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Description of document: Closing Reports of Investigation (ROI) for Fourteen (14) Department of Education Office (ED) of Inspector General (OIG) closed investigations, 2017-2019

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**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**

May 1, 2020

RE: FOIA Request No. 20-01206-F

This is in response to your March 10, 2020, Freedom of Information Act (FOIA) request to the United States Department of Education (ED) Office of Inspector General (OIG) for copies of the following Closing Reports of Investigation (ROI): 15-020723, 16-000777, 17-000787, I17MAR30695, I17MAR00791, I17MAR00793, I17MAR00806, I17SER42115, I17WES30292, I17SOU42161, I18EAS00381, I18EAS00522, I18TCD02528, and I18EAS03180.

We have redacted some information pursuant to Exemptions (b)(5), (b)(6), and (b)(7)(C). Information withheld pursuant to Exemption (b)(5) protects intra-agency records subject to the deliberative process privilege, including draft work product that is pre-decisional. Information withheld pursuant to Exemptions (b)(6) and (b)(7)(C) protects personal privacy interests, including names and other personally identifying information.

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

If you are not satisfied with my action on this request, you may file an administrative appeal by writing within 90 calendar days of the date of this letter to:

Inspector General
U.S. Department of Education
400 Maryland Avenue, S.W.
ATTN: FOIA Appeals
Washington, DC 20202-1500

A copy of your initial request, a copy of this letter and your statement of circumstances, reasons, and arguments should accompany your appeal letter.

You also have the right to seek assistance and/or dispute resolution services from our OIG FOIA Public Liaison or from the Office of Government Information Services (OGIS). The OIG FOIA Public Liaison is responsible, among other duties, for assisting in the resolution of FOIA

disputes. OGIS, which is outside the Department of Education, offers mediation services to resolve disputes between FOIA requesters and Federal agencies as a non-exclusive alternative to appeals or litigation.

You may contact the OIG FOIA Public Liaison or OGIS as follows:

Mail	Carla McKenzie OIG FOIA Public Liaison Office of the Inspector General U.S. Department of Education 400 Maryland Ave., SW Washington, DC 20202-1500	Office of Government Information Services National Archives and Records Administration 8601 Adelphi Road Room 2510 College Park, MD 20740-6001
E-mail	carla.mckenzie@ed.gov	OGIS@nara.gov
Phone	215-656-6027	301-837-1996; toll free at 1-877-684-6448
Fax	202-245-7039	301-837-0348

Seeking assistance from the OIG FOIA Public Liaison or OGIS does not affect your right, or the deadline, to pursue an appeal.

Sincerely,

Antigone Potamianos

Digitally signed by Antigone
Potamianos

Date: 2020.04.30 20:03:57 -04'00'

Antigone Potamianos
Counsel to the Inspector General

cc: FOIA Service Center



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL



CLOSING
REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (b) (6), (b) (7)(C) OF ST.
KITTS)

15-020723

MAY 10, 2018

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Report by:

(b) (6), (b) (7)(C)
Special Agent

Approved by:

Geoff Wood
Special Agent in Charge

Distribution:

New York
File

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CLOSING REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) OF ST.
KITTS)

SUMMARY

The Internal Revenue Service (IRS), Criminal Investigations (CID) and the United States Attorney's Office (USAO), Southern District of New York (SDNY) were conducting a criminal investigation involving (b) (6), (b) (7)(C) St. Kitts, (b) (6), (b) (7)(C), and his former (b) (6), (b) (7)(C), (b) (6), (b) (7)(C) for various questionable financial and gift transactions. It was alleged that (b) (6), (b) (7)(C) received federal financial aid to attend Harvard University (Harvard) and Columbia University (Columbia) and his student financial aid documents may have contained false statements.

The investigation determined that (b) (6) attended Harvard and Columbia from 2010-2015 and received approximately \$70,000 in (b) (6) federal student financial aid to attend both institutions. His Free Application for Federal Student Aid (FAFSA) allegedly contained false statements that did not properly document assets and the financial status of his parents. (b) (6), (b) (7)(C) also allegedly provided the IRS with false statements on her annual tax returns in which she misrepresented income and investments.

In September of 2015, Senior Assistant United States Attorney (AUSA) and Tax Coordinator in the Complex Frauds and Cybercrimes Unit from the United States Attorney's Office, Southern District of New York Stanley O'Kula (O'Kula) requested that the United States Department of Education (ED), Office of Inspector General (OIG) join the investigation. Also in September of 2015, Special Agent (b) (6), (b) (7)(C) traveled to St. Kitts with agents of the Internal Revenue Service, Criminal Investigation Division and AUSA O'Kula to meet with high-ranking government officials of St. Kitts including (b) (6), (b) (7)(C) and their legal counsel. AUSA O'Kula and the agents provided them with a brief summary of the allegations and requested their assistance in obtaining information related to the foreign investments held by (b) (6), (b) (7)(C).

Based on the financial information provided by the IRS CID, it appeared that the FAFSAs filed in connection with (b) (6), (b) (7) attendance at Harvard and Columbia contained false statements. Without conferring with ED/OIG and the USAO, the IRS closed their case in September of 2016 (b) (5).

CID request additional tax return information and Special Agent (b) (6) create a spreadsheet comparing information listed on (b) (6), (b) (7) FAFSA to known income and assets (EXHIBIT 3).

In August of 2016, AUSA O’Kula advised that he was being reassigned and the case would be transferred to AUSA Patrick Egan (Egan).

In September of 2016, the IRS CID advised that they were closing their case (b) (6), (b) (7)(C), (b) (5) [redacted].

Special Agent (b) (6) drafted a Report of Investigation as well as created the spreadsheet that was originally requested by AUSA O’Kula. (b) (6), (b) (7)(C), (b) (5) [redacted]

Attempts made to speak with AUSA Egan were met with negative results until April of 2017. AUSA Egan advised that he was unaware that the case was reassigned to him. He was also unaware of the status of the case and that the IRS CID had closed their case. AUSA Egan advised that he would make a decision on how to move forward after reading the IRS CID declination report and speaking with his superiors.

Future attempts made to speak with AUSA Egan were also unsuccessful until May of 2018 when he declined to prosecute the case (b) (5) [redacted]

Civil and administrative remedies were considered but not warranted.

All evidence, documents and information gathered in connection with this investigation including electronic data has been returned and/or destroyed pursuant to ED OIG policy.

This investigation is deemed closed.

PROSECUTIVE ADMINISTRATIVE STATUS

The USAO SDNY requested the assistance of ED OIG in September of 2015. The case was declined on May 8, 2018.

SUBJECT OF INVESTIGATION

(b) (6), (b) (7) (C)
DOB: (b) (6), (b) (7)(C)
SSN: Not applicable
Address: Saint Kitts and Nevis

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

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

EXHIBITS

1. (b) (6), (b) (7)(C) MOI
2. (b) (6), (b) (7)(C) MOI
3. (b) (6), (b) (7)(C) Spreadsheet
4. IRS case closing report
5. Declination letter



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL



CLOSING
REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (EMPLOYEE)

16-000777

JULY 9, 2018

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Report by:

(b) (6), (b) (7)(C)
Special Agent

Approved by:

GEOFFREY WOOD
Special Agent in Charge

Distribution:

File

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CLOSING

REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (EMPLOYEE)

SUMMARY

The Office of Inspector General (OIG) received a referral from the Office of General Counsel (OGC) alleging an Office of Management (OM) or Executive Management Staff (EMS) employee altered an OGC employee appointment memo resulting in a loss of benefits and an appointment extension for the OGC employee. The original memo signed by former General Counsel James Cole indicated (b) (6), (b) (7)(C) would be hired as a (b) (6), (b) (7)(C) under a term appointment. The altered memo indicated (b) (6), (b) (7) would be hired as a General Attorney under a temporary time-limited appointment. The allegations were partially substantiated.

A review of Department email for several key employees revealed that an Office of Human Resources (OHR) Specialist requested EMS employee, (b) (6), (b) (7)(C), to make changes to the superior qualifications memorandum (SQ memo) signed by the General Counsel. The OHR Specialist requested the changes so that the information in the SQ memo relating to the appointment type would match the EP-8 Form, Position Authorization and Description, which indicated the new position was for a General Attorney under a temporary time-limited appointment.

During an interview with OIG, (b) (6), (b) (7)(C) admitted she made the changes to the memo by using a cut and paste from a Word document and copying it into the PDF memo, which created a new memo that contained a photo copy of Cole's signature. (b) (6), (b) (7)(C) did not submit the revised SQ memo to Cole for his signature. The revised memo was used to process the direct hire packet. (b) (6), (b) (7)(C)'s alteration of the SQ memo did not cause (b) (6), (b) (7) to be hired under a different appointment type.

(b) (6), (b) (7)(C) transferred from ED to the (b) (6), (b) (7)(C) prior to the resolution of the OIG investigation. OIG furnished a report of investigation to the Department pursuant to the National Defense Authorization Act (NDAA) for Fiscal Year 2017, which requires the Department to make a permanent notation in the official personnel file of an employee who resigns prior to the resolution of a personnel investigation, which results in an adverse finding. OIG received a response from OHR indicating that due to (b) (6), (b) (7)(C) transfer to another federal agency, as opposed to separation from federal service, ED was not required to make a permanent notation in (b) (6), (b) (7)(C) official personnel file. No permanent notation was placed in (b) (6), (b) (7)(C) official personnel file.

VIOLATIONS

Our investigation substantiated employee misconduct by the subject identified in this report. Her actions were in violation of the following ED Policies and Regulations:

- ED HUMAN CAPITAL POLICY 751-1, Discipline and Adverse Actions
 - Misrepresentation, falsification, or forgery in connection with official government records or business.
 - Conduct unbecoming a Federal employee.

PREDICATION

This investigation was initiated based upon information that a memo signed by the General Counsel was subsequently altered or substituted by an unknown OM or EMS staff employee. The altered version of the memo contained the General Counsel's signature, which was copied, altered or forged on the new memo. The altered version of the memo allegedly affected the benefits and length of service for a new OGC hire.

NARRATIVE

OIG received a referral from OGC that alleged a possible instance of forgery, fraud, or "alteration" of a document that originated in their office and was signed by the General Counsel. Former General Counsel James Cole signed a memo entitled, "Request for Pay Rate above the Minimum" (also known as the superior qualifications memo – SQ memo) for an OGC hire. OGC claimed after the memo was sent to EMS, it was altered or another document was substituted for it that may have contained a forged signature. It was also alleged that the altered memo changed the employee, (b) (6), (b) (7)(C) hiring appointment from term to temporary. When the memos were compared, it was clear that the second memo contained the following changes: appointment type, job title, deletion of a portion of the footer on page 1, typing errors with extra spacing, and an additional paragraph that references a different employee, and an incorrect salary.

OIG reviewed Department email for several individuals involved in this matter. The email review revealed the original EP-8 Form from the hiring packet. The EP-8 confirmed (b) (6), (b) (7)(C) would be hired under a temporary time-limited appointment, not to exceed one year and a day and not a term appointment. However, the original SQ memo signed by the General Counsel indicated the hire was under a term appointment. The OHR Specialist handling the appointment requested (b) (6), (b) (7)(C) to modify the SQ memo because it incorrectly stated the employee was receiving a term appointment when in fact he would be hired under a temporary appointment.

OIG interviewed supervisors (b) (6), (b) (7)(C). Those interviews revealed (b) (6), (b) (7)(C) alteration of the SQ memo did not change (b) (6), (b) (7)(C) appointment type. Both (b) (6), (b) (7)(C) stated it was inappropriate for (b) (6), (b) (7)(C) to make changes to the SQ memo by cutting (b) (6), (b) (7)(C).

and pasting information into the SQ memo and then using a copy of the General Counsel's signature instead of getting him to sign an updated version of the memo.

OIG interviewed (b) (6), (b) (6), admitted she altered the SQ memo per the request of OHR. She conceded that she cut and pasted the requested changes into the original memo instead of creating a new memo and submitting the new memo for the General Counsel's signature. She claimed she did it that way because it was the most expeditious way to get it done.

Based on the results of this investigation, (b) (6), committed a misrepresentation, falsification or forgery in connection with official government business. Although she was requested by OHR to make changes to the SQ memo, she did not get the edited memo signed by the General Counsel but instead used a copy of his signature. That action may also be viewed as conduct unbecoming of a Federal employee.

(b) (6), transferred from ED to the (b) (6), (b) (7)(C) effective June 10, 2017. (b) (6), is no longer employed by ED. His temporary appointment expired September 21, 2017. On May 17, 2018, OIG referred this matter to OHR pursuant to the NDAA requirement (Exhibit 1). On May 17, 2018, OIG received a response from OHR indicating that due to (b) (6), (b) transfer to another federal agency, as opposed to separation from federal service, ED was not required to make a permanent notation in (b) (6), (b) official personnel file, as per OPM guidance (Exhibit 2). Therefore, a permanent notation was not placed in (b) (6), (b) official personnel file.

This matter is closed.

ADMINISTRATIVE STATUS

An administrative referral was furnished to the Department pursuant to the National Defense Authorization Act for Fiscal Year 2017, Sec. 2, Division A, Title XI, Subtitle C, § 1140 (Pub. L. No. 114-328) (codified at 5 U.S.C. § 3322). This statute requires the Department to make a permanent notation in the official personnel file of an employee who resigns prior to the resolution of a personnel investigation, which results in an adverse finding.

SUBJECT OF INVESTIGATION

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

FBI No: N/A

EXHIBITS

1. Referral Memo
2. OHR Response



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL



CLOSING
REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (EMPLOYEE)

17-000787

APRIL 12, 2018

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Report by:

(b) (6), (b) (7)(C)
Special Agent

Approved by:

GEOFFREY WOOD
Special Agent in Charge

Distribution:

File

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CLOSING

REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) [REDACTED] (EMPLOYEE)

SUMMARY

OIG received several anonymous complaints alleging the following: (b) (6), (b) (7)(C), [REDACTED] (b) (6), (b) (7)(C), Office of Innovation & Improvement (OII), sexually harassed female Department employees by showing them pictures of his genitalia on his cell phone; he smokes marijuana in the men's room; he boasted about setting his car on fire and capitalizing on insurance fraud; and he has a criminal history, which includes being arrested and charged for arson.

(b) (6), (b) (7)(C) supervisor also reported to OIG that she believed he altered the date on several helpdesk ticket emails so that it would appear he was teleworking on a date when she was unable to reach him.

