$120 per night. █ noted █ determined his work schedule, paid him in cash for his security guard work and also provided him with cash to purchase gasoline for the white van █ used. █ had no interaction with other NPS employees at FBF other than █ (**Attachment 58**).

█ was interviewed regarding this matter and stated he worked as a part time █ at FBF in August 2008, he did not fill out a NPS volunteer form, nor did he fill out any type of employment form. █ stated █ was the only person involved in the hiring process beyond his mother's initial suggestion that he call █ for part time security work. █ believed he was working for █ and explained █ determined the shift that he (█ would be working, gave him a flashlight, instructed him on his duties to be performed, set his pay rate and paid him each day. █ mostly worked midnights watching film production equipment being

used to shoot a movie at FBF and was paid by [REDACTED] each morning in cash. [REDACTED] said that he worked the 4pm -12 midnight shift on several occasions (**Attachment 59**).

[REDACTED] stated he did not introduce [REDACTED] of CPLLC to [REDACTED] and added SPMI cleaned up hangars 1 and 4 at FBF, provided tents, trailers and overnight security in connection with the aforementioned film shoot. When asked if he hired the overnight security on behalf of SPMI, [REDACTED] replied that he asked [REDACTED] to hire [REDACTED] [REDACTED] to be an overnight security guard at FBF in connection with the film shoot. [REDACTED] explained that [REDACTED] and his [REDACTED] asked [REDACTED] if he could help find their [REDACTED] a job. [REDACTED] stated he provided [REDACTED] with a van and on a couple of occasions told [REDACTED] when to report for work in connection with the abovementioned film. [REDACTED] stated he never paid [REDACTED] in cash and that he was reimbursed by SPMI for [REDACTED] pay in cash. [REDACTED] stated [REDACTED] was hired by [REDACTED] and was not sure if he told [REDACTED] when to report for overnight security duty at FBF. [REDACTED] stated he did provide [REDACTED] with a flashlight for the nightshift and paid [REDACTED] in cash twice on behalf of [REDACTED] with both times being reimbursed by SPMI for the money he paid out. When asked why [REDACTED] did not pay [REDACTED] directly, [REDACTED] stated [REDACTED] was out of town at the time and asked [REDACTED] to do him a favor (See Attachment 48).

Bank records obtained during this investigation revealed that SPMI received \$113,149.70 from CPLLC for the abovementioned jobs in August and September 2008 (**Attachment 60**).

- **SPMI job with Art+Commerce at FBF**

[REDACTED] Art+Commerce (A+C) and [REDACTED] [REDACTED] KCD Worldwide, were interviewed regarding this matter. [REDACTED] was employed by A+C as a [REDACTED] manager from April 2007 until January 2009. [REDACTED] stated A+C used FBF for the Belstaff photo shoot at FBF on April 3rd and 4th, 2008 and hired SPMI provided security for the equipment left overnight in one of the hangars. [REDACTED] stated this is where she met [REDACTED] and thought that [REDACTED] introduced her to SPMI. [REDACTED] noted the second A+C photo shoot at FBF was from April 21 to April 23, 2008. [REDACTED] and [REDACTED] both stated that SPMI was not known in their industry prior to the Belstaff photo shoot. [REDACTED] stated that [REDACTED] recommended a company named SPMI to provide [REDACTED] with services for the photo shoot to include tents, tables, chairs, generators, and lighting for the tents and that [REDACTED] was not there to do the work. [REDACTED] stated that a person named [REDACTED] from SPMI gave him a price estimate and invoice for the job and noted that [REDACTED] may have also provided him with a ballpark estimate for the cost of the job. [REDACTED] recalled that [REDACTED] and [REDACTED] were in communication with one another. [REDACTED] noted that after the photo shoot, [REDACTED] would call him at random to see if he wanted to use FBF for another photo shoot. [REDACTED] stated that SPMI was very efficient, provided good service and would consider using them again. [REDACTED] characterized [REDACTED] as being very helpful (See Attachment 44) (**Attachment 61**).

[REDACTED] stated that during his time at SPMI, the company had only one project, a photo shoot, at FBF. [REDACTED] stated that SPMI was hired by an advertising agency to provide equipment and security for a photo shoot. [REDACTED] stated that [REDACTED] hired a person to provide security for the photo shoot. [REDACTED] stated that it was this job, the only for-profit project that SPMI had during his involvement with the company, which created a conflict of interest for [REDACTED] [REDACTED] explained that [REDACTED] was the person "in the field" and he had to be on the ground at FBF to service the client and represent SPMI when equipment from vendors was delivered. [REDACTED] stated that [REDACTED] left SPMI by removing himself as a signatory on the abovementioned SPMI bank account (See Attachment 43). (*Agent's note:* [REDACTED] name was removed as a signatory of SPMI's bank account on April 24,

2008 (See Attachment 34.) ██████ stated that ██████ agreed with the concept that a for-profit job at FBF, as well as doing business with NPS created a conflict of interest for him as a NPS employee (See Attachments 35 & 36).

██████ stated he did not remember anything about an April 2008 photo shoot at FBF involving A+C. Bank records obtained during this investigation revealed that SPMI received \$8,816.00 from A+C for the abovementioned jobs in April 2008 (See Attachment 48) (**Attachment 62**).

Allegation of solicitation of donations

██████ was shown a sheet of paper entitled, *2007 North Shore District, Donations and Recycling*, taken from NPS files at FBF. ██████ agreed that the initials ██████ appearing in the last column on the sheet entitled *Init.*, represent ██████ (*Agent's note: a total of seventeen donations amounting to \$45,950 were listed on this sheet with the initials ██████ marked next to them.*) ██████ stated that the donations on this list associated with ██████ were all made by check made payable to NPS and thought that these donations were related to the upcoming Fly-In event at FBF in 2007. ██████ stated he told ██████ that he could not solicit donations from people for this event, for the NPS or on behalf of anyone. ██████ spoke with ██████ regarding this matter after the first initial donor checks were received by NPS in April 2007 (**Attachments 63 & 64**).

██████ stated that when he wore his NPS uniform, he represented the NPS and that a NPS employee could not solicit donations from visitors at the park or local businesses in the vicinity of the park. ██████ added that an NPS employee could not even buy cigarettes while in his/her NPS uniform because of how that would look. ██████ highlighted that the use of the NPS uniform was contained in an NPS manual, but was unable to cite a specific section. ██████ noted that ██████ did wear the uniform well (See Attachment 64).

██████ stated NPS employees are not supposed to solicit donations and did not know if soliciting donations was addressed in NPS policy or not, but ethically a NPS employee was not supposed to do this. ██████ noted that it should be commonly known and it's one of those "understood things." ██████ noted that by doing so, one was infringing upon someone's rights. ██████ stated that he never gave ██████ or ██████ instructions to solicit donations for OCB, nor was it NPS policy or part of NPS guidelines to solicit donations from local businesses in the community for the NPS or for the volunteers of OCB. ██████ stated that when he was wearing a NPS uniform he was representing the NPS (See Attachment 1).

██████ stated, during his first interview, "I can't ask for donations" (See Attachment 37).

Donation – Fillmore Real Estate

██████ ██████ Fillmore Real Estate (Fillmore), located in Brooklyn, New York, was interviewed regarding this matter. ██████ stated that ██████ visited the offices of Fillmore twice asking for financial assistance with local cleanup projects, but did not remember him appearing in uniform. ██████ stated ██████ told her that he was the head of the Parks Department and promised her that ██████ would receive twenty-six weeks of media coverage for a donation. ██████ also promised to tell everyone about Fillmore. (*Agent's Note: Fillmore provided a copy of a \$500 check made payable to SPMI and dated May 7, 2007. Fillmore provided SA ██████ with the backup documentation to the Fillmore check numbered ██████ to include handwritten notes stating, "For ██████ ██████ and "Make check payable to Special Project Management*

Inc.” and “Fo {sic} 26 weeks media coverage.” The backup documentation also contained a copy of [REDACTED] NPS business card which read, “[REDACTED] – Operations & Special Projects.” The backup document lists Marine Park, Mill Basin and Gerritsen Beach as the cleanup projects.) (Attachments 65, 66 & 67)

[REDACTED] stated [REDACTED] told her to make the [REDACTED] check numbered [REDACTED] in the amount of \$500, payable to SPMI. [REDACTED] handed the aforementioned check to [REDACTED]. [REDACTED] stated she never spoke with or interacted with any other member of [REDACTED]. Bank records obtained during this investigation show the aforementioned check numbered [REDACTED] deposited into the SPMI account numbered [REDACTED] on May 11, 2007 (See Attachment 65) (Attachment 68).

[REDACTED] stated he did not solicit money from [REDACTED] and added that the representative from [REDACTED] met with [REDACTED] at a community meeting to discuss helping out with local projects. [REDACTED] stated that he did not pick up a check from [REDACTED] made payable to SPMI. [REDACTED] stated he did give a representative of Fillmore his NPS business card (See Attachment 51). [REDACTED] was shown a copy of a NPS business card with his name on it with his title being “[REDACTED] [REDACTED]” [REDACTED] acknowledged that his official title was [REDACTED]. [REDACTED] added that every [REDACTED] has a business card with the title “[REDACTED]” on it. [REDACTED] was unaware if [REDACTED] approved of the writing on [REDACTED] business card (See Attachment 46 & 48).

Donations – Landscapers

[REDACTED] stated landscaping companies need to be issued a special use permit for dumping grass, woodchips, and leaves onto FBF. After 2006, landscapers dumping their product at FBF were told they could no longer do so due to NPS’s inability to oversee the dumping and now have an arrangement with the United States Marine Corps (USMC) at FBF. [REDACTED] stated he did not know if [REDACTED] was instrumental in creating an arrangement between the USMC and the landscapers, but if he was then [REDACTED] should have informed [REDACTED] to that effect. [REDACTED] highlighted that [REDACTED] was “tight” with the USMC personnel at FBF (See Attachment 63).

[REDACTED] located in Brooklyn, New York, was interviewed regarding this matter and stated [REDACTED] asked the company to help out with OCB. [REDACTED] stated that his company donated time, equipment and money to the project by crushing some boats and loaded containers with crushed boats. [REDACTED] described [REDACTED] as a very serious, hardworking person and opined that [REDACTED] as a government employee did not step over any boundary (Attachment 69).

[REDACTED] a landscaping business located in Brooklyn, New York, was interviewed regarding this matter and stated that, in 2007, [REDACTED] started to exert his authority by restricting the days and hours in which the landscapers could dump their product and eventually directed him to start dumping his product where the Marines were located at FBF. [REDACTED] grew worried that the arrangement for dumping product at FBF would come to an end. [REDACTED] stated that, in 2007, [REDACTED] started asking [REDACTED] to donate money to [REDACTED] and initially, he thought it was some sort of program like the Toys for Tots program. (*Agent’s note: According to its website, www.toysfortots.org, the United States Marine Corps Reserves Toys for Tots Program distributes new, unwrapped toys to local needy children.*) [REDACTED] stated he never dealt with anyone at SPMI, but wrote out checks made payable to SPMI and handed these checks to [REDACTED] because he did not want his arrangement of dumping his product at FBF to end. The

arrangement was that [REDACTED] would write checks as specified by [REDACTED] and the other landscapers would do their part by transporting the product all around FBF when it finally became compost. [REDACTED] stated he never mentioned this matter with [REDACTED] or any other NPS personnel and characterized [REDACTED] as a "sweet kid" and "book smart," but not street smart like [REDACTED] was (**Attachment 70**).

[REDACTED] initialed and dated the copies of the checks he had written to SPMI at [REDACTED] request. [REDACTED] stated he wrote the checks [REDACTED] made payable to SPMI in the amounts of \$500, \$500, \$1,000, and \$2,500, respectively, and dated September 23, 2007; July 24, 2007; July 18, 2007; and August 5, 2008; respectively, at [REDACTED] direction (**Attachment 71**).

When shown a copy of the abovementioned check numbered [REDACTED] stated he did endorse and deposit this check and added, regarding this check, that he "never asked him [REDACTED] for a penny." Regarding the abovementioned check numbered [REDACTED], [REDACTED] stated he did not endorse this check, but he did deposit it and fill out the accompanying deposit slip dated August 6, 2008, in the amount of \$3,000. Regarding the abovementioned check numbered [REDACTED], [REDACTED] stated he did not endorse this check. Bank records show that the abovementioned checks were deposited into the bank accounts of SPMI (See Attachment 48) (**Attachment 72**).

[REDACTED] stated he was instrumental in providing local landscapers, such as [REDACTED] access to the USMC portion of FBF beginning in 2006 or early 2007 when the landscapers were no longer being issued special use permits by the NPS. [REDACTED] stated he acted as a liaison between the USMC Major at FBF and the local landscapers and added that [REDACTED] was present at the negotiations between the USMC and the local landscapers. [REDACTED] highlighted that there was an agreement in the form of a MOU between these local landscapers and the USMC (See Attachment 48).

[REDACTED] USMC, was interviewed regarding this matter. [REDACTED] stated that, in the summer of 2007, she met with [REDACTED] ([REDACTED] regarding the clearing of a wooded area of the USMC base at FBF. [REDACTED] noted that [REDACTED] introduced [REDACTED] to [REDACTED] [REDACTED] thought that [REDACTED] had signed a memorandum of understanding (MOU) or a hold harmless agreement with the USMC to clean the property in exchange for bringing leaves and grass onto the base (**Attachment 73**).

[REDACTED] USMC, was interviewed regarding this matter. [REDACTED] stated that the previous COs, [REDACTED], and [REDACTED], agreed to have [REDACTED] coordinate the use of a portion of the USMC base at FBF for dumping leaves and grass by local landscaping companies, as well as dumping dirt from a construction site by a local trucking company. [REDACTED] stated he met with [REDACTED] when [REDACTED] took over the command of the base, to understand the agreement [REDACTED] had with the previous CO, as well as the local for-profit companies. [REDACTED] was unable to locate a MOU on this matter. [REDACTED] stated that [REDACTED] explanation of the arrangement to use a portion of the USMC base made him uncomfortable. [REDACTED] asked [REDACTED] whom would be held responsible if anything went wrong during the dumping process or the clearing of the fence line process and [REDACTED] responded, "Me, [REDACTED]." [REDACTED] also asked [REDACTED] if this was a NPS project and [REDACTED] responded, "No." [REDACTED] stated he did not like the abovementioned arrangement the previous CO had made with [REDACTED] and terminated the arrangement (**Attachment 74**).

Other Donations

██████████ Billy Mobile Marine Service, Inc.; ██████████
██████████ Star Cruiser Transportation, Inc.; ██████████ ██████████ Mill Basin Camp Inc.;
██████████ ██████████ Community Board 15, Brooklyn, New York; ██████████
██████████ Best Western Brooklyn Bay (BWBB); and ██████████
██████████ Picture Farm Productions (PFP); were all interviewed regarding this matter.
██████████ all stated that they handed their donation checks
to ██████████ and that these checks were made payable to SPMI at the behest of ██████████ Their
donation checks were \$500, \$650, \$1,000 & \$1,500, \$600, \$2,500 & \$1,000, and \$500, respectively,
and dated May 12, 2007; May 31, 2007; December 4, 2008 & December 4, 2008; June 17, 2008;
August 6, 2008 & October 17, 2008; and July 29, 2008; respectively. ██████████ was unsure if ██████████
was in his uniform when he handed the check to ██████████ ██████████ stated ██████████ was in his uniform
when she handed him the donation check. ██████████ and ██████████ both stated they handed their
checks to ██████████ at FBF. ██████████ wrote two checks made payable to SPMI, one from his business
and the other from his personal account, in the amounts of \$1,000 and \$1,500, respectively, with both
checks dated December 4, 2008. ██████████ stated he handed his donation checks to ██████████ but that
██████████ was with ██████████ and that ██████████ was the only one who solicited donations from ██████████
██████████ added that ██████████ told him at one point that he was not on duty and could not solicit funds
as it was illegal to do so. ██████████ stated the August 6, 2008, check in the amount of \$2,500 was related
to the cleanup of the bay, but the October 17, 2008, check was somehow related to advertising. Bank
records obtained during this investigation show the aforementioned checks were deposited into the
SPMI accounts numbered ██████████ (Attachments 75, 76, 77, 78, 79, 80, 81 &
82).

██████████ when interviewed regarding these “Other Donations,” stated ██████████ approached him asking
for guidance on how to donate money to the cleanup cause. ██████████ stated the ██████████ donation
was as a result of a community meeting and that he did not solicit nor receive this donation. ██████████
stated he did not solicit nor receive donations from ██████████ ██████████ also stated that he did receive
the ██████████ donation in his uniform and that this donation was related to beach cleanups in the local
area. ██████████ endorsed both checks from BWBB, filled out the SPMI deposit slips, and deposited
them into the SPMI bank account, but stated he did not solicit these checks from BWBB. ██████████
did not remember anything about the PFP donation check to SPMI but did identify his handwriting on
the SPMI deposit slip that contained the PFP donation check as well as a donation check from the
Cong. Agudath Avreichim Pirchei Bnos in the amount of \$70. ██████████ stated it was his endorsement
on the back of these checks. ██████████ added, regarding the latter check, that a rabbi approached him
asking how the rabbi could donate to cleaning up the local waterways and that he, ██████████ directed
the rabbi to make the check payable to SPMI (See Attachment 46).

██████████ and the allegation of implied law enforcement powers

██████████ ██████████ Port Sheepshead Marina were interviewed regarding this matter.
██████████ asked ██████████ to attend a meeting at FBF regarding disposal of vessels, and during the
meeting, ██████████ said to him, “We have a problem with you disposing boats.” ██████████
characterized ██████████ as the “head of the Parks Department,” who was always in his uniform and
complained that ██████████ intimidated him, which caused him to participate in the cleanup of Plum
Beach approximately two weeks later when he rented a pay loader for the aforementioned cleanup at a
cost \$900 a day for a total of two days. ██████████ stated that he felt obligated to donate his time
and pay for the pay loader as if it was his “penance” for what ██████████ characterized as disposing of
the boats illegally. ██████████ stated he wanted to do his “penance” before ██████████ filed a
complaint against him. The next time ██████████ came into contact with ██████████ was in July 2008

at FBF when ██████ asked him for \$300 in cash for cleanup expenses related to a dumpster provided by a carting company used by ██████ in the cleanup. ██████ though the request was strange in that ██████ wanted cash. ██████ also thought the request was strange, refused to provide cash to ██████ and initially wrote out a check in the amount of \$300 but then voided it and kept it in her files. ██████ stated she wrote a letter, addressed to Ranger ██████ at the behest of ██████ in which she was very complimentary of ██████ and OCB. ██████ felt the need to write the aforementioned letter to get out of her perceived trouble with ██████ (Attachments 83, 84 & 85).

██████ stated he never asked ██████ and ██████ for cash, nor did he ask them to provide a recommendation letter highlighting ██████ participation in local community events (See Attachment 48).

██████ described ██████ as a “wannabe enforcer” who told business ██████ “Do this or do this or I’ll call State on you.” ██████ did not think that ██████ stepped over the line with these contacts (See Attachment 3).

