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Description of document:	Closing documents from ten (10) specific National Credit Union Administration (NCUA) Office of Inspector General (OIG) investigations, 2010
Requested date:	02-March-2016
Released date:	23-March-2016
Posted date:	11-July-2016
Source of document:	FOIA Request National Credit Union Administration Office of Inspector General (OIG) 1775 Duke Street Alexandria, VA, 22314 Fax: 703-518-6349 Email: FOIA@ncua.gov

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Office of Inspector General

March 23, 2016

SENT VIA EMAIL

RE: Your FOIA Request #OIGFOIA-2016-03

This is in response to your letter dated March 2, 2016, requesting information under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. Specifically, you requested a “copy of the final report, report of investigation (ROI), closing memo, closing report, referral memo, investigative memo, referral letter and any other conclusory document from each of the following investigations:

- 10-PI-R9-01
- 10-PI-R9-02
- 10-R-R9-03
- 10-PI-R3-04
- 10-PI-R4-05
- 10-PI-R7-06
- 10-I-R2-07
- 10-I-R9-08
- 10-I-R7-09
- 10-I-R3-10

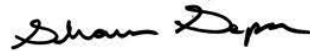
I have provided herewith twenty-nine (29) pages responsive to your request. Information redacted from these pages qualifies for protection under subsections (b)(6) and (b)(7)(C) of the FOIA. Subsection (b)(6) permits agencies to withhold information the disclosure of which would constitute an unwarranted invasion of personal privacy. Subsection (b)(7)(C) protects information compiled for law enforcement purposes if its release could reasonably be expected to constitute an unwarranted invasion of personal privacy.

Should you consider any or all of the determinations set forth above a denial of your request, you have the right to appeal those determinations. An appeal may be in writing and filed within 30 days from the receipt of this initial determination. If you file an appeal, please note “FOIA-APPEAL” in the letter and on the envelope and address your appeal to:

March 23, 2016
Page 2

National Credit Union Administration
Office of General Counsel-**FOIA APPEAL**
1775 Duke Street
Alexandria, Virginia 22314-3428

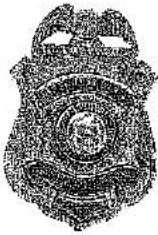
Sincerely,

A handwritten signature in black ink, appearing to read "Sharon Separ".

Sharon Separ
Counsel to the Inspector General/
Assistant IG for Investigations

Enclosure

cc: FOIA Officer



NATIONAL CREDIT UNION ADMINISTRATION
Office of the Inspector General
Investigations Division

INVESTIGATIVE MEMORANDUM

MEMORANDUM TO: File

FROM: [REDACTED]
Director of Investigations

SUBJECT: Desk break-in

DATE: March 3, 2010

BACKGROUND

On March 2, 2010, the Office of Inspector General (OIG) received information from [REDACTED] Department of Procurement and Facility Management, National Credit Union Administration (NCUA), that the desk of [REDACTED] Office of the Chief Information Officer (OCIO) had been pried open.

ACTIVITY

On March 2, 2010, the Reporting Agent (RA) initiated a preliminary inquiry into the missing break-in. This inquiry included review of swipe card access logs provided by [REDACTED] for the period 3/2/2010 at 3:30pm through 3/3/2010 at 7am. This data was analyzed to identify NCUA staff and others were in the building during the time in question.

The RA conducted an interview with [REDACTED]. [REDACTED] indicated that [REDACTED] left the office on March 2, 2010 at approximately 3:30 pm and came to the office on March 4, 2010 at 7:00 am to find the lower 2 drawers on the left hand side of [REDACTED] desk had been pried open. The top drawer was still locked. [REDACTED] reported that the only item [REDACTED] could find missing in [REDACTED] office were the keys to [REDACTED] desk that [REDACTED] kept in a different drawer. [REDACTED] stated that the bottom drawer in question is where [REDACTED] locks [REDACTED] computer in the evenings. However, on March 2, 2010 [REDACTED] had taken [REDACTED] computer home. The RA observed that [REDACTED] office contained other items of value, such as external hard drives and a radio,

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

Desk break-in
March 3, 2010

which had not been taken. [REDACTED] said [REDACTED] could not think of anyone in particular who would know that [REDACTED] kept her computer in the bottom drawer.

The RA conducted interviews of several employees in OCIO who were in the office in the later evening hours on March 2, 2010. None of the employees saw or heard anything out of the ordinary.

On March 2, 2010, the RA filed an on-line Destruction or vandalism of property report on behalf of [REDACTED] with the Alexandria Police Department (Reference No. PD1003020001119) and provided [REDACTED] with a copy of the report.

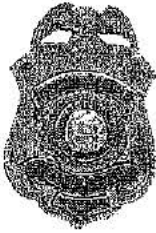
STATUS

The initial inquiry conducted by the RA did not produce any viable investigative leads to warrant further OIG investigation at this time.

This preliminary inquiry is closed with no further action.

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NATIONAL CREDIT UNION ADMINISTRATION
Office of Inspector General
Investigations Division

INVESTIGATIVE MEMORANDUM

MEMORANDUM TO: File

FROM: [REDACTED]
Director of Investigations

SUBJECT: Theft of Laptop Computer

DATE: June 30, 2010

BACKGROUND

On April 6, 2010, the Office of Inspector General (OIG) received notification that the laptop computer of [REDACTED] had been stolen from Room 3027 at the Central Office. [REDACTED], Region V, was working on a detail in the Central Office. The computer was taken between 2:45 and 5:30pm while [REDACTED] was participating in interviews on another floor.

ACTIVITY

On April 7, 2010 the Reporting Agent (RA) initiated a preliminary inquiry into the matter. This inquiry encompassed interviews with NCUA staff and contractors and consulting with Alexandria Police Officer [REDACTED].

The RA spoke with [REDACTED] for Cavalier Services. [REDACTED] cleaned the office [Room 3027] on April 6, 2010. [REDACTED] did not recall exactly what time [REDACTED] cleaned that area and [REDACTED] did not remember whether the computer was on the desk at the time.

The RA spoke with [REDACTED] HITT Contracting whose contract employees are in the building daily remodeling the kitchens. [REDACTED] informed the RA that [REDACTED] employees sign out of the building at 2:00pm each day. The RA confirmed this with [REDACTED], who is responsible

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(c)

for signing in all visitors to the building. [REDACTED] reported that the contractors for HITT sign out and are escorted out at approximately 2:00pm each day.