The allegations were partially substantiated. (b) (6), (b) (7)(C) criminal history was confirmed and included a 2016 arrest and guilty plea for insurance fraud. Additionally, when interviewed by OIG, (b) (6), (b) (7) admitted altering the dates on the helpdesk ticket emails that he forwarded to his supervisor.

On October 2, 2017, an administrative referral was submitted to OII. On April 3, 2018, OII issued a decision to suspend (b) (6), (b) (7) for 35 calendar days.

VIOLATIONS

The activities identified in this report are violations of:

- STANDARDS OF ETHICAL CONDUCT
 - 5 C.F.R. § 2635.101(5): Employees shall put forth honest effort in performance of their duties.
 - 5 C.F.R. § 2635.705(a): An employee shall use official time in an honest effort to perform official duties.
- ED HUMAN CAPITAL POLICY 751-1, Discipline and Adverse Actions
 - Misrepresentation, falsification, or forgery in connection with official Government records or business.
 - Conduct unbecoming a Federal employee.

PREDICATION

This investigation was initiated based upon information that (b) (6), (b) (7)(C) sexually harassed female Department employees by showing pictures of his genitalia on his cell phone; smoked marijuana in ED men's rooms; and boasted of setting fire to his car to collect the insurance money.

NARRATIVE

This investigation (**Exhibit 1**) confirmed (b) (6), (b) (7)(C) criminal history, which was not reported to OII management. Most recently, he pleaded guilty to conspiracy to commit insurance fraud in the Circuit Court for Charles County, Maryland on August 12, 2016, and was sentenced to serve three years of probation. In 2005, he pleaded guilty to possession of marijuana.

The investigation also revealed (b) (6), (b) (7) altered the dates on several helpdesk ticket emails and forwarded the emails to his supervisor in an attempt to show that he was teleworking when he was absent without leave. During an interview with OIG, (b) (6), (b) (7) admitted altering the dates on the emails that he forwarded to his supervisor and admitted he was not working on the date in question.

ADMINISTRATIVE STATUS

On October 2, 2017, an administrative referral was submitted to OII. On April 3, 2018, (b) (6), (b) (7)(C) OII issued (b) (6), (b) (7) a Decision to Suspend Memorandum (**Exhibit 2**). The decision was made to suspend (b) (6), (b) (7) for 35 calendar days, effective April 16, 2018 through May 20, 2018.

SUBJECT OF INVESTIGATION

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

EXHIBITS

1. Referral Memo/Administrative Report of Investigation
2. Decision to Suspend



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**



**CLOSING
REPORT OF INVESTIGATION**

ED SECURITY OFFICE (EMPLOYEE)

I17MAR30695

JANUARY 7, 2019

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Report by:

(b) (6), (b)
Special Agent

Approved by:

Geoffrey Wood
Special Agent-in-Charge

Distribution:

HQ
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CLOSING
REPORT OF INVESTIGATION
ED SECURITY OFFICE (EMPLOYEE)

SUMMARY

While investigating an unrelated employee matter, allegations were brought to the attention of the U.S. Department of Education's (ED) Office of Inspector General (OIG) that ED Security Office personnel were carrying firearms in ED buildings without proper authorization. After contacting the U.S. Marshal Service's (USMS) Special Deputation Unit, it was revealed that the special deputation, which authorized them to carry firearms, of Christopher Strambler, Director of Physical Security and Law Enforcement Division, and Jerry Shepherd, Regional Director of Security and Law Enforcement Division, had expired in 2015, and the deputation for (b) (6), (b) (7)(C), had expired in 2013. Interviews conducted with ED Office of Management administrators indicated that a direct order was given to the ED Security Office to disarm and lock up their firearms in August 2016. Interviews with ED Security Office personnel revealed they were instructed by Ron Luczak, Director of Security, Facilities, and Logistic Services, to continue to carry their firearms despite the fact they admitted knowing their deputation had expired and acknowledged without it they were not legally authorized to carry firearms. An interview conducted with Luczak confirmed that an order was given to him to have the ED Security Office disarm, but he admitted that he did not give those instructions to his employees. They continued to carry firearms until October 2016, and continued to qualify with ED owned firearms up until December 2016.

Subsequent to the OIG referring the results of the investigation to ED's Office of Management, Luczak was removed from the ranks of the Senior Executive Service and from his position as Director of Security, Facilities and Logistic Service, Office of Management. The remaining employees of the ED security office, Strambler, (b) (6), (b) (7)(C), and Shepherd, each received a letter. The letter outlined alternative discipline requirements in lieu of formal discipline consisting of two training classes related to ethics and internal controls.

VIOLATIONS

The activities identified in this report are potential violations of:

- 18 USC-912 – False Personation of Officer or Employee of the United States (Shepherd, Strambler, and (b) (6), (b) (7)(C))

- 18 USC 930 (a) – Possession of Firearms and Dangerous Weapons in Federal Facilities (Shepherd, Strambler, and (b) (6), (b) (7)(C))
- DC Code 22-4405 – Carrying a Concealed Weapon (Strambler and (b) (6), (b) (7)(C))
- ED Policies and Regulations
 - Possession of a firearm while on government property, unless specifically while performing official duties (Strambler, (b) (6), (b) (7)(C) , Shepherd)
 - Failure to follow instructions (Luczak)
 - Deliberate refusal to carry out a proper order (Luczak)
 - Misuse of official government credentials (Shepherd, Strambler, (b) (6), (b) (7)(C))
 - Conduct unbecoming a federal employee (Luczak, Shepherd, Strambler, (b) (6), (b) (7)(C))
 - Lack of candor (Luczak and Shepherd)

PREDICATION

Allegations arose during an unrelated employee misconduct investigation that members of the ED Security Office may be carrying firearms in violation of ED management directives and federal law. It was alleged by Office of Management officials that ED Security Office personnel lost their U.S. Marshal special deputation authority to carry firearms in August 2016. In addition, the ED Security Office employees lost the Office of Management authorization as well.

BACKGROUND INFORMATION

Title 28 U.S.C. 566(c), 561(a), 509 and 510, and 28 C.F.R. 0.111, 0.112 and 0.19(a)(3), confers the authority to the USMS to deputize select persons for the purpose of enforcing U.S.C., Title 18, Federal Crimes and Criminal Procedure. (including for the protection of those covered under federal assault statutes). The authority is limited by the special deputation solely in furtherance for the mission for whom the individual has been specifically deputized and only while the special deputation is in effect. Those authorities terminate at the expiration of the term of the special deputation, which ranges from one to three years.

NARRATIVE

ED OIG initiated an investigation into potential criminal and administrative violations committed by the U.S. Department of Education, Office of Security. A review of USMS deputation records revealed that the special deputations for ED Security Office personnel, Christopher Strambler, Director of Physical Security and Law Enforcement Division, and Jerry Shepherd, Regional Director of Security and Law Enforcement Division, had expired in 2015. The deputation for (b) (6), (b) (7)(C) , (b) (6), (b) (7)(C) had expired in 2013.

Numerous interviews were conducted during the course of this investigation. The investigation concluded that ED Security employees were carrying firearms in ED buildings without proper

authorization. Though their USMS Special Deputation had expired (Exhibit 1), these employees knowingly continued to carry their ED issued firearms without legal authority until at least October 2016. The OIG interviews of Strambler, (b) (6), (b) (7)(C), and Shepherd (Exhibits 2, 3, 4) disclosed their actions in connection with Ron Luczak, Director of Security, Facilities and Logistic Service, Office of Management (SES). Luczak was aware of the special deputation expirations and continued to allow the ED Security Office employees to carry their firearms without legal authority during this time (Exhibit 5). Luczak intentionally disregarded two direct orders in August 2016 by OM's Deputy Assistant Secretary Denise Carter to have the ED Security Office employees lock up their firearms and credentials in August 2016 (Exhibit 6).

In October 2016, Carter discovered that Shepherd, Strambler, and (b) (6), (b) (7)(C) were still carrying their firearms despite the direct orders given to Luczak. Strambler and (b) (6), (b) (7)(C) turned their firearms over to the OIG at that time (Exhibit 7).

Also, in October 2016, the OIG contacted Shepherd to arrange taking possession of his firearm, but he knowingly provided false information claiming his special deputation did not expire until February 2017. Luczak knowingly disregarded a direct order by Carter and Andrew Jackson, Assistant Secretary of Management in October 2016 to have Shepherd turn in his firearm to the OIG. Luczak also demonstrated a lack of candor when answering questions during an OIG interview about the collection of Shepherd's firearm. Shepherd's firearm was not turned into the OIG until March 2017 when Carter was informed by the OIG that Shepherd's firearm was not turned over to the OIG.

PROSECUTIVE/ADMINISTRATIVE STATUS

On July 14, 2017, the USAO for the District of Columbia declined this case for prosecution.

On October 25, 2017, the OIG referred the results of the investigation to ED's Office of Management via an Administrative Report of Investigation (Exhibit 8).

On December 14, 2017, a notice of action was received for Ron Luczak, which included a decision to remove Luczak from the ranks of the Senior Executive Service and from his position as Director of Security, Facilities and Logistic Service, Office of Management, effective January 21, 2018 (Exhibit 9).

On October 11, 2018, the OIG received a memorandum from A. Bianca Green, ED's Chief Human Capital Officer, detailing the actions taken by ED against Strambler, (b) (6), (b) (7)(C), and Shepherd (Exhibit 10). Each of them received an Alternative Discipline Letter which outlined requirements for each to complete two training classes related to ethics and internal controls, in lieu of formal discipline.

SUBJECT OF INVESTIGATION

NAME: Ronald Luczak

ADDRESS: (b) (6), (b) (7)(C)

DOB: (b) (6), (b) (7)(C)

SSN: (b) (6), (b) (7)(C)

NAME: Christopher Strambler

ADDRESS: (b) (6), (b) (7)(C)

DOB: (b) (6), (b) (7)(C)

SSN: (b) (6), (b) (7)(C)

NAME: (b) (6), (b) (7)(C)

ADDRESS: (b) (6), (b) (7)(C)

DOB: (b) (6), (b) (7)(C)

SSN: (b) (6), (b) (7)(C)

NAME: Jerry Shepherd

ADDRESS: (b) (6), (b) (7)(C)

DOB: (b) (6), (b) (7)(C)

SSN: (b) (6), (b) (7)(C)

EXHIBITS

1. USMS letter, June 16, 2015
2. Interview with (b) (6), (b) (7)(C), June 8, 2017
3. Interview with of Christopher Strambler, June 8, 2017
4. Interview of Jerry Shepherd, June 27, 2017
5. Interview of Ron Luczak, August 2, 2017.
6. Interview of Denise Carter, April 14, 2017
7. 301A- AIGI Jordan- Discussion with Denise Carter, March 21, 2017
8. Administrative referral Report of Investigation, October 16, 2017
9. Notice of Action – Luczak, December 14, 2017
10. Memorandum – Administrative Action Taken by ED, October 11, 2018



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL



REFERRAL
REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (EMPLOYEE)

I17MAR00791

JUNE 12, 2018

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Report by:

(b) (6), (b) (7)
Special Agent

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REFERRAL

REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (EMPLOYEE)

SUMMARY

This matter came to the Washington Field Office U.S. Department of Education Office of Inspector General (ED OIG) as a referral from the ED OIG Technology Crimes Division (TCD). Initially, an OIG hotline complaint was filed by (b) (6), (b) (7) in February 2016 which alleged that Department of Education (Department) employee, (b) (6), (b) (7)(C), accessed (b) (6), (b) (7)(C) student loan information without her knowledge or consent and provided said information to her (b) (6), (b) (7)(C). It was further alleged that (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) were involved in a romantic relationship. During an extraction of (b) (6), (b) (7)(C) Department email, TCD uncovered that on June 3, 2015, Department employee (b) (6), (b) (7) sent (b) (6), (b) (7) an email containing the identical student loan payment information (b) (6), (b) (7) submitted in her hotline complaint. On August 13, 2015, (b) (6), (b) (7) sent an email from her Department email account to (b) (6), (b) (7)(C) which contained (b) (6), (b) (7) the identical student loan payment information submitted by (b) (6), (b) (7) in her hotline complaint. During interviews of (b) (6), (b) (7) on June 16, 2017 and June 20, 2017 with ED OIG, (b) (6), (b) (7) recalled pulling loan servicer information at (b) (6), (b) (7) request and forwarding the said information to (b) (6), (b) (7) via Department email. (b) (6), (b) (7) claimed she was unaware of the purpose for the inquiry at the time. During an interview with ED OIG on August 2, 2017, (b) (6), (b) (7) acknowledged having a relationship with (b) (6), (b) (7)(C). (b) (6), (b) (7) admitted to requesting (b) (6), (b) (7) student loan information from two Department employees, (b) (6), (b) (7)(C) (who was a Department contractor at the time). (b) (6), (b) (7) stated that (b) (6), (b) (7)(C) pulled (b) (6), (b) (7) student loan history information from the National Student Loan Data System (NSLDS) and (b) (6), (b) (7) provided (b) (6), (b) (7) student loan payment information from a loan servicer data system. The aforementioned information was subsequently provided to (b) (6), (b) (7) by (b) (6), (b) (7)(C).

VIOLATIONS

Our investigation substantiated misconduct by the subjects identified in this report.

(b) (6), (b) (7)(C) actions are evidence of the following violations:

- 5 C.F.R §2635.101(b)(9), Standards of Ethical Conduct – Employees shall protect and conserve Federal property and shall not use it for other than authorized activities.

- 5 U.S.C § 552a(b)(1), Records maintained on individuals, Conditions of disclosure – no agency shall disclose any record which is contained in a system of records by any means of communication to any person, or to another agency, except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains, unless disclosure of the record would be to those officers and employees of the agency which maintains the record who have a need for the record in the performance of their duties.
- ED Human Capital Policy 751-1’s prohibition of abuse of position, conduct unbecoming a Federal employee, and lack of candor.

In conjunction with (b) (6), (b) (7)(C) violations, (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) actions are evidence of the following:

- Rules of Behavior violations regarding access to computer data systems
 - Pennsylvania’s Higher Education Assistance Agency (PHEAA) computer system (b) (6), (b) (7)(C)
 - NSLDS (b) (6), (b) (7)(C)

PREDICATION

This investigation was initiated based upon information from an OIG hotline complaint filed by (b) (6), (b) (7) in February 2016 which alleged that Department employee, (b) (6), (b) (7)(C), accessed (b) (6), (b) (7)(C) student loan information without her knowledge or consent and provided said information to her (b) (6), (b) (7)(C). It was further alleged that (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) were involved in a romantic relationship.