██████ KMC Real Estate Brokerage and Management Services, Inc. (KMC), was interviewed regarding this matter. ██████ stated the Polymer Research Company defaulted on its loan for the property located at 2184 Mill Avenue, Brooklyn, New York. Subsequent to the default, Bayview Financial (Bayview) foreclosed on the property and hired ██████ to manage this property. ██████ stated he received a telephone call from ██████ on a Sunday morning in November 2008. According to ██████ ██████ told him to come to the property on Mill Avenue “now” to meet. ██████ stated that ██████ (██████ of Triboro Realty Inc., who helped manage the property, accompanied ██████ to the property to meet with ██████ ██████ stated ██████ was at the property dressed in “fatigues” with a badge, a radio and driving a ██████ ██████ stated ██████ said he worked with the Department of the Interior for OCB. ██████ stated that ██████ ordered him to get in his car and follow him ██████ to FBF. ██████ likened ██████ behavior to “Robocop” (Attachment 86).

██████ stated he followed ██████ to FBF and was led by ██████ into a conference room in one of the buildings located at FBF. ██████ closed the door to this room and introduced the following people who were already present: ██████ ██████ from SPMI and two “agents.” (*Agent’s note: ██████ was unable to expound on the identity of the two “agents” introduced by ██████* According to ██████ after the introduction, ██████ thanked ██████ for letting him onto the property initially, but informed ██████ that he ██████ could have gotten a warrant to enter the property. ██████ also said to ██████ that he ██████ did not want to get anyone arrested. ██████ then showed ██████ a very large helicopter surveillance photograph, indicated to him environmental issues at the property and told him that Bayview was responsible to clean up the environmental damage at this property. ██████ communicated that Bayview wants to do whatever was necessary to clean up the property and asked the group to write up whatever needs to be done and Bayview will comply. ██████ stated ██████ pointed to ██████ and said, ██████ is the one I would like to see the job” go to and that “These are my guys” and “I trust these guys.” ██████ stated ██████ added that he was not saying ██████ had to use them, meaning SPMI. ██████ also went on to communicate to ██████ that he had contact with commissioners of other agencies and that he ██████ knew a lot of people (See Attachment 86).

██████ stated he never experienced anything even remotely like that in his life and that it was wrong to make a legitimate business feel intimidated like ██████ did. ██████ noted that ██████ used the

word “we” when ██████ threatened him with further violations and noted that a violation was never issued to him regarding this property, but felt that ██████ could very well carry out the threats he made. ██████ added that he felt “guided” by ██████ to use SPMI and noted that ██████ never mentioned other companies as possible options, only SPMI. ██████ stated that ██████ started every meeting with him and SPMI by stating, “I’m not even allowed to take a cup of coffee from the gentlemen in this room.” ██████ characterized ██████ as “a nut,” and stated ██████ liked to let you know he was “The Man.” ██████ thought, without question, that ██████ was a law enforcement official and stated ██████ would follow ██████ from the job site in his ██████ ██████ was moved to call ██████ to get ██████ to stop the surveillance of him. ██████ stated that SPMI performed very well and that he would use that company in the future if ██████ was not involved (See Attachment 86).

██████ was interviewed regarding this matter and stated he was hired by ██████ of KMC to look after the property at 2186 Mill Avenue, Brooklyn, New York. ██████ stated he was contacted, via telephone, by ██████ in December 2008 regarding cleanup of the property and met with ██████ the following morning at the property. ██████ stated that, after a tour of the property, the participants went to FBF to continue to discuss the work that needed to be done at the property. ██████ characterized the meeting at FBF as having two parts. The first part of the meeting consisted of ██████ ██████ ██████ and himself. ██████ stated he was shown an aerial photograph of the property in which debris in the water was clearly evident, as well as an article about park rangers being responsible for local cleanup projects. ██████ highlighted that the second part of the meeting started when ██████ left and four to five people came into the room to include ██████ and ██████ and ██████ introduced them as SPMI. ██████ stated ██████ told the participants that he could not take a cup of coffee from the people in the room and made it clear he wanted the property to be cleaned by SPMI and ██████ explained SPMI had relationships with all the governmental agencies involved with the project and, therefore, if SPMI was used the property would be looked after by said agencies. ██████ explained there were two cleanup jobs: the water cleanup and the side of the building. ██████ stated SPMI did the water cleanup and ██████ did the side of the building cleanup. ██████ noted that no one wanted to touch the water. ██████ also noted that no work was done at the property prior to ██████ becoming involved with the property (**Attachment 87**).

████████████████████ Wee Doo Services, located in Brooklyn, New York, was interviewed with regard to this matter. ██████ stated Wee Doo Services provides services related to cleanup projects, rubbish removal, and interior demolition. ██████ stated his company provided clean up services at ████████████████████, Brooklyn, New York in late 2008. ██████ stated he was contacted by ██████ to provide a bid for the project. ██████ recalled that there was a meeting in late 2008 at the property in which ██████ another property manager named ██████ ██████ and a representative from a company named SPMI, were in attendance. (*Agent’s note: ██████ initially pronounced ██████ name as ██████ until corrected by SA ██████ ██████ never saw ██████ in uniform, nor did he ever see ██████ display a badge, nor did he hear ██████ declare himself to be representing the government, but he had no doubt that ██████ was representing the government by the way he spoke. ██████ recalled that ██████ said things like “protecting the waterway” and made references to environmental violations. ██████ recalled that ██████ drove a ████████████████████ which looked like a government vehicle. ██████ referred to ██████ as “Supercop,” and an “Enforcement employee.” ██████ stated it looked like ██████ brought SPMI to the property and though ██████ did not clearly represent SPMI, there certainly was a connection between ██████ and SPMI. ██████ stated after the meeting at the property, ██████ ██████ and the representative from SPMI went to FBF for another meeting. ██████ stated he was the only one not invited to go to this meeting at FBF (**Attachment 88**).*

██████████ stated ██████████ definitely wanted him to be uncomfortable while working at the property, was trying to scare him as to how environmentally complex the projects at the property were and felt threatened by ██████████ words. ██████████ added, "He wanted me to be scared." ██████████ opined there was a slight chance that ██████████ was being sincere. ██████████ put in an ██████████ bid for the cleanup of the building's interior at the property, which was the most expensive job at that site, and was told that he won the job. ██████████ declined to perform the interior cleanup due to not wanting the hassle of dealing with ██████████ because he did not trust him. ██████████ stated that this was the first and only time, in his seven years in the industry, that he ever felt threatened. ██████████ noted that ██████████ was the only government employee he had contact with during his time at the Mill Avenue property (See Attachment 88).

██████████ stated he did not have a meeting with ██████████ and ██████████ in a conference room of the Ryan's Visitor Center at FBF in which he allegedly introduced ██████████ of SPMI to ██████████ and ██████████ and threatened violations against the ██████████ of the property for not cleaning up perceived environmental violations (See Attachment 46).

██████████ stated that a meeting was held with ██████████ ██████████ ██████████ and himself at ██████████, Brooklyn, New York. ██████████ stated a walkthrough of the property was conducted. ██████████ did not remember members of SPMI at the property during the meeting. ██████████ also did not specifically remember a meeting with ██████████ ██████████ ██████████ and himself with members of SPMI present at FBF. ██████████ added that members of SPMI were present at a couple of meetings at FBF regarding OCB. ██████████ explained that some OCB meetings at FBF did have private companies and government agencies in attendance (**Attachment 89**).

Bank records obtained during this investigation reveal that SPMI received \$25,745 from KMC for the abovementioned jobs in January 2009 and March 2009 (**Attachment 90**).

Other SPMI cleanup jobs during the time of OCB

The Lowes Job

██████████ attorney, Greenberg Taurig, was interviewed regarding this matter. ██████████ stated one of his clients is the Lowes Corporation (Lowes). Lowes leased a property, located on Avenue U in Brooklyn, New York, from Sun Plaza. ██████████ stated he received a call from ██████████, Sun Plaza Enterprise Corporation, the landlord of the property, saying, "We have a problem." ██████████ stated apparently ██████████ went to see ██████████ regarding the wharf at the site on the property leased by Lowes. According to ██████████ ██████████ told ██████████ that there were potential environmental hazards at the site and that unless something was done quickly, criminal violations may follow the neglect of the situation. ██████████ stressed that no criminal violations were ever issued or filed regarding the site. ██████████ stated he was contacted by ██████████ in the winter of 2008, regarding the matter. According to ██████████ ██████████ informed ██████████ that he was employed by NPS and that the aforementioned site fell under the purview of the NPS. ██████████ sent information regarding OCB to ██████████ to include photographs and newspaper articles (**Attachment 91**).

██████████ recounted ██████████ mentioned a company named SPMI, which could remove the boats from the area. ██████████ stated there was a "sense of urgency" about the situation and characterized the wharf as being part of the Gateway National Recreation Area. ██████████ stated that the boat removal was the first step in the process to clean the property of all potential environmental hazards. At that point, ██████████

spoke with [REDACTED] [REDACTED] SPMI, regarding a survey done by SPMI of the aforementioned area. The survey revealed an additional twenty-five sunken boats and one sunken automobile within the property leased by Lowes. [REDACTED] added that time was also a factor in his client's decision to use SPMI. [REDACTED] stated the entire project was completed in three weeks time and that the Lowes was satisfied with the service SPMI provided. [REDACTED] added that at no point during this matter did [REDACTED] push SPMI or any other company upon him or his client to clean up the property. [REDACTED] opined that [REDACTED] did his job well (See Attachment 91).

[REDACTED] stated [REDACTED] contacted a property owner on [REDACTED] in Brooklyn named [REDACTED] to identify debris that had environmental issues. [REDACTED] issued a ticket to [REDACTED] regarding environmental issues. The waterfront property had tons of debris. The property was cleaned up "big time," about \$1 million worth of cleanup. According to SPMI bank records, Greenberg Taurig paid \$239,380 to SPMI for the abovementioned cleanup in January 2009 (See Attachments 3 & 33) (Attachment 92).

SPMI job with [REDACTED]

[REDACTED] [REDACTED] Property Management, Kimco Realty (KR), was interviewed regarding this matter. KR owns through a subsidiary (KIOP) a property named Mill Basin Plaza at Avenue U and East 56th Street, Brooklyn, New York. [REDACTED] stated that he received a telephone call from [REDACTED] regarding "issues" at this property. [REDACTED] stated that, at the ensuing meeting, [REDACTED] informed him he ([REDACTED] was with the Department of the Interior involved with a project named OCB and described him as wearing a uniform with an identification badge and as having presented his identification similar to the way the participating agents identified themselves. [REDACTED] stated [REDACTED] showed him boats in the water behind the [REDACTED] property, but still considered part of the property with oil leaking from these boats clearly visible on the water. [REDACTED] stated that [REDACTED] wearing his NPS uniform certainly gave credibility to the request to clean up the site (Attachment 93).

[REDACTED] stated he asked [REDACTED] if someone was working on the boat removal as part of OCB and [REDACTED] told him that there was a contractor working in the area as part of OCB. [REDACTED] stated he followed [REDACTED] who was driving a green Jeep, across the waterway to another property site where work was being done and introduced [REDACTED] to [REDACTED] of SPMI. [REDACTED] noted [REDACTED] after making the introduction, stepped away from both men stating he did not want to be involved with the conversation between [REDACTED] and [REDACTED]. According to [REDACTED] [REDACTED] provided [REDACTED] with a proposal for the removal of boats from the property and added he would usually receive three bids for a job of this size, but he did not do so as he felt the project was time sensitive because the oil and gas was visible on the water. [REDACTED] noted OCB was currently an ongoing project and it seemed to make sense to hire SPMI as they were already a part of OCB. Another reason [REDACTED] did not get three bids for the job was that a government employee, [REDACTED] was overseeing the operation and that [REDACTED] assured [REDACTED] that he [REDACTED] would mail a letter to KR stating the latter complied with the environmental cleanup. [REDACTED] stated [REDACTED] was hired for the boat removal project and opined the removal process was handled properly. [REDACTED] noted that he never felt threatened or rushed by [REDACTED] to use SPMI or that SPMI was the preferred company to use. [REDACTED] assumed OCB was a NPS effort and stated that [REDACTED] was the only government person he dealt with on this issue and the only person to say there were environmental issues at the property (See Attachment 93).

[REDACTED] stated he told [REDACTED] about SPMI in response to the latter's question as to who could

clean up the property, but did not recall asking [REDACTED] to follow him to meet with a representative of SPMI, regarding the cleanup of the property. [REDACTED] added that he told [REDACTED] that he ([REDACTED] could not direct [REDACTED] as to whom to use to clean up the property. [REDACTED] stated he recognized that NPS, through OCB, was the impetus for the cleanup of this property. Bank records obtained during this investigation show SPMI received \$68,100.00 from KIOP Mill Basin LLC in January 2009 into the SPMI account numbered [REDACTED] (See Attachment 48) (**Attachment 94**).

The donations to and services provided by SPMI directly related to either OCB or jobs occurring at FBF, discussed above, amounted to approximately 77% of the deposits into SPMI's accounts since inception (See Attachments 33, 60, 62, 68, 72, 82, 90 & 94).

Loans from SPMI Principals, Vehicle Usage and the allegation that [REDACTED] Personally Profited from OCB

[REDACTED] stated he did own a [REDACTED] and that SPMI funds [SPMI checks numbered [REDACTED] and [REDACTED] in the amounts of \$1,500 and \$2,000, respectively] were used to pay a portion of his car loan with Ford Credit for this vehicle. [REDACTED] explained that the work he was doing with SPMI in and around FBF included carrying around equipment in his vehicle and added this equipment was destroying the vehicle. [REDACTED] indicated that this SPMI business checking account that was used to pay his car loan was also used to deposit donations solicited for the 2007 Fly-In event received from local businesses and that his NPS responsibilities encompassed preparing for this event. [REDACTED] replied, "I did not see it as a conflict" (See Attachments 42, 43 & 46).

[REDACTED] confirmed that he owned a [REDACTED] in color, which he specified he purchased to drive through the sand. According to the New York State Department of Motor Vehicles (NYS DMV), [REDACTED] was the registered owner of the [REDACTED] through [REDACTED], when it was transferred to [REDACTED]. [REDACTED] stated he did borrow money from [REDACTED] to pay off this [REDACTED]. [REDACTED] stated he was utilizing this vehicle in 2008 and then [REDACTED] became the owner of this vehicle. [REDACTED] stated he continued to drive this vehicle when [REDACTED] became the owner of this vehicle and acknowledged that, at that time, OCB was still an ongoing project (See Attachment 46) (**Attachment 95**).

[REDACTED] from KIOP; [REDACTED] and [REDACTED] from KMC; and [REDACTED] from Wee Doo Services; all stated that [REDACTED] was driving the abovementioned [REDACTED] [REDACTED] when contacted by the latter regarding OCB matters. All of these contacts were made after the aforementioned vehicle listed [REDACTED] as the owner of the vehicle and all of these contacts resulted in SPMI cleanup jobs (See Attachments 86, 87, 88, 93 & 95).

[REDACTED] stated that he also drove a [REDACTED] that was owned by [REDACTED] in 2009 and eventually purchased this vehicle from [REDACTED] in July 2009. (*Agent's note: NYSDMV records obtained during this investigation revealed that [REDACTED] and SPMI were the co-owners of the [REDACTED] on March 23, 2009. [REDACTED] became the [REDACTED] of the vehicle on July 31, 2009.*) [REDACTED] stated that prior to him owning this vehicle he did drive to and from work, parking it at Building 135 at FBF, but he could not say how often he utilized this vehicle. [REDACTED] noted that in May 2009 he paid for maintenance on this vehicle because he was using the vehicle and did know that [REDACTED] owned the vehicle and that [REDACTED] owned [REDACTED] (See Attachment 48) (**Attachment 96**).

██████████ stated he also loaned his ██████████ to ██████████ for an extended period of time prior to ██████████ eventually purchasing the vehicle from him. ██████████ stated that while ██████████ was driving his vehicle, ██████████ was still making the monthly car and insurance payments. When asked what a SPMI payment to Chrysler Finance in the amount of \$326.03 in March 2009 was for, ██████████ stated that the payment made from the bank account of SPMI to Chrysler Finance in the amount of \$326.03 was the monthly loan payment associated with the aforementioned ██████████ (*Agent's note: SPMI bank records, for the account numbered ██████████, show three payments of \$326.03 each to Chrysler Financial. The aforementioned payments were made in the months of March, April and May of 2009.*) ██████████ added that, although the car loan payment was made using a SPMI bank account, it was still his money (See Attachments 33 & 52).

Surveillance conducted on the ██████████ in early March 2009 revealed that ██████████ was using this vehicle. ██████████ noted that ██████████ had been trading cars since he has known him. ██████████ observed [in March 2009] that ██████████ had been driving the new ██████████ for a couple of months and as far as he knew the new ██████████ was ██████████ personally owned vehicle. When informed that ██████████ new ██████████ was registered to ██████████ ██████████ stated that a NPS employee cannot have direct dealings with a private party and then engage in NPS related business with them (See Attachment 2) (**Attachment 97**).

██████████ stated he loaned ██████████ approximately \$75,000 to \$80,000 since the time he has known him. ██████████ stated it was "the crumb effect," meaning to say he started loaning a little sum of money to ██████████ but the loans started adding up. ██████████ stated these loans had no formal terms to them, no interest rate associated with them and that ██████████ has been paying off the loans on a monthly basis in amounts ranging from \$500 to \$1,000. ██████████ estimated that ██████████ had paid approximately \$25,000 to \$30,000 in loan repayments and stated he expected to be paid back in full (See Attachment 50).

██████████ stated that, in addition to loans he received from ██████████ he also had loans with ██████████ and ██████████ (*Agent's note: ██████████ was identified as a ██████████ of SPMI for a brief period of time in 2008.*) ██████████ stated he had loans with ██████████ and ██████████ during the period of time when OCB was still an ongoing project. ██████████ placed these loans in the \$3,500 to \$6,500 range. ██████████ stated he never told ██████████ about these loans because he did not think it would be a conflict of interest. ██████████ stated he used a portion of the loans from ██████████ to pay off a judgment that he been issued against him. ██████████ added he never thought these loans would compromise him nor does he think so now. Additionally, ██████████ did pay ██████████ \$250 for the use of a White Cap Marine vessel to take photographs of the area around FBF in connection with the Water Pod organization and OCB and did so as to not owe any favors to anyone involved in OCB (See Attachments 46 & 48).

██████████ stated he never thought using vehicles owned by ██████████ was wrong, but now he sees that it was wrong. When asked if his past connection with SPMI, the loans from ██████████ during the time of OCB, the use of ██████████ vehicles during the time of OCB, SPMI performing cleanup jobs in connection with the NPS-led OCB and his NPS role with OCB, if known, would have embarrassed any of the individuals or agencies involved with the endeavor, ██████████ replied in the negative and added that he still doesn't (See Attachment 48).

Regarding the allegation that ██████████ personally profited from the removal of boats [OCB], all the property owners/representatives mentioned above that contracted with SPMI paid SPMI directly. ██████████ stated he never made any money from the NPS-led OCB project (See Attachments 48, 86, 91

& 93).