The RA contacted [REDACTED] to inquire about surveillance video from the day in question. [REDACTED] reviewed the video, which is limited to lobby areas, elevators and the loading dock, and did not see any relevant activity.

The RA filed an online theft of property report with the Alexandria Police Department on behalf of [REDACTED], Police Officer, Alexandria Police Department contacted the RA to come to NCUA to investigate the computer theft. [REDACTED] indicated that there have been an alarming number of computer thefts in the buildings in our area. The RA took [REDACTED] to the office in question, provided [REDACTED] with the statement written by [REDACTED] and briefed [REDACTED] on the investigative steps already taken. [REDACTED] stated that the Police Department would be investigating because of the number of other thefts in the area. The RA informed him we would be closing our investigation, but that we would provide assistance if requested.

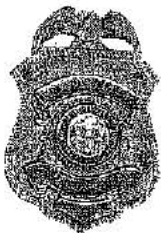
STATUS

The initial inquiry conducted by the RA did not produce any viable investigative leads to warrant further OIG investigation at this time. The investigation was turned over to the Alexandria Police.

This preliminary inquiry is closed with no further action.

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NATIONAL CREDIT UNION ADMINISTRATION
Office of Inspector General
Investigations Division

MEMORANDUM TO: File

FROM: [REDACTED] (b) (7) (C)
Director of Investigations

SUBJECT: GAO Referral
NCUA Financial Statement Audit

DATE: June 18, 2010

BACKGROUND

On April 21, 2010, the Office of Inspector General (OIG) received a referral from the United States Government Accountability Office (GAO). The GAO FraudNET received an Internet submission form from an anonymous source alleging the National Credit Union Administration, as custodian of the National Credit Union Shared Insurance Fund (NCUSIF), has failed to present a CPA Opinion Audit for 2008 or 2009 as required by the Federal Credit Union Act.

The Office of Inspector General is the organization within NCUA responsible for contracting with an independent public accounting firm to perform the financial statement audits of the NCUA Operating Fund, the Share Insurance Fund, the Central Liquidity Facility and the Community Development Revolving Loan Fund. At the time of the referral, the OIG was working assiduously with the accounting firms responsible for the 2008 and 2009 audits, Deloitte & Touche LLP and KPMG LLP.

STATUS

The audit results for both years were published on June 12, 2010. The firms both expressed unqualified opinions, stating that the financial statements present fairly, in all material respects, the financial position of the NCUA Operating Fund,

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the Share Insurance Fund, the Central Liquidity Facility, and the Community Development Revolving Loan Fund.

This referral is closed with no further action.

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National Credit Union Administration

Office of Inspector General

SENT VIA EMAIL

MEMORANDUM FOR: [REDACTED]
[REDACTED]

Region III

FROM:

William A. DeSarno
Inspector General

DATE:

May 21, 2010

SUBJ:

Complaint against [REDACTED]

This memorandum serves to notify you that, at this time, the Office of Inspector General (OIG) does not intend to open an investigation into recent complaints against Region III [REDACTED]. Rather, we believe that the issues raised in the complaints would be better addressed by [REDACTED] first and second line supervisors, in consultation with NCUA's Division of Employee Relations, Office of Human Resources (OHR). However, we do request that if, upon examination of relevant time records, you find any indication that a recent private sector temporary employee who [REDACTED] supervised, [REDACTED] was paid for time during the week of April 5-9 that [REDACTED] did not work, you forward such information to my office. At that time, we will reconsider whether an investigation is warranted.

On May 10, 2010, my office received an anonymous complaint against [REDACTED], presumably from [REDACTED] employees. On May 11, 2010, you forwarded to [REDACTED], the OIG's Director of Investigations, a separate but distinctly similar complaint that was sent anonymously to NCUA's Office of General Counsel on April 28, 2010. Both complaints alleged that [REDACTED] was behaving inappropriately with [REDACTED] by according [REDACTED] preferential treatment based on [REDACTED] physical appearance and the manner in which [REDACTED] dressed. The complaint identified several instances of preferential treatment, including inappropriately requesting a cash award for [REDACTED]; extending [REDACTED] temporary work contract without sufficient funding available in Region III's budget; approving payment for time [REDACTED] did not work; and authorizing [REDACTED] to have access to protected employee information. The complaints also referenced time fraud and persistent sexual harassment on [REDACTED] part.

You informed us that [REDACTED] engagement with Region III ended on May 13, 2010, and that Region III is currently working with the Office of the Chief Financial Officer (OCFO) to reallocate approximately

¹ We subsequently learned that OHR initially advised [REDACTED] that [REDACTED] could give an on-the-spot cash award in the form of a gift card to a temporary employee. However, when OHR realized that the temp employee came from the private sector, it reversed its advice, and told [REDACTED] he could not authorize the cash award.

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(b)(7)(D)

\$5,000 from other budget categories to fund the temp position through the end of last week. With regard to the sexual harassment allegations against [REDACTED], we learned that in September 2009, Equal Opportunity Program (EOP) Director [REDACTED], issued a report on an investigation EOP conducted into [REDACTED] conduct. Finally, in December 2008, the OIG closed a preliminary inquiry into allegations that [REDACTED] may have committed time fraud, based on the lack of evidence to substantiate the allegations.

Given the persistent recurrence of the same types of allegations against [REDACTED], we believe that [REDACTED] case would be more appropriately handled by [REDACTED] supervisors as a performance matter. While we encourage all NCUA employees and managers to "report promptly to the OIG any reasonable belief or allegation that any NCUA employee . . . may have engaged in any activity involving criminal or other serious or significant misconduct . . ."² we do not generally initiate formal investigations into matters that fall within the supervisory responsibilities of managers or are the program responsibilities of other NCUA offices (e.g., EOP), respectively.

Once you inquire into the allegations more thoroughly, if you believe that any or all of these issues might warrant an investigation by my office, please do not hesitate to contact me or one of my staff.

Cc: Herb Yolles
Acting Regional Director, RIII

² See NCUA Instruction No. 1919.08, "Guidelines and Responsibilities for Reporting Investigative Matters to the Inspector General" (Rev. October 14, 2003).

(b) (5) (c)
(b) (5) (c)
(b) (5) (c)



National Credit Union Administration
Office of Inspector General

MEMORANDUM TO: Lawrence Blankenberger
Associate RD, Programs
Region IV

FROM: [REDACTED]
Director of Investigations

SUBJECT: Allegation against [REDACTED]

DATE: August 6, 2010

This memorandum serves to notify you that, at this time, the Office of Inspector General (OIG) does not intend to open an investigation into the recent allegations against [REDACTED], Examiner.