NARRATIVE

A review of (b) (6), (b) (7) Department emails for the period of January 1, 2015 through February 29, 2016 revealed two email messages of note:

On Wednesday, June 3, 2015, Department employee (b) (6), (b) (7) sent (b) (6), (b) (7) an email message (Exhibit 1) from her Department email account (b) (6), (b) (7)(C) at approximately 14:13:07 EDT with the subject, “info.” The text of the email contained identical student loan payment information which (b) (6), (b) (7) submitted in her hotline complaint (Exhibit 2).

On Thursday, August 13, 2015, (b) (6), (b) (7) sent an email message (Exhibit 3) from her Department email account (b) (6), (b) (7)(C) to Yahoo email account (b) (6), (b) (7)(C) with the subject, “Info as of June” at approximately 21:33:23 EDT. The text of the email contained the

identical student loan payment information (b) (6), (b) (7) submitted in her hotline complaint (Exhibit 2).

On March 6, 2017, (b) (6), (b) (7)(C) of the ED OIG TCD determined that Department employee, (b) (6), (b) (7)(C), accessed (b) (6), (b) (7)(C) student loan information in NSLDS at 0753 hours on May 6, 2015. The Internet Protocol (IP) address captured during this transaction returned to the U.S. Department of Education.

On June 16, 2017, Department employee, (b) (6), (b) (7) was interviewed by ED OIG and provided the following information (Exhibit 4):

(b) (6), (b) (7) was shown a copy of the email message, dated June 3, 2015, that contained (b) (6), (b) (7)(C) student loan payment information which was transmitted from (b) (6), (b) (7)(C) Department email to (b) (6), (b) (7)(C) Department email (Exhibits 1 and 5). Upon review of the email containing the student loan information, (b) (6), (b) (7) stated she did not recall who the borrower was or the circumstances behind sending the student loan information to (b) (6), (b) (7). (b) (6), (b) (7) stated she received many requests for student loan payment information from several people on a daily basis. (b) (6), (b) (7) did not question requests for information from Federal Student Aid (FSA) employees but would ask for additional information if the request came from a contractor. (b) (6), (b) (7) did not keep a log of FSA employees or contractors from whom she received information requests.

(b) (6), (b) (7) advised that although it was not entirely uncommon, it was rare for (b) (6), (b) (7) to ask her for information in general and even rarer for (b) (6), (b) (7) to request student loan payment information from a loan servicer. (b) (6), (b) (7) verified that she pulled student loan payment information (belonging to (b) (6), (b) (7)) and transmitted said information via email to (b) (6), (b) (7) based on being shown a copy of the sent email message from her Department email account to (b) (6), (b) (7) Department email account (Exhibits 1 and 5). (b) (6), (b) (7) believed the student loan payment information was accessed from PHEAA's system for which (b) (6), (b) (7) had access.

On the evening of June 16, 2017, (b) (6), (b) (7) contacted ED OIG Special Agent (SA) (b) (6), (b) (7) via telephone and provided the following information (Exhibit 6):

(b) (6), (b) (7) recalled a telephone conversation with (b) (6), (b) (7) pertaining to Parent PLUS loans and who was responsible for paying the loans if there was a divorce. (b) (6), (b) (7) advised that she informed (b) (6), (b) (7) that the borrower who signed the master promissory note was responsible for payment as far as FSA was concerned. (b) (6), (b) (7) also recalled discussing repayment plans and loan amounts with (b) (6), (b) (7). According to (b) (6), (b) (7) asked (b) (6), (b) (7) to look up student loan information after providing (b) (6), (b) (7) with a social security number. (b) (6), (b) (7) looked up the student loan information for the social

security number provided and sent the data to (b) (6) via Department email upon (b) (6), request. (b) (6), did not recall seeing the borrower's name attached to the student loan information she researched but knew she was looking at (b) (6), (b) (7)(C) loans based on a conversation with (b) (6) at the time she was pulling the information for (b) (6), (b) (6), claimed (b) (6) was (b) (6), (b) (7)(C).

On June 20, 2017, ED OIG requested a written statement from (b) (6), (b) (7) in order to receive clarification from the telephone conversation between (b) (6), and SA (b) (6) on the evening of June 16, 2017 (Exhibit 7). (b) (6), provided a written statement confirming that she pulled the student loan data and sent it to (b) (6) via Department email (Exhibit 8). (b) (6), advised that she inferred that the student loan payment information she pulled and sent to (b) (6) belonged to (b) (6) or (b) (6), (b) (7) based on a conversation she had with (b) (6).

(b) (6), was interviewed on three separate occasions. During the initial interview, (b) (6), could not recall the specifics behind pulling the student loan payment information belonging to (b) (6), (b) (6), [Agent's note: The student loan payment information was pulled two years prior to (b) (6), initial interview with ED OIG.] During the second and third interviews with ED OIG, (b) (6), recalled conversations with (b) (6) pertaining to Parent PLUS loans and who was responsible for paying the loans if there was a divorce. (b) (6), also stated that (b) (6) mentioned (b) (6), (b) (7)(C) during the conversation. In the second interview, (b) (6), claimed this conversation occurred at the same time (b) (6), was pulling the student loan payment information for (b) (6) and based on that conversation with (b) (6), (b) (6), was able to deduce that the student loan payment information she was pulling belonged to (b) (6), (b) (7). In the third interview, (b) (6), claimed the conversation with (b) (6) may have occurred during the same time (b) (6), was pulling the student loan payment information for (b) (6) or shortly thereafter. (b) (6), also claimed she inferred that the student loan payment information she pulled belonged to either (b) (6), (b) (7)(C) based on her conversation with (b) (6).

A review of (b) (6), Talent Management System (TMS) training history revealed that (b) (6), received annual training in IT Security/Cyber Security and Privacy Awareness, Internal Controls, and Records Management covering the timeframe in which (b) (6), (b) (7)(C) student loan information was accessed.

In addition to examining (b) (6), training history, a copy of (b) (6), signed Rules of Behavior form for access to PHEAA's computer system was obtained from FSA's Business Operations Security Division (Exhibit 9). Section 5 of the Rules of Behavior regarding "Unofficial use of government equipment" states:

Users should be aware that personal use of information resources is not authorized unless sanctioned by management. Do not utilize corporate/Government resources for commercial activity or any venture related to personal profit or gain. Do not utilize corporate/Government resources for behaviors that are unethical or unacceptable for the work environment.

(b) (6), (b) (7)(C) actions in using the PHEAA computer system and providing the subject information to (b) (6), (b) (7)(C) demonstrates personal use of the system, which was not authorized, thereby violating the system's rules of behavior.

On August 2, 2017, Department employee, (b) (6), (b) (7)(C) was interviewed by ED OIG (Exhibit 10). (b) (6), (b) (7)(C) provided the following information:

(b) (6), (b) (7)(C) met (b) (6), (b) (7)(C) in December 2014. (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) interactions progressed from a friendship to a current romantic relationship. (b) (6), (b) (7)(C) provided counsel to (b) (6), (b) (7)(C) while he was going through (b) (6), (b) (7)(C) with (b) (6), (b) (7)(C). During that time, (b) (6), (b) (7)(C) asked (b) (6), (b) (7)(C) questions related to student loans and divorce. Specifically, he asked what his rights were as (b) (6), (b) (7)(C) student loans and what effect divorce would have on payment of student loans. (b) (6), (b) (7)(C) was concerned that his (b) (6), (b) (7)(C) was not paying (b) (6), (b) (7)(C) student loans. (b) (6), (b) (7)(C) asked (b) (6), (b) (7)(C) if she had the ability to obtain (b) (6), (b) (7)(C) student loan information, but did not specifically direct (b) (6), (b) (7)(C) to obtain the information for him.

(b) (6), (b) (7)(C) initially denied asking a Department employee to research (b) (6), (b) (7)(C) student loan information. (b) (6), (b) (7)(C) was provided documentation from the original hotline complaint representing (b) (6), (b) (7)(C) student loan information pulled from NSLDS and an email containing (b) (6), (b) (7)(C) student loan payment information in the body of the message (Exhibit 2). After reviewing the documentation from the original hotline complaint, (b) (6), (b) (7)(C) admitted to printing the student loan documents depicted in the original hotline complaint and taking them home.

(b) (6), (b) (7)(C) claimed she asked Department employee, (b) (6), (b) (7)(C), to research (b) (6), (b) (7)(C) student loan information in NSLDS because (b) (6), (b) (7)(C) knew (b) (6), (b) (7)(C) had access. (b) (6), (b) (7)(C) did not have access to NSLDS. (b) (6), (b) (7)(C) requested that (b) (6), (b) (7)(C) print said information to a Department printer. (b) (6), (b) (7)(C) picked up the requested student loan information from the printer and took it to her residence. (b) (6), (b) (7)(C) believed (b) (6), (b) (7)(C) was unaware that she was researching (b) (6), (b) (7)(C) student loan information.

(b) (6), (b) (7)(C) asked Department employee, (b) (6), (b) (7)(C), to look up (b) (6), (b) (7)(C) student loan payment information in a loan servicer database because (b) (6), (b) (7)(C) knew (b) (6), (b) (7)(C) had access. (b) (6), (b) (7)(C) did not have access to loan servicer data. (b) (6), (b) (7)(C) stated that she asked (b) (6), (b) (7)(C) questions related to the responsibilities of co-signers of student loans either prior to requesting the student loan payment information or during the time (b) (6), (b) (7)(C) was researching the information. (b) (6), (b) (7)(C) advised that she requested that (b) (6), (b) (7)(C) print the aforementioned information to a Department printer. (b) (6), (b) (7)(C) claimed she picked up the student loan payment information from the printer and took the paperwork home. (b) (6), (b) (7)(C) believed (b) (6), (b) (7)(C) was

unaware that she was researching (b) (6), (b) (7)(C) student loan information.

(b) (6) was shown a copy of an email message depicting (b) (6), (b) (7)(C) student loan payment information being transmitted from (b) (6), (b) (7)(C) Department email to (b) (6), (b) (7)(C) Department email (Exhibit 1). Upon review of the aforementioned (b) (6), (b) (7)(C) email transmission, (b) (6) admitted that she received (b) (6), (b) (7)(C) student loan payment information from (b) (6), (b) (7)(C) via Department email. (b) (6) added that once she received said information from (b) (6), (b) (7)(C) she printed the information on a Department printer and took it home.

(b) (6) was shown a copy of an email message depicting (b) (6), (b) (7)(C) student loan payment information being transmitted from (b) (6), (b) (7)(C) Department email to the email address (b) (6), (b) (7)(C) (Exhibit 3). Upon review of the aforementioned email transmission, (b) (6) admitted that she forwarded (b) (6), (b) (7)(C) student loan payment information to her personal email address, (b) (6), (b) (7)(C).

(b) (6) requested the student loan information for (b) (6), (b) (7)(C) from Department employees because (b) (6) was concerned that (b) (6) was not paying (b) (6), (b) (7)(C) student loans. (b) (6) added that the student loan information was going to come out during the discovery segment of the (b) (6), (b) (7)(C) anyways. (b) (6) stated that the documents did not contain personal identifying information and claimed that she did not think what she did was wrong.

When (b) (6) was initially asked how the NSLDS and email message with student loan payment information ended up at the (b) (6), (b) (7)(C), (b) (6) stated that she printed the information and took it home. After some persistence, (b) (6) acknowledged that she may have handed (b) (6), (b) (7)(C) student loan information to (b) (6), (b) (7)(C). (b) (6) completed a signed affidavit in which she admitted to requesting and receiving (b) (6), (b) (7)(C) student loan information which was disclosed during (b) (6), (b) (7)(C) (Exhibit 11).

A review of (b) (6), (b) (7)(C) TMS training history revealed that (b) (6) received annual training in IT Security/Cyber Security and Privacy Awareness, Internal Controls, and Records Management covering the timeframe in which (b) (6), (b) (7)(C) student loan information was accessed.

In December 2017, FSA Director of Workforce Relations, Amandeep Gill was contacted to request guidance on any FSA policy applicable to access to systems information and misuse of said information. Gill was unable to locate any FSA policy applicable to access

to systems information and misuse of said information but provided the zero tolerance memo authored by James Runcie on October 2, 2012 (Exhibit 12).

On January 26, 2018, Department employee, (b) (6), (b) (7)(C) was interviewed by ED OIG and provided the following information (Exhibit 13):

(b) (6), (b) (6), (b) (7) had access to various Department databases including NSLDS. (b) (6), (b) (6), (b) (7) received requests for information from Department databases on a weekly basis from other FSA employees. (b) (6), (b) (6), (b) (7) did not keep a log of FSA employees from whom she had received information requests. (b) (6), (b) (6), (b) (7) was unaware of an FSA policy that required documenting information requests from Department systems.

When (b) (6), (b) (6), (b) (7) was shown a copy of the printout of (b) (6), (b) (7)(C) NSLDS (b) (6), (b) (7) student loan history (Exhibit 14) and informed that she researched and provided the aforementioned loan history information to (b) (6), (b) (6), (b) (7) for a non-work related purpose, (b) (6), (b) (6), (b) (7) maintained she was unaware. (b) (6), (b) (6), (b) (7) claimed (b) (6), (b) (6), (b) (7) requested information from her on a regular basis and it was therefore (b) (6), (b) (6), (b) (7) not unusual for (b) (6), (b) (6), (b) (7) to ask (b) (6), (b) (6), (b) (7) for information from NSLDS.

(b) (6), (b) (6), (b) (7) did not recall having a conversation with (b) (6), (b) (6), (b) (7) regarding (b) (6), (b) (6), (b) (7) boyfriend, (b) (6), (b) (7)(C) (b) (6), (b) (6), (b) (7) student loans; (b) (6), (b) (6), (b) (7) or (b) (6), (b) (7) at any time while researching information in a (b) (6), (b) (6), (b) (7) Department system for (b) (6), (b) (6), (b) (7).

(b) (6), (b) (6), (b) (7) did not know anyone named (b) (6), (b) (7) (b) (6), (b) (6), (b) (7). (b) (6), (b) (6), (b) (7) also did not recall pulling (b) (6), (b) (7)(C) student loan history information from NSLDS.

A review of (b) (6), (b) (6), (b) (7) TMS training history revealed that (b) (6), (b) (6), (b) (7) received annual training in IT Security/Cyber Security and Privacy Awareness, Internal Controls, and Records Management covering the timeframe in which (b) (6), (b) (7)(C) student loan information was accessed.