Environmental Taskforce Organization (ETO)

Both [REDACTED] and [REDACTED] ETO members, were interviewed regarding this matter. Both stated that [REDACTED] suggested that all of the OCB volunteers get together to form a non-profit organization so that they could receive donations and as a result the ETO was formed. [REDACTED] stated [REDACTED] always said he could not be part of the ETO because he was a federal employee, however, [REDACTED] made all the connections between the ETO and city officials interested in OCB. The ETO trailer purchased by the members was originally parked at the sewer treatment plant located on Knapp Street, Brooklyn, New York. [REDACTED] stated that [REDACTED] got permission to park the trailer at the Knapp St. location and told the ETO that he got a five year lease (See Attachment 6) (Attachment 98).

[REDACTED] Bureau of Wastewater Treatment, New York City Department of Environmental Protection (NYCDEP), was interviewed regarding this matter. [REDACTED] stated [REDACTED] asked, in the Fall of 2008, to utilize space at the NYCDEP Coney Island Water Pollution Treatment Center located at 25-01 Knapp Street, Brooklyn, New York, to monitor the disposal of boats in Jamaica Bay. [REDACTED] thought the space would be utilized by the NPS and local law enforcement officials related to OCB and gave [REDACTED] verbal approval to use the abovementioned space (Attachment 99).

[REDACTED] stated he was a member of the ETO, but resigned, approximately, at the end of 2009. He characterized the ETO as being poorly organized and characterized himself as being a "figurehead" with the ETO. [REDACTED] stated [REDACTED] did observe some ETO meetings, but did not participate in them. [REDACTED] was not aware of any ETO checks being made payable to [REDACTED]. [REDACTED] stated he was more removed from the ETO than he was with SPMI (See Attachment 50).

Regarding the ETO check number [REDACTED] made payable to [REDACTED] in the amount of \$1,200, [REDACTED] stated this check was a reimbursement to him for the costs of a diver and a container that he paid for with his own money in connection with a derelict vessel that was sunk. [REDACTED] explained that [REDACTED] had taken a derelict vessel to the seaplane ramp at FBF only to be told by [REDACTED] that the vessel needed to be returned to its marina. It was on the return trip that the vessel sunk. It was this incident that resulted in [REDACTED] and [REDACTED] being voted out of the ETO for negligence. [REDACTED] did not consider this check connected to OCB and cited his NPS duties as a facilitator of volunteers, as well as being asked by three people to assist, as his reason for becoming involved in the incident (See Attachment 46).

NPS management and [REDACTED]

[REDACTED] stated that the Fly-In event at FBF in 2007 was a success due to [REDACTED] participation. According to [REDACTED] [REDACTED] did a fantastic job with the Fly-In. [REDACTED] stated that, in hindsight, he gave [REDACTED] the responsibilities that someone at a much higher level should have had. [REDACTED] noted that, at this time, FBF was not fully staffed and he was fulfilling the responsibilities of a District Ranger in an acting capacity (See Attachment 63).

[REDACTED] stated he received no guidelines or instructions from NPS management to include [REDACTED] and [REDACTED] direct supervisor, [REDACTED] regarding OCB. [REDACTED] stated that, although the OCB

was a NPS driven project, the NPS did not have the equipment to fulfill their responsibilities as stewards of the land. Specifically, [REDACTED] cited the lack of rope, chain, lowboy or anything of significance to accomplish the mission to prevent hazardous, environmental crimes from existing. [REDACTED] stated the OCB volunteers assisted Gateway Marina, the North Shore District, NPS, District Attorney's Office and the community. [REDACTED] stated it was through his NPS employment and by extension his NPS responsibilities to OCB that [REDACTED] [REDACTED] [REDACTED] [REDACTED] and [REDACTED] all became volunteers in OCB in 2008 (See Attachment 37).

[REDACTED] started asking [REDACTED] questions regarding the whole operation [OCB]. [REDACTED] stated [REDACTED] was supposed to be the main contact on OCB, but it looked like [REDACTED] was "running the show there." [REDACTED] stated it seemed that [REDACTED] was giving instructions to everybody and telling the volunteers what to do and where to go. [REDACTED] stated it seemed as though [REDACTED] was the "head honcho on the thing." [REDACTED] stated the other agencies were coming to [REDACTED] instead of [REDACTED]. [REDACTED] was not happy with this situation as [REDACTED] was [REDACTED] superior. [REDACTED] stated he wanted [REDACTED] to obtain a standard operating procedure and an agreement between the agencies as to how the operation would be performed. [REDACTED] stated he was frustrated that [REDACTED] did not know what was going on at FBF. [REDACTED] was frustrated that [REDACTED] was "leading" [REDACTED] "by the nose" (See Attachment 1).

[REDACTED] stated he attended several OCB meetings in which [REDACTED] and [REDACTED] represented the NPS. [REDACTED] characterized [REDACTED] as having "chaired" those meetings, which initially occurred every two weeks. [REDACTED] stated that [REDACTED] was [REDACTED] supervisor, but [REDACTED] did not seem too keen to be involved with the details of the operation. [REDACTED] described [REDACTED] as a "politician" and [REDACTED] as the "boots on the ground" type of guy (See Attachment 3).

[REDACTED] [REDACTED] New York City Department of Small Business Services, Dockmaster Unit, was interviewed regarding this matter. [REDACTED] stated he went to a meeting in April 2008 in which a host of federal, state and local agencies attended. The meeting was coordinated by [REDACTED] and [REDACTED]. [REDACTED] stated that [REDACTED] took over the meeting. The same thing happened at the May or June 2008 meeting and the July or August 2008 at FBF. [REDACTED] observed that [REDACTED] was "completely out of the picture" in terms of presence at the meeting. [REDACTED] characterized [REDACTED] as an "ego-maniac" but added that [REDACTED] helped in the cleanup of Weir Creek in the Bronx for nothing but a letter of commendation. [REDACTED] also stated that the NPS was [REDACTED] life and never saw [REDACTED] out of uniform (**Attachment 100**).

[REDACTED] acknowledged that when the Mill Basin area of Brooklyn, New York, was identified as an area of concern, the framework of the OCB changed. [REDACTED] stated that there was no conscious effort made to create the appearance of independence of the volunteers involved with OCB. [REDACTED] stated he had no knowledge that SPMI had been employed by various property owners or lessees in the Mill Basin area in connection with OCB. [REDACTED] stated that [REDACTED] provided him with an update as to the activities of OCB on a daily basis via electronic mail messages. [REDACTED] stated that [REDACTED] never informed him that SPMI had been employed in three separate cleanup projects in connection with OCB (**Attachment 101**).

[REDACTED] stated [REDACTED] role in OCB should have been only educational, which did not include suggesting the use of [REDACTED] for any job in connection with OCB. [REDACTED] stated that he had no knowledge that [REDACTED] allegedly met with SPMI, [REDACTED] and [REDACTED] regarding a property in Mill Basin that was leased to Polymer Co. When informed that witnesses stated [REDACTED] had met with these aforementioned parties at FBF, [REDACTED] stated he had not been invited to and had no

knowledge of said meeting (See Attachment 101).

██████████ stated that he was instructed to formalize agreements between the different entities involved with OCB. ██████████ stated that should have been done “a while back.” ██████████ noted ██████████ had wanted him to get a better handle on the whole OCB project and added ██████████ also did not feel comfortable with ██████████ having so much interaction with OCB as he was still only a GS-5. ██████████ stated OCB has been temporarily stalled pending the finalization of formal agreements between the NPS and the other entities involved in the project (See Attachment 2).

██████████ NPS, stated that ██████████ never contacted him to discuss outside employment or conflict of interest issues (**Attachment 102**).

Other Investigative Matters

During the course of this investigation, ██████████ alleged he saw ██████████ (██████████) typing on ██████████ government computer at FBF. ██████████ student, Brooklyn College, was interviewed regarding this matter. (*Agent’s note: ██████████ was the ██████████ OCB volunteer and ██████████ member.*) ██████████ stated she worked at FBF, NPS, in 2008 and 2009, as an assistant to ██████████ working out of ██████████ office at the Ryan’s Visitor Center and the Ranger Station at FBF. ██████████ stated she did not fill out a NPS volunteer form or any type of employment application to become ██████████ assistant and her position was not part of any internship. ██████████ stated ██████████ paid her in cash and also by check from ██████████ personal bank account, but could not verify the amounts. ██████████ highlighted that ██████████ would leave her alone in the office at FBF and gave her access to his NPS computer and NPS password for his NPS email account and his America Online email account. ██████████ noted that ██████████ work area was situated right next to ██████████ ██████████ stated he thought ██████████ was working for the NPS because of the work she was doing for ██████████ in ██████████ office located at the Ryan’s Visitor Centre, FBF. ██████████ stated he saw ██████████ typing on ██████████ government computer in ██████████ office (**Attachments 103 & 104**).

When asked about ██████████ work at ██████████ workstation in the Ryan’s Visitor Center at FBF, ██████████ responded that ██████████ was a NPS volunteer originally. ██████████ stated he shared an office computer with other NPS employees and he provided ██████████ access to this government computer. ██████████ stated he thought he logged her into his government computer with his user ID and password. ██████████ stated that on his off-days he would meet ██████████ at the ETO trailer to work on OCB (See Attachment 48).

██████████ stated he knew a local politician that knew the Inspector General (IG) of the DOI-OIG and that said politician wanted to complain to the IG about this investigation. ██████████ continued that he told this local politician to wait until after the report of investigation was issued to assess whether to contact the IG to complain about the investigation (See Attachment 48).

Summary

In summary, the investigation revealed through witness testimony that ██████████ was a dedicated NPS employee who was passionate about his responsibilities, especially with regard to the Fly-In event and OCB, but did this work in a manner that led others to question his impartiality regarding SPMI, a company whose deposits were derived mostly from NPS-led projects/events in or around FBF. To be

clear, SPMI did not enter into contracts directly with the NPS, but obtained work in connection with OCB, as well as vendors utilizing FBF via special use permits. According to various witnesses, the impact of [REDACTED] work in connection with OCB and the various beach cleanups, as well as those of SPMI, its past and present principals, along with the various participating volunteers who had volunteered their time, equipment and talents made a positive impact on the local environment.

The investigation also revealed that [REDACTED] was closely connected with SPMI and its principals throughout the company's existence in various ways. According to [REDACTED] he received, in 2007, \$3,500 in payments for his personal car loan, as well as having an airline ticket to Florida purchased for him in the amount of \$374.60, both of which came from the same SPMI account in which donations were deposited associated with the 2007 Fly-In event. [REDACTED] denied having access to a debit card in his name associated with the SPMI account that had activity amounting to \$21,121.78 to include the airline ticket mentioned above, ATM withdrawals, gas purchases, as well as activity that was clearly related to the Fly-In event in 2007. Bank documents associated with the SPMI account listed [REDACTED] as a signatory on the account and as vice-president from May 2007 through April 2008. According to witnesses, [REDACTED] when removed as a signatory from SPMI's bank account in April 2008, continued to play a role with the company in the form of managing overnight security guards, soliciting/receiving donations, depositing donations, and introducing prospective clients via OCB and FBF special use permit contacts. Despite being told by his supervisor that he could not solicit donations, witnesses revealed that [REDACTED] did solicit donations on behalf of SPMI on several occasions, and was clearly identified as being employed by the NPS in the act of soliciting/receiving said donations in 2007 and 2008.

Additionally, [REDACTED] received zero interest loans from the principal of SPMI in the approximate amount of \$75,000, and received loans from other members of SPMI, past and present, during the timeframe of OCB. [REDACTED] also utilized during the timeframe of OCB and beyond, vehicles owned by SPMI and/or the current principal of SPMI, an act that [REDACTED] admitted was wrong to do. During all of these activities involving SPMI, [REDACTED] did not consult with an ethics officer, or his direct supervisor, over the possibility of a conflict of interest.

[REDACTED] also provided access to his government computer to a person who was a non-government employee assisting him in connection with OCB. Additionally, [REDACTED] interactions with some people in connection with OCB made them feel as though [REDACTED] had law enforcement powers and left them, in their opinion, unnecessarily intimidated.

Lastly, we found the leadership at FBF failed to provide adequate supervision to GS-5 [REDACTED] and adequate oversight to the programs and projects that he was officially involved with.

This report will be forwarded to NPS management for whatever administrative actions deemed appropriate. This investigation is now considered closed.

SUBJECT(S)

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

UNDEVELOPED LEADS (for interim reports)

DISPOSITION

ATTACHMENTS

1. IAR Memorandum of Interview with [REDACTED] dated November 12, 2009.
2. IAR Memorandum of Interview with [REDACTED] dated March 11, 2009.
3. IAR Memorandum of Interview with [REDACTED] dated July 21, 2009.
4. Canarsie Courier article entitled, *Polluting Boat Wrecks Being Removed from Jamaica Bay*, dated August 14, 2008.
5. Copy of Memorandum dated March 4, 2009, from [REDACTED] to [REDACTED]
6. IAR Memorandum of Interview with [REDACTED] dated January 29, 2009.
7. [REDACTED] NPS business card with handwritten notes on back containing telephone number of [REDACTED]
8. Courier Life advertisement regarding NPS and OCB in December 11, 2008 edition.
9. Copy of [REDACTED] check numbered [REDACTED], in the amount of [REDACTED], dated September 17, 2008, and made payable to [REDACTED]
10. Photographs provided by [REDACTED] dated January 27, 2009.
11. IAR Memorandum of Interview with [REDACTED] dated February 3, 2009.
12. IAR Memorandum of Interview with [REDACTED] dated April 29, 2009.
13. Copy of [REDACTED], Rental Out Contract dated September 5, 2007.
14. IAR Memorandum of Document Receipt – Copy of check numbered [REDACTED] written on [REDACTED] account.
15. Copy of [REDACTED] personal check numbered [REDACTED] made payable to [REDACTED] in the amount of [REDACTED].
16. IAR Memorandum of Interview with [REDACTED] dated February 3, 2009.
17. IAR Memorandum of Interview with [REDACTED] dated March 3, 2010.
18. IAR Memorandum of Interview with [REDACTED] dated May 7, 2009.
19. Copy of facsimile from [REDACTED] to [REDACTED] dated March 1, 2009.
20. IAR Memorandum of Document Receipt – Copies of documents in [REDACTED] personnel folder.
21. Copy of Certificate regarding compliance with DOI regulations governing Employee Responsibilities and Conduct (43 CFR Part 20), signed by [REDACTED] on April 7, 2006.
22. Copies of affidavits of [REDACTED] Board Members [REDACTED] and [REDACTED] dated February 24, 2009, and various letters dated February 24, 2009, and February 29, 2009.
23. Copies of various letters of support for [REDACTED] dated in February 2009.
24. Copy of undated letter written by [REDACTED] to [REDACTED] {sic} and [REDACTED]
25. IAR Memorandum of Document Receipt – Documents in civil suits involving [REDACTED]
26. Affidavit of Merit, signed by [REDACTED], Civil Court of City of New York, County of Kings.
27. Copy of Designation of Beneficiary Standard Form 3102 dated August 25, 2006.
28. IAR Memorandum of Document Receipt – State of New York Department of State documents on [REDACTED]
29. Copy of DOI-OIG subpoena duces tecum numbered 001358.

30. Various State of New York Department of State – Corporations Division documents regarding [REDACTED]
31. IAR Memorandum of Document Receipt – Documents received from [REDACTED] on June 25, 2009.
32. Copy of DOI-OIG subpoena duces tecum numbered 0001353.
33. Copies of [REDACTED] bank statements for the period May 7, 2007, through May 29, 2009.
34. Copy of [REDACTED]
35. IAR Memorandum of Interview with [REDACTED] dated September 28, 2009.
36. IAR Memorandum of Interview with [REDACTED] dated April 9, 2009.
37. IAR Memorandum of Interview with [REDACTED] dated November 3, 2009.
38. IAR Memorandum of Interview with [REDACTED] dated November 25, 2009.
39. IAR Memorandum of Document Receipt – Visa card receipts received from [REDACTED] Restaurant.
40. Original credit/debit card ending in [REDACTED] receipts from [REDACTED] Restaurant on April 18, 2008, and April 21, 2008.
41. IAR Memorandum of Telephone Interview with [REDACTED] dated October 14, 2009.
42. Copies of [REDACTED] checks numbered [REDACTED].
43. New York State, Department of Motor Vehicle, Vehicle Title Record, for [REDACTED].
44. Copies of [REDACTED] checks numbered [REDACTED]
45. IAR Memorandum of Interview with [REDACTED] dated January 19, 2010.
46. IAR Memorandum of Interview with [REDACTED] dated November 29, 2010.
47. DOI-OIG OI-013 (04/10 rev. 2) Employee Compelled Interview Notice signed by [REDACTED] and dated November 29, 2010.
48. IAR Memorandum of Interview with [REDACTED] dated February 1, 2011
49. DOI-OIG OI-013 (04/10 rev. 2) Employee Compelled Interview Notice signed by [REDACTED] and dated February 1, 2011.
50. Copy of IAR Memorandum of Interview with [REDACTED] dated February 16, 2010.
51. DOI-OIG OI-015 (04/08) Custodial Interview Warning (Miranda) signed by [REDACTED] and dated February 16, 2010.
52. Copy of IAR Memorandum of Interview with [REDACTED] dated March 18, 2010.
53. DOI-OIG OI-015 (04/08) Custodial Interview Warning (Miranda) signed by [REDACTED] and dated March 18, 2010.
54. Copies of [REDACTED] checks numbered [REDACTED]
55. IAR Memorandum of Interview with [REDACTED] dated May 7, 2009.
56. Copy of [REDACTED] check numbered [REDACTED]
57. IAR Memorandum of Interview with [REDACTED] dated February 9, 2010.
58. IAR Memorandum of Interview with [REDACTED] IV dated January 20, 2010.
59. IAR Interview with [REDACTED]
60. Copies of various [REDACTED] deposit tickets related to Charlotte Productions checks.
61. Copy of IAR Memorandum of Interview with [REDACTED] dated January 19, 2010.
62. Copies of various [REDACTED] deposit tickets related to Art+Commerce checks.
63. IAR Memorandum of Interview with [REDACTED] dated December 10, 2009.
64. Copy of sheet entitled 2007 North Shore District, Donations and Recycling.
65. IAR Memorandum of Interview with [REDACTED] dated November 19, 2009.
66. Copy of backup documentation for [REDACTED] Real Estate check numbered [REDACTED].
67. Copy of [REDACTED] NPS business card.
68. Copy of [REDACTED] deposit ticket and backup documentation related to [REDACTED] Real Estate check numbered [REDACTED]
69. IAR Memorandum of Telephone Interview with [REDACTED] dated November 6, 2009.