On June 9, 2010, the OIG received a referral from your office regarding concerns raised by [REDACTED]. The complaint alleged that [REDACTED] had acted unprofessionally during an exam at the Credit Union. Specifically, it alleged that [REDACTED] asked a Collector¹ [REDACTED] Union for [REDACTED] telephone number during a conversation that they had in Spanish. Additionally, it was alleged that while meeting with the Compliance Officer, [REDACTED] made comments about a female employee that offended [REDACTED].

During a preliminary inquiry, I spoke to [REDACTED] Executive Vice President. [REDACTED] explained that the credit union had not intended to make a formal complaint. They informed NCUA because they felt that we would want to know about the conduct. [REDACTED] did not feel that [REDACTED] actions had a significant impact on the exam.

I also spoke with [REDACTED] who confirmed that [REDACTED] had made an offensive comment when a [REDACTED] employee of the credit union passed the office where they were meeting. In addition, [REDACTED] reported that in addition to making what [REDACTED] considered derogatory comments about [REDACTED] was not thorough in this examination. In fact, according to [REDACTED] did not question anything and had no findings. When questioned by [REDACTED] said, "I don't care, I'm trying to get out of here for an early weekend." When [REDACTED] asked for clarification on a section of the report, [REDACTED] told him to "ask [REDACTED]" In closing [REDACTED] shared that [REDACTED] pulled him out of a credit

¹ The Collector's name was withheld because she did not want to be interviewed.

(b)(6) ; (b)(7)(c)

union meeting on the last day of the exam. [REDACTED] told [REDACTED] "I've been waiting" all morning to meet with you, although no meeting had been scheduled. [REDACTED] felt that [REDACTED] had interrupted his credit union meeting because [REDACTED] wanted to leave early.

I talked to Supervisory Examiner [REDACTED] who has supervised [REDACTED] for a couple of years. [REDACTED] reported that [REDACTED] was in the credit union on the last day of the exam, when the conversation with the Collector took place. [REDACTED] observations of [REDACTED] were that [REDACTED] was "roaming around" and didn't seem to be doing [REDACTED] job. [REDACTED] stated that [REDACTED] did not speak with [REDACTED] about [REDACTED] performance at that time.

Finally, I spoke with [REDACTED] Collections Manager, [REDACTED] Credit Union who is the supervisor of the Collector. [REDACTED] confirmed that [REDACTED] spent 15 or 20 minutes at the desk of the Collector. It appeared to [REDACTED] that the conversation was personal in nature, but [REDACTED] cannot be sure because although [REDACTED] could hear them talking [REDACTED] could not hear the actual words. [REDACTED] could confirm that at some point in their conversation [REDACTED] realized that they were speaking in Spanish. When asked, the Collector denied that the conversation was personal or that [REDACTED] had asked for [REDACTED] phone number. [REDACTED] said that [REDACTED] had been asking [REDACTED] about collection department issues and had also told [REDACTED] about a job opening at NCUA. Both [REDACTED] stated that even if [REDACTED] had been examining the collection department, which he was not, the Collector would not have been the appropriate employee to question about policy.

In conclusion, although I have been able to confirm that [REDACTED] acted unprofessionally during the examination at [REDACTED] Credit Union, this action does not rise to the level of misconduct. After consultation with [REDACTED], we believe this case would be more appropriately handled by [REDACTED] supervisors as a performance matter. While we encourage all NCUA employees and managers to "report promptly to the OIG any reasonable belief or allegation that any NCUA employee... may have engaged in any activity involving criminal or other serious or significant misconduct..."² we do not generally initiate formal investigations into matters that fall within the supervisory responsibilities of managers or are the program responsibilities of other NCUA offices.

Cc: C. Keith Morton
Regional Director, RIV

² See NCUA Instruction No. 1919.08, "Guidelines and Responsibilities for Reporting Investigative Matters to the Inspector General" (Rev. October 14, 2003).

(b)(6); (b)(7)(c)



NATIONAL CREDIT UNION ADMINISTRATION
Office of the Inspector General
Investigations Division

INVESTIGATIVE MEMORANDUM

MEMORANDUM TO: File
FROM: [REDACTED]
Director of Investigations
SUBJECT: Anonymous Complaint against Mike Barton
DATE: August 26, 2010

BACKGROUND

On June 23, 2010, the Office of Inspector General (OIG) received an allegation from [REDACTED] who was temporarily employed at the Asset Management and Assistance Center (AMAC) as a contractor. The complaint alleged that [REDACTED] was asked to "work off the clock." In other words, [REDACTED] alleged that [REDACTED] asked [REDACTED] to work eight and a half hours a day and only claim eight on [REDACTED] time report.

ACTIVITY

On July 1, 2010 the Reporting Agent (RA) initiated a preliminary inquiry into the allegations. This inquiry encompassed review of relevant files, documentation and interviews of the involved parties.

Based on information obtained from these sources, the RA did not find substantive information to support the allegation.

STATUS

This preliminary inquiry is closed with no further action.

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



NATIONAL CREDIT UNION ADMINISTRATION
Office of the Inspector General
Investigations Division

INVESTIGATIVE MEMORANDUM

MEMORANDUM TO: File

FROM: [REDACTED]
Director of Investigations

SUBJECT: [REDACTED]

DATE: November 22, 2010

BACKGROUND

On August 23, 2010, the Office of Inspector General (OIG) received an allegation from [REDACTED], Corporate Counsel at [REDACTED] Federal Credit Union. Specifically, [REDACTED] supplied an email from [REDACTED], an examiner in [REDACTED] CA which contains language suggesting [REDACTED] might attempt to use [REDACTED] position as a Credit Union examiner to influence a financial transaction with [REDACTED] Credit Union.¹ Misuse of [REDACTED] position would constitute an administrative

¹ Email dated October 23, 2009 –

From: [REDACTED]
To: [REDACTED]
[REDACTED]
[REDACTED]
Subject: [REDACTED] Actions in Response to My Inquiry

You are not being truthful with me about responding to my inquiry, rather you have placed an order for repossession. I cannot prevent you from taking this action; however, if you agree to accept the vehicle as full payment, I will arrange for its pickup. (The vehicle is in excellent condition.) Should [REDACTED] sue me for a deficiency balance, I will counter sue for damages.