In addition to examining (b) (6), (b) (6), (b) (7) training history, a copy of (b) (6), (b) (6), (b) (7) signed NSLDS User Participation Rules of Behavior form was obtained from FSA's Business Operations Security Division (Exhibit 15). The NSLDS User Participation Rules of Behavior form states:

For Official, Approved Use Only - NSLDS computing resources are funded by the Government to support various programmatic efforts needed to accomplish the NSLDS mission. As such, these resources are to be used only for official Government business. Users should remember that when they use the NSLDS computing resources, they are acting in their employment capacity on behalf of ED. Unless approved in writing by management, any activity

outside that employment capacity, or which could bring harm or embarrassment to the NSLDS/ED/Contractor must be avoided.

Privacy Expectations - This system contains personal information protected by the Privacy Act of 1974 (as amended). If you access NSLDS production information, you are explicitly consenting to be bound by the Act's requirements and acknowledge the possible criminal and civil penalties for violation of the Act.

Accepted User Principles – Computer security personnel recognize users of NSLDS information systems and associated data as an integral part of the overall ED computer security program. Users' access to computing resources indicates a level of trust bestowed on them by their management and ultimately by ED. Users are responsible for their actions and need to be aware of and acknowledge their responsibilities.

(b) (6), (b) (7)(C) actions in using NSLDS and providing the subject information to (b) (6), (b) (7)(C) demonstrates a violation NSLDS' rules of behavior.

On March 8, 2018, FSA Management and Program Analyst, (b) (6), (b) (7)(C) provided verification that (b) (6), (b) (7)(C) never had access to NSLDS. (b) (6), (b) (7)(C) claimed (b) (6), (b) (7)(C) had NSLDS access only as a student and was therefore only able to view her personal student loan information. Additionally, on March 9, 2018, PHEAA Senior Special Agent (b) (6), (b) (7)(C) verified that (b) (6), (b) (7)(C) never had access to PHEAA's loan servicer systems.

On March 12, 2018, (b) (6), (b) (7)(C) former supervisor, (b) (6), (b) (7)(C), was interviewed by ED OIG and provided the following information (Exhibit 16):

(b) (6), (b) (7)(C) supervised (b) (6), (b) (7)(C) on FSA's Direct Loan team from 2012 until 2016. (b) (6), (b) (7)(C) did not recall whether (b) (6), (b) (7)(C) had access to NSLDS but confirmed that (b) (6), (b) (7)(C) did not have access to any of the loan servicer databases.

(b) (6), (b) (7)(C) claimed there were instances when FSA employees would share information retrieved from Department databases but it would be determined on a case by case basis. (b) (6), (b) (7)(C) had no knowledge of a written FSA policy regarding the sharing of information between FSA employees when said information was accessed from Department databases. (b) (6), (b) (7)(C) was also unaware of a written FSA policy requiring FSA employees to document information requests from Department systems.

Although (b) (6), (b) (7)(C) was unaware of any written guidance related to information requests, she claimed that FSA employees are expected to ask questions of those FSA employees requesting information from databases for which they do not have access.

(b) (6) claimed that it was her understanding that access to and information sharing from Department managed systems was governed by the rules of behavior for the individual systems. (b) (6) added that FSA is very strict in regards to how employees manage data from Department systems.

(b) (6) advised that FSA employees are only granted access to Department systems necessary to perform their job responsibilities. According to (b) (6), (b) (6) "typically" was not authorized to request information from Department systems for which she did not have access. (b) (6) claimed that if a situation arose in which (b) (6) needed information from a Department system for which she did not have access, the appropriate action would be to send a referral to the FSA team leader whose team has access to said information. According to (b) (6), once a complaint or issue is referred to a different team who can access the needed information, said team usually resolves the complaint or issue instead of providing the information back to the original requester. (b) (6) claimed that (b) (6) was not authorized to view information from Department systems for which she did not have access.

(b) (6) claimed (b) (6) should know the difference between accessing Department systems for work related purposes and personal use because (b) (6) was involved in developing rules for safeguarding borrower information and therefore should understand that these rules apply to FSA employees.

ADMINISTRATIVE STATUS

On April 20, 2017, Emily Miller, Assistant United States Attorney, United States Attorney's Office for the District of Columbia, declined this matter (b) (5) [redacted]. This matter will be referred to FSA for possible administrative action.

SUBJECTS OF INVESTIGATION

(b) (6), (b) (7)(C) [redacted]

(b) (6), (b) (7)(C) [redacted]

(b) (6), (b) (7)(C) [redacted]

EXHIBITS

1. Email message sent from (b) (6), (b) (7)(C) Department email to (b) (6), (b) (7)(C) Department email
2. Original hotline complaint filed by (b) (6), (b) (7)(C)
3. Email message sent from (b) (6), (b) (7)(C) Department email to (b) (6), (b) (7)(C) personal email
4. Memorandum of Interview from June 16, 2017 interview of (b) (6), (b) (7)(C)
5. Email message contained in original hotline complaint filed by (b) (6), (b) (7)(C)
6. Memorandum of Interview from June 16, 2017 telephone interview of (b) (6), (b) (7)(C)
7. Memorandum of Interview from June 20, 2017 interview of (b) (6), (b) (7)(C)
8. Affidavit, (b) (6), (b) (7)(C)
9. Rules of Behavior form for PHEAA system access signed by (b) (6), (b) (7)(C)
10. Memorandum of Interview, (b) (6), (b) (7)(C)
11. Affidavit, (b) (6), (b) (7)(C)
12. FSA Zero Tolerance Policy authored by James Runcie on October 2, 2012
13. Memorandum of Interview, (b) (6), (b) (7)(C)
14. NSLDS loan history contained in original hotline complaint filed by (b) (6), (b) (7)(C)
15. NSLDS Rules of Behavior form signed by (b) (6), (b) (7)(C)
16. Memorandum of Interview, (b) (6), (b) (7)(C)

**REFERRAL
REPORT OF INVESTIGATION**

(b) (6), (b) (7)(C) [REDACTED] **(EMPLOYEE)**

I17MAR00793

FEBRUARY 8, 2019

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Report by:

(b) (6), (b) (7) [REDACTED]

Assistant Special Agent in Charge

Approved by:

**Geoffrey
Wood**

GEOFFREY WOOD

Special Agent in Charge

Digitally signed by
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Distribution:

Headquarters, Investigation Services
Director, Office of Human Resources
File

REFERRAL

REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (EMPLOYEE)

SUMMARY

On March 3, 2017, OIG was contacted by U.S. Department of Education (ED) Office of Security Services, regarding (b) (6), (b) (7)(C), ED Federal Student Aid (FSA). (b) (6), supervisor received a voicemail from Warrenton Police Department, Warrenton, VA, advising that an ED issued computer was seized during the execution of a search warrant on (b) (6)'s property.

OIG met with Warrenton Police Department who disclosed that (b) (6), (b) (7)(C) was working as (b) (7)(C), (b) (6), Warrenton, VA, for years. While in this capacity for over 2 years, (b) (6) drafted and cashed checks made payable to (b) (6) without authorization. It was communicated that (b) (6) actually was present onsite when (b) (6) worked for the company. (b) (6) was also employed full time by ED FSA as an (b) (7)(C), (b) (6) on permanent telework.

On October 27, 2017, prior to the completion of the OIG investigation, (b) (6) resigned from FSA.

In December of 2017, (b) (6) entered a guilty plea to one count of violation of VA Code § 18.2-111, embezzlement (felony). In February of 2018, (b) (6) was sentenced to 10 years' incarceration, 8 years suspended, and 4 years of supervised probation in Fauquier County Circuit Court. The Fauquier County Circuit Court also ordered restitution of \$79,300 to (b) (7)(C), (b) (6).

OIG's investigation revealed the following regarding (b) (6), (b) (7) conduct:

- Violated ED's supplemental agency ethics regulations for failing to obtain prior approval for outside activities.
- A potential ethics violation regarding conflicting outside employment and activities, and teaching, speaking and writing, respectively.
- Time and attendance falsification; working a second job while on duty for FSA.
- Embezzled money from (b) (6) secondary employer while on duty for FSA.

VIOLATIONS

OIG's investigation substantiated employee misconduct by the subject identified in this report. The activities identified in this report are congruent with the following offenses under ED Human Capital Policy 751-1, Discipline and Adverse Actions:

- Falsifying attendance record for self (See also 5 CFR part 2635.705)
- Violating the Standards of Ethical Conduct for Executive Branch Employees, and/or the Department's supplemental standards on outside activities (See also 5 CFR part 2635.802 and/or 2635.807, 5 CFR part 6301).
- Conduct prejudicial to the Federal Government
- Conduct unbecoming a Federal employee

PREDICATION

This investigation was initiated based upon information from the Warrenton Police Department that (b) (6) was under investigation for embezzling funds from (b) (7)(C), (b) (6) while serving as its (b) (7)(C), (b) (6). The information indicated (b) (6) may have done this while on-duty for FSA.

NARRATIVE

On March 3, 2017, OIG was contacted by ED Office of Security Services, regarding (b) (7)(C) ED FSA. (b) (6) supervisor received a voicemail from Warrenton Police Department advising that an ED (b) (7) computer was seized during the execution of a search warrant on (b) (6), (b) (7) residence.

On March 13, 2017, OIG met with Warrenton Police Department. Warrenton Police disclosed that (b) (6), (b) (7)(C) was working as an (b) (7)(C), (b) (6) Warrenton, VA, for years. While serving in this capacity for over 2 years, (b) (6) drafted and cashed unauthorized checks made payable to (b) (6) beyond (b) (6) authorized \$200 (b) (6) weekly salary. It was communicated that (b) (6) actually was (b) (7) present onsite when (b) (6) worked for the company. (b) (6) was also employed (b) (6) full time by ED FSA as an (b) (7)(C), (b) (6) that was on permanent telework. (b) (6) OIG secured possession of the ED Department computer from Warrenton Police Department

(b) (6) was arrested by Warrenton Police Department and charged in the Fauquier County Circuit Court with a violation of VA Code § 18.2-111, embezzlement (felony).

The ED computer was submitted to OIG's Technology Crimes Division (TCD) for analysis. TCD advised that the computer appeared to have never been connected to the ED network and therefore never downloaded the McAfee administration keys/accounts that are used to decrypt

the laptops. It was determined that (b) (6) had no user profile eliminating the need to image the hard drive of the computer.

On April 19, 2017, ASAC (b) (6), provided FSA with documentation of the criminal matter involving (b) (6). Subsequent to this notification, FSA placed (b) (6) on indefinite suspension.

In an August 31, 2017 interview of (b) (6), (b) (7)(C), (b) (6), of (b) (7)(C), (b) (6), (b) (6), provided that (b) (6) worked in a (b) (7)(C), (b) (6) capacity for his company since 2009 (See Exhibit 1 and Attachment 1). (b) (6), communicated that he could say with 95 percent of the time, up until February 2017, (b) (6) was present on the premises every Friday; usually 12 noon to 3pm or 5pm. (b) (6) would issue payroll checks to company employees. (b) (6) allowed (b) (6) to issue these checks and sometimes (b) (6) would sign (b) (6), name. (b) (6), gave (b) (6) authority to pay payroll and company debt. (b) (6) was also responsible for filing (b) (6), personal and business taxes. (b) (6) was authorized to write a salary check for (b) (6) for \$200 weekly. (b) (6) stated that the only other authority he gave (b) (6) to write a check payable to (b) (6) was for (b) (6) \$500 annual bonus. According to (b) (6), any other check(s) made payable to (b) (6) by (b) (6) was not authorized by him.

In an October 26, 2017 meeting with (b) (6), supervisor, (b) (7)(C), (b) (6), (b) (6) communicated that (b) (6) came to him in late 2014/early 2015 to report that (b) (6) was having health issues and due to those health issues, it would be advantageous for (b) (6) to telework (See Exhibit 1 and Attachment 2). FSA and (b) (6) informally allowed what amounted to permanent telework until late summer/early fall of 2016 when (b) (6) was granted a reasonable accommodation and had a formal permanent telework agreement in place (See Exhibit 2). Prior to the reasonable accommodation and the formal telework agreement, telework was normal practice for (b) (6) unless a specific work demand required (b) (6) to be onsite at FSA.

On (b) (6), (b) (6), 2017, (b) (6) provided that (b) (6) resigned from FSA on (b) (6), (b) (6) 2017.

On (b) (6), (b) (6) 2017, (b) (6) entered a guilty plea to one count of violation of VA Code § 18.2-111, embezzlement (felony). In (b) (6) signed stipulation of facts, (b) (6) admitted that since at least 2011, (b) (6) generally worked one day a week, generally Friday from 2:30pm to 4:30pm, for (b) (6), (b) (6) performing (b) (7)(C), (b) (6) (See Exhibit 1 and Attachment 3).

ED OIG analysis of (b) (6), work history/records, WebTA time and attendance records and relevant bank information (See Exhibit 1) revealed the following:

- (b) (6), WebTA time and attendance records from pay period 8 2015 (3/22/15 to 4/4/15) through pay period 6 2017 (2/19/17 to 3/4/17) reported that (b) (6) claimed 46 Fridays worked during this time. (b) (6), hours logged were mostly 6:30am to 3:00pm; some days till 4:00pm or 4:30pm.

- Between 2015 and early 2017, on five occasions (b) (6) deposited unauthorized (b) (7)(C), (b) (6) checks into (b) (6) bank account during (b) (7) reported ED working hours¹ (See Exhibit 1 and Attachments 4 through 12).

On February 5, 2018, ED Office of General Counsel, Ethics advised that (b) (6) failed to seek the required guidance/approval for her secondary employment.

PROSECUTIVE/ADMINISTRATIVE STATUS

Prior to the resolution of the OIG investigation and subsequent administrative referral to the Department, (b) (6) separated from service with ED FSA on (b) (6), (b) (6) 2016, while on indefinite suspension. This report is being furnished to the Department pursuant to the National Defense Authorization Act for Fiscal Year 2017, Sec. 2, Division A, Title XI, Subtitle C, § 1140 (Pub. L. No. 114-328) (codified at 5 U.S.C. § 3322). This statute requires the Department to make a permanent notation in the official personnel file of an employee who resigns prior to the resolution of a personnel investigation, which results in an adverse finding.

In (b) (6), (b) (7)(C) of 2018, (b) (6) was sentenced to 10 years' incarceration, 8 years suspended, and 4 years of supervised probation in Fauquier County Circuit Court.