70. IAR Memorandum of Interview with [REDACTED] dated November 23, 2009.
71. Copies of [REDACTED] checks numbered [REDACTED] made payable to [REDACTED] and initialed by [REDACTED]
72. Copies of various [REDACTED] deposit tickets related to [REDACTED] checks.
73. IAR Memorandum of Telephone Interview with [REDACTED] dated January 28, 2010.
74. IAR Memorandum of Interview with [REDACTED] dated January 26, 2010.
75. IAR Memorandum of Interview with [REDACTED] dated November 19, 2009.
76. IAR Memorandum of Telephone Interview with [REDACTED] dated January 11, 2010.
77. IAR Memorandum of Interview with [REDACTED] dated November 3, 2009.
78. IAR Memorandum of Interview with [REDACTED] dated April 21, 2009.
79. IAR Memorandum of Interview with [REDACTED] dated September 17, 2009.
80. IAR Memorandum of Telephone Interview with [REDACTED] dated November 5, 2009.
81. IAR Memorandum of Interview with [REDACTED] dated February 2, 2010.
82. Copies of [REDACTED] deposit tickets and backup documentation for [REDACTED] BWBB, and PFP checks.
83. IAR Memorandum of Interview with [REDACTED] dated May 7, 2009.
84. [REDACTED] check numbered [REDACTED] dated August 16, 2008, made payable to [REDACTED] in the amount of [REDACTED].
85. Copy of letter addressed to [REDACTED] from [REDACTED] and [REDACTED] dated June 30, 2008.
86. IAR Memorandum of Interview with [REDACTED] dated September 21, 2009.
87. IAR Memorandum of Interview with [REDACTED] dated January 22, 2010.
88. IAR Memorandum of Interview with [REDACTED] dated April 21, 2010.
89. IAR Memorandum of Interview with [REDACTED] dated April 14, 2010.
90. Copies of various [REDACTED] deposit tickets and copies of checks related to [REDACTED]
91. IAR Memorandum of Interview with [REDACTED] dated June 2, 2009.
92. IAR Memorandum of Interview with [REDACTED] dated September 10, 2009.
93. IAR Memorandum of Interview with [REDACTED] dated February 9, 2010.
94. Copies of various [REDACTED] deposit tickets and copies of checks related to KIOP.
95. New York State, Department of Motor Vehicle, Vehicle Title Record, for [REDACTED], [REDACTED].
96. New York State, Department of Motor Vehicle, Vehicle Title Record, for [REDACTED] [REDACTED]
97. IARs Memorandum of Activity – Surveillance Report dated March 5, 2009; March 6, 2009; March 10, 2009; and March 16, 2009.
98. IAR Memorandum of Interview with [REDACTED] dated January 11, 2010.
99. IAR Memorandum of Interview with [REDACTED] dated April 29, 2009.
100. IAR Memorandum of Interview with [REDACTED] dated June 2, 2009.
101. IAR Memorandum of Interview with [REDACTED] dated June 16, 2010.
102. IAR Memorandum of Telephone Interview with [REDACTED] dated January 21, 2010.
103. IAR Memorandum of Interview with [REDACTED] dated January 14, 2010.
104. IAR Memorandum of Interview with [REDACTED] dated January 10, 2010.



**OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR**

INVESTIGATIVE ACTIVITY REPORT

Case Title Wood Group Production Service	Case Number OI-OG-10-0228-I
Reporting Office Energy Investigations Unit	Report Date January 15, 2013
Report Subject Closing IAR	

On January 3, 2013, W&T Offshore, Inc. (W&T) appeared in U. S. District Court for the Eastern District of Louisiana and was ordered to pay a total monetary penalty of \$1,000,000 by United States District Court Judge Eldon E. Fallon after pleading guilty to one felony count of violating Title 33, United States Code, Section 1319(c)(4) for tampering with, falsifying or rendering inaccurate a monitoring method required to be maintained under the Clean Water Act, and one misdemeanor count of violating Title 33, United States Code, Section 1319(c)(1)(a) for the negligent discharge of oil into the waters of the United States. W&T was also placed on supervised probation for 36 months and ordered to pay a special assessment fine of \$525.

Pursuant to a Plea Agreement between W&T and the United States, W&T agreed to follow standards and requirements outlined in an environmental compliance program (ECP). Compliance in all material respects with all of the standards and requirements of the ECP was an essential term of the Plea Agreement.

The ECP applies to all manned or unmanned offshore facilities in the Gulf of Mexico within the 200-mile contiguous zone of the United States, that are in active production and in which W&T is the named operator (currently 107 offshore facilities) during the period of probation. With respect thereto, W&T agreed to comply in all material respects with all environmental statutes, regulations, and permits under applicable federal and state law, including but not limited to, the Clean Water Act, the Oil Pollution Act, Outer Continental Shelf Land Act, NPDES permits, and with the requirements of the ECP.

This case is closed with no further investigative activity anticipated.

Reporting Official/Title [REDACTED], Special Agent	Signature
--	------------------

Authentication Number: AEDE90D09984DFF3654AF3979F58A8A6

This document is the property of the Department of the Interior, Office of Inspector General (OIG), and may contain information that is protected from disclosure by law. Distribution and reproduction of this document is not authorized without the express written permission of the OIG.



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Central Region Investigations
134 Union Boulevard
Suite 640
Lakewood, Colorado 80228



January 26, 2010

To: Paul Tsosie, Chief of Staff
Office of the Assistant Secretary – Indian Affairs

Attention: Michael Oliva, Director
Office of Internal Evaluation and Assessment

From: Jack L. Rohmer [REDACTED]
Special Agent in Charge

Subject: Referral – For Bureau Action as Deemed Appropriate
Response Required

Re: [REDACTED], BIA Osage Agency
DOI-OIG Case File No. OI-OK-08-0326-I

The Office Inspector General recently completed an investigation involving allegations that [REDACTED], Osage Agency, Bureau of Indian Affairs (BIA), inappropriately terminated two BIA oil leases belonging to [REDACTED] Drilling Corporation, and that Osage Agency officials dealt with [REDACTED] in an incompetent and discriminatory manner. [REDACTED] also complained that BIA officials harassed him by taking more than two years to respond to his appeal of the lease terminations. During the course of our investigation, we received additional allegations that [REDACTED] may have violated federal nepotism laws by supervising her cousin [REDACTED] by hiring her nephew [REDACTED] and by showing both relatives preferential treatment. Questions were also raised about past conduct of [REDACTED] that may have made him unsuitable for federal employment.

While our investigation identified past mismanagement issues relating to the BIA Osage Agency's administration of oil well drilling and plugging permits, we determined that these were systemic issues not unique to [REDACTED] experience with the BIA. We did not substantiate that anyone from the BIA Osage Agency discriminated against [REDACTED]. Additionally, we found no evidence that the termination of [REDACTED] BIA oil leases were unjustified. However, because the BIA-Eastern Oklahoma Regional Director took more than two years to render a written decision on [REDACTED] appeal when 25 CFR Part 2.19 imposed a 60-day time limit, this matter is being referred to the BIA for appropriate action.

Additionally, our investigation did not determine that [REDACTED] violated nepotism statutes, although many BIA Osage Agency employees perceived that this had, in fact, occurred. This matter is being referred to the BIA for a determination of whether [REDACTED]'s supervision of family

members at the BIA Osage Agency reflects adversely upon the Department, pursuant to DM Part 370.

Finally, our investigation did identify that [REDACTED] has a prior criminal conviction for assault and battery with a deadly weapon, and was terminated by a prior employer for misuse of a corporate charge and gas card. The question of [REDACTED] suitability for federal employment is referred to the BIA for further consideration of 5 CFR 731.202(b) and appropriate action.

Please read the protective markings in the attached Report of Investigation, and upon completion of your review, provide a written response with a completed Accountability Form (Attached) **within 90 days** of the date of this memorandum, and mail it to the Office of Inspector General, Office of Investigations, Attn: [REDACTED] 1849 C Street, NW, Mail Stop 4428, Washington, DC 20240.

If you have any questions regarding this matter, please contact Special Agent [REDACTED] [REDACTED] at [REDACTED].

Attachments (1) Report of Investigation, dated January 19, 2010



**United States Department of the Interior
Office of Inspector General**

REPORT OF INVESTIGATION

Case Title [REDACTED], BIA Osage Agency	Case Number OI-OK-08-0326-I
Reporting Office Tulsa, OK	Report Date January 19, 2010
Report Subject Closing Report	

SYNOPSIS

This investigation was initiated in April 2008 based upon a complaint from [REDACTED] [REDACTED] Drilling Corp (TDC), alleging that the Osage Agency and [REDACTED], Osage Agency, Bureau of Indian Affairs (BIA), had mismanaged oil well drilling/plugging operations and had dealt with him in an incompetent and discriminatory manner. During the course of our investigation, we received additional allegations that [REDACTED] may have violated federal nepotism laws by supervising her cousin [REDACTED] by hiring her nephew [REDACTED] and by showing both relatives preferential treatment. Questions were also raised about the past conduct of [REDACTED] that may have made him unsuitable for federal employment.

While our investigation identified past mismanagement issues relating to the BIA Osage Agency's administration of oil well drilling and plugging permits, we determined that these were systemic issues not unique to [REDACTED] experience with the BIA. We did not substantiate that anyone from the BIA Osage Agency discriminated against [REDACTED]

Additionally, our investigation did not determine that [REDACTED] violated nepotism statutes, although many BIA Osage Agency employees perceived that this had, in fact, occurred. Finally, our investigation did identify that [REDACTED] has a prior criminal conviction for assault and battery with a deadly weapon, and was terminated by a prior employer for misuse of a corporate charge and gas card.

This matter is being referred to the BIA for review and appropriate action.

Reporting Official/Title [REDACTED], Special Agent	Signature
Approving Official/Title Jack L. Rohmer, Special Agent In Charge	Signature

Authentication Number: E86DFD5BAF80AC6BD78BB033564D63D0

This document is the property of the Department of the Interior, Office of Inspector General (OIG), and may contain information that is protected from disclosure by law. Distribution and reproduction of this document is not authorized without the express written permission of the OIG.

BACKGROUND

Relevant Regulations

We determined that the following citations from the United States Code (USC), Code of Federal Regulations (CFR), and Departmental Manual (DM) were relevant to the investigation:

Citations relating to oil well drilling/plugging operations:

- 25 CFR Part 226.42 - Penalty for violation of lease terms
- 25 CFR Part 226.44 - Appeals
- 25 CFR Part 2.19 - Action by Area Directors and Education Programs officials on appeal

Citations relating to employment of family members and ethical conduct of employees:

- 18 USC § 3110(b) - Employment of relatives; restrictions
- 5 CFR Part 2635 - Standards of Ethical Standards of Ethical Conduct for Employees of the Executive Branch, Section 101(8) and Section 101(14).
- 5 CFR Part 2635.502 - Personal and business relationships, Subsection (a), Consideration of appearances by the employee, and 5 CFR Part 2635.502(b)(1)(ii)
- 5 CFR Part 2635.702 - Use of public office for private gain
- 5 CFR Part 2635.702(a) - Inducement or coercion of benefits
- DM Part 370: Departmental Personnel Program; Chapter 302: - Employment in the Excepted Service; Subchapter 2: Eligibility Standards; Section 3: Members of Family (370 DM 302.2.3)
- 5 USC § 735.203 - Conduct prejudicial to the Government

Suitability Standards for Federal Employment

We found that the U.S. Office of Personnel Management (OPM) issued, at 5 CFR Part 731, the procedures for determining a person's suitability for federal employment. Determining an individual's suitability for federal employment involves an assessment of past and present conduct as it may indicate probable future actions. Furthermore, its purpose is to establish a reasonable expectation that the initial employment or continued employment of an individual would protect the integrity or promote the efficiency of the federal service.

Under 5 CFR 731.202(b), OPM identifies, in part, the following factors for consideration in making suitability determinations: 1) misconduct or negligence in employment; 2) criminal or dishonest conduct, and 3) material, intentional false statement, or deception or fraud in examination or appointment. In making suitability determinations, agencies are required under 5 CFR 731.202(c) to consider: 1) the nature of the position for which the person is applying or which the person is employed; 2) the nature and seriousness of the conduct; 3) the circumstances surrounding the conduct; 4) the recency of the conduct; 5) the age of the person at the time of the conduct; 6) contributing societal conditions, and 7) the absence or presence of rehabilitation or efforts toward rehabilitation.

DETAILS OF INVESTIGATION

On April 28, 2008, we interviewed complainant [REDACTED], [REDACTED] Drilling Corp (TDC), Pawhuska, OK, regarding his complaint about gross mismanagement and abuse of position by [REDACTED], [REDACTED], Osage Agency, Bureau of Indian Affairs (BIA), Pawhuska, OK (**Attachment 1**). [REDACTED] a lease operator who held multiple oil leases on the Osage Indian Reservation awarded by the BIA Osage Agency, alleged that [REDACTED] office dealt with him in an incompetent and discriminatory manner, and took improper actions on various oil leases intended to put him out of business. More specifically, he alleged that [REDACTED] office inappropriately terminated two of his oil leases (Reed leases) for non-production in July 2006, and would not honor his request for a meeting before the leases were terminated. [REDACTED] subsequently appealed the lease terminations to the BIA-Eastern Oklahoma Regional Office (EORO) in Muskogee, OK. However, his appeal was still pending a decision by the BIA some two years later. [REDACTED] further alleged that [REDACTED] office mismanaged oil well drilling and plugging operations by taking months to approve his applications for permits and providing him with erroneous instructions causing him to plug the wrong oil wells.

On September 10, 2009, [REDACTED] Petroleum Engineering Technician, Osage Agency, EORO, BIA, alleged that [REDACTED] may have violated nepotism laws by hiring, supervising, and showing preferential treatment towards her relatives (**Attachment 2**). Specifically, [REDACTED] alleged that in May 2009, [REDACTED] hired her nephew, [REDACTED] as a Petroleum Engineering Technician at the BIA Osage Agency. Though it was typically [REDACTED] responsibility to select and hire petroleum engineering technicians in the BIA Osage Agency's Field Section, [REDACTED] claimed that [REDACTED] took the unprecedented steps to select and hire [REDACTED] without involving him in the decision or disclosing that [REDACTED] was her nephew. [REDACTED] further reported that [REDACTED] showed [REDACTED] preferential treatment when she directed him ([REDACTED] to assign a new government vehicle to [REDACTED] even though another Field Section employee had more seniority and was next in line to receive it (**Attachment 3**). [REDACTED] questioned [REDACTED] suitability for federal employment since [REDACTED] reportedly had a criminal record and was reportedly fired from his last job (See Attachments 2 and 3).

[REDACTED] also questioned [REDACTED] supervision of her cousin, BIA Osage Agency Field Section Realty Assistant [REDACTED] (See Attachment 2). [REDACTED] alleged that [REDACTED] provided [REDACTED] with preferential treatment by creating a Realty Specialist (GS-7) position in the Field Section; persuading [REDACTED] to hire [REDACTED] not requiring [REDACTED] to perform her Field Section work requirements; requiring [REDACTED] to perform [REDACTED] work assignments; assigning [REDACTED] better work space than the rest of the Field Section staff; allowing [REDACTED] to be detailed to other sections at the BIA Osage Agency, and attempting to influence [REDACTED] annual evaluation of [REDACTED] work performance (i.e. instructing [REDACTED] to give [REDACTED] a higher rating).

The allegations in [REDACTED] and [REDACTED] complaints are addressed in the following three sections of this Report:

1. [REDACTED] Alleged Mismanagement and Discrimination
2. Alleged Violation of Nepotism Laws by [REDACTED]
3. [REDACTED] Alleged Suitability Issues

During this investigation, we interviewed BIA managers and employees, Osage Nation officials, and BIA lessees. Additionally, we reviewed BIA Osage Agency leasing documents, Osage Nation Mineral

Council minutes, court records, and BIA security and personnel records.

1. [REDACTED] Alleged Mismanagement and Discrimination

Our review of complaint documents and agency records did not substantiate allegations that [REDACTED], and her staff, improperly terminated [REDACTED] Reed leases without cause. Additionally, we were unable to substantiate that [REDACTED] had refused to meet with [REDACTED] had a bias against him, or had intended to put him out of business.

Review of Letters Between [REDACTED] and BIA officials

Our review of letters between [REDACTED] and BIA officials disclosed the following information:

On June 30, 2006, the BIA Osage Agency notified [REDACTED] that his Reed leases had “zero production and no sales since June 2004,” and that the leases would be terminated for non-production (**Attachment 4**). [REDACTED] was provided 15 days to respond and to show cause why the leases should not be terminated. [REDACTED] was provided as [REDACTED] point of contact for the matter.

On July 14, 2006, [REDACTED] responded in writing to [REDACTED] that the termination of his leases would be unreasonable and that he was trying to get production on the leases (**Attachment 5**). [REDACTED] requested a meeting with [REDACTED], [REDACTED] and [REDACTED], Petroleum Engineer, Osage Nation Minerals Council (ONMC), to explain his activities and to discuss the financial hardships caused by BIA delays on the leases.

On July 20, 2006, Acting Osage Agency [REDACTED] [REDACTED] [REDACTED] issued two letters to [REDACTED] notifying him that his Reed leases were terminated for non-production (**Attachments 6 and 7**).

On August 17, 2006, [REDACTED] filed an appeal of the termination of his Reed leases with the Regional Director, BIA-EORO, Muskogee, OK (**Attachment 8**).

Alleged Wrongful Termination of [REDACTED] Reed Leases

[REDACTED] alleged that the BIA inappropriately terminated his Reed leases for non-production and would not honor his request for a meeting before terminating his leases (See Attachment 1). [REDACTED] further alleged that the termination of his leases was unreasonable since he had been working diligently to make the leases productive.

(Agent’s note: Our review of 25 CFR Part 226 provided no exceptions to the termination of a lease based upon the lessee’s level of effort to make the lease productive.)

We questioned [REDACTED] about the BIA’s termination of [REDACTED] Reed leases (**Attachment 9**). She told us that she did not sign the letter to terminate the lease, had no specific recollections of the lease terminations, and did not recall any of her discussions about this matter with [REDACTED] or [REDACTED]. [REDACTED] did not recall denying [REDACTED] a meeting to discuss his lease terminations and said that she would have met with [REDACTED] had he contacted her and requested it. [REDACTED] told us that the BIA terminated [REDACTED] Reed leases because he failed to produce oil. She denied that she, or BIA Osage Agency personnel, ever acted maliciously against [REDACTED]. She pointed out that BIA policy dictated that mineral lessees were permitted to hold oil leases provided that the leases “produced in paying

quantities.” She explained that oil lessees were expected to have regular, quantifiable, oil production along with corresponding sales of oil production.

We questioned [REDACTED] about the termination of [REDACTED] Reed leases (**Attachment 10**). [REDACTED] told us that he was responsible for initiating the termination of the leases in July 2006. [REDACTED] said that the lease terminations were justified since [REDACTED] had been significantly out of compliance with the terms of the lease. Specifically, there had been no reported oil production on [REDACTED] leases since September 2005, or oil sales since June 2004. [REDACTED] reported that the BIA Osage Agency show cause letter to [REDACTED] dated June 30, 2006, was preceded by a letter from [REDACTED] to [REDACTED], dated February 26, 2006. [REDACTED] recalled that [REDACTED] letter to [REDACTED] provided various excuses (i.e. cash flow problems, operational problems, etc.) as to why [REDACTED] oil leases were not producing. In the letter, [REDACTED] promised to have all of his oil leases (including the Reed leases) producing within 90 days. However, by June 30, 2006, there was still no oil production on [REDACTED] leases.

When asked if [REDACTED] had refused to meet with [REDACTED] [REDACTED] explained that he and [REDACTED] had previously met with [REDACTED] in March 2006, when another one of [REDACTED] leases (Moore lease) was being terminated (See Attachment 10). [REDACTED] said that [REDACTED] provided the same excuses and reasons why his leases were not producing. [REDACTED] said that he was reluctant to meet with [REDACTED] to discuss the Reed lease terminations since he had already heard [REDACTED] excuses before and did not believe that another meeting with [REDACTED] would be informative or productive.