I was an examiner at [REDACTED] FCU and am aware of illegal lending practices. I am also aware of required consumer disclosures [REDACTED] FCU failed to provide. As you did not provide me with my complete file, you will be required to provide it, as well as other information, when I file my counter-claim. If I were you, I would consult with the credit union's surety bond holder. [REDACTED] practices were systemic and therefore grounds for a class action for violating Regulation Z and the ECOA.

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

██████████
November 22, 2010

violation of the Standards of Ethical Conduct for Employees for the Executive Branch.

ACTIVITY

On August 23, 2010 the Reporting Agent (RA) initiated an investigation into the allegations. This inquiry encompassed issuing a subpoena, records review and interviews with Credit Union personnel.

The review showed that ██████████ opened an account with ██████████ Federal Credit Union ██████████ on December 11, 2007. On December 31, 2007 ██████████ approved ██████████ for a car loan in the amount of fifty two thousand, nine hundred ninety-seven dollars and sixty-five cents (\$52,997.65). The assets of ██████████ were purchased on September 26, 2008 by ██████████ Federal Credit Union ██████████ ██████████, Illinois. ██████████ stopped making payments on the loan after the payment credited in June 2009. According to ██████████ a Collector with ██████████ who spoke with ██████████ concerning ██████████ delinquent loan, while ██████████ found ██████████ to be condescending and mean ██████████ did not feel intimidated by ██████████ nor did ██████████ feel that ██████████ was using ██████████ position at the National Credit Union Administration (NCUA). In fact, he did not even realize that ██████████ was an employee of NCUA until sometime after their conversations.

██████████ Employee Relations Specialist in the Office of Human Resources supplied the RA with documentation that ██████████ will be retiring from NCUA on December 31, 2010.

Based on information obtained from these sources, we found no corroborating evidence that ██████████ used ██████████ position to influence ██████████ financial transaction with ██████████ Federal Credit Union.

STATUS

This investigation is closed with no further action.

If accepting the vehicle as full payment is acceptable, we can make the appropriate arrangements.

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(b) (6); (b) (7) (c)



NATIONAL CREDIT UNION ADMINISTRATION
Office of Inspector General
Investigations Division

REPORT OF INVESTIGATION

DATE OF REPORT: June 29, 2011

CASE NUMBER: 10-I-R9-08

CASE TITLE:

[REDACTED]
[REDACTED]
[REDACTED]

VIOLATIONS: N/A

(b)(7)(C), (b)(7)(D), (b)(7)(F)

DISTRIBUTION:

J. Owen Cole, Jr.
Office of Capital Markets Director
Executive Director David Marquis

OHR Director Lorraine Phillips

CASE AGENT:

[REDACTED]
Director of Investigations

[REDACTED]
(Signature)

APPROVED:

William A. DeSarno
Inspector General

[Signature]
(Signature)

BACKGROUND

On July 10, 2010, the Office of Inspector General (OIG) received an allegation that [REDACTED], Office of Capital Markets stated that [REDACTED] had hidden assets so that [REDACTED] would not have to pay additional money to [REDACTED] mortgage company when his house was sold in a short sale¹. At the time of the allegation [REDACTED] home was still for sale.

Based on the above allegations, the OIG initiated an inquiry into a potential violation by Rowe of 18 U.S.C. § 1344, Bank Fraud.

The OIG's investigation into the bank fraud allegations led it to review [REDACTED]'s official filings of (1) United States Office of Government Ethics (OGE) Form 450, *Confidential Financial Disclosure Report*; and (2) SF 85P, *Questionnaire for Public Trust Positions*. The OIG subsequently expanded its investigation to include issues which might have constituted a violation of 18 U.S.C. § 1001, False Statements, based on information [REDACTED] provided on these forms. As such, the OIG also considered administrative and ethical violations tied to federal employees' obligation to truthfully report information on official documents.

DETAILS

On July 10, 2010, the OIG received an email allegation stating that [REDACTED] told the source that [REDACTED] was starting a job at NCUA because he had lost his job with a bank in North Carolina. [REDACTED] also said that [REDACTED] was selling [REDACTED] house in NC, but that because of the market [REDACTED] expected to sell it in a short sale at approximately \$100,000 below the amount owed on [REDACTED] mortgage. The source alleged that [REDACTED] also said [REDACTED] hid assets so that [REDACTED] would not have to pay the deficiency to the mortgage company. At the time of the allegation, the home was still for sale. The OIG was able to confirm through public records that the house was for sale for approximately \$100,000 below the mortgage balance as alleged.

The OIG's review of [REDACTED] OGE 450 and SF85P focused on previous employment. Specifically, the OIG's review of documents received via a subpoena and supplied by [REDACTED] showed positions [REDACTED] held that were not reported on either form. On the OGE 450, Section III: Outside Positions requires that the filer report:

All positions outside the U.S. Government held at any time during the reporting period, whether or not you were compensated and whether or not you currently

¹ A short sale is the sale of a house in which the proceeds fall short of what the owner still owes on the mortgage. The mortgage lender can agree to accept the proceeds of the short sale and forgive the rest of the debt or they can require the home owner to pay some or all of the deficiency.

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

hold that position. Positions include an officer, director, employee, trustee, general partner, proprietor, representative, executor, or consultant of any of the following: Corporation, partnership, trust or other business entity; non-profit or volunteer organization; or educational institution.

The SF85P requires that filers list all employment activities for the past 7 years. We also reviewed section 12 – Your employment Record which asks:

Has any of the following happened to you in the last 7 years? Fired from a job; quit a job after being told you'd be fired; left a job by mutual agreement following allegations of misconduct; left a job by mutual agreement following allegations of unsatisfactory performance; left a job for other reasons under unfavorable circumstances.

The OIG was interested in this section because [REDACTED] answered no, yet we found articles and legal documents detailing the failure of the [REDACTED]. The documentation suggested that [REDACTED] might have left his employment at [REDACTED] under unfavorable circumstances.

The OIG interviewed the source, issued a subpoena, reviewed records received under the subpoena and records provided by [REDACTED] and interviewed [REDACTED] twice for this investigation.

FINDINGS

The OIG's review of the documents received from the subpoena and those supplied by [REDACTED] revealed that while [REDACTED] was reporting limited assets to [REDACTED] mortgage company, [REDACTED] had deposited over \$70,000 in [REDACTED] bank account over 16 months. [REDACTED] was able to supply records accounting for approximately \$60,000 of the questioned funds.² The deposits were not from accounts that had been hidden from the mortgage company; rather, they were from a variety of legitimate sources that included the liquidation of a life insurance policy, a pay check, tax refunds and a personal loan. The investigation found no evidence to support the bank fraud allegation. [REDACTED], Assistant United States Attorney (AUSA), Western District of North Carolina declined prosecution based on lack of evidence.