The Fauquier County Circuit Court also ordered restitution of \$79,300 to (b) (7)(C), (b) (6) .

SUBJECT OF INVESTIGATION

Subject: (b) (7)(C), (b) (6)
Address: (b) (7)(C), (b) (6)
Telephone: (b) (7)(C), (b) (6)

1. OIG 301A Investigative Analysis

Attachment 1 – OIG 301 (b) (6)

Attachment 2 – OIG 301 (b) (7)(C), (b) (6)

Attachment 3 - (b) (6), (b) (7) guilty plea agreement and stipulation of facts

¹ Due to the sensitivity of financial information, (b) (6)'s and (b) (7)(C), (b) (6) account information will not be provided with this Report of Investigation. Further, OIG's investigation revealed that none of (b) (6) referenced deposits were made electronically.

Attachment 4 - 12-29-15 (b) (6) 's Deposit Information (Redacted)

Attachment 5 - (b) (6), (b) (7) WebTA pp 02-2016

Attachment 6 - 1-11-16 (b) (6), (b) (7) Deposit Information (Redacted)

Attachment 7 - (b) (6), (b) (7) WebTA pp 03-2016

Attachment 8 - 1-15-16 (b) (6), (b) (7) Deposit Information (Redacted)

Attachment 9 - 7-29-16 (b) (6), (b) (7) Deposit Information (Redacted)

Attachment 10 - (b) (6), (b) (7) WebTA pp 17-2016

Attachment 11 - 10-7-16 (b) (6), (b) (7) Deposit Information (Redacted)

Attachment 12 - (b) (6), (b) (7) WebTA pp 22-2016

2. (b) (6), (b) (7) Telework Agreement



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**



**CLOSING
REPORT OF INVESTIGATION**

(b) (6), (b) (7)(C) (FORMER EMPLOYEE)

I17MAR00806

JANUARY 19, 2018

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Report by:

(b) (6), (b) (7)(C)
Special Agent

Approved by:

GEOFFREY WOOD
Special Agent in Charge

Distribution:

File

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CLOSING

REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (FORMER EMPLOYEE)

SUMMARY

OIG received a referral memorandum from the Office of General Counsel, Ethics Division. According to the Ethics Division, (b) (6), (b) (7)(C) failed to file his combined Annual/Termination Public Financial Disclosure Report, OGE Form 278e, and payment of the \$200 late filing fee. The Ethics Division exhausted its efforts to procure (b) (6), (b) (7)(C) compliance with this filing obligation and referred this matter to OIG for appropriate remedial action.

VIOLATIONS

The activities identified in this report are violations of:

- 5 U.S.C. app. §104 Failure to File or Filing False Reports

PREDICATION

This investigation was initiated based upon information that former Department employee, (b) (6), (b) (7)(C), failed to file his Annual/Termination Public Financial Disclosure Report as required under 5 U.S.C. app. §101, Persons Required to File.

NARRATIVE

OIG received a memorandum from the Office of General Counsel, Ethics Division indicating (b) (6), (b) (7)(C) failed to file his combined Annual/Termination OGE Form 278e on or before the thirtieth day after he terminated his employment with the Department on July 1, 2016 (Attachment 1). (b) (6), (b) (7)(C) was required to submit a combined report because he had failed to submit his Annual OGE Form 278e, which was due May 25, 2016, and he anticipated leaving the Department within 60-days of the due date for his Annual OGE Form 278e. (b) (6), (b) (7)(C) combined Annual/Termination OGE 278e Report was due July 11, 2016. On June 30, 2016, (b) (6), (b) (7)(C) signed a memo acknowledging his filing obligation. On August 2, 2016, the Ethics Division sent (b) (6), (b) (7)(C) a letter via United Parcel Service, which advised him that he was required to submit the OGE 278e before 11:59 pm on August 10, 2016, to avoid paying the \$200 late filing fee. (b) (6), (b) (7)(C)

failed to submit his Combined Annual/Termination OGE Form 278e and failed to pay the \$200 late filing fee.

OIG contacted the United States Attorney's Office (USAO), Civil Division, Washington, DC. On May 12, 2017, the USAO issued a civil demand letter to (b) (6), (b) (7)(C) which notified him of his requirement to file his OGE Form 278e and the assessment of a late filing penalty of \$200 (Attachment 2). (b) (6), (b) (7) paid the \$200 late filing fee on November 8, 2017. He filed his Combined Annual/Termination OGE Form 278e through Integrity.Gov on December 6, 2017 (Attachment 3). The OGE Form 278e was reviewed and certified by the Ethics Division on January 17, 2018. (b) (6), (b) (7) has satisfied his filing requirement.

PROSECUTIVE STATUS

On April 4, 2017, this matter was presented to the United States Attorney's Office (USAO), Civil Division. The USAO issued a demand letter to (b) (6), (b) (7) on May 12, 2017. (b) (6), (b) (7) submitted his late filing fee to the USAO and submitted his OGE 278e electronically through the Integrity.Gov system. (b) (6), (b) (7) has satisfied his filing requirement.

SUBJECT OF INVESTIGATION

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



EXHIBITS

1. Referral Memorandum
2. USAO Demand Letter
3. (b) (6), (b) (7) OGE Form 278e



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**



**CLOSING
REPORT OF INVESTIGATION**

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

16-042115

JULY 23, 2018

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Report by:

(b) (6), (b) (7)
Special Agent

Approved by:

Neil E. Sanchez
Special Agent in Charge

Distribution:

Headquarters, Investigation Services
File

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CLOSING

REPORT OF INVESTIGATION

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

SUMMARY

On August 26, 2016, (b) (6), (b) (7), the Board of Regents, University System of Georgia, (b) (6), (b) (7)(C) filed a formal complaint with (b) (6), (b) (7)(C), United States Department of Education (ED), Federal Student Aid (FSA), Atlanta School Participation Division, regarding (b) (6), (b) (7)(C) alleged misconduct and misuse of her position (Attachment 1). FSA referred the complaint to ED, Office of Inspector General (OIG). ED OIG's investigation revealed an additional complaint by the (b) (6), (b) (7) (b) (6), (b) (7)(C) at Darton State College (DSC), (b) (6), (b) (7)(C). (b) (6), (b) (7)(C) allegedly misused her government position by attempting to influence her (b) (6), (b) (7)(C) financial aid process at the University of West Georgia (UWG) and DSC, respectively. Moreover, she allegedly used her government email account to address her concerns with the schools regarding (b) (6), (b) (7)(C) financial aid.

The investigation revealed that (b) (6), (b) (7) misused her position with (b) (6), (b) (7)(C), West Georgia University; (b) (6), (b) (7)(C), University System of Georgia; and (b) (6), (b) (7) denied misusing her position with (b) (6), (b) (7)(C). (b) (6), (b) (7) stated she sent emails from her ed.gov email account at the direction of her supervisor, (b) (6), (b) (7).

A review of the applicable federal regulations and Standards of Ethical Conduct for Employees of the Executive Branch disclosed, in part, that an employee shall not use or permit the use of his/her government position, title, or any authority associated with his/her public office to coerce or induce another person...to provide any benefit, financial or otherwise, to himself or to friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity. Furthermore, employees should avoid any actions that appear to violate the law or the ethical standards, and to ensure that the performance of his/her official duties does not seem as public office for private gain or of giving preferential treatment. An employee whose duties would affect the financial interests of a relative with whom he/she is affiliated with in a nongovernmental capacity shall comply with any applicable requirements of Section 2635.502.

According to 5 C.F.R. 2635.502, Personal and Business Relationships, "where an employee knows that a particular matter involving specific parties is likely to have a direct and predictable effect on the financial interest of a member of his household, or ...would cause reasonable

person with knowledge of the relevant facts to question his impartiality in the matter, the employee should not participate in the matter unless he has informed the agency designee of the appearance problem and received authorization from the agency designee..."

According to (b) (6), (b) (7) supervisor, (b) (6), (b) (7) never approached FSA management with any conflict of interest issues nor asked to be recused from either situation dealing with her children and the schools they attended.

PREDICATION

On August 26, 2016, (b) (6), (b) (7)(C), University System of Georgia, (b) (6), (b) (7)(C) filed a formal complaint with the United States Department of Education (ED), Federal Student Aid (FSA), Atlanta School Participation Division (b) (6), (b) (7)(C) regarding (b) (6), (b) (7)(C) alleged misconduct and misuse of her position. FSA referred the complaint to ED, Office of Inspector General (OIG). ED OIG's investigation revealed an additional complaint by the (b) (6), (b) (7)(C) at Darton State College (DSC), (b) (6), (b) (7)(C). (b) (6), (b) (7)(C) allegedly misused her government position by attempting to influence the financial aid process relating to (b) (6), (b) (7)(C) at the University of West Georgia (UWG) and DSC, respectively. Moreover, she allegedly used her government email account inappropriately to address her concerns with the schools regarding her (b) (6), (b) (7)(C) financial aid.

NARRATIVE

The ED OIG investigation revealed that in 2014, (b) (6), (b) (7) health started to decline. In January 2016, (b) (6), (b) (7) experienced a medical condition that led her to file for disability retirement with ED and the Office of Personnel Management (OPM). According to (b) (6), (b) (7) and her supervisors, her medical condition affected her mental state, and as a result, her work performance declined from exceptional to meets standards. (b) (6), (b) (7) was on Leave without Pay (LWOP) status from August 2016 until January 23, 2018, when her request for disability retirement was approved.

During her health battle, her work performance rapidly declined resulting in (b) (6), (b) (7)'s placement on an Informal Assistance Plan (IAP). (b) (6), (b) (7) is unable to drive, fly, or sit for extended periods of time, which makes it difficult for her to work. (b) (6), (b) (7) is heavily medicated on most days causing her to be in an altered mental state of mind most of the time. She is lucid in the early afternoon to early evening. She usually takes her evening medication at 8:00 pm and is out for the evening by 9:00pm. (b) (6), (b) (7) is taking several strong narcotics to cope with her illnesses that she repeatedly stated impair her mental state of mind. Her illnesses affect her ability to cognitively analyze situations, cause extreme paranoia, cause the inability to remember certain events or conversations, and to be a productive employee.

On April 12, 2017, ED OIG agents interviewed (b) (6), (b) (7) (Attachment 2). After the receipt of her Privacy Act Notice and Acknowledgement of Rights and Obligations (Kalkines), OIG Form

356(d), (b) (6), (b) (7) denied misusing her position while dealing with (b) (6), (b) (7) schools as it related to their financial aid. She expressed difficulty separating her duties as a reviewer and as (b) (6), (b) (7)(C) dealing with the financial aid issues at (b) (6), (b) (7) schools. She believed she had an obligation to address her concerns about the schools because, in her opinion, they were in compliance with ED regulations. According to (b) (6), (b) (7) the schools brought accusations against her because she raised compliance issues against the schools. (b) (6), (b) (7) had also filed a complaint with the ED OIG involving alleged fraud perpetrated by one of the complainants at the school. When asked about the call center phone conversation, (b) (6), (b) (7) did not recall the August 5, 2016 call center interaction where she allegedly stated that she worked for ED. (b) (6), (b) (7) also denied threatening any school official with a program review.

The ED OIG investigation revealed the following three complaints against (b) (6), (b) (7) for allegedly misusing her position of a Senior Program Reviewer at ED:

(b) (6), (b) (7) misused her position while dealing with (b) (6), (b) (7)(C) at UWG.

According to (b) (6), (b) (7)(C) complaint in August 2016, (b) (6), (b) (7)(C), applied for financial aid in May 2016. The UWG financial aid office requested some additional documents to process (b) (6), (b) (7)(C) financial aid. (b) (6), (b) (7) was unhappy about UWG's additional request. During her conversations with UWG personnel, (b) (6), (b) (7) constantly referred to her position at ED and stated, "Now if I find anything through our conversation that concerns me that might be out of compliance, I swore an oath of office to the US government that I must report any irregularity and investigate the matter." (b) (6), (b) (7) advised (b) (6), (b) (7) that she had crossed the line and terminated the phone call. On the same day, May 11, 2016, (b) (6), (b) (7) emailed (b) (6), (b) (7)(C) about a compliance issue from her government email address. The investigation confirmed (b) (6), (b) (7) sent an email to (b) (6), (b) (7)(C) using her government email address regarding this issue.

In an email, (b) (6), (b) (7)(C) alleged four days later, (b) (6), (b) (7) threatened a UWG call center employee. In his email, (b) (6), (b) (7)(C) included the following call center entry, "(b) (6), (b) (7) states she works for fed dept of ed and knows (b) (6), (b) (7)(C) and he knows this. She states her (b) (6), (b) (7) classes had better not drop and needs confirmation from someone other than me [call center employee] there is nothing else needed for student to be awarded."

On November 18, 2016, an ED OIG agent interviewed (b) (6), (b) (7)(C) (Attachment 3). When recounting his interactions with (b) (6), (b) (7) (b) (6), (b) (7)(C) indicated that this was the first time he was threatened by an ED employee. (b) (6), (b) (7)(C) believed that (b) (6), (b) (7) was using her power as a program reviewer with ED to manipulate and threaten his staff. (b) (6), (b) (7)(C) sent (b) (6), (b) (7) supervisor, an email on August 5, 2016 stating that he received a call from (b) (6), (b) (7) and that he felt she threatened a call center employee by using her official position while conducting personal business. (b) (6), (b) (7)(C) also reached out to (b) (6), (b) (7) to ensure UWG's proper business conduct.

ED OIG agents interviewed (b) (6), (b) (7)(C), FSA, Atlanta School Participation Division, on October 11, 2016, and (b) (6), on October 20, 2016-(Attachments 4, 5). (b) (6), (b) (7) was (b) (6), (b) (7) second-level supervisor. Both (b) (6), (b) (7) and (b) (6), (b) (7) acknowledged receiving (b) (6), (b) (7) complaint alleging that (b) (6), (b) (7) threatened a UWG call center employee. After receiving the complaint, (b) (6), (b) (7) sent (b) (6), (b) (7) an email on August 30, 2016, removing her from working with any Georgia public institution.