We questioned [REDACTED] about the termination of [REDACTED] Reed leases (**Attachment 11**). [REDACTED] confirmed that he, as Acting Superintendent, signed the show cause letter to [REDACTED] dated June 30, 2006, and the two termination letters to [REDACTED] dated July 20, 2006, terminating his Reed leases. [REDACTED] explained that the decision to terminate [REDACTED] Reed leases were justified and based upon the monthly oil sales and production reports filed by [REDACTED] with the BIA Osage Agency. He said that [REDACTED] reports disclosed several years of little oil production and zero oil sales on the Reed leases.

Alleged Removal of [REDACTED] Grievance from Osage Nation Minerals Council Meeting Agenda

[REDACTED] told us that after the BIA terminated his Reed leases, he subsequently attempted to meet with the ONMC to grieve the termination of his leases (See Attachment 1). He told us that while the ONMC had initially agreed to place his grievance on their meeting agenda, his name was subsequently removed from the ONMC agenda after [REDACTED] and [REDACTED] met in executive session with ONMC members. [REDACTED] told us that he believed that [REDACTED] and [REDACTED] slandered him and encouraged ONMC members to remove his grievance from their agenda.

In our evaluation of this allegation, we interviewed [REDACTED] (See Attachment 9), [REDACTED] (See Attachment 10), and ONMC council members [REDACTED], [REDACTED], and [REDACTED] (**Attachments 12, 13, and 14**). [REDACTED] and [REDACTED] denied [REDACTED] allegations (See Attachments 9 and 10). [REDACTED], [REDACTED] and [REDACTED] denied that [REDACTED], or any other BIA official 1) requested to meet with the ONMC in executive session about [REDACTED] 2) slandered [REDACTED] to the ONMC, and 3) had [REDACTED] grievance removed from any ONMC meeting agenda (See Attachments 12, 13, and 14).

Alleged Delays in the Processing of [REDACTED] Appeal

[REDACTED] told us that although he filed an appeal of his Reed lease terminations with the BIA-EORO on

August 17, 2006, the appeal was still pending a decision by the BIA two years later (See Attachment 1). [REDACTED] complained that two years was an unreasonable amount of time to wait. In an attempt to determine the cause of the delay, we interviewed BIA Osage Agency officials.

[REDACTED] confirmed that [REDACTED] appeal was still pending with the BIA-EORO (See Attachment 9). [REDACTED] acknowledged that the BIA-EORO appeals process did not normally take two years to issue a decision. However, [REDACTED] explained that the BIA-EORO appeals office in Muskogee, OK was understaffed and backlogged.

We questioned [REDACTED] Regional Director, EORO, BIA, Muskogee, OK, about [REDACTED] appeal of the Reed lease terminations filed with the BIA-EORO (Attachment 15). [REDACTED] disclosed that on December 14, 2008, she signed a letter addressed to [REDACTED] denying his appeal and affirming the decision of the BIA Osage Agency Superintendent to terminate [REDACTED] Reed leases, based upon [REDACTED] lack of oil production and sales (Attachment 16).

We questioned [REDACTED] about the BIA-EORO's delay in processing [REDACTED] appeal (See Attachment 15). [REDACTED] explained that an extensive backlog of appeals at the BIA-EORO was the reason for the two-year delay in issuing a decision on [REDACTED] appeal. [REDACTED] said that the backlog not only affected [REDACTED] appeal, but numerous other appeals as well. [REDACTED] said that the backlog was an internal BIA-EORO management issue, and the delay was not intended to harm [REDACTED] personally in any way.

Alleged False Statement by [REDACTED] to [REDACTED]

[REDACTED] told us that he met with [REDACTED] in March 2006 to discuss the termination of his Moore lease (See Attachment 1). He said that during their meeting, [REDACTED] told him that the only reason she was terminating the lease was that it was non-productive and that the BIA-EORO had 'pulled his ([REDACTED] file and was forcing her [REDACTED] to act.' In a subsequent conversation with [REDACTED], Deputy Regional Director, Trust Services, BIA-EORO, [REDACTED] learned that the BIA-EORO was completely uninvolved in the lease termination process, and that all Osage-related lease terminations were initiated and handled by the BIA Osage Agency Superintendent. Based upon his conversation with [REDACTED] [REDACTED] concluded that [REDACTED] had previously lied to him about the termination of his Moore lease and had acted in bad faith in terminating his Reed leases.

We questioned [REDACTED] about the matter and she adamantly denied telling [REDACTED] that the BIA-EORO was forcing her to terminate his lease (See Attachment 9). [REDACTED] told us that she had the authority to terminate [REDACTED] Moore lease and not the BIA-EORO. [REDACTED] explained that the BIA-EORO was never involved in the lease termination process, and was only involved in the appeals process.

[REDACTED] confirmed that [REDACTED] had delegated line-authority, per 25 CFR 226.42, to terminate oil and gas leases at the Osage Agency without involvement by the BIA-EORO (See Attachment 15). To [REDACTED] knowledge, no one from the BIA-EORO was ever involved in the termination of [REDACTED] leases.

Alleged Discrimination and Harassment Against [REDACTED]

[REDACTED] told us that [REDACTED] was abusing her position at the BIA and was performing her duties in a discriminatory manner by harassing him, with the intention of putting him out of business (See Attachment 1). [REDACTED] did not know why [REDACTED] would want to discriminate against him, except that [REDACTED] had supported the re-election of [REDACTED], [REDACTED] Osage Nation of Oklahoma, and

█████ had supported the other candidate. █████ asserted that the █████ harassment and BIA's delays in handling his appeal were intentional and not mere incompetence.

We interviewed █████, █████ and █████ about the alleged discrimination and harassment against █████ (See Attachments 9, 10, and 11). █████, █████ and █████ all denied that █████ had been harassed, discriminated against, or that they had any intention to put him out of business. Instead, they each described █████ as being a low-volume oil producer, who had a tendency to blame other people for his lack of oil production.

█████ told us that █████ had complained for years about being undercapitalized and experiencing bad luck, and used these explanations for his long track record of non-production on oil leases (See Attachment 9). █████ said she did not consider █████ to be a very good business person, and noted that █████ did not compare well with several other successful drilling operators that her office routinely dealt with. █████ also reported that her office has received several complaints from the ONMC members and from Osage tribal landowners, regarding quality and timeliness issues with █████ oil well plugging contracts.

To substantiate █████ claim that ONMC members had previously complained to her about the quality and timeliness of █████ oil well plugging contracts, we questioned █████ and █████ (See Attachments 12, 13, and 14). All three ONMC members acknowledged that the council had previously experienced compliance issues with █████ and was no longer issuing plugging contracts to him. █████ told us that the council voted a few years ago to stop using █████ as a plugging contractor because of the issues with █████ ONMC contracts (See Attachment 13).

█████ former Acting Minerals Branch Chief, Osage Agency, BIA-EORO, told us that when he was assigned to the BIA Osage Agency, he experienced problems with █████ who had a record of non-production and non-compliance on his oil leases and plugging contracts (Attachment 17). █████ did not confirm that █████, or any other BIA Osage Agency official, had harassed, discriminated against, or conspired to put █████ out of business.

Alleged Mismanagement of Drilling and Plugging Operations by the BIA

█████ alleged that the BIA Osage Agency mismanaged oil well drilling and plugging operations by taking months to approve his permits and providing him with erroneous instructions causing him to plug the wrong oil wells (See Attachment 1). █████ claimed that as far back as 1999, he has encountered repeated delays and received misinformation from Osage Agency staff on several leases and plugging contracts. █████ told us that the BIA's incompetence and repeated delays in administering his leases and plugging contracts has nearly bankrupted his business and has damaged his reputation with the Osage Nation, oil industry, and with banks. █████ claimed that he was aware of other lease producers and land owners who have experienced similar frustrations caused by the BIA's incompetence. █████ identified █████, █████, and █████ as other lease producers who have experienced similar problems with the BIA Osage Agency.

In an attempt to substantiate █████ claims, we interviewed █████, █████, and █████ (Attachments 18, 19, and 20). All three individuals noted varied degrees of mismanagement by BIA Osage Agency officials. █████ told us that he received a letter from █████ in January 2009 that mistakenly claimed that he had failed to file monthly sales and production reports on five of his leases between January 2005 and January 2009. █████ recalled that █████ letter threatened to assess

penalties unless he submitted sales and production reports by a specific date (See Attachment 18). [REDACTED] reported that though he had previously submitted the reports to the BIA Osage Agency, he resubmitted them to avoid being penalized. [REDACTED] told us that since 2004, it takes approximately 90 days to get a drilling permit approved by [REDACTED] office at the BIA Osage Agency (See Attachment 19). He explained that prior to 2004; the turn-a-round time for BIA drilling permits had been 1 or 2 days. Alloway further confirmed the delays in getting drilling permits from the BIA Osage Agency since 2004 (See Attachment 20).

[REDACTED] told us that the BIA Osage Agency was operated in an incompetent manner, particularly in the former Minerals Branch where BIA personnel have been known to delay or lose permit applications (See Attachment 17).

We questioned [REDACTED] the BIA Osage Agency official responsible for approving drilling and plugging permits, about the alleged delays in processing [REDACTED] plugging permit applications (See Attachment 11). [REDACTED] acknowledged that his office had experienced delays in processing plugging permit applications, including those submitted by [REDACTED]. [REDACTED] explained that the reason for the delays were that his office experienced a sharp increase in the number of drilling and plugging permit applications a few years ago. [REDACTED] told us that it typically took 1-2 weeks to process a plugging permit when the application contained accurate and complete information. If the application contained incomplete or erroneous information (e.g. missing footage location information), [REDACTED] reported that the application might take an additional 1 to 6 months to process.

[REDACTED] told us that many of [REDACTED] plugging permit applications were delayed because they were either incomplete or had missing/erroneous information in them (See Attachment 11). [REDACTED] explained that [REDACTED] often relied upon [REDACTED], ONMC Petroleum Engineer, and/or the Environmental Protection Agency (EPA) for information that went into his plugging permit applications. However, the well information that [REDACTED] often received from [REDACTED] and/or the EPA was often wrong. [REDACTED] told us that he discussed this with [REDACTED]. When asked whether he had lost any of [REDACTED] plugging permit applications, [REDACTED] said that he did not know. However, he acknowledged that he has lost applications from other plugging contractors.

Alleged Loss of [REDACTED] Plugging Permit Application by BIA Osage Agency

[REDACTED] alleged that the BIA Osage Agency lost one or more of his plugging permit applications (**Attachment 21**). [REDACTED] reported that between June 2007 and February 2009, he had to submit the same two plugging permit applications to the BIA Osage Agency on three separate occasions (June 5, 2007, March 10, 2008, and February 19, 2009), since the applications were either lost or misplaced by [REDACTED] office. In addition, [REDACTED] disclosed that he received a voice message from [REDACTED] on November 18, 2008, advising that [REDACTED] had found [REDACTED] original June 2007 plugging permit applications and check. According to [REDACTED], [REDACTED] didn't approve any of his plugging permit applications until March 2009. To substantiate his claims, [REDACTED] provided us with copies of his plugging permit applications, check, and [REDACTED] November 2008 voicemail message (**Attachment 22**).

We questioned [REDACTED] about the loss of [REDACTED] June 2007 applications for plugging permits and why it was necessary for [REDACTED] to resubmit the applications on two other occasions before the Osage Agency finally approved them in March 2009 (**Attachment 23**). [REDACTED] told us that he was unable to verify what happened to [REDACTED] original June 2007 applications. From what he could tell, the BIA

Osage Agency Lease Management section appeared to have misplaced the applications along with [REDACTED] \$75 check. He explained that [REDACTED] March 2008 applications weren't processed since the well numbers were incorrect and [REDACTED] failed to correct them. [REDACTED] once again submitted plugging permit applications with incorrect information in February 2009. However, [REDACTED] corrected and approved both applications on March 3, 2009.

Because [REDACTED] informed us that he had previously shared his complaint with the office of U.S. Senator Tom A. Coburn (Oklahoma), we discussed [REDACTED] complaint with [REDACTED], a member of Sen. Coburn's staff (**Attachment 24**). [REDACTED] advised that since 2007, her office has received several complaints about the BIA Osage Agency's reported mishandling of oil leases, to include [REDACTED] complaint. In response, her office referred the matter to DOI Secretary Dirk Kempthorne in March 2008 (**Attachment 25**). In May 2008, they received a response letter from DOI Assistant Secretary for Indian Affairs [REDACTED] who defended the lease handling activities by BIA's Osage Agency (**Attachment 26**). [REDACTED] stated that [REDACTED] response did not convince her that there were no problems at the BIA Osage Agency (See Attachment 24).

2. Alleged Violation of Nepotism Laws by [REDACTED]

In an effort to substantiate whether [REDACTED] violated 18 USC § 3110(b) federal nepotism laws by reportedly hiring her nephew ([REDACTED] supervising her cousin ([REDACTED] and showing preferential treatment towards both relatives, we interviewed [REDACTED] and BIA Osage Agency officials. Because of conflicting testimony by [REDACTED], [REDACTED] and BIA Osage Agency [REDACTED] [REDACTED] we were unable to determine whether [REDACTED] had any involvement in hiring [REDACTED] to work at the Osage Agency. Additionally, our investigation found that federal nepotism laws did not apply to [REDACTED] and [REDACTED] relationship as second cousins. Lastly, due to conflicting testimony from [REDACTED] and [REDACTED] we were unable to substantiate that [REDACTED] had shown preferential treatment to [REDACTED] by reportedly assigning him a new government vehicle. Though our investigation was unable to substantiate that [REDACTED] had violated federal nepotism laws, we found that there was a perception by many Osage Agency employees that [REDACTED] had violated nepotism laws and the Standards of Conduct for Employees of the Executive Branch. Our interviews of [REDACTED] and BIA officials revealed the following:

Alleged Nepotism by [REDACTED] Involving [REDACTED]

[REDACTED] alleged that in May 2009, [REDACTED] hired her nephew, [REDACTED] as a Petroleum Engineering Technician in the Field Section (See Attachment 2). [REDACTED] told us that around May 2009, [REDACTED] called him into her office for an impromptu meeting with [REDACTED] to discuss filling a vacant field technician position in the Field Section. According to [REDACTED] [REDACTED] told him that there were three applicants; she determined that one of applicants (i.e. [REDACTED] was the best qualified, and she planned to select him. [REDACTED] told us that [REDACTED] never disclosed the names or backgrounds of the candidates, and did not disclose that one of the applicants ([REDACTED] was her nephew. [REDACTED] denied that he had any involvement in selecting [REDACTED] for the position.

[REDACTED] claimed that sometime after [REDACTED] had selected [REDACTED] Petroleum Engineering Technicians [REDACTED] and [REDACTED] told him that [REDACTED] and [REDACTED] were related (See Attachments 2 and 35). [REDACTED] next-door neighbor, told [REDACTED] that [REDACTED] had hired [REDACTED] as a favor to her older sister and that [REDACTED] had heard, even before [REDACTED] was selected, that the job was [REDACTED]

██████ told ██████ that ██████ was bragging, prior his selection, that he would get the job (See Attachments 2 and 35).

In an attempt to substantiate ██████ claim that ██████ had discussed getting the Field Section job with agency employees prior to his selection at the BIA, we interviewed ██████ and ██████ (Attachments 27 and 28). Although ██████ and ██████ admitted to having conversations with ██████ prior to his selection at the BIA, both denied that ██████ ever told them that he would be selected for the position.

We interviewed a number of Field Section employees about ██████ hiring at the BIA. ██████ ██████ Petroleum Engineering Technician, told us that he did not know who was involved in hiring ██████ but that he questioned whether ██████ hiring was done legally with respect to nepotism laws (Attachment 29). ██████ reported that ██████ told him that ██████ had selected ██████ that ██████ had no say in ██████ hiring, and that ██████ hands were tied. ██████ reported that everyone in the Field Section knew that ██████ and ██████ were related and that their relationship had a chilling effect upon Field Section employees. ██████, Petroleum Engineering Technician, told us that while he did not know who was involved in hiring ██████ to work at the BIA, he heard rumors that ██████ had selected and hired ██████ (Attachment 30). ██████, Petroleum Engineering Technician, told us that he learned from BIA co-workers that ██████ and ██████ were related (Attachment 31). Though ██████ believed that ██████ was selected for the job based upon his qualifications and veteran's preference, ██████ also acknowledged that some employees thought that ██████ helped ██████ get the job. ██████ told us that though he had no reason to believe that ██████ was involved in hiring ██████ at the Osage Agency, it crossed his mind that ██████ helped ██████ get the job (See Attachment 28). Regardless of whether ██████ was involved or not, ██████ told us that ██████ hiring had the appearance of nepotism. ██████ told us that he did not believe that ██████ had any involvement in selecting and hiring ██████ to work at the BIA (See Attachment 27).

We interviewed ██████ about his knowledge and involvement in the matter (Attachment 32). ██████ claimed that he selected ██████ for the position. He told us that after the certified applicant list had come back from the BIA-Human Resources Office (BIA-HR), ██████ asked him to handle the entire selection process since one of the candidates (██████ on the list was her relative. ██████ subsequently notified BIA-HR that ██████ would make the selection and that all hiring correspondence should go through ██████. After receiving the qualified applicant list from BIA-HR, ██████ reviewed the candidates with ██████. ██████ said that he and ██████ determined that ██████ was the most qualified of the candidates. ██████ reported that he never disclosed to ██████ that ██████ and ██████ were related. When we confronted ██████ about his alleged meeting with ██████ and ██████ where ██████ reportedly told ██████ that she had selected ██████ for the position, ██████ denied that any such meeting ever occurred. ██████ denied that ██████ had been involved in the selection process and reiterated that ██████ had removed herself from the hiring process. ██████ denied that ██████ ever attempted to influence or pressure him to select ██████ for the position.

We interviewed ██████ about her alleged involvement in hiring ██████ at the Osage Agency (Attachment 33). ██████ told us that when she learned that ██████ intended to apply for the job, she called and discussed the matter with BIA Human Resource Specialist ██████ and Regional Director ██████. ██████ said that she received guidance from ██████ and ██████ to recuse herself from the matter, which she did. When she learned that ██████ had made the certified applicant's list, she asked ██████ to make the selection. ██████ told us that she thought that ██████

and [REDACTED] had met, evaluated the candidates on the certified applicant's list, and selected [REDACTED] because of his oil field experience and veteran's preference. [REDACTED] denied that she did anything to influence [REDACTED] selection of [REDACTED] for the BIA position. [REDACTED] told us that because she was familiar with federal nepotism laws, she has never overseen or supervised [REDACTED] work. [REDACTED] is supervised by [REDACTED] and [REDACTED]. When we confronted [REDACTED] about her alleged meeting with [REDACTED] and [REDACTED] where she reportedly discussed her selection of [REDACTED], she denied that any such meeting happened. [REDACTED] told us that after [REDACTED] had decided to select [REDACTED] for the position, he ([REDACTED]) came into her office and told her that he and [REDACTED] had selected [REDACTED] that they ([REDACTED]) and [REDACTED] had agreed that [REDACTED] was the best qualified candidate, and that [REDACTED] had concurred with [REDACTED] selection. [REDACTED] had the impression, from speaking to [REDACTED] that [REDACTED] and [REDACTED] had reviewed [REDACTED] application together. [REDACTED] also recalled that after [REDACTED] informed her of [REDACTED] selection, she subsequently met with [REDACTED] in her office and told [REDACTED] that [REDACTED] had selected [REDACTED] for the position. [REDACTED] also disclosed to [REDACTED] at this time, that [REDACTED] was her nephew. During her meeting with [REDACTED], [REDACTED] told him that she had recused herself from anything involving [REDACTED] and that [REDACTED] was to go through [REDACTED] for everything relating to [REDACTED]. [REDACTED] recalled [REDACTED] saying that he already knew that she and [REDACTED] were related.