In reviewing [REDACTED] OGE 450, the OIG found that [REDACTED] failed to list an outside position that [REDACTED] held briefly during the reporting period, but that [REDACTED] no longer held when [REDACTED] filed the report. In addition, [REDACTED] failed to list two jobs on [REDACTED] SF85P that [REDACTED] held prior to being

² The remaining \$8,754.73 was for deposits in 2009. The bank would not provide deposit records for activity beyond 2010.

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hired at NCUA. In an interview, [REDACTED] explained [REDACTED] had forgotten to include the positions on the SF85P. [REDACTED] further stated [REDACTED] did not even think of the one [REDACTED] had during the reporting period covered by the OGE 450. [REDACTED] stated [REDACTED] did not consider them significant since [REDACTED] held each for only a few months. [REDACTED] reiterated that [REDACTED] had not intentionally left the positions off the forms to avoid NCUA knowing [REDACTED] had the jobs. [REDACTED] stated [REDACTED] has never worked for the government before and was surprised at the amount of paperwork required. [REDACTED] considered the forms to be a nuisance and [REDACTED] had not realized the significance of the need for full disclosure.

Regarding the circumstances that led [REDACTED] to leave [REDACTED] explained that [REDACTED] had worked for a supervisor there for approximately 10 years who managed dictatorially and that [REDACTED] had very little decision making power. [REDACTED] did not agree with many of the pricing decisions that were being made but [REDACTED] was not able to change the policy. [REDACTED] was under a two year contract that ended in November 2008. [REDACTED] department had been laying off staff prior to his departure and [REDACTED] had asked to be laid off for approximately a year as a way to end [REDACTED] contract early but [REDACTED] request was not granted. Therefore, [REDACTED] resigned as soon as [REDACTED] contract expired. [REDACTED] had been pursued by other organizations for [REDACTED] expertise and [REDACTED] felt that [REDACTED] would get another job quickly, however the banking industry suffered huge job losses at that time and [REDACTED] was not able to get a job immediately. That led to the need to sell [REDACTED] house under a short sale and move to Northern Virginia for the job at NCUA. [REDACTED] stated that [REDACTED] answered the question on the SF85P honestly and to the best of [REDACTED] ability. [REDACTED] did not knowingly falsify any part of the form. [REDACTED], AUSA, Eastern District of Virginia declined prosecution in this case.

Regarding the review of [REDACTED] OGE Form 450 and SF 85P, although we found that [REDACTED] did omit reportable information, the investigation did not develop evidence to conclude that [REDACTED] did so knowingly and willfully, as required for a criminal false statements violation.³

In reviewing the circumstances surrounding [REDACTED]'s violations and determining whether disciplinary action is warranted, due consideration should be given to the "Douglas" factors.⁴ The "Douglas" factors are the pertinent mitigating and aggravating factors that must be considered by the responsible agency official(s) before proposing or deciding on a particular disciplinary measure or penalty.

³ 18 USC 1001.

⁴ See *Douglas v. Veteran's Administration*, 5 MSPR 280, 5 MSPB 313 (1981).

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



NATIONAL CREDIT UNION ADMINISTRATION
Office of the Inspector General
Investigations Division

INVESTIGATIVE MEMORANDUM

MEMORANDUM TO: File

FROM: [REDACTED]
Director of Investigations

SUBJECT: Unauthorized Access – [REDACTED]

DATE: December 17, 2010

BACKGROUND

On August 6, 2010, [REDACTED] Division of Systems and Technical Support in the Office of the Chief Information Officer (OCIO) informed the Reporting Agent (RA) that a supervisor at the Asset Management and Assistance Center (AMAC) felt that an employee might have the password to access [REDACTED] NCUA email account. [REDACTED] indicated that the information had come from [REDACTED]. On August 13, 2010, [REDACTED] told the RA that the supervisor in question was [REDACTED], [REDACTED] AMAC and the employee was [REDACTED].

ACTIVITY

On August 19, 2010, the Reporting Agent (RA) initiated an investigation into the allegations. This inquiry encompassed interviews with relevant personnel, forensic analysis of [REDACTED] computer hard drive and records review.

The review found no corroborating evidence that [REDACTED] had accessed [REDACTED] email account.

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STATUS

This investigation is closed with no further action.

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NATIONAL CREDIT UNION ADMINISTRATION
Office of Inspector General
Investigations Division

REPORT OF INVESTIGATION

DATE OF REPORT: May 16, 2011

CASE NUMBER: 10-I-R3-10

CASE TITLE: [REDACTED]

VIOLATIONS: N/A

SYNOPSIS

Based on a referral from [REDACTED] Vice President of Human Resources at [REDACTED] Credit Union [REDACTED], the Office of Inspector General (OIG) initiated an investigation into allegations of inappropriate comments and gestures made by NCUA Examiner CU-12 [REDACTED] toward managers at [REDACTED].

The information developed in this investigation could neither conclusively substantiate nor disprove the allegations.

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

DISTRIBUTION:

Herbert Yolles
Regional Director, Region III
Executive Director David Marquis

OHR Director Lorraine Phillips

CASE AGENT:

[REDACTED]
Director of Investigations

[REDACTED]
(Signature)

APPROVED:

William A. DeSarno
Inspector General

[Signature]
(Signature)

BACKGROUND

█████ submitted a memorandum, dated December 20, 2010 to █████, Supervisory Examiner (SE) alleging essentially the following: On December 2, 2010, █████ spoke with a female manager about a meeting with one of her subordinate managers, also female. During the course of the conversation, █████ asked which person █████ would be meeting with concerning foreclosures. When told, █████ turned to the manager and asked if she was "the girl with ..." and then made a gesture indicating large breasts. During the same conversation, █████ also entered into a conversation about the Civil War and indicated that █████ family had owned slaves and that █████ felt the country should have stayed split.

During the same time frame, █████ had a conversation with another senior manager about students funding college by serving in the military. █████ stated that they could join the military for college funds unless they were homosexuals or "queer." During the course of the investigation, the reporting agent (RA) discovered that █████ made the same gesture in reference to the foreclosures manager to this senior manager as well. (Attachment 1)

During subsequent conversations with █████ indicated that the Vice President of Internal Audit had also had conversations with █████ that █████ found unprofessional.