Prior to her work reassignment, (b) (6), (b) (7) learned that (b) (6), (b) (7) contacted Special Agent in Charge (SAC) Yessyka Santana via email regarding a potential fraud referral at Albany State University and DSC.. At this point, (b) (6), (b) (7) was unaware of any specific issues with (b) (6), (b) (7) potentially misusing her position while dealing with the schools. (b) (6), (b) (7) was unaware that (b) (6), (b) (7)(C) attended colleges in Georgia until (b) (6), (b) (7) received a phone call or email from UWG personnel concerning the call center employee incident. (b) (6), (b) (7) learned that (b) (6), (b) (7)(C) applied to attend UWG. After this incident, (b) (6), (b) (7) asked (b) (6), (b) (7) to counsel (b) (6), (b) (7) about abusing her official position. Prior to this incident, (b) (6), (b) (7) discussed potential issues with (b) (6), (b) (7) financial aid at UWG with (b) (6), (b) (7). If (b) (6), (b) (7) knew that there was a problem, (b) (6), (b) (7) would have assigned another employee from ED to deal with any complaints. After (b) (6), (b) (7) learned that (b) (6), (b) (7) possibly abused her position, (b) (6), (b) (7) contacted the ED Human Resources office. Human Resources advised that (b) (6), (b) (7) needed to discuss her performance with her, but due to (b) (6), (b) (7) LWOP status and (b) (6), (b) (7) union representation, (b) (6), (b) (7) was not allowed to discuss the issues with her until she returned to work. (b) (6), (b) (7) stated that (b) (6), (b) (7) completed required ethics training, which covers abuse of government position. Additionally, (b) (6), (b) (7) was unaware of anything that requires a reviewer to recuse themselves from official business other than the ethics training.

During (b) (6), (b) (7) interview, she advised that (b) (6), (b) (7)(C) applied to attend UWG, but did not meet the admission requirements to attend the school in the fall. UWG conditionally admitted (b) (6), (b) (7) to their summer IGNITE program. The IGNITE program is for high school students that do not meet the regular admission requirements to enroll at UWG during the fall and must complete a summer program for admittance. (b) (6), (b) (7) assisted (b) (6), (b) (7) complete the financial aid paperwork for school. (b) (6), (b) (7) attended the summer program and successfully completed the program. (b) (6), (b) (7) had an ongoing problem with the UWG's financial aid office regarding (b) (6), (b) (7) financial aid distribution. (b) (6), (b) (7) believed that the financial aid was improperly distributed. (b) (6), (b) (7) explained that she has dealt with a lot of schools in the State of Georgia and was well known. (b) (6), (b) (7) contacted the school as (b) (6), (b) (7)(C) to discuss the summer program payment. (b) (6), (b) (7) questioned (b) (6), (b) (7) on how the financial aid would be packaged and told (b) (6), (b) (7) that he was doing it wrong, which made him upset. (b) (6), (b) (7) advised that (b) (6), (b) (7) has a reputation as a know-it-all.

According to (b) (6), (b) (7) UWG personnel knew that she was involved in the statewide audit from the University System of Georgia. After her initial discussion with (b) (6), (b) (7) (b) (6), (b) (7) talked to (b) (6), (b) (7)(C), to inquire about how UWG was packaging financial aid for the summer school program. (b) (6), (b) (7) advised how the program should be packaged and that based on the facts presented by (b) (6), (b) (7) UWG was non-compliant. (b) (6), (b) (7)

claimed she contacted (b) (6), (b) (7)(C) with her work email because the matter concerned official compliance and she was directed to communicate with (b) (6), (b) (7)(C) via email by her supervisor (b) (6), (b) (7)(C). According to (b) (6), (b) (7)(C), (b) (6), (b) (7)(C) never stated that he thought she was crossing the line. After this discussion, (b) (6), (b) (7)(C) attempted to discuss that UWG was incorrect on the packaging of students with (b) (6), (b) (7)(C). (b) (6), (b) (7)(C) said that she approached the situation with (b) (6), (b) (7)(C) as such: "my name is (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C), is attending the summer IGNITE program and her aid is not being packaged correctly." When asked about the alleged threatening call to the call center, (b) (6), (b) (7)(C) did not recall if she identified herself as working for ED. (b) (6), (b) (7)(C) advised that the date of the call was Friday, August 5, 2016 and (b) (6), (b) (7)(C) did not work on Fridays. (b) (6), (b) (7)(C) advised that she was very sick during this time and was hospitalized on August 11, 2016. (b) (6), (b) (7)(C) reported the problem with the UWG financial aid packaging to her supervisor (b) (6), (b) (7)(C). (b) (6), (b) (7)(C) never clarified that she worked for ED. (b) (6), (b) (7)(C) maintained that she never used her position to benefit her or (b) (6), (b) (7)(C) regarding her admissions or application for financial aid at UWG. (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) received no benefit from this situation. (b) (6), (b) (7)(C) was acting as (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) with her financial aid process, and not misusing her position with ED.

(b) (6), (b) (7)(C) misused her position while dealing with Associate (b) (6), (b) (7)(C) at the University System of Georgia.

On January 24, 2017, an ED OIG agent interviewed (b) (6), (b) (7)(C) (Attachment 6). In August 2016, (b) (6), (b) (7)(C) told (b) (6), (b) (7)(C) that she had received an anonymous complaint from a student at DSC regarding financial aid. (b) (6), (b) (7)(C) told (b) (6), (b) (7)(C) that DSC was not in compliance with Title IV regulations. The complaint detailed a student who was told that they were awarded financial aid, but later the financial aid was unavailable for the student because of some paperwork issues. (b) (6), (b) (7)(C) asked (b) (6), (b) (7)(C) to be more specific about the complaint and (b) (6), (b) (7)(C) told (b) (6), (b) (7)(C) that it was actually a complaint regarding her (b) (6), (b) (7)(C) financial aid at DSC. During this phone conversation, (b) (6), (b) (7)(C) stated that (b) (6), (b) (7)(C) told her that this call was a courtesy call and she wanted clarification on this issue before she went to ED management about scheduling a formal compliance review at DSC in the immediate future. (b) (6), (b) (7)(C) did not think that (b) (6), (b) (7)(C) was following the correct course of action to report and investigate her (b) (6), (b) (7)(C) complaint. (b) (6), (b) (7)(C) explained to (b) (6), (b) (7)(C) that her (b) (6), (b) (7)(C) was in a unique (b) (6), (b) (7)(C) situation and that (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) was not happy with DSC's new (b) (6), (b) (7)(C) and her decision to deny aid for her (b) (6), (b) (7)(C). Apparently, DSC's former (b) (6), (b) (7)(C), initially indicated that (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) was eligible for the financial aid, but when (b) (6), (b) (7)(C) became the (b) (6), (b) (7)(C), she did not allow (b) (6), (b) (7)(C) aid to be processed because she felt (b) (6), (b) (7)(C) provided inadequate documentation to receive the aid. (b) (6), (b) (7)(C) was unaware if (b) (6), (b) (7)(C) received any financial aid.

(b) (6), (b) (7)(C) told (b) (6), (b) (7)(C) that her complaint dealt with an area outside of (b) (6), (b) (7)(C) expertise and she would have to follow up with DSC. (b) (6), (b) (7)(C) insisted that (b) (6), (b) (7)(C) investigate this complaint. (b) (6), (b) (7)(C) recalled thinking that (b) (6), (b) (7)(C) was overstepping the line as an ED employee and a (b) (6), (b) (7)(C). After discussing her (b) (6), (b) (7)(C) complaint, (b) (6), (b) (7)(C) began asking specific questions about the institution and the Statewide Single Audit.

Immediately after the phone call, (b) (6), stated that she contacted (b) (6), (b) (7)(C) to better understand the situation of (b) (6), (b) (7)(C). (b) (6), (b) (7)(C) explained to (b) (6), that DSC had a procedure to ensure accurate information to the school in relation to question #55 on the FAFSA. (b) (6), (b) (7)(C) assured (b) (6), that she was acting in the best interests of the school and that no Title IV compliance issues (b) (7) applied to this situation.

(b) (6), (b) (7) sent (b) (6), an email including the State of Georgia statute on guardianship. This was the first time that (b) (6), learned the identity of the student, (b) (6), (b) (7)(C).

(b) (6), discussed this complaint with (b) (6), by providing a two-page explanation of her conversation with (b) (6), (b) (7) with the email correspondence attached. (b) (6), believed that the entire conversation with (b) (6), (b) (7) was inappropriate and unprofessional. (b) (6), stated that (b) (6), (b) (7) tone throughout the conversation was threatening, and that (b) (6), (b) (7) used her position with ED to influence a financial aid determination for (b) (6), (b) (7). (b) (6), stated that she also felt that (b) (6), (b) (7) could not be unbiased in her assessments of financial aid findings across the University System of Georgia. (b) (6), knew of a previous complaint with (b) (6), (b) (7) and her actions toward a UWG employee, but unaware of the specifics of the matter.

During her interview with ED OIG agents, (b) (6), (b) (7) stated that she had a professional relationship with (b) (6), but that (b) (6), did not like her. (b) (6), (b) (7) was asked why (b) (6), would allege that (b) (6), (b) (7) contacted her regarding an anonymous complaint regarding a student at DSC in an unprofessional manner and used a threatening tone with her while using her position to influence a financial aid decision at DSC. (b) (6), (b) (7) responded that she did discuss (b) (6), (b) (7) situation with (b) (6), but the problem was deeper. (b) (6), (b) (7) stated that her knowledge of (b) (6), dealings with DSC and ASU concerned (b) (6), (b) (6), (b) (7) and (b) (6), discussed issues regarding compliance at DSC and ASU. (b) (6), normally would abstain from these school-level dealings, but explained to (b) (6), (b) (7) her involvement revolved around the self-reported issues at DSC and that the State of Georgia wanted to be proactive to avoid any future compliance issues. Additionally, (b) (6), did not want the State of Georgia to have any exposure to any school liabilities. (b) (6), (b) (7) believes that the real reason for (b) (6), involvement was that there was no separation of duties at the State of Georgia between fiscal and compliance functions. (b) (6), was worried that (b) (6), (b) (7) would address this issue, so (b) (6), wanted to make (b) (6), (b) (7) look bad. Regarding her dealings with (b) (6), (b) (6), (b) (7) stated that she would have nothing to gain by allegedly threatening a review to (b) (6), and did not do that.

(b) (6), (b) (7) misused her position while dealing with the (b) (6), (b) (7)(C) at Darton State College.

On January 25, 2017, an ED OIG agent interviewed (b) (6) (Attachment 7). (b) (6), (b) (7) contacted (b) (6) for assistance with (b) (6), (b) (7) financial aid issues. (b) (6) stated that it was strictly professional help that she offered to (b) (6), (b) (7) during the process of trying to obtain aid for (b) (6), (b) (7)(C). (b) (6) stated that she handled the problem the same way that she would handle any other student's problem.

(b) (6), (b) (7) was unhappy with (b) (6), (b) (7) decision on (b) (6), (b) (7) financial aid, especially since (b) (6), (b) (7) was listed on the Program Participation Agreement (PPA) as the (b) (6), (b) (7) (b) (6), (b) (7) questioned (b) (6), (b) (7) and her activities with the schools. (b) (6), (b) (7) stated that (b) (6), (b) (7) knew the new ED reviewer, (b) (6), (b) (7)(C), and that (b) (6), (b) (7) could tell him what was going on at the school and make it difficult for the school moving forward. Specifically, if DSC did not approve (b) (6), (b) (7) financial aid, (b) (6), (b) (7) could encourage (b) (6), (b) (7) to continue to drag out the consolidation audit interfering with the final consolidation.

(b) (6), (b) (7) stated that she received upset texts from (b) (6), (b) (7) about DSC's refusal of (b) (6), (b) (7) paperwork. (b) (6), (b) (7) told (b) (6), (b) (7) that she would discuss these issues with (b) (6), (b) (7) and that (b) (6), (b) (7) was walking on thin ice with ED. (b) (6), (b) (7) told (b) (6), (b) (7) that she was sick and that she would be relieved of her position because of her medical issues. During various conversations with (b) (6), (b) (7) (b) (6), (b) (7) knew that (b) (6), (b) (7) was sick and attributed her illness to her actions. (b) (6), (b) (7) knew when (b) (6), (b) (7) was heavily medicated during their conversations because (b) (6), (b) (7) would slur her words and respond to her very slowly. (b) (6), (b) (7) would ask (b) (6), (b) (7) if she was okay and (b) (6), (b) (7) would tell her that she was trying new medications and sleeping all day. (b) (6), (b) (7) noticed a decline in (b) (6), (b) (7) state during conversations between August 2016 and the end of September 2016. (b) (6), (b) (7) could not recall what she had talked to (b) (6), (b) (7) about and told (b) (6), (b) (7) that she did not say things that she did. (b) (6), (b) (7) seemed constantly confused.

When (b) (6), (b) (7) first contacted (b) (6), (b) (7) did not think (b) (6), (b) (7) tried to use her ED position to get something special for (b) (6), (b) (7) or favorable treatment from the school. (b) (6), (b) (7) stated that she viewed (b) (6), (b) (7) involvement with the situation as a (b) (6), (b) (7) trying to help (b) (6), (b) (7). (b) (6), (b) (7) stated that she was unaware of any complaints against (b) (6), (b) (7). As the situation continued and (b) (6), (b) (7) continued to get involved, (b) (6), (b) (7) stated that she thought (b) (6), (b) (7) overstepped her professional position by using her ED position while discussing (b) (6), (b) (7) financial aid. Additionally, (b) (6), (b) (7) stated that (b) (6), (b) (7) seemed to have a vendetta against the school for denying (b) (6), (b) (7) aid. (b) (6), (b) (7) thinks (b) (6), (b) (7) actions were at a minimum a conflict of interest. (b) (6), (b) (7) thought that (b) (6), (b) (7) abused her position based on (b) (6), (b) (7) going to (b) (6), (b) (7) about (b) (6), (b) (7) and the decision to deny (b) (6), (b) (7) aid. (b) (6), (b) (7) encouraged (b) (6), (b) (7) to report (b) (6), (b) (7) actions to ED. (b) (6), (b) (7) thinks that (b) (6), (b) (7) pitted (b) (6), (b) (7) and (b) (6), (b) (7) against each other. (b) (6), (b) (7) stated that (b) (6), (b) (7) was instructed to send money to ED by (b) (6), (b) (7) (b) (6), (b) (7) backtracked on this and the checks were sent back to DSC. (b) (6), (b) (7) stated that (b) (6), (b) (7) asked (b) (6), (b) (7) to overlook some compliance issues on verification so that the school wouldn't have to pay the money back. Additionally, (b) (6), (b) (7) stated that (b) (6), (b) (7) asked her to remove system notes identifying areas of deficiency.