In an attempt to substantiate [REDACTED] claim that she discussed the matter of [REDACTED] application to the BIA with Human Resources Specialist [REDACTED], we interviewed [REDACTED] (Attachment 34). [REDACTED] told us that around April 2009, she was contacted by [REDACTED] regarding a vacancy at the Osage Agency. [REDACTED] let her know that she [REDACTED] was withdrawing herself from the hiring process since her relative, [REDACTED], was applying for the position. [REDACTED] reported that she and [REDACTED] subsequently decided that [REDACTED] would be the selecting official.

Because [REDACTED] and [REDACTED] statements were in stark contrast to [REDACTED] allegations, we re-interviewed [REDACTED] to confirm his claims (Attachment 35). [REDACTED] told us that he was certain about his recollection of the meeting he had with [REDACTED] and [REDACTED] in [REDACTED] office in April/May 2009, and that [REDACTED] not [REDACTED] had made the selection to hire [REDACTED] in the Field Section. Additionally, [REDACTED] denied meeting with [REDACTED] to review the candidates and denied having any involvement in selecting [REDACTED] for the position.

Alleged Preferential Treatment to [REDACTED] by [REDACTED]

[REDACTED] told us that [REDACTED] directed him to assign a new BIA field truck to [REDACTED] shortly after [REDACTED] began working in the Field Section in May 2009 (See Attachment 3). [REDACTED] told us that [REDACTED] never explained to him why she wanted the new vehicle assigned to [REDACTED] and he didn't ask. Because [REDACTED] had never previously involved herself in assigning vehicles to Field Section employees, [REDACTED] concluded that [REDACTED] was showing preferential treatment toward her nephew. After receiving the order from [REDACTED], [REDACTED] said that he discussed it with [REDACTED] and told [REDACTED] that he ([REDACTED]) didn't think what [REDACTED] did was right.

[REDACTED] told us that he believed that [REDACTED] had received preferential treatment when he was assigned a new government vehicle shortly after his arrival at the BIA (See Attachment 29). He told us that another Field Section employee, with more seniority, had been next in line to receive the vehicle. [REDACTED] recalled [REDACTED] saying that he ([REDACTED]) had no control over the decision. Many employees in the Field Section, including [REDACTED], believed that [REDACTED] was behind assigning the new vehicle to [REDACTED]. [REDACTED] told us that the assignment of the new vehicle to [REDACTED] hurt morale and created bad feelings among employees in the Field Section.

██████ told us that he also believed that ██████ had received preferential treatment by getting the new vehicle assigned to him (See Attachment 30). ██████ explained that he had been next in line for a new vehicle since he had been driving the oldest truck in the Field Section. Additionally, both ██████ and ██████ had told him, prior to truck being assigned to ██████ that he (██████) would receive the new truck. ██████ said that other Field Section employees thought the assignment of the new vehicle to ██████ was “wrong” since new vehicles were always assigned to the person who needed it the most.

██████ who was involved in assigning vehicles to Field Section employees, told us that although some employees may have thought that ██████ had received preferential treatment when the new truck was assigned to him, he claimed that it was just “coincidence” (See Attachment 27). ██████ reported that the new vehicle, a gauging truck, was originally going to be assigned to former Field Section Petroleum Engineering Technician ██████. However, just before ██████ began working for the BIA, ██████ was reassigned to a field inspector position and did not need a gauging truck (Attachment 36). ██████ asserted that neither ██████ nor ██████ were ever involved in ██████ being assigned the new vehicle. Though ██████ acknowledged that he may have had a conversation with ██████ about ██████ being assigned a new truck, ██████ did not recall discussing it with ██████.

██████ denied that she ever provided preferential treatment to ██████ at the Osage Agency (See Attachment 33). With respect to the new vehicle assigned to ██████ ██████ denied having any involvement in assigning the truck to ██████. She told us that she first became aware of the controversy involving the assignment of the new vehicle to ██████ after someone in the Field Section complained. In response, ██████ discussed the complaint with ██████ who handled the assignment of vehicles in the Field Section. ██████ told her that the vehicle had been assigned to ██████ since the field technician, that ██████ replaced, was due a replacement vehicle. ██████ assured her that the rationale for assigning the new vehicle to ██████ was consistent with the manner in which vehicles were assigned to personnel in the Field Section. ██████ told her that he was aware of the controversy; that he had received a complaint from one of the field inspectors, and that he (██████) had explained to the field inspector why the new truck had been assigned to ██████. Based upon her discussion with ██████ ██████ did not believe that the assignment of the new vehicle to ██████ had been preferential treatment.

Alleged Nepotism by ██████ Involving ██████

██████ alleged that ██████ may have violated nepotism laws through her supervision and preferential treatment to ██████ over the past four years (See Attachment 2). ██████ explained that approximately four years ago, ██████ converted a GS-4 level position in the Field Office to a GS-7 Realty Assistant position. After the position was created and advertised, ██████ convinced ██████ to hire ██████ for the position over two other applicants. ██████ told us that at the time ██████ was persuading him to hire ██████ she never disclosed to him that ██████ was her cousin. ██████ reported that after ██████ was hired, ██████ subsequently disclosed to him that she was related to ██████. ██████ reported that ██████ has never disclosed or acknowledged this fact to him.

██████ told us that approximately 3-4 months after hiring ██████ her attitude and job performance declined drastically; she performed less work; began spending more time in ██████ office, and flaunted her relationship with ██████ (See Attachment 2). Because ██████ would go directly to ██████ to complain whenever she disagreed with ██████ instructions, ██████ undermined his ability to effectively supervise ██████ work. He told us that even though he repeatedly discussed these issues with ██████ and ██████, his attempts to resolve the matter with ██████ and ██████ were unsuccessful.

█████ provided the following examples to illustrate the preferential treatment that █████ has provided to █████ (See Attachment 2):

- Approximately two years ago, the Field Section office was physically moved out of BIA Osage Agency offices and into double-wide trailers. After █████ complained to █████ that she did not want to relocate to the trailers, █████ assigned her office space in the Subsurface Section.
- In October 2008, while meeting to discuss █████ pending performance evaluation, █████ told █████ to give █████ the highest possible rating to justify an award she planned to give to █████. █████ subsequently rated █████ “fully successful” because he didn’t believe that █████ deserved an “outstanding” rating. As a result, █████ verbally reprimanded him for not following her instructions.
- On October 2, 2009, █████ rated █████ “less than fully successful” for her 2009 annual appraisal. On October 5, 2009, █████ took away █████ supervision of █████ by placing her on a 30-day detail to the Accounting Section. █████ did not notify or coordinate the detail with █████.

█████ told us that he believed that █████ was providing preferential treatment to █████ (See Attachment 29). He reported that even though █████ was assigned to the Field Section, she has performed very █████ work for the section. As a result, █████ and other Field Section employees have had to do her work. He told us that even though █████ has tried to get █████ to perform her work responsibilities, █████ has protected her and allowed █████ to do whatever she wants.

█████ told us that it was impossible to correct or challenge █████ because of her personality and because she will let you know that you “don’t tell her what to do...that she has protection” from █████. █████ said that he once confronted █████ about being related to █████. He said that █████ “took great offense” to it and let him know that he was never to mention it again.

We questioned █████ about her reported relationship and preferential treatment from █████ (Attachment 37). Though █████ confirmed that she and █████ were second cousins, she denied that █████ has ever used her position at the BIA Osage Agency to show her preferential treatment. With respect to her 2009 annual performance appraisal, she acknowledged that █████ rated her minimally successful. Because █████ disagreed with the rating and believed it to be unfair, she discussed her rating with █████ and █████ and plans to grieve it. She told us that █████ recently detailed her to the Accounting Section to help reconcile 3 to 4 years of backlogged accounting statements. During the detail, she will report directly to █████ instead of █████. She denied that the detail was preferential treatment or that it had anything to do with the performance rating from █████. She told us that █████ and █████ were already planning to detail her to the Accounting Section before the issue of her performance rating came up. █████ explained that █████ and █████ had previously discussed reassigning her out of the Field Section since her work in that section had been minimal. With respect to her assigned office space at the BIA, █████ denied that she had received preferential treatment from █████. She told us that she was not forced to relocate to the Field Section’s office trailer since she had been the only female in the section and there was only one bathroom in the trailer. █████ denied that she ever asked █████ to intervene to prevent her (█████) from being assigned to work in the Field Section trailer.

We questioned █████ about █████ and █████ relationship and the preferential treatment █████ reportedly receives from █████ (See Attachment 32). He told us that █████ disclosed her

relationship to [REDACTED] on the first day of his work at the office and that their relationship was no secret at the Osage Agency. He denied knowing of any instance where [REDACTED] has come to him, or [REDACTED], to complain about work assignments from [REDACTED] in the Field Section. Additionally, [REDACTED] denied that either he or [REDACTED] ever undermined [REDACTED] supervision of [REDACTED]. He told us that he has never known [REDACTED] to provide preferential treatment to [REDACTED] and knew of no instance where [REDACTED] attempted to influence [REDACTED] annual performance ratings. However, he acknowledged that prior to his arrival at the BIA Osage Agency as the Deputy Superintendent in July 2008, [REDACTED] had served as the reviewing official for every Osage Agency employee, including [REDACTED]. With respect to [REDACTED] recent detail to the Accounting Section, [REDACTED] temporarily assigned [REDACTED] to the detail to reduce the backlog of work in the section. She assigned [REDACTED] to serve as [REDACTED] immediate supervisor during the detail. [REDACTED] denied that the detail had anything to do with the poor annual performance rating that [REDACTED] recently received from [REDACTED]. He told us that prior to [REDACTED] recent detail to the Accounting Section, [REDACTED] had spent the majority of her time working in the Subsurface Section even though she was assigned, on paper, to work for [REDACTED] in the Field Section. [REDACTED] told [REDACTED] that she intended to permanently reassign [REDACTED] out of the Field Section since [REDACTED] was no longer doing much work for the Field Section.

We questioned [REDACTED] about her relationship with [REDACTED] and her reported preferential treatment to [REDACTED] (See Attachment 33). [REDACTED] told us that she and [REDACTED] were second cousins; that there were no nepotism issues since second cousin relationships weren't prohibited under the nepotism statute; that she has never given [REDACTED] preferential treatment, and that she has never tried to hide her relationship with [REDACTED] from anyone at work. She told us that while most people at work knew that she and [REDACTED] were cousins, she acknowledged that some people probably did not know that they [REDACTED] and [REDACTED] were second cousins, and that nepotism laws do not apply to second cousin relationships. For this reason, some people may have mistakenly thought that she was violating the law when she previously served as [REDACTED] reviewing official and second level supervisor. To ensure that she was not violating the law, [REDACTED] claimed that she previously vetted her supervision of [REDACTED] work with BIA Human Resources Officer [REDACTED] who had served as the agency's ethics officer. [REDACTED] said that [REDACTED] advised her to treat [REDACTED] like any other BIA Osage Agency employee since [REDACTED] didn't qualify as a relative under nepotism laws.

With respect to the aforementioned claims of preferential treatment, [REDACTED] offered the following explanations (See Attachment 33).

- [REDACTED] denied that she created the GS-7 level administrative position in the Field Section with [REDACTED] in mind. Though she recommended [REDACTED] for the job, she denied that she unduly influenced [REDACTED] to hire [REDACTED] or withheld the fact that she and [REDACTED] were cousins. [REDACTED] asserted that [REDACTED] made the decision to hire [REDACTED] without any pressure from her.
- [REDACTED] denied that she allowed [REDACTED] to complain to her whenever [REDACTED] disagreed with [REDACTED] instructions and/or work assignments. Additionally, she denied that she did not require [REDACTED] to follow [REDACTED] instructions.
- [REDACTED] did not require [REDACTED] the only woman in the Field Section, to work in the Field Section trailer since union rules required separate bathrooms for men and women, and the Field Section trailer only had one bathroom.
- [REDACTED] denied that she directed [REDACTED] as [REDACTED] second-level reviewer, to give [REDACTED] a high

annual performance evaluation for FY-2008 over [REDACTED] objection. Although [REDACTED] confirmed that she discussed [REDACTED] proposed “fully successful” rating for [REDACTED] in 2008, she denied telling him what rating to give to [REDACTED]. While she told [REDACTED] that she thought that [REDACTED] deserved a higher rating, she didn’t compel [REDACTED] to change his rating for [REDACTED].

- [REDACTED] denied that her decision to detail [REDACTED] to the Accounting Section was preferential treatment; an attempt to undermine [REDACTED] supervision of [REDACTED] or in response to the low performance evaluation that [REDACTED] provided for [REDACTED] 2009 performance appraisal. Instead, [REDACTED] reported that she was attempting to reduce a serious accounting backlog in the section [REDACTED] said that her plan to detail [REDACTED] to the Accounting Section predated the low performance rating from [REDACTED].

In an attempt to substantiate [REDACTED] claim that she previously vetted her supervision of [REDACTED] through [REDACTED] we interviewed [REDACTED] (Attachment 38). Although [REDACTED] told us that she had no recollection of [REDACTED] calling to discuss her [REDACTED] supervision of [REDACTED] she did not rule out that the discussion occurred. [REDACTED] told us that she had a positive opinion of [REDACTED] since [REDACTED] used to routinely call her ([REDACTED] with ethics questions and always wanted to do the right thing. [REDACTED] told us that she wouldn’t have an issue with [REDACTED] supervising her second cousin (i.e. [REDACTED] since it does not violate the federal nepotism statute. However, [REDACTED] commented that if she had told [REDACTED] to treat [REDACTED] like any other BIA Osage Agency employee, she ([REDACTED] would have also cautioned [REDACTED] against the appearance of giving preferential treatment to [REDACTED]. [REDACTED] admitted that she was not surprised by the allegations since many employees at the Osage Agency were members of the same tribe and related to one another.

3. [REDACTED] Alleged Suitability Issues

During our investigation, we developed information that called into question [REDACTED] suitability for federal employment at the BIA Osage Agency, pursuant to CFR 731.202(b). Specifically, witnesses reported that [REDACTED] was a convicted felon; had been fired from his last employer; had used illegal drugs, and was emotionally unstable. Though [REDACTED] was required to undergo a background investigation by the BIA prior to his conditional appointment to the Osage Agency as a GS-7 Petroleum Engineering Technician on May 11, 2009, we found that agency personnel security officials favorably adjudicated [REDACTED] suitability for federal employment without knowing or seeking to determine the reasons for [REDACTED] termination from his last employer, or the seriousness of [REDACTED] prior criminal conviction. Lastly, we found that Osage Agency managers knew about [REDACTED] criminal history prior to hiring [REDACTED].

[REDACTED] told us that he questioned [REDACTED] suitability for federal employment after [REDACTED] told him that [REDACTED] had two felony charges filed against him for aggravated assault and that [REDACTED] had been fired from his last employer at Green Country Supply Chemical (GCSC) (See Attachments 2 and 35). [REDACTED] told us that [REDACTED] stabbed a man in the 1990’s who had been seeing [REDACTED] ex-spouse (See Attachment 28). [REDACTED] told us that he and others were cautious “not to push him ([REDACTED] too far” since [REDACTED] had reportedly knifed someone in the past (See Attachment 30). [REDACTED] reported that [REDACTED] was currently taking medication to “calm him down.” [REDACTED] told us that he questioned [REDACTED] emotional stability; that he could not be 100% certain that [REDACTED] wasn’t a risk at work; that [REDACTED] had previously “slashed” and “assaulted” a man who nearly died from his wounds, and that he had suspected [REDACTED] of past meth use (See Attachment 29). Additionally, [REDACTED] told us that [REDACTED] has more recently spoken about his plans to beat up his ([REDACTED] girlfriend’s ex-boyfriend.

We questioned [REDACTED] about her knowledge of [REDACTED] prior criminal history (See Attachment 33). [REDACTED] told us that she knew, through reading a newspaper article in the late 1990s, that [REDACTED] had been arrested for stabbing a man with a knife at his ([REDACTED] wife's home. Although [REDACTED] was aware that [REDACTED] received a suspended sentence and was placed on probation, she was not aware that [REDACTED] was considered a convicted felon. [REDACTED] said that she disclosed [REDACTED] criminal history to [REDACTED] and [REDACTED] at the time that [REDACTED] was applying for the BIA position. She did not know whether [REDACTED] was made aware of [REDACTED] criminal history. [REDACTED] opined that [REDACTED] prior criminal history should not affect his employment at the BIA since the assault occurred more than 10 years ago; was an isolated incident, and that [REDACTED] "deserved a second chance." [REDACTED] told us that after [REDACTED] began working at the BIA, she told him that the assault issue may come up during his background investigation. Additionally, she told him that if he ([REDACTED] messed up on the job, he would be terminated since [REDACTED] was a probationary employee. [REDACTED] reasoned that had [REDACTED] assault been material to his BIA appointment, the BIA-HR office and/or BIA Security Office would have held up his employment. [REDACTED] told us that she thought that [REDACTED] background investigation had been adjudicated favorably by the BIA.

We also questioned [REDACTED] about her knowledge of [REDACTED] former employment at GCSC (See Attachment 33). She told us that although [REDACTED] had previously told her that the company was prejudiced against Indians, he did not mention any misconduct issues at GCSC. She told us that if [REDACTED] had been terminated from GCSC for misconduct, the matter would be serious enough to warrant [REDACTED] removal from the BIA during his probationary period.

We questioned [REDACTED] about his reported knowledge of [REDACTED] prior criminal history (See Attachment 32). Although [REDACTED] told us that she had made [REDACTED] aware of [REDACTED] criminal history at the time [REDACTED] had applied for the position (See Attachment 33), [REDACTED] denied that [REDACTED], [REDACTED] or anyone at the BIA did (See Attachment 32). He told us that he subsequently learned through an "outside acquaintance" that [REDACTED] may have gone to court for assault and battery. [REDACTED] claimed that he learned about the assault after he had already selected [REDACTED] for the job, but prior to [REDACTED] completing his BIA background investigation. [REDACTED] told us that he had no way of knowing, at the time, whether the information about [REDACTED] assault was true. [REDACTED] told us that he did not discuss what he had heard about [REDACTED] with [REDACTED], [REDACTED] or anyone at the BIA. Because [REDACTED] knew that [REDACTED] would have to pass a background investigation, he told us that he was not concerned about [REDACTED] alleged prior criminal history and took no action to cancel [REDACTED] selection for the job. [REDACTED] reasoned that if the information about [REDACTED] was true, he assumed that the BIA would have held up [REDACTED] BIA employment. When asked what action, if any, [REDACTED] would take if the background investigation substantiated that [REDACTED] was a convicted felon, [REDACTED] told us that he would consider administrative action in accordance with BIA policy. We also asked [REDACTED] whether he would have selected [REDACTED] for the position had he known, at the time, that [REDACTED] was a convicted felon. [REDACTED] admitted that he probably wouldn't have hired [REDACTED] for the position.