The RA interviewed the three (3) █████ employees identified by █████: █████ Vice President Internal Audit; █████ Senior Vice President (VP) and █████ VP Consumer Lending. The RA interviewed █████ under oath in the OIG office. The RA also consulted █████ who was █████ SE during the █████ examination. Finally, the RA interviewed Regional Supervisor █████ from the █████ Department of Commerce, Division of Financial Institutions who was the state's lead examiner.

DETAILS

On February 10, 2011, █████, VP Internal Audit at █████ was interviewed in █████ office. █████ reported that █████ has been in banking for approximately 33 years. The 2010 exam was the only time █████ ever dealt with █████ directly. This was a joint exam with the State of █████ regulators. █████ opened by stating that █████ regularly came into █████ office and closed the door just to talk. These conversations were not relevant to the examination and █████ own staff hesitated at █████ door and then left on multiple occasions rather than disturb what they thought was official business. This was disruptive to █████ productivity. Additionally, █████ indicated █████ had three specific examples of █████ behavior that concerned █████

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First, [REDACTED] reported [REDACTED] talked about the closing of [REDACTED] Federal Credit Union [REDACTED]. [REDACTED] told [REDACTED] that examiners had been dismissed and it was not going to happen to [REDACTED]. [REDACTED] related that [REDACTED] had gone into additional detail including talking about the examiners, but [REDACTED] did not remember specifics. [REDACTED] had been uncomfortable with the conversation. [REDACTED] felt that the entire conversation was "odd and unusual" and did not feel it was appropriate for the exam situation.

Second, when [REDACTED] asked to review the outside audit, the auditing company, [REDACTED] requested that [REDACTED] agree to confidentiality restrictions. Basically, they were requesting that the audit product be treated as confidential information under the Freedom of Information Act or similar laws and regulations and that [REDACTED] receive written notice before audit documentation (or copies thereof) be released to others. According to [REDACTED] would not agree to the confidentiality restrictions and asserted that [REDACTED] was going to sue [REDACTED] and require them to bring the audit report to NCUA headquarters in Alexandria without restrictions. [REDACTED] indicated that [REDACTED] eventually called the Office of General Counsel who agreed to the restrictions. [REDACTED] continued to "bad mouth" [REDACTED] in what [REDACTED] considered a very unprofessional manner.

Third, [REDACTED] explained that [REDACTED] has loan participations that were purchased from [REDACTED] Credit Union. [REDACTED] expressed concern that these loans were all to [REDACTED] which [REDACTED] feels would carry a higher risk due to the fact that many of the [REDACTED] are dependent on the [REDACTED] and when they are removed for any reason, the [REDACTED] are at high risk of failure. [REDACTED] agreed and thought that the concern was valid. However, [REDACTED] went on to discuss a [REDACTED] in Georgia where the [REDACTED] had relationships with young boys and said, "You know all [REDACTED]." [REDACTED] was taken aback by this statement and felt it was highly inappropriate.

The RA asked [REDACTED] if [REDACTED] had any further information that [REDACTED] felt was important to the investigation. [REDACTED] added that [REDACTED] had brought [REDACTED] a very long list of documents that [REDACTED] wanted made available to [REDACTED] with hundreds highlighted. [REDACTED] asked [REDACTED] if [REDACTED] was sure that [REDACTED] wanted all of the documents, because while [REDACTED] had no objections to supplying them [REDACTED] felt it was much more than could be reviewed during the examination. [REDACTED] indicated that [REDACTED] did want all of the documents which [REDACTED] felt was related to the fact that [REDACTED] was being extremely thorough due to [REDACTED] concerns with the failure of [REDACTED]. While [REDACTED] understood this concern, [REDACTED] was frustrated with the time wasted by [REDACTED] staff getting these documents ready when [REDACTED] came back later to say that, in fact, [REDACTED] did not need all of the highlighted documents.

[REDACTED] closed by saying that [REDACTED] had given [REDACTED] assessments of [REDACTED] fellow examiners, talking about one in particular who was from Kentucky and insinuating that [REDACTED] was a "hick." As it turns out, [REDACTED] worked in the same town, [REDACTED], as

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the examiner in question and was familiar with the examiner. [REDACTED] also told [REDACTED] that [REDACTED] needed to "go babysit my staff."

Upon questioning, [REDACTED] reported he found [REDACTED] examination to be thorough, appropriate and fair; however, [REDACTED] found many of [REDACTED] personal interactions with [REDACTED] to be very unprofessional.

[REDACTED]

On February 10, 2011, the RA interviewed Senior VP [REDACTED]. [REDACTED] shared two examples of unprofessional behavior by [REDACTED] during their last examination. In the first instance, the two [REDACTED] were alone in the lunch room near [REDACTED]'s office. [REDACTED] had been looking at student loans during the examination and [REDACTED] commented that [REDACTED] did not understand how anyone could not afford college unless they were queer because otherwise they could join the military like [REDACTED] nephew to pay for college. [REDACTED] felt that the tone of the comment was derogatory toward homosexuals.

The second inappropriate encounter happened when [REDACTED] asked [REDACTED] about foreclosure and delinquencies. [REDACTED] told [REDACTED] that [REDACTED] was the person to ask for those questions. In response, [REDACTED] used [REDACTED] hands to make a gesture indicating a woman with large breasts and asked if that was [REDACTED]. [REDACTED] confirmed, yes, and ended the conversation because it made [REDACTED] uncomfortable.

The RA asked [REDACTED] about the examination process. [REDACTED] related that there were some problems with business loans in [REDACTED] (another NCUA examiner) report but they went over each of them and were able to settle all of the issues. [REDACTED] indicated that overall [REDACTED] felt [REDACTED] asked for reasonable things and that the exam had been hard but fair.

[REDACTED]

On February 10, 2011 the RA interviewed [REDACTED], VP Consumer Lending for [REDACTED]. [REDACTED] indicated [REDACTED] had worked in the credit union industry for nearly 30 years.

[REDACTED] had quite a bit of contact with [REDACTED] during this exam because [REDACTED] office was near the conference room the examiners were using. They used [REDACTED] office to store documents because [REDACTED] door locked but the door to the conference did not. [REDACTED] told [REDACTED] he needed to speak to the collections manager to ask about foreclosures. [REDACTED] told him to talk to [REDACTED]. [REDACTED] reported that [REDACTED] made a gesture to indicate a woman with large breasts. [REDACTED] said after giving [REDACTED] a questioning look [REDACTED] stated, "It's OK my daughter is large" too. [REDACTED] was uncomfortable having [REDACTED] meet one on one with [REDACTED] so [REDACTED] asked the assistant manager to sit in on the

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meeting between [REDACTED] and [REDACTED]. [REDACTED] was unaware of the gesture made by [REDACTED].