On August 22, 2016, (b) (6), (b) (7) was involved in an email chain with correspondence from (b) (6), (b) (7) to (b) (6), (b) (7) on (b) (6), (b) (7) inquiry about (b) (6), (b) (7) and his financial aid status. (b) (6), (b) (7) informed ED OIG agents that (b) (6), (b) (7) refers to her medical leave and that she advised (b) (6), (b) (7) the compliance manager and division director. (b) (6), (b) (7) never discussed this matter with (b) (6), (b) (7) or (b) (6), (b) (7).

During her interview, (b) (6), (b) (7) advised that she made no threat against (b) (6), (b) (7) regarding (b) (6), (b) (7) financial aid packaging at DSC. (b) (6), (b) (7) and (b) (6) knew each other through (b) (6), (b) (7) work on the single statewide audit for the State of Georgia. (b) (6), (b) (7) considered (b) (6) a personal friend and last spoke to her in September 2016. (b) (6) and (b) (6), (b) (7) would routinely text each other on their personal phones, and (b) (6) would offer to give (b) (6), (b) (7) rides home to Atlanta and take him to church, etc., (b) (6) lost all the text messages when she upgraded her cell phone.) (b) (6), (b) (7)(C)

(b) (6), (b) (7) helped (b) (6), (b) (7) complete the Free Application for Federal Student Aid (FAFSA) and the necessary documentation to enroll at DSC. (b) (6), (b) (7) knew that he was under a tight deadline to submit the necessary documents to enroll because he made a last minute decision to attend DSC. (b) (6) made a professional judgement and allowed a copy of the (b) (6), (b) (7) paper to suffice for (b) (6), (b) (7) to be enrolled. Sometime after (b) (6) made this decision, she was forced out of DSC and (b) (6), (b) (7) took over as the DSC (b) (6), (b) (7)(C). (b) (6), (b) (7) overrode (b) (6), (b) (7) professional judgement decision and requested the original (b) (6), (b) (7) paperwork.

(b) (6), (b) (7) did not provide the original paperwork to DSC because it was old and delicate. (b) (6), (b) (7) took (b) (6), (b) (7) to have the paperwork notarized and (b) (6), (b) (7) provided the notarized August 11, 1999, document to (b) (6), (b) (7)(C). (b) (6), (b) (7) did not know about the guardianship issue, but found out during the communications with (b) (6), (b) (7). (b) (6), (b) (7) was very upset because she thought (b) (6), (b) (7) handled the situation in an unprofessional manner, but did not make a complaint because she wanted (b) (6), (b) (7) to succeed at DSC. (b) (6), (b) (7) was confused on why (b) (6), (b) (7) handled this situation when she was not on DSC's PPA. During a conversation with (b) (6), (b) (7) learned of potential fraud and encouraged (b) (6), (b) (7) to report these issues to ED. Instead of (b) (6), (b) (7) reporting the allegations, (b) (6), (b) (7) contacted ED OIG SAC Santana and filed a complaint regarding potential fraud at DSC and Albany State University.

(b) (6), (b) (7) stated that (b) (6), (b) (7) contacted her from DSC because no one would respond to her about (b) (6), (b) (7) status. When asked whether (b) (6), (b) (7) has ever threatened (b) (6), (b) (7) in any way, (b) (6), (b) (7) stated that she never threatened (b) (6), (b) (7) with any action about (b) (6), (b) (7) financial aid and the status of his enrollment at DSC. (b) (6), (b) (7) stated that she never abused her position or misused her power in any untoward manner while dealing with DSC. (b) (6), (b) (7) advised that FSA personnel routinely did not recuse themselves while working with schools that (b) (6), (b) (7) attended. (b) (6), (b) (7) stated that she was aware of several individuals who dealt with (b) (6), (b) (7) schools including (b) (6), (b) (7). FSA personnel recused themselves from reviews only when they previously worked at a school. (b) (6), (b) (7) only wanted (b) (6), (b) (7) to attend school; she would get nothing out of using her position improperly to have him enrolled in school.

Within a day of (b) (6), (b) (7) call to (b) (6), (b) (6), (b) (7) contacted SAC Santana to complain about possible fraud at Albany State University without contacting (b) (6), (b) (7) or (b) (6), (b) (6), (b) (7) followed up with an August 19, 2016 email to (b) (6), (b) (7) regarding this fraud issue. (b) (6), (b) (7) did not allege fraud at DSC to (b) (6), (b) (7) recollection. (b) (6), (b) (7) never approached management with any conflict of interests or asked to be recused from either situation dealing with (b) (6), (b) (7) and the schools they attended.

(b) (6), (b) (7) stated that she received annual ethics training from ED. (b) (6), (b) (7) stated that she had never previously dealt with schools that (b) (6), (b) (7) attended and she was conscious to separate work and personal matters. (b) (6), (b) (7) stated that she did not do anything wrong or overstep any ethical line when dealing with UWG or DSC. According to ED records, (b) (6), (b) (7) did not complete any ethics training over the last six years.

The investigation revealed (b) (6), (b) (7) often used her ed.gov email account to communicate with (b) (6), (b) (6), (b) (6) and (b) (6), (b) (6) on personal matters regarding (b) (6), (b) (7)(C) school financial aid issues. (b) (6), (b) (7) notes in one email that "I'm replying in a separate email being that this correspondence is not related to the Georgia Statewide."

On March 24, 2017, the United States Attorney's Office (USAO) for the Northern District of Georgia was briefed on this case and Assistant United States Attorney (AUSA) Will Traynor declined to prosecute this matter (b) (5)

Our review of the applicable federal regulations and Standards of Ethical Conduct for Employees of the Executive Branch disclosed, in part, that an employee shall not use or permit the use of his/her government position or title or any authority associated with his/her public office in a manner that is intended to coerce or induce another person...to provide any benefit, financial or otherwise, to himself/herself or to friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity. Furthermore, employees should avoid any actions that appear to violate the law or the ethical standards, and to ensure that the performance of his/her official duties does not seem as use of public office for private gain or of giving preferential treatment. An employee whose duties would affect the financial interests of a relative with whom he/she is affiliated in a nongovernmental capacity shall comply with any applicable requirements of Section 2635.502.

According to 5 C.F.R. § 2635.502, personal and business relationships, "where an employee knows that a particular matter involving specific parties is likely to have a direct and predictable effect on the financial interest of a member of his household, or ...would cause reasonable person with knowledge of the relevant facts to question his impartiality in the matter, the employee should not participate in the matter unless he has informed the agency designee of the appearance problem and received authorization from the agency designee..." According to (b) (6), (b) (7) supervisor, (b) (6), (b) (7) never approached FSA management with any conflict of interest issues or asked to be recused from either situation dealing with (b) (6), (b) (7) and the schools that they were attending. (b) (6), (b) (7) has not completed Ethics Training in the last six

years, and may not meet the requirement to do so since she may not fall into the category of employees that must take annual ethics training.

This administrative matter is based upon possible violations of the Standards of Ethical Conduct for Employees of the Executive Branch, Subpart A, Basic obligation of public service, 5 C.F.R. § 2635.101(b)(14) or 5 C.F.R. § 2635.702, Use of public office for private gain.

(b) (6), (b) (7) may have violated the Standards of Ethical Conduct for Employees of the Executive Branch, Subpart A, Basic obligation of public service, 5 C.F.R. Part 2635.101(b)(14) or 5 C.F.R. 2635.702, Use of public office for private gain.

PROSECUTIVE STATUS

On March 24, 2017, the United States Attorney’s Office (USAO) for the Northern District of Georgia was briefed on this case and Assistant United States Attorney (AUSA) Will Traynor declined to prosecute this matter in lieu of an administrative remedy (b) (5)

On June 22, 2018, a referral was made to Federal Student Aid. On July 23, the Office of Government Ethics (OGE) Form 202 was submitted to OGE.

SUBJECT OF INVESTIGATION

Name : (b) (6), (b) (7)(C)

Last Known Address: (b) (6), (b) (7)(C)

Last Known Telephone: (b) (6), (b) (7)(C)

Date of Birth: (b) (6), (b) (7)(C)

SSN: (b) (6), (b) (7)(C)

ATTACHMENTS

1. (b) (6), (b) (7)(C) Complaint, August 26, 2016
2. (b) (6), (b) (7)(C) Interview Summary, April 12, 2017
3. (b) (6), (b) (7)(C) Interview Summary, November 18, 2016
4. (b) (6), (b) (7)(C) Interview Summary, October 11, 2016
5. (b) (6), (b) (7)(C) Interview Summary, October 20, 2016
6. (b) (6), (b) (7)(C) Interview Summary, January 24, 2017
7. (b) (6), (b) (7)(C) Interview Summary, January 25, 2017

8. Referral to FSA



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**



**CLOSING
REPORT OF INVESTIGATION**

UNIVERSITY OF CALIFORNIA, DAVIS

I17WES30292

MAY 14, 2018

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Report by: (b) (6), (b) (7)(C)
(b) (6), (b) (7)
Special Agent

Approved by:
Adam Shanedling
Special Agent in Charge

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CLOSING
REPORT OF INVESTIGATION
UNIVERSITY OF CALIFORNIA, DAVIS

SUMMARY

On July 12, 2017, the U.S. Department of Education (ED) Office of Inspector General (OIG) received a whistleblower reprisal complaint from (b) (6), (b) (7)(C) (Complainant), a former employee of the University of California, Davis (UCD) in Davis, CA (Exhibit 1). Complainant stated that in November 2015, she disclosed information to the UCD Office of Student Affairs that she reasonably believed was evidence of a violation of law, rule, or regulation related to a federal grant, gross mismanagement of a federal grant, or gross waste of federal grant funds. Specifically, Complainant submitted anonymous complaints on behalf of other UCD staff whom she claimed were afraid to come forward until after they resigned from Complainant's division. The complaints addressed several issues to include misuse of federal funds as well as discrimination and harassment by department management. Additionally, in March 2016 Complainant sent a letter to ED disclosing similar information. Complainant alleged her termination in January 2017 was in retaliation for reporting the above information. In addition to the allegations specific to federal grant funds, Complainant also included a long list of other grievances in her complaints, including allegations of discrimination, bullying, and harassment. Complainant withdrew her complaint on March 22, 2018.

As set forth in further detail in this report, our investigation did not sustain Complainant's allegations of whistleblower reprisal as it pertains to the elements outlined in the National Defense Authorization Act, described in detail on the next page. We did not find compelling evidence that Complainant's protected disclosures were a contributing factor in Complainant's termination.

BACKGROUND

I. Whistleblower Protection under the National Defense Authorization Act (NDAA) for Fiscal Year 2013

Section 4712 of Title 41, United States Code, as added by section 828 of the National Defense Authorization Act for FY 2013 (Pub. L. No. 112-239, (January 2013)), prohibits Federal grantees from discharging, demoting, or otherwise discriminating against an employee who discloses information to certain specified persons or authorities that the employee reasonably believes evidences gross mismanagement of a Federal grant; a gross waste of Federal grant funds; a substantial and specific danger to public health or safety related to the implementation or use of Federal grant funds; or a violation of law, rule, or regulation related to a Federal grant. The NDAA requires that, unless the Inspector General (IG) determines that a complaint is frivolous, does not allege a violation of the prohibition against reprisal, or another Federal or state judicial or administrative proceeding initiated by the complainant has previously addressed the complaint, the IG shall investigate the complaint and submit a report of its findings to the complainant, the complainant's employer, and the head of the Federal agency.

I. BURDEN OF PROOF

In order to receive whistleblower protection under the NDAA, a Complainant bears the burden of showing, by circumstantial evidence or otherwise, that a protected disclosure was a contributing factor in the reprisal the employee suffered. The burden of proof articulated at 5 U.S.C. § 1221(e) is controlling in an IG investigation into a complaint of reprisal under the NDAA. See 41 U.S.C. § 4712(c)(6).

Under 5 U.S.C. § 1221(e), an employee may demonstrate that her disclosure was a contributing factor in the personal action taken against her through evidence that (1) the official taking the personnel action knew of the disclosure and (ii) the personnel action occurred within a period of time such that a reasonable person could conclude that the disclosure was a contributing factor in the personnel action. To avoid an order for relief, an employer may demonstrate by clear and convincing evidence that it would have taken the personnel action in the absence of the disclosure.

II. THE PARTIES

UCD is an ED grantee. Since Fiscal Year 2015, UCD has been awarded approximately \$670,036,456.35 in ED funding.

Complainant was employed at UCD from approximately 1987 to 2017. Her roles at UCD included (b) (6), (b) (7)(C)

(b) (6), (b) (7)(C) is the former (b) (6), (b) (7)(C) at UCD.

(b) (6), (b) (7)(C) is the current (b) (6), (b) (7)(C) at UCD.

(b) (6), (b) (7)(C) is the (b) (6), (b) (7)(C) at UCD.

(b) (6), (b) (7)(C) is the (b) (6), (b) (7)(C) at UCD.

(b) (6), (b) (7)(C) is the former (b) (6), (b) (7)(C) of the Office of Student Affairs at UCD.

THE INVESTIGATION

OIG interviewed Complainant on August 25, 2017 and September 18, 2017 (Exhibits 2-4). Complainant told the OIG she felt she was ultimately fired because she filed a grievance in 2015 against her boss, (b) (6), (b) (7)(C), which led to (b) (6), (b) (7)(C) transfer to another department. Also, in November 2015 Complainant reported allegations of discrimination and funds misuse by other staff members on behalf of former employees (Exhibits 5-7). In March 2016, Complainant reported additional allegations of misuse of funds to her supervisors and to ED (Exhibit 8). On May 2, 2016, Complainant received a notification she was under investigation by the UCD compliance office. On November 15, 2016, Complainant received the results of the investigation. Complainant was notified via an email on January 12, 2017, that she would be terminated based on the findings in the investigation. Complainant also filed a tort claim through her attorney in June 2017 alleging her termination was retaliatory. Complainant submitted the whistleblower reprisal complaint to ED on July 12, 2017. She withdrew the complaint on March 22, 2018.

OIG interviewed (b) (6), (b) (7) on November 1, 2017 (Exhibits 9-10). (b) (6), (b) (7) indicated the process of terminating Complainant was set in motion following the findings of an “environmental scan” or review of the Complainant’s department. The scan was initiated four or five months prior to a scheduled meeting to discuss termination, and was based on complaints against Complainant from her staff. (b) (6), (b) (7) was also aware of Complainant’s own claims of misuse of funds she brought forward. This was another reason to initiate the scan of the entire department. According to (b) (6), (b) (7) UCD’s decision to terminate Complainant was based on the results of the scan.