We also questioned [REDACTED] about his knowledge of [REDACTED] employment at GCSC (See Attachment 32). [REDACTED] told us that he was unaware that [REDACTED] may have been terminated from GCSC for misconduct. He explained that he did not interview [REDACTED] and that his selection had been based upon his review of [REDACTED] employment application which did not include the Declaration for Federal Employment questionnaire (OF-306) that [REDACTED] was subsequently completed after being selected. [REDACTED] told us that he would not have selected [REDACTED] for the BIA position had he known, at the time, that [REDACTED] had been terminated from GCSC for disciplinary reasons.

In an attempt to substantiate [REDACTED] criminal history, we obtained court records from the Osage County District Court, Pawhuska, OK (**Attachment 39**). Court records revealed that on August 20, 1998, [REDACTED] pled guilty and was convicted for assault and battery with a deadly weapon. Though [REDACTED] was sentenced to ten years imprisonment, the entire term of his imprisonment was suspended contingent upon his successful completion of ten-years of probation and 250 hours of community service. According to court records, [REDACTED] was discharged from probation on August 19, 2009.

(Agent's note: It should be noted that [REDACTED] was still on probation at the time he began his federal employment at the BIA Osage Agency on May 11, 2009.)

In an attempt to determine whether [REDACTED] had been terminated from his prior employment with GCSC, we interviewed [REDACTED], Officer Manager, GCSC, Pawhuska, OK (**Attachment 40**). She told us that they terminated [REDACTED] in September 2008 after they discovered that he had misused corporate charge and gas cards. After receiving his termination letter in the mail, [REDACTED] showed up at the GCSC offices and threatened to 'get' the GCSC plant manager for 'getting him fired.' In response to [REDACTED] threats, [REDACTED] filed a police report with the Pawhuska County Sheriff's Office, Pawhuska, OK (**Attachment 41**). [REDACTED] told us that [REDACTED] had a "volatile temper;" that his GCSC co-workers described him as being a "time bomb;" that he was previously written up by supervisors after making a veiled threat to blow up the GCSC office building, and was known to come to work on Monday mornings with black eyes and other signs that he had been fighting over the weekend (See Attachment 40). [REDACTED] told us that some time ago GSCS received a questionnaire in the mail regarding [REDACTED] application to work for the BIA. She advised that although they reported [REDACTED] termination for misconduct on the questionnaire, no one from the government ever called or stopped by to question them about [REDACTED]

Our review of [REDACTED] Official Personnel File (OPF) revealed that [REDACTED] was subject to a one-year probation period, beginning May 11, 2009 (**Attachment 42**). Additionally, [REDACTED] employment was conditional upon his successful completion of a background investigation.

To determine the scope and nature of the BIA's pre-employment checks on [REDACTED] we reviewed [REDACTED] BIA Security File (**Attachment 43**). Through our review, we learned that [REDACTED] disclosed his assault and battery conviction and GCSC termination on his Declaration for Federal Employment (OF-306) questionnaire (**Attachment 44**). However, [REDACTED] falsely reported that he pled "no contest" to the assault and battery charge, and failed to disclose that misconduct had been the reason for his GCSC termination. Documents in the security file revealed that on July 28, 2009, BIA Security Specialist [REDACTED] provided a favorable adjudication determination for [REDACTED]. [REDACTED] wrote that "subjects conduct would not interfere with, or prevent, efficient service in the position subject encumbers, nor the effective accomplishment by the BIA of its duties and responsibilities. The subject's honesty, reliability, and trustworthiness are not in question. Therefore a favorable determination was made."

We questioned [REDACTED] about her favorable adjudication of [REDACTED] background investigation (**Attachment 45**). She reported that although she telephonically contacted [REDACTED] on July 28, 2009 to discuss and request copies of his 1999 assault and battery conviction, she did not follow-up with GCSC though the employment questionnaire GCSC completed raised misconduct and suitability questions about [REDACTED]. [REDACTED] told us that she had been unaware, and did not take into consideration, [REDACTED] alleged misuse of GCSC corporate charge and gas cards; [REDACTED] reported threats to blow up a GCSC office building; [REDACTED] alleged threat to harm his previous supervisor, and

that [REDACTED] prior assault conviction had involved [REDACTED] multiple stabbing (approximately 28 times) of an individual.

Lastly, we questioned [REDACTED] about this matter (**Attachment 46**). He told us that he had been completely honest, and made full disclosures of his felony assault conviction and termination from GCSC, on the OF-306 form he completed for the BIA. He told us that he discussed the matter with BIA security officials who subsequently cleared him for employment at the BIA. [REDACTED] told us that he did not know whether BIA selecting officials knew about his criminal history. He told us that he never discussed or spoke about his assault conviction with [REDACTED] or [REDACTED].

When we asked [REDACTED] about his termination from GCSC, he told us that GCSC fired him for violating the company's credit card policy while he was out on a workmen's compensation claim for a shoulder injury (See Attachment 46). [REDACTED] questioned how he could have misused the company credit card at a time when he wasn't even at work. [REDACTED] said that the company never gave him the opportunity to dispute the issue. Once again, [REDACTED] told us that he had fully disclosed his termination on his BIA security form which had been favorably adjudicated by the BIA. However, [REDACTED] did not know whether BIA selecting officials were aware of his termination from GCSC. [REDACTED] said that he never discussed this matter with [REDACTED] [REDACTED] or [REDACTED] since it never came up.

SUBJECT(S)

[REDACTED] Osage Agency, EORO, BIA, Pawhuska, OK.

DISPOSITION

Based upon the BIA-EORO's failure to render a written decision on [REDACTED] appeal within the required 60-days, as required by 25 CFR Part 2.19, this matter is being referred to the BIA for appropriate action. Additionally, this matter is being referred to the BIA for a determination of whether [REDACTED] supervision of family members at the BIA Osage Agency reflects adversely upon the Department, pursuant to DM Part 370. Lastly, the question of [REDACTED] suitability for federal employment is referred to the BIA for further consideration of 5 CFR 731.202(b) and appropriate action.

ATTACHMENTS

1. IAR - Interview of [REDACTED] dated May 1, 2008.
2. IAR - Interview of [REDACTED] dated September 15, 2009.
3. IAR - Interview of [REDACTED] dated November 4, 2009.
4. Copy of BIA Osage Agency letter to [REDACTED] dated June 30, 2006.
5. Copy of [REDACTED] letter to [REDACTED] dated July 14, 2006.
6. Copy of BIA Osage Agency lease termination letter to [REDACTED] (Lease G06-992), dated July 20, 2006.
7. Copy of BIA Osage Agency lease termination letter to [REDACTED] (Lease G06-17715), dated July 20, 2006.
8. Copy of [REDACTED] appeal letter filed with the Regional Director, BIA-EORO, Muskogee, OK, dated August 17, 2006.
9. IAR - Interview of [REDACTED], dated August 18, 2008.
10. IAR - Interview of [REDACTED] dated August 22, 2008.

11. IAR - Interview of [REDACTED], dated September 2, 2008.
12. IAR - Interview of [REDACTED], dated May 29, 2009.
13. IAR - Interview of [REDACTED], dated July 23, 2009.
14. IAR - Interview of [REDACTED], dated June 29, 2009.
15. IAR - Interview of [REDACTED], dated March 9, 2009.
16. Copy of BIA-EORO Regional Director's appeal decision letter to [REDACTED] dated December 14, 2008.
17. IAR - Interview of [REDACTED] dated September 24, 2008.
18. IAR - Interview of [REDACTED] dated April 30, 2009.
19. IAR - Interview of [REDACTED], dated May 18, 2009.
20. IAR - Interview of [REDACTED], dated May 19, 2009.
21. IAR - Interview of [REDACTED] dated April 17, 2009.
22. IAR - Documents Received from [REDACTED] [REDACTED] dated May 1, 2009.
23. IAR - Interview of [REDACTED] dated December 2, 2009.
24. IAR - Meeting with [REDACTED], dated July 30, 2008.
25. Copy of letter to DOI Secretary Dirk Kempthorne, from Senator Tom A. Coburn, dated March 12, 2008.
26. Copy of letter to Senator Tom A. Coburn, from Assistant DOI Secretary for Indian Affairs Carl J. Artman, dated May 10, 2008.
27. IAR - Interview of [REDACTED], dated October 31, 2009.
28. IAR - Interview of [REDACTED], dated October 23, 2009.
29. IAR - Interview of [REDACTED] dated October 31, 2009.
30. IAR - Interview of [REDACTED], dated November 1, 2009.
31. IAR - Interview of [REDACTED], dated October 20, 2009.
32. IAR - Interview of [REDACTED] dated October 16, 2009.
33. IAR - Interview of [REDACTED], dated October 23, 2009.
34. IAR - Interview of [REDACTED], dated December 24, 2009.
35. IAR - Interview of [REDACTED] dated November 3, 2009.
36. IAR - Interview of [REDACTED], dated November 25, 2009.
37. IAR - Interview of [REDACTED] dated October 27, 2009.
38. IAR - Interview of [REDACTED], dated January 13, 2010.
39. IAR - Review of Osage County District Court Records Regarding [REDACTED] [REDACTED] dated October 13, 2009.
40. IAR - Interview of [REDACTED], dated October 20, 2009.
41. Copy of police report with the Pawhuska County Sheriff's Office, Pawhuska, OK, dated September 30, 2008.
42. IAR - Review of [REDACTED] [REDACTED] Official Personnel File and Vacancy Announcement Documents, dated December 14, 2009.
43. IAR - Review of [REDACTED] [REDACTED] Security File, dated October 16, 2009.
44. Copy of [REDACTED] [REDACTED] Declaration for Federal Employment (OF-306), dated April 17, 2009.
45. IAR - Interview of [REDACTED], dated October 16, 2009.
46. IAR - Interview of [REDACTED] [REDACTED] dated October 29, 2009.



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, DC 20240

Memorandum

JUL 14 2009

To: Daniel N. Wenk
Acting Director, National Park Service

Attention: [REDACTED]
Human Resources Specialist [REDACTED]

From: John E. Dupuy
Assistant Inspector General for Investigations

Subject: Referral – For Bureau Action as Deemed Appropriate –
Response Required

Re: NPS Botnet – CIRC #2821
DOI-OIG Case File No. OI-OK-07-0412-I

This memorandum transmits the results of the Office of Inspector General (OIG) investigation into the infection of 78 National Park Service (NPS) computers in July 2007 by a malicious software (Botnet malware). The attached Report of Investigation (ROI) presents information that establishes that NPS Information Technology (IT) Specialist [REDACTED] (GS-12), Guadalupe Mountains National Park (GMNP), violated the Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR Part 2635), and the Departmental Manual (DM), through his misuse of an NPS computer that resulted in the introduction of the Botnet malware to the NPS network.

In February 2009, we provided the attached ROI to the U.S. Attorney's Office for prosecutorial consideration for possible violations of 18 USC 1030 (fraud and related activity in connection with computers) and 18 USC 1519 (destruction, alteration, or falsification of records in Federal investigations). Although the U.S. Attorney's Office declined criminal prosecution since there was no evidence that [REDACTED] intentionally introduced the Botnet malware onto the NPS network, we determined that [REDACTED] actions violated agency rules and regulations.

Though not mentioned in our criminal referral to the U.S. Attorney's Office, we determined that [REDACTED] violated 5 CFR Part 2635.101 (9) by failing to protect and conserve Government property; violated 5 CFR Part 2635.704 by using Government property for other than authorized purposes, and violated 375 DM Section 19.8.N(4) by failing to protect IT systems and information from hazards. During the investigation, [REDACTED] admitted that he knowingly copied and deleted thousands of prohibited files (i.e. pornography and non-copyrighted music) to and from his NPS computer hard drive. [REDACTED]

██████ told us that he may have unintentionally introduced the Botnet malware to his NPS computer when he inappropriately downloaded prohibited files unto his NPS computer.

Our investigation also determined that ██████ violated 5 CFR Part 2635.101(5) by failing to put forth honest effort in the performance of his duties. During the investigation, ██████ admitted that he knowingly and intentionally deleted 8,415 folders/files from his infected NPS hard drive after receiving instructions from our office to secure and send it to our office for analysis. ██████ told us that he deleted the folders/files from his computer to avoid the embarrassment of prohibited files being found on his NPS computer. ██████ mass deletion of files from his NPS computer undermined our investigation and thwarted our efforts in determining the origin of the Botnet malware and how it infected the NPS network.

Lastly, our investigation found that ██████ may have violated 383 DM 9.3 by failing to protect the integrity, security, and confidentiality of Privacy Act Records. During the investigation, we determined that ██████ was inappropriately storing the personal information (i.e. names, social security numbers, dates of birth, financial account information) of 18 NPS employees on his personal computer at his residence. He told us that he had inadvertently copied this information onto his personal computer after backing up files, from his NPS computer, onto his personal computer.

This matter is being referred to you for appropriate administrative action. Please read the protective markings in the ROI, and upon completion of your review, please provide a written response with a completed Accountability Form (Attached) **within 90 days** of the date of this memorandum, and mail it to the Office of Inspector General, Office of Investigations, 1849 C Street N.W. MS 4428, Washington, DC20240

Should you have any questions regarding this matter, please contact Special Agent ██████ at ██████.

Attachments



**United States Department of the Interior
Office of Inspector General**

REPORT OF INVESTIGATION

Case Title NPS BOTNET – CIRC #2821	Case Number OI-OK-07-0412-I
Reporting Office Tulsa, OK	Report Date June 30, 2009
Report Subject Report of Investigation	

SYNOPSIS

This investigation was initiated in July 2007 after our office was notified by the Department of the Interior (DOI) Computer Incident Response Center (CIRC) that a malicious software (malware), known as Botnet, had infected 78 National Park Service (NPS) computers across the United States. A preliminary investigation of this matter identified a NPS computer at Guadalupe Mountains National Park (GMNP), assigned to [REDACTED] GS-12 Information Technology (IT) Specialist, as the first NPS computer infected with the Botnet malware.

In an attempt to determine the source and cause of the Botnet malware infection, we interviewed NPS IT security officials and [REDACTED]. Additionally, we analyzed two infected NPS computer hard drives and obtained [REDACTED] consent to search his personal computer. Lastly, we reviewed email messages between [REDACTED] and NPS IT security officials regarding infected NPS computers at GMNP.

While our investigation determined that [REDACTED] NPS laptop computer had been the first NPS computer infected with the Botnet malware, we were unable to determine whether [REDACTED] had intentionally infected the NPS network with the Botnet malware. We did determine that after [REDACTED] received instructions from NPS IT security officials to remove his infected laptop computer from the NPS network, and to secure and send the laptop's hard drive to our office's Computer Crimes Unit for forensic analysis, [REDACTED] deleted 8,415 folders/files from the infected hard drive before sending it to our office. We determined that [REDACTED] destruction of files prevented us from determining how the Botnet malware had been introduced to the NPS network. When questioned, [REDACTED] claimed that he deleted the files to prevent embarrassing/prohibited materials from being detected.

This matter was reviewed by an Assistant U.S. Attorney, Western District of Texas, who declined to prosecute in favor of administrative action.

Reporting Official/Title [REDACTED], Special Agent	Signature
Approving Official/Title Jack L. Rohmer, Special Agent in Charge	Signature

Authentication Number: DFCDF25129881B48A8D8A10943C960D9

This document is the property of the Department of the Interior, Office of Inspector General (OIG), and may contain information that is protected from disclosure by law. Distribution and reproduction of this document is not authorized without the express written permission of the OIG.

BACKGROUND

Botnet Malware Defined

The Federal Bureau of Investigation (FBI) defines the Botnet malware as the “collection of compromised computers under the remote command and control of a criminal bot-herder. Most owners of the compromised computers are unknowing and unwitting victims. They have unintentionally allowed unauthorized access and use of their computers as a vehicle to facilitate other crimes, such as identity theft, denial of service attacks, phishing, click fraud, and the mass distribution of spam and spyware. Because of their widely distributed capabilities, botnets are a growing threat to national security, the national information infrastructure, and the economy.”

2007 NPS Botnet Malware Infection

The following information, relating to the Botnet malware infection of the NPS computer network, came from an NPS report entitled “Lessons Learned in the National Park Service on the W32.RXBot” (**Attachment 1**):

On July 10, 2007, the NPS identified a Botnet malware infestation originating from a number of computers in the Inter-Mountain and Pacific West Regions, and activated a Computer Security Incident Response Team (CSIRT) to analyze the incident, contain any damage, eradicate malware, and restore systems back to normal operations. Analysis showed that 78 machines were infected with a new variant of the W32.Spybot.worm malware. The precise intent of this sophisticated malware was not identified; however, NPS determined that some amount of data was exfiltrated from NPS computers to a foreign country. The content of that data was not identified. All identified computers were immediately taken off the NPS computer network and were quarantined for analysis to support potential criminal prosecution, to understand the functions of the malware, and to determine the quantity and type of data loss (See Attachment 1).

On July 13, 2007, NPS, with approval from DOI, officially declared the infestation contained, though investigation into root causes and other symptoms of the infection continued. On July 25, 2007, NPS discovered by review of returned Compromised System Personally Identifiable Information (PII) Questionnaires that PII may have been leaked. PII Spillage Procedures were immediately implemented (See Attachment 1).

There was a high-level response to this incident, which included participation from the U.S. Computer Emergency Readiness Team (US-CERT), the DOI Office of Inspector General (DOI-OIG), the FBI, the National Business Center (NBC) and the DOI Office of the Secretary. It was noted that Secretary Chertoff of the Department of Homeland Security was personally briefed on this issue (See Attachment 1).

Relevant Violations

We determined that the following criminal violations were relevant to our investigation:

18 USC 1030 (a)(5)(A)(i) – Fraud and related activity in connection with computers, provides that whoever knowingly causes the transmission of a program, information, code, or command, and as a result of such conduct, intentionally causes damage without

authorization, to a protected computer...shall be punished as provided in subsection (c) of this section.

18 USC 1519 – Destruction, alteration, or falsification of records in Federal investigations and bankruptcy, provides that whoever knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States or any case filed under title 11, or in relation to or contemplation of any such matter or case, shall be fined under this title, imprisoned not more than 20 years, or both.

DETAILS OF INVESTIGATION

On July 11, 2007, we received a DOI Computer Incident Response Center (CIRC) notification of a malicious software infection of several NPS computers across the western United States (**Attachment 2**). Initial investigation of the incident revealed the software was a new version of an older Botnet attack. An initial review of NPS computer logs revealed that 78 NPS computers had been infected with the Botnet malware and were sending large amounts of data to a known Botnet server in China. However, the content of the exfiltrated data could not be identified since it was encrypted by the Chinese server. The largest amount of data that had been sent to China came from an NPS computer at GMNP.