[REDACTED] reported a second incident when [REDACTED] was standing in the doorway of [REDACTED] office talking about [REDACTED] family. [REDACTED] stated that [REDACTED] talked about slavery and shared with [REDACTED] that [REDACTED] family had owned slaves. [REDACTED] went on to say that [REDACTED] felt the North and South should have stayed split. [REDACTED] found the conversation to be very odd and was most uncomfortable because an African-American woman works in a cubicle just outside [REDACTED] office and [REDACTED] hoped the woman had not overheard and been hurt or offended.

[REDACTED] went on to say that [REDACTED] had never experienced anything like these comments before and that [REDACTED] found [REDACTED] to be less professional than [REDACTED] was accustomed to during examinations. In addition, [REDACTED] found him to be "chatty" which took [REDACTED] attention from work. Prior to this examination [REDACTED] had never dealt with [REDACTED] in person. [REDACTED] further stated that [REDACTED] was relieved to be told that [REDACTED] who [REDACTED] found to be very professional, would be the lead examiner for the next year's examination.

[REDACTED] was interviewed under oath on March 31, 2011. Also present, in addition to the RA, were [REDACTED] NCUA National Treasury Employees Union (NTEU) representative; [REDACTED], Assistant Counsel, NTEU; and [REDACTED], Senior Auditor, OIG.

Prior to the start of the interview, [REDACTED] informed us that since [REDACTED] surgery he cannot regulate [REDACTED] body temperature, as if [REDACTED] has menopause, therefore [REDACTED] might need to stop and put on or take off [REDACTED] sweater. The reporting RA assured [REDACTED] that accommodations would be made. [REDACTED] later asked [REDACTED] about the appropriateness of the comment, considering all of the other participants in the interview were women. [REDACTED] stated [REDACTED] wife thought it was funny, so [REDACTED] did not think it would be offensive. [REDACTED] pointed out that this was a business setting. [REDACTED] again stated he just thought it was a funny comment.

[REDACTED] reported he had been an examiner since November 9, 1986.¹ He confirmed that he had been the lead examiner on the most recent [REDACTED] examination. The RA explained that the OIG received a complaint from [REDACTED] about his conduct while at the credit union during the examination. The RA further explained that the complaint included reports from three managers at [REDACTED].

The RA told [REDACTED] that [REDACTED] reported he [REDACTED] inappropriately discussed the examination of [REDACTED]. [REDACTED] stated that the CEO, [REDACTED], had asked him about [REDACTED] but he could not recall having discussed [REDACTED] with [REDACTED].

¹ [REDACTED] employment records confirmed that he was hired by NCUA on November 9, 1986.

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The RA then asked [REDACTED] to explain a dispute with [REDACTED] regarding the outside audit and if he had threatened to sue [REDACTED]. [REDACTED] stated that he had not threatened to sue [REDACTED]. He said that [REDACTED] had presented him with a letter requiring his agreement to keep their outside audit confidential. He was concerned about agreeing to this stipulation and faxed the agreement to [REDACTED] an NCUA Analyst in the Division of Supervision in Region 3.² He stated that he eventually received permission to agree to the requirements, but that it was too late in the examination so he was not able to review the outside audit at that time.³

The RA asked about loan participations purchased by [REDACTED] from [REDACTED]. Specifically, [REDACTED] expressed concern that these loans were a high risk due to the fact that many of the loans were made to [REDACTED] and that some of the [REDACTED] would change substantially if the [REDACTED] were removed for any reason thereby impairing the [REDACTED] ability to repay the loans. [REDACTED] indicated that he remembered discussing this issue and that he considered it to be a valid concern. He was then asked if he remembered discussing a [REDACTED] in Georgia where the [REDACTED] had relationships with [REDACTED] and if he said, "You know all [REDACTED] and [REDACTED] like [REDACTED]." [REDACTED] said he did not remember giving that specific example and denied having made the statement about [REDACTED] and [REDACTED].

The RA then asked about the large request for documents made to [REDACTED] during the examination. [REDACTED] explained that he used a program written by another examiner to perform a "data scrub" on the AIRES download. He said he never asked for documents to support the larger list. [REDACTED] denied having changed the request as [REDACTED] reported. Rather, he stated he had highlighted the list from the beginning to identify the loans he wanted supporting documents for.

The RA told [REDACTED] that [REDACTED] reported he [REDACTED] had given assessments of his fellow examiners, talking about one in particular who was from Kentucky and insinuating that he was a "hick" and had separately indicated the needed to "go babysit my staff." [REDACTED] stated that the examiner from Kentucky was a Certified Public Accountant (CPA) that he put in charge of the call reports. He indicated that he felt the examiner was extremely competent. He went on to say he could not imagine having those conversations and that "maybe [REDACTED] judgment was clouded by his son's [REDACTED]"

² The RA presented [REDACTED] with an undated fax found in the AIRES files for the [REDACTED] examination. The fax was directed to DOS mail, attention [REDACTED] [sic] with the notation, "Please read the last sentence in the memo. Do I have NCUA's permission to review the workpapers [sic]? Thank You, [REDACTED]." The [REDACTED] memo was also included in the fax. [REDACTED] confirmed that he sent the fax.

³ The confidential section of the AIRES report included a detailed account of the issues with the audit review.

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When told that [REDACTED] reported [REDACTED] regularly came into [REDACTED] office and closed the door just to talk and that the conversations were not relevant but instead disruptive to [REDACTED] productivity; [REDACTED] responded he did not think he had been in [REDACTED] office too much, that it had been primarily business. He did indicate that they had talked about motorcycles because [REDACTED] is interested in Harley-Davidson motorcycles. [REDACTED] stated that he would engage in conversation with credit union managers as needed to make them comfortable and establish rapport.

The RA related a conversation as reported by [REDACTED] where the two men were alone in the lunch room near [REDACTED] office. [REDACTED] had been looking at student loans which were part of [REDACTED] responsibility and he [REDACTED] commented that he did not understand how anyone could not afford college unless they were queer because otherwise they could join the military like his nephew to pay for college. [REDACTED] stated he did not recall having that conversation. [REDACTED] said he does not believe that conversation ever took place as he would not discuss business in public places (like the lunchroom) because others could overhear. He confirmed that multiple members of his family have served in the military, including his nephew, who he believed had used military benefits to pay for college.

The RA explained that [REDACTED] had reported that [REDACTED] had frequent contact with [REDACTED] because the examiners used [REDACTED] office to store documents because [REDACTED] door locked but the door to the conference did not. [REDACTED] confirmed this and stated that they also used [REDACTED] office for the same purpose. The RA related [REDACTED] claim that while standing in the doorway of [REDACTED] office, [REDACTED] talked about slavery and shared with [REDACTED] that his family had owned slaves and that he said the North and South should have stayed split. [REDACTED] labeled the claim as "bizarre" as he has bi-racial grandkids. He said that he did not remember having that conversation regarding slavery. However, when pressed he stated that he could have talked about his family owning slaves because, being southern, he would talk about his family if asked and his family had owned slaves. He stated that does not make intellectual sense to have suggested that the North and South should have stayed split. He reiterated that he did not recall the conversation.

The RA explained to [REDACTED] that the last issue had been reported separately by both [REDACTED] and [REDACTED]. They each indicated that at different times [REDACTED] told them he needed to speak to the collections manager and when they identified her as [REDACTED] he made a gesture that indicated a woman with large breasts as a way to identify that he was thinking of the right person. [REDACTED] further said after giving him a questioning look he stated, "It's OK my daughter is large" too. [REDACTED] stated that [REDACTED] is super obese but that he had not made any hand gesture. He also did not recall any conversation about his daughter being well endowed. He explained that he often carried a pad of paper to take notes and a pen in his pocket and maybe someone could have mistaken his removal of the pen as a gesture.

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The RA questioned why two managers would independently report having the same interaction with him. [REDACTED] then requested to meet alone with [REDACTED] and [REDACTED]. [REDACTED] and [REDACTED] left the conference room.

When the interview continued, the RA repeated the question regarding why two managers would report the same experience, separately demonstrating the same gesture. He stated that maybe the credit union did not want him there as he has a reputation as a bulldog and for being thorough. He went on to say that [REDACTED] officials try to control the regulators and that the state is softer on them. [REDACTED] routinely asked to have items excluded from the exam. The only other time a credit union had requested he exclude items, it was having major problems. He explained that the examination was five weeks long and he felt that he might have been close to finding fraud.

[REDACTED] then asked for another break to speak privately with the union representatives. [REDACTED] and [REDACTED] again left the conference room.

Upon resuming the interview, [REDACTED] added that he had heard "chatter" from other credit unions that CEO [REDACTED] was not trustworthy. He talked about [REDACTED] being in a band and using "product." The RA asked if he meant drugs and he confirmed he did. He went on to say that others in the industry reported [REDACTED] would try to get [REDACTED] "tentacles" into you and lacked a conscience.

He closed by saying that he felt something major was going on because [REDACTED] controls everything. He also felt that [REDACTED], the internal auditor, was not following proper reporting procedures. [REDACTED] said that he had discussed his concerns with his then-SA [REDACTED] and in the confidential section of the AIRES report.⁴

[REDACTED] asked the RA to speak with [REDACTED] who was the State examiner assigned to the [REDACTED] examination. [REDACTED] felt [REDACTED] could give information relevant to the investigation.

On April 6, 2011, the RA interviewed Supervisory Examiner (SE) [REDACTED]. [REDACTED] provided documentation of issues [REDACTED] had during the examination. In an email, dated October 29, 2010, discussing the audit issue with [REDACTED] expressed concern that

⁴ The confidential section had a heading titled Internal Auditor with the following comments: "The SSA allows the internal auditor to directly report to the board of directors. He has lots of conversations with management about conversations and finding. It didn't look like he reports to the supervisory committee and then the board. Our review of his work didn't disclose any problems; however, due to the lack of time, we didn't explore his relationship with operating management closely. What we decided to do was review his reporting relationships at the next contact for independence. We expect to be back on-site in about 3.5 months, we will have more time to focus on this area."

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██████████ is "trying to do a [sic] end around to get what they want. They told me they have the option of dealing with the state instead of us. And because they get what they want from the state very easily they don't want to deal with us." ██████████ was also concerned that ██████████ saw aggressive regulation as a risk. On January 18, 2011, he forwarded an excerpt from board minutes to ██████████ that stated, "Management has also identified aggressive regulatory oversight as a new risk to be managed. Aggressive regulatory oversight is being seen in two areas: pressure from NCUA to make only loans of the highest credit quality; and pressure to aggressively categorize modified loans as "troubled debt," which has the affect of driving up loan delinquency rates." However, ██████████ categorically denied that ██████████ had indicated to ██████████ that he felt he was close to discovering fraud. ██████████ told the RA that ██████████ had a "pretty good nose for that kind of thing," referring to fraud detection in credit unions. ██████████ would not have let him leave the credit union had he expressed that concern to ██████████. In his December 2010 update to ██████████ on ██████████ he indicated, "We did a thorough scrub of the Aires download for fraudulent activity, and none was discovered."

██████████

On April 8, 2011, the RA interviewed Regional Supervisor ██████████ from the ██████████, Division of Financial Institutions.

██████████ stated ██████████ has known ██████████ for 20 or 21 years, and they have worked together frequently, having collaborated on seven exams in 2010 alone. ██████████ stated that he worked on the ██████████ examination with ██████████ in 2010. ██████████ said that no one told ██████████ of any inappropriate behavior by ██████████ during the examination and that ██████████ had not witnessed any inappropriate conduct. ██████████ further stated ██████████ had never heard or seen ██████████ act inappropriately.

FINDINGS

In reviewing this allegation, all of the statements were analyzed for credibility and consistency. While none of the individual comments or actions allegedly made during the exam of ██████████ had independent witnesses, ██████████ did confirm portions of the conversations in question. In addition, two managers separately reported a nearly identical interaction with ██████████

The information developed in this investigation could neither conclusively substantiate nor disprove the allegations. Nevertheless, between the credibility of the statements made by credit union officials and ██████████ partial confirmation of some of those statements, the investigation reasonably raised the specter that ██████████ conduct at the credit union was questionable, if not outright inappropriate and unprofessional. As a CU-12 Examiner, ██████████ conduct towards and interactions with credit union officials should be above reproach.

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In reviewing the circumstances surrounding [REDACTED] actions and determining whether disciplinary action is warranted, due consideration should be given to the "Douglas" factors.⁵ The "Douglas" factors are the pertinent mitigating and aggravating factors that must be considered by the responsible agency official(s) before proposing or deciding on a particular disciplinary measure or penalty.

⁵ See Douglas v. Veteran's Administration, 5 MSPR 280, 5 MSPB 313 (1981).