Our investigation of the Botnet malware infection of 78 NPS computers began with the forensic examination of the five most infected NPS computers, including the hard drive of the NPS laptop computer assigned to [REDACTED] (GS-12), Information Technology (IT) Specialist, GMNP.

Examination of Infected NPS Computers and Identification of [REDACTED] as a potential suspect

On July 12, 2007, in an attempt to identify the source and cause of the Botnet malware infection, we asked NPS IT security officials to send the hard drives of the five most infected NPS computers, including the computer at GMNP and four computers at Grand Canyon National Park (GCNP), to our office's Computer Crimes Unit (CCU) in Lakewood, CO, for analysis (See Attachment 2). On July 16, 2007, our office's CCU received a NPS laptop computer hard drive (Model: MHVZ100AH, 100 GB, Serial Number: NT35T5925C55, and IP address 10.148.78.51), via Federal Express, from [REDACTED] at GMNP. A chain of custody form, signed and dated by [REDACTED] accompanied the hard drive (**Attachment 3**). While making a forensic backup of [REDACTED] NPS hard drive, we discovered that all files and folders in a "[REDACTED] My Documents" file had been deleted on the same day (July 13, 2007) that [REDACTED] received instructions to ship the computer to our office (See Attachment 2). [REDACTED] apparent deletion of files caused us to focus our investigation on him. On July 18, 2007, we received information from NPS that based on log reviews of the 78 infected computers in the NPS network, the first computer infected with the Botnet malware was the computer that [REDACTED] previously sent to the DOI-OIG.

We subsequently provided copies of the forensic images to the FBI for their analysis of the five infected NPS computers. The FBI determined that [REDACTED] computer had been initially infected with the Botnet malware in January 2007 and again in July 2007 (**Attachment 4**). The FBI had also found that on or about July 12, 2007, there had been a mass deletion of files under the user directory "[REDACTED]" which included email files, Word documents, common administrative files, and 4,630 MP3

files. While the FBI's analysis was unable to determine whether [REDACTED] caused the July 2007 Botnet malware infection, they determined that [REDACTED] computer had been the first of the computers they examined, to be infected with the Botnet malware. However, due to the mass deletion of files from [REDACTED] NPS hard drive, information on the drive that may have provided insight or evidence about the criminal origins of the Botnet infection could not be found (See Attachment 4).

Between May 28, 2008 and August 20, 2008, we conducted our own examination of [REDACTED] NPS laptop hard drive. Additionally, we forensically examined two other hard drives that [REDACTED] voluntarily surrendered to us on April 3, 2008 – 1) the hard drive from his personal computer and 2) the hard drive from his NPS replacement computer (**Attachment 5**). The examination of the computers revealed the following:

[REDACTED] NPS Laptop Hard Drive

- Between July 12, 2007 and July 13, 2007, 11:23 am MDT, 8,396 files were deleted from the computer;
- At 11:24 am MDT on July 13, 2007, [REDACTED] was sent an email instructing him to shut down the system and forward the hard drive to the DOI-OIG;
- Between 11:24 am and 11:27 am MDT on July 13, 2007, an additional 19 files/folders were deleted from the computer;
- Out of the 8,415 total deleted files/folders, 3,541 were folders, 3,055 were music files; 499 were Adobe Acrobat portable documents, 436 were Microsoft Office files, 380 were graphic images, 145 were executable files, 136 were multimedia files (various movie formats), and the remaining were miscellaneous format files;
- There was no detection of viruses or malware;

[REDACTED] Personal Computer Hard Drive

- A Trojan horse (Trojan.ByteVerify) was found in two files in the active file structure;
- Hacktools had infected four files in unallocated space (previously deleted files);
- Personal identifiers (i.e. social security numbers and dates of birth) and documents (i.e. travel vouchers) were found in folders for 18 NPS employees.

[REDACTED] NPS Replacement Laptop Hard Drive

- Hacktools had infected four separate files in the active file structure;
- A Trojan horse (Trojan.ByteVerify) was detected that could have provided a hacker the ability to run arbitrary code on an infected system;

Instructions to [REDACTED] on providing computers to CCU

In an attempt to identify what instructions were provided to [REDACTED] for securing and shipping his Botnet infected hard drive to the DOI-OIG, we interviewed [REDACTED], Regional IT Security Manager, Inter-Mountain Region, NPS (**Attachment 6**). He told us that after an infected computer had been identified at GMNP, he emailed instructions to [REDACTED] on July 10, 2007 to disconnect the computer from the NPS network (**Attachment 7**). He also emailed [REDACTED] on July 13, 2007, per instructions from the DOI-OIG, for [REDACTED] to “gracefully shutdown the machine,” “remove the (infected) hard drive from the system,” “fill out the (NPS) Chain of Custody form,” and “pack and

FedEx the drive to the following address: DOI Office of the Inspector General, Computer Crimes Unit, ATTN: [REDACTED], Lakewood, Colorado 80228” (**Attachment 8**). The instructions that [REDACTED] sent to [REDACTED] via email, did not instruct or authorize [REDACTED] to delete files from the infected hard drive. [REDACTED] said that he was surprised to subsequently learn that the infected computer had been assigned to [REDACTED] that [REDACTED] had inappropriately deleted files off of the infected hard drive before shipping it to the DOI-OIG for analysis, and that [REDACTED] had misused his NPS computer by downloading prohibited files onto it.

We also interviewed [REDACTED] IT Specialist, IMR, NPS, about his knowledge and involvement with the 2007 Botnet malware infection of the NPS network (**Attachment 9**). [REDACTED] told us that during his coordination with [REDACTED] to contain and clean-up the Botnet infection at GMNP, [REDACTED] never disclosed to him that any of the infected computers were assigned to [REDACTED]. [REDACTED] also was unaware that [REDACTED] deleted files from an infected NPS computer before sending it to CCU for analysis.

Interview of [REDACTED]

During our investigation, we interviewed [REDACTED] about his knowledge and involvement in the 2007 NPS Botnet malware infection and his deletion of files from an infected NPS computer that he had been instructed to secure and send to our office for analysis (**Attachments 10 and 11**). [REDACTED] adamantly denied that he knowingly and intentionally introduced the Botnet malware to the NPS network. Although he could not be certain how the malware infected his computer and the NPS network, he suspected that it may have been introduced when he and his son downloaded music files onto his NPS laptop. He explained that the Botnet malware was able to infect his laptop and spread throughout the NPS network since updated anti-virus software had not been uploaded on GMNP computers and servers.

[REDACTED] told us that he first became aware of the Botnet malware infection in July 2007, when he received a telephone call from [REDACTED] telling him to remove his [REDACTED] NPS laptop from the network since it had been infected with the Botnet virus. [REDACTED] said that he immediately disconnected the laptop from the NPS network. [REDACTED] confirmed that he subsequently received an email from [REDACTED] on July 13, 2007, instructing him to remove the hard drive from the infected GMNP computer and to send it to the DOI-OIG for analysis (See Attachment 8). [REDACTED] further confirmed that [REDACTED] email had two attached files that provided written instructions on how to secure and ship the hard drive to the DOI-OIG (**Attachment 12**), and an NPS chain of custody form for [REDACTED] to complete when securing the hard drive (**Attachment 13**).

[REDACTED] acknowledged that although the instructions he received from [REDACTED] and [REDACTED] did not instruct or authorize him to delete files from the infected NPS hard drive, he knowingly and intentionally deleted more than 8,000 files and folders before sending it to the DOI-OIG. [REDACTED] told us that he deleted files and folders from the hard drive since he had inappropriately copied prohibited materials (i.e. pornography, music files, etc.) onto his computer, in violation of Department policy, that he did not want discovered during the DOI-OIG’s analysis. He told us that he wanted to appear “squeaky clean” and to avoid the embarrassment of having prohibited materials found on his computer especially since his position at GMNP involved enforcing Departmental IT policy and protecting NPS’s network (See Attachment 10). While the instructions he received from [REDACTED] said nothing about safe-guarding files from alteration before shipping the hard drive to the DOI-OIG (See Attachment 12), he said that he now regrets his decision to delete the files and that his actions were “incredibly stupid” (See Attachment 11). He denied that his motivation for deleting the files was to impede or hinder DOI-OIG’s investigation of the Botnet malware infection (See Attachments 10 and

11).

██████████ estimated that he deleted approximately 1,000 graphic image and video files from his NPS laptop computer (See Attachment 11). Of this amount, ██████████ estimated that there were about 100 pornographic image and video files of nude women. ██████████ estimated that the remaining 900 graphic image and video files he deleted were comprised of official and personal files, such as personal photos of his family and friends. ██████████ denied that any of the deleted computer files contained child pornography. *Agent's Note: Audio recordings of our interviews with ██████████ are maintained in our investigative case file and are available upon request.*

SUBJECT(S)

Name ██████████

DISPOSITION

This matter was reviewed by an Assistant U.S. Attorney, Western District of Texas, who declined to prosecute in favor of administrative action.

ATTACHMENTS

1. NPS Report, Lessons Learned in the National Park Service on the W32.RXBot (undated).
2. IAR – Case Initiation Report, dated July 18, 2007.
3. Copy of NPS IT Security Office Chain of Custody Form, signed and dated by ██████████ on July 13, 2007.
4. FBI Report “National Park System – Victim Computer Intrusion,” dated January 22, 2008.
5. IAR – Digital Forensic Report – NPS BOTNET- CIRC #2821, dated September 16, 2008.
6. IAR – Interview of ██████████, dated January 16, 2009.
7. Copy of email from ██████████ to ██████████ dated July 10, 2007, Subject: Emergency disconnection due zero day malware infection.
8. Copy of email from ██████████ to ██████████ dated July 13, 2007, Subject: Need to ship hard drive(s).
9. IAR – Interview of ██████████ dated January 22, 2009.
10. IAR – Interview of ██████████ dated April 16, 2008.
11. IAR – Interview of ██████████ dated January 5, 2009.
12. Copy of ██████████ July 13, 2007 email attachment named, “NPS Procedures for Seizing, Packing and Shipping Hard Drives for DOI-CIRC Incident #2821 Related Forensic Imaging.”
13. Copy of ██████████ July 13, 2007 email attachment named, “NPS IT Security Office Chain of Custody Form.”



**OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR**

REPORT OF INVESTIGATION

Case Title Wichita and Affiliated Tribes of Oklahoma, Trust Acquisition Application	Case Number OI-OK-08-0562-I
Reporting Office Lakewood, CO	Report Date May 4, 2011
Report Subject Report of Investigation	

SYNOPSIS

This investigation was initiated after Department of the Interior (DOI) Office of Inspector General (OIG) received a memorandum from [REDACTED], Field Solicitor, Office of the Solicitor (SOL), DOI, Tulsa, OK regarding an alleged false trust acquisition application (application) submitted by the Wichita and Affiliated Tribes of Oklahoma (tribe) to the Bureau of Indian Affairs (BIA) for approval.

By resolution, the tribe requested that the BIA place several acres of land into trust, which the tribe purchased from the [REDACTED] Company, LLC in April of 2005. In the tribe's application, it was represented to the BIA the purpose of the trust was, "to place the land into trust for economic development purposes such as a smoke shop/gift shop and to expand the Tribe's land base." Ultimately, a casino was constructed and placed into operation on the land.

This case was declined for civil prosecution by the United States Attorney for the Western District of Oklahoma due to a lack of civil remedy. This investigation will be closed.

BACKGROUND

According to the tribe's website, "Wichita history has been one of endurance and survival despite overwhelming adversity. Although village and communal life was destroyed with the loss of reservation land in 1900 and the grass lodges were replaced by frame houses by the 1930's, the Wichita people have preserved many elements of their culture for the present and future generations. These descendants of the Wichita, Waco, Tawakoni, Taovaya, and Kichai people survive as a group perhaps because of their shared memories of the past as well as common experiences of the present and their faith in the future.

Reporting Official/Title [REDACTED]/Special Agent	Signature
Approving Official/Title Jack Rohmer/Special Agent in Charge	Signature

Authentication Number: 81BA019F7D63E0EFD3EE2A2D51740C5B

This document is the property of the Department of the Interior, Office of Inspector General (OIG), and may contain information that is protected from disclosure by law. Distribution and reproduction of this document is not authorized without the express written permission of the OIG.

Organized as the Wichita and Affiliated Tribes, the center of activity is at Anadarko, Oklahoma, where the tribal park and office buildings are located. The tribal government, established under the Indian Reorganization Act of 1934 and the Oklahoma Welfare Act of 1935, consists of a President and Executive Committee who are elected to four-year terms by the enrolled tribal members. The Wichitas have joined also with the Caddo and Delaware tribes to form WCD Enterprises, an organization that promotes business development. Such efforts have resulted in the establishment of a western hat factory which has been started by endowments from tribal members. Through a proposed language and cultural program there is a renewed attempt to revitalize the Wichita language for tribal members.

While developing new skills at technical institutions, colleges, and universities, Wichita people attempt to maintain their identities and links with the past. Some young people attend college during the week, returning home on weekends and holidays to participate in family and community gatherings. Here, memories of the past are shared with the younger generation by relating stories of life in the grass house villages of the Southern Plains or of growing up on farms and in rural communities in early Oklahoma. Memories to share with future generations are also being formed at contemporary tribal and intertribal dances and gatherings that take place in Anadarko, Gracemont, Pawnee, and other communities. Because of the active presence of grandparents in the daily lives of children, some of the most vital elements of traditional culture, knowledge, and skills are transferred to the younger generation.

Over the years, the Wichita Mission and the Rock Springs Baptist Church have been the locations of Wichita services, dinners, and camp meetings. Both churches continue to have active members who often sing hymns in the Wichita language. The Native American Church, with its emphasis upon gaining spiritual knowledge through personal revelation, also continues to be a focus of Wichita religious life.

Another continuing tradition is the yearly summer visitation which takes place between the Wichita and Pawnee people. These visits, in which each tribe alternates as host, consist of two-week encampments during which friendships and family ties are recognized through a ceremonial exchange of gifts. Individuals have the opportunity to visit, remember the stories and songs of the past, and to recall the longstanding relationship that has existed between these two groups.”

DETAILS OF INVESTIGATION

OIG investigators interviewed ██████████ DOI SOL who provided assistance to the BIA Anadarko Agency on the application (**Attachment 1**). According to ██████████, the tribe’s likely motivation for misrepresenting on its application was its intent to use the land for gaming purposes and avoid a much more detailed, costly and time consuming process with the BIA. ██████████ stated the land in question was now in trust and he was unaware of any regulatory remedy the BIA had to revoke the trust status of the land based on a false application.

██████████ identified BIA Anadarko Agency ██████████ ██████████, as the BIA official who approved the application. ██████████ stated ██████████ apparently didn’t require the tribe to complete a draft resolution and certification that ██████████ had prepared and provided to ██████████ which contained a legal attestation for the tribe that it had no intention of using the trust property for gaming purposes. The tribe never used the attestation prepared by ██████████ and instead provided ██████████ with a letter citing two tribal resolutions containing less specific provisions.

OIG investigators spoke with [REDACTED] DOI SOL Attorney ([REDACTED] and Field Solicitor, [REDACTED] [REDACTED] were also present) who worked with [REDACTED] providing assistance to the BIA on the application including writing the draft certification and tribal resolution for [REDACTED] to use with the application (**Attachment 2**). This document was to provide [REDACTED] with an "iron-clad" legal declaration that the tribe would not use the land for gaming purposes. [REDACTED] ultimately did not use this certification and the SOL acknowledged that [REDACTED] had no legal obligation to compel the tribe to complete the certification. According to [REDACTED] and [REDACTED], [REDACTED] was authorized to approve the tribe's application without using the resolution and certification prepared by the SOL.

[REDACTED] and [REDACTED] could not identify any legal authority or case law enabling the BIA to revoke the trust status of tribal lands based on false trust acquisition applications filed with BIA. [REDACTED] along with [REDACTED] and [REDACTED], confirmed that the BIA had no regulatory procedures in place to compel tribes to re-file gaming relating trust acquisition applications with BIA, once the land was already placed into trust for non-gaming purposes.

[REDACTED] advised she only had one or two phone conversations with [REDACTED] about the tribe's application, during which [REDACTED] told [REDACTED] she was convinced that the tribe's application was for non-gaming economic development, although [REDACTED] never provided a basis for this belief. [REDACTED] opined [REDACTED] may have been politically motivated in her job not to challenge the information provided to her by the tribe, explaining tribes exert political influence over BIA agency superintendents, like [REDACTED], by complaining to the BIA regional directors to have the superintendents removed if the tribes do not like them.

[REDACTED], and [REDACTED] did not express any ethical concerns about [REDACTED] related to her decision to approve the tribe's application without compelling the tribe to complete the DOI-SOL draft certification and tribal resolution.

DOI OIG spoke with [REDACTED], Regional Director, Tulsa Regional Office, National Indian Gaming Commission (NIGC) and [REDACTED], Regional Director, Oklahoma City Regional Office, NIGC, concerning the allegations (**Attachment 3**). [REDACTED] explained that the NIGC did not have a specific regulatory interest in trust acquisition applications submitted by tribes to the BIA for approval. Furthermore, [REDACTED] explained that before the NIGC approved any tribe's gaming license they only verified that the land where the casino would operate was in fact "Indian Land" (as defined by 25 U.S.C. § 2703) and that the land had been placed in trust by the BIA.

According to [REDACTED] and [REDACTED], the NIGC did not otherwise have a regulatory interest in whether or not a tribe applied to the BIA to place land into trust for non-gaming purposes, and subsequently opened a casino on the same land. [REDACTED] were not aware of any statutory or regulatory remedies available to the BIA to revoke the trust status of the land or to compel the tribe to file a new trust application.

OIG investigators interviewed [REDACTED], [REDACTED] Concho Agency, Southern Plains Region, BIA who identified the BIA as the controlling federal legal authorities for all BIA land-to-trust applications (**Attachment 4**).

Regarding the draft certification provided to her by the DOI SOL, [REDACTED] stated she did not compel the tribe to sign the certification because she didn't have any other information to lead her to believe they intended to establish a gaming operation. [REDACTED] added that a letter and two tribal resolutions provided by the tribe essentially covered the issue(s) that the certification provided by the

SOL would have.

[REDACTED] was unaware of any legal remedies available to the BIA. [REDACTED] advised ultimately it was her responsibility, as the Anadarko Agency [REDACTED] to bring the tribe's land into trust. [REDACTED] stated she did not do anything wrong when she signed the tribe's trust deed based on the tribe's repeated assertions that it had no intentions of using the trust land for gaming purposes.

Other investigative activities not referenced in this report are maintained in the case file.

SUBJECT(S)

1. Wichita and Affiliated Tribes of Oklahoma
2. [REDACTED] President, Wichita and Affiliated Tribes of Oklahoma

DISPOSITION

This case was declined by the United States Attorney for the Western District of Oklahoma and will be closed.

ATTACHMENTS

- Attachment 1: Interview of [REDACTED]
- Attachment 2: Interview of [REDACTED]
- Attachment 3: Interview of [REDACTED]
- Attachment 4: Interview of [REDACTED]
- Attachment 5: Letter from [REDACTED] to [REDACTED]
- Attachment 6: Tribal Resolution WT-05-023