OIG conducted a follow-up interview of (b) (6), (b) (7) on April 2, 2018 (Exhibit 11). (b) (6), (b) (7) reiterated the environmental scan was initiated because of numerous complaints about leadership and questionable activity in the COP. (b) (6), (b) (7)(C) suggested launching the scan to investigate all the allegations. (b) (6), (b) (7) provided copies of the scan report and attachments to OIG on April 3, 2018 (Exhibits 12-14).

OIG interviewed (b) (6), (b) (7) on November 1, 2017 (Exhibits 15-16). (b) (6), (b) (7) never saw a termination letter for Complainant. As a senior official, (b) (6), (b) (7) would have known about a termination action. (b) (6), (b) (7) recalled Complainant’s former supervisor, (b) (6), (b) (7), had concerns about Complainant’s leadership and the grant money in that department.

OIG interviewed (b) (6), (b) (7)(C) on November 20, 2017 (Exhibits 17-18). On February 11, 2016, (b) (6), (b) (7) received a complaint against Complainant through the compliance department’s electronic hotline. These allegations and others from several anonymous complaints were investigated by (b) (6), (b) (7) in the spring of 2016. As a matter of practice, the results of an investigation are provided to the accused and to human resources (Exhibit 19). (b) (6), (b) (7) stated Complainant filed her own whistleblower complaint after resigning from UCD and that inquiry is ongoing.

OIG conducted a follow-up interview of (b) (6), (b) (7)(C) on April 2, 2018 (Exhibit 20). (b) (6), (b) (7) further explained that UCD officials called the investigation a scan, but they were the same thing. Several anonymous complaints about the COP also implicated Complainant. (b) (6), (b) (7) conducted an investigation and interviewed several witnesses.

OIG interviewed (b) (6), (b) (7) on January 31, 2018 (Exhibits 21-22). (b) (6), (b) (7) supervised Complainant for approximately six years. During 2015, staff members from the COP complained to (b) (6), (b) (7) about Complainant’s erratic behavior and lack of leadership. (b) (6), (b) (7) conducted an informal investigation of the department and interviewed several staff members who expressed concern about Complainant’s behavior. Complainant filed a grievance against (b) (6), (b) (7) that same year. (b) (6), (b) (7) was removed from her position and transferred to a different department. (b) (6), (b) (7) indicated Complainant was known and respected nationally for her grant writing ability, but in 2015 something changed and problems surfaced in the COP under Complainant’s leadership.

On April 4, 2018, (b) (6), (b) (7)(C) provided copies of her handwritten notes taken during interviews in the spring and summer of 2015 with employees who complained to (b) (6), (b) (7) about the COP leadership. Included in the documentation was an anonymous letter sent to (b) (6), (b) (7) in June 2015 requesting a formal campus investigation of the COP (Exhibit 23). The details of the conversations addressed the COP as a whole but often focused on Complainant's behavior and alleged misuse of funds. The "mileage workaround" was mentioned in several interviews and was a finding in the final report of investigation from (b) (6), (b) (7).

TIMELINE OF EVENTS

I. Prior to disclosures

- Complainant claimed in summary documents submitted with her whistleblower complaint that in the fall of 2014, she was experiencing workplace stress and began to have health issues.
- Complainant went on leave and upon returning to her position, she noticed changes were made in her absence, such as (b) (6), (b) (7)(C) trying to take her job.
- Between April and August 2015, (b) (6), (b) (7)(C) interviewed COP staff who reported numerous leadership issues with Complainant and others in the department.
- In May 2015, (b) (6), (b) (7)(C) informed Complainant there were complaints against her.
- In May 2015, Complainant was removed from her position as (b) (6), (b) (7)(C) and transferred to the (b) (6), (b) (7)(C).
- On October 21, 2015, Complainant reported allegations to the human resources department about bullying and misuse of funds by (b) (6), (b) (7)(C).
- On October 23, 2015, Complainant was reinstated as (b) (6), (b) (7)(C).
- In December 2015, (b) (6), (b) (7)(C) was subsequently removed from her (b) (6), (b) (7)(C) position and transferred to another department.

II. After disclosures

- On November 1, 2015, Complainant forwarded three anonymous whistleblower complaints concerning COP staff members on behalf of former employees to the Office of Student Affairs.
- On February 11, 2016, former staff member (b) (6), (b) (7)(C) submitted a complaint to (b) (6), (b) (7)(C) in the compliance office, alleging harassment, racial discrimination, and misuse of school property, among other violations, by Complainant.
- In March 2016, Complainant reported allegations of federal grant misuse to ED.
- On May 2, 2016, Complainant received notification she was under investigation based on complaints filed alleging multiple violations, including those reported in the (b) (6), (b) (7)(C) complaint.
- In June 2016, Complainant filed a whistleblower complaint with the UCD compliance office claiming the allegations against her and the subsequent investigation were in

retaliation for filing a grievance against (b) (6), (b) (7)(C) in early 2015 and also for submitting disclosures of misuse of funds to the Office of Student Affairs in late 2015 (Exhibit 24).

- On November 11, 2016, Complainant received the results of the investigation. Complainant went on leave for several weeks.
- Complainant received a notification of termination email from (b) (6), (b) (7) on January 12, 2017. Complainant resigned prior to meeting with (b) (6), (b) (7) to discuss her termination.
- On June 7, 2017, Complainant filed a tort claim through her attorney, naming the UCD regents as respondents.
- Complainant filed a reprisal claim with ED-OIG on July 12, 2017.
- Complainant withdrew her OIG reprisal claim on March 22, 2018.

FINDINGS

1. Complainant was an employee of an ED grantee covered by the whistleblower requirements of the NDAA.
2. Complainant disclosed information (on behalf of other staff members) to UCD officials on November 1, 2015 that she reasonably believed evidenced gross mismanagement, a gross waste of funds, an abuse of authority, and a violation of law, rule, or regulation related to ED funds. (b) (6), (b) (7)(C) engaged in racial discrimination and harassment, used federal funds for unallowable expenses, and misrepresented to ED that he possessed a master's degree (Disclosure One). (b) (6), (b) (7)(C) engaged in racial discrimination and harassment, used private foundation funds for personal use, and colluded with other staff, including (b) (6), (b) (7)(C), to hide illegal actions (Disclosure Two). (b) (6), (b) (7) engaged in racial discrimination and harassment, created a hostile work environment, used federal funds to pay for personal expenses, and colluded with (b) (6), (b) (7) and other staff to hide illegal actions (Disclosure Three).
3. Complainant disclosed information to ED on March 4, 2016 that she reasonably believed evidenced gross mismanagement, a gross waste of funds, an abuse of authority, and a violation of law, rule, or regulation related to ED funds. (b) (6), (b) (7) mismanaged Gear UP funds by using the funds to pay for a reception at her mother's house as well as for five non Gear-UP staff to attend a conference (Disclosure Four).

Reprisal Allegation 1:

4. On May 2, 2016, Complainant was notified by (b) (6), (b) (7)(C) she was under investigation because of complaints filed against her. Complainant claimed the investigation was retaliatory because of her previous complaint against (b) (6), (b) (7)(C).
5. Interviews with UCD witnesses and the complaints about COP leadership during time periods preceding the 2015 disclosures and allegations of university policy violations and funds misuse by Complainant provided clear and convincing evidence that the

environmental scan/investigation of the COP in the spring of 2016 was not prompted by Complainant's disclosures.

7. (b) (6), (b) (7) final report of investigation provided by (b) (6), (b) (7) included evidence to support allegations of wrongdoing by Complainant. The report appears to be unbiased and thorough.

Reprisal Allegation 2:

8. On January 12, 2017, Complainant received a letter from (b) (6), (b) (7) notifying her of UCD's intent to terminate her employment based on the results of the investigation. Complainant claimed her termination was in retaliation for outing (b) (6), (b) (7) and disclosing allegations of misuse of ED funds by other staff.

9. Interviews with (b) (6), (b) (7) revealed he knew of Complainant's prior disclosures to the Office of Student Affairs, but the decision to terminate was based entirely on the results of the final investigative report.

10. (b) (6), (b) (7) employee interview notes from early 2015 indicated there were problems with Complainant's department and her leadership prior to the time period of any protected disclosures by Complainant. As noted under Reprisal Allegation 1, there is clear and convincing evidence that the investigation was not initiated in retaliation for the disclosures.

11. Complainant was not officially terminated because she resigned prior to meeting with (b) (6), (b) (7)(C).

Complainant and her attorney continue to pursue a tort claim against UCD alleging her termination was retaliatory. A settlement agreement has not been reached as of the date of this report.

EXHIBITS

1. Whistleblower Complaint to ED-OIG
2. August 25, 2017 Memorandum of Interview- Complainant
3. September 18, 2017 Memorandum of Interview- Complainant
4. Attachments to Complainant's September 18, 2017 interview
5. Complaint against (b) (6), (b) (7)(C)
6. Complaint against (b) (6), (b) (7)(C)
7. Complaint against (b) (6), (b) (7)(C)
8. March 4, 2016 complaint letter to ED
9. November 1, 2017 Memorandum of Interview- (b) (6), (b) (7)(C)
10. (b) (6), (b) (7)(C) Privacy Act Waiver
11. April 2, 2018 Memorandum of Interview- (b) (6), (b) (7)(C)
12. Final Report of Investigation/Scan
13. Attachments to Report- 1
14. Attachments to Report- 2
15. November 1, 2017 Memorandum of Interview- (b) (6), (b) (7)(C)
16. (b) (6), (b) (7)(C) Privacy Act Waiver
17. November 20, 2017 Memorandum of Interview- (b) (6), (b) (7)(C)
18. (b) (6), (b) (7)(C) Privacy Act Waiver
19. Report of the results of the UCD investigation
20. April 2, 2018 Memorandum of Interview- (b) (6), (b) (7)(C)
21. January 31, 2018 Memorandum of Interview- (b) (6), (b) (7)(C)
22. (b) (6), (b) (7)(C) Privacy Act Waiver
23. April 4, 2018 Memorandum of Activity- (b) (6), (b) (7)(C) Notes
24. Complainant's reprisal complaint against (b) (6), (b) (7)(C)



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL



ADMINISTRATIVE REFERRAL
REPORT OF INVESTIGATION

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

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

17-042161

SEPTEMBER 26, 2017

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Report by:

Approved by:

(b) (6), (b) (7)
(C)
SPECIAL AGENT

YESSYKA SANTANA
SPECIAL AGENT IN CHARGE

Distribution:

Headquarters, Investigation Services
Chief Human Capital Officer
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ADMINISTRATIVE REFERRAL

REPORT OF INVESTIGATION

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

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

SUMMARY

This case was predicated upon a referral received on March 21, 2017, from (b) (6), (b) (7) (b) (6), of the U.S. Department of Education's (Department) Office of the Chief Information Officer, Financial Systems Services. (b) (6) notified the Department's Office of Inspector General (OIG) of possible misuse and suspicious activity from June 2016 through February 2017 on the JP Morgan Travel Card account of (b) (6), (b) (7)(C) in Atlanta, Georgia. The Travel and Transportation Reform Act of 1998 (Public Law 105-264) mandates federal government cardholders to use the contractor-issued travel charge card for official government travel expenses and to receive cash advances.

On April 13, 2017, (b) (6), (b) (7) was interviewed by OIG special agents regarding the alleged misuse of his government travel card, formally known as the GSA SmartPay Government Travel card. (b) (6), (b) (7) admitted to the improper use of his government travel card during the aforementioned time period. (b) (6), (b) (7) retired from the Department on April 15, 2017.

Supplemental travel date and card transaction information from the Department revealed additional unauthorized or questionable transactions. The entire amount of unauthorized transactions totaled \$15,056.08.

VIOLATIONS

The activities identified in this report are violations of:

- Standards of Ethical Conduct for Executive Branch Employees
 - 5 C.F.R. § 2635.101 - Basic obligation of public service
 - 5 C.F.R. § 2635.704 - Misuse of Government Resources
- Human Capital Policy 751-1, Section VII

PREDICATION

This investigation was initiated based upon information that (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) , misused his GSA SmartPay Government Travel Card issued by JP Morgan Chase Bank.

PROGRAM INFORMATION

The Individual Travel Charge Card (ITCC) is an authorized vendor issued charge card by which an employee may charge government business-related travel expenses (lodging, meals, transportation, and limited incidental costs) while on official travel for the Department, as well as make travel-related ATM (Automated Teller Machine) cash withdrawals. The authorized vendor for the Department’s ITCC is JP Morgan Chase Bank and the travel card is formally known as the GSA SmartPay Government Travel Card.

NARRATIVE

The investigation was predicated upon a referral received on March 21, 2017, from (b) (6), (b) (7)(C) of the U.S. Department of Education's (Department) Office of the Chief Information Officer, Financial Systems Services. (b) (6) notified the Department's Office of Inspector General via e-mail of possible misuse and suspicious activity from June 2016 through February 2017 on the JP Morgan Travel Card account of (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) in Atlanta, Georgia. (b) (6) attached two (2) spreadsheets: one that showed (b) (6), (b) (7)(C) government travel charge card transactions from June 2016 through February 2017 (Exhibit 1), highlighting transactions made when (b) (6), (b) (7)(C) was believed to not be in travel status, and a second spreadsheet that showed thirty (30) transactions that had been attempted but declined by the merchant (Exhibit 2).

On March 24, 2017, (b) (6), (b) (7)(C) was interviewed and provided information regarding how the suspected misuse of (b) (6), (b) (7)(C) government travel was discovered (Exhibit 3). According to (b) (6), (b) (7)(C) showed up on the Department’s delinquent government travel charge card account list for the month of March 2017 (Exhibit 4). Further review of (b) (6), (b) (7)(C) government travel charge card account revealed charges made on the account when (b) (6), (b) (7)(C) was not in travel status. (b) (6), (b) (7)(C) advised she suspended (b) (6), (b) (7)(C) government travel charge card account on March 6, 2017. (b) (6), (b) (7)(C) government travel card overdue balance of \$2,918.85 was paid off as of March 23, 2017.

On April 13, 2017, (b) (6), (b) (7)(C) was interviewed by OIG special agents regarding the alleged misuse of his government travel card (Exhibit 5). Agents provided the Privacy Act Notice and OIG Form 356(d) Acknowledgement of Rights and Obligations (Kalkines) to (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) admitted to improper use of his government travel charge card. According to (b) (6), (b) (7)(C) unauthorized charges on his government travel card stemmed from a combination of at least one (1) female acquaintance who he met via an online escort service stealing and using the travel card for cash advances, and (b) (6), (b) (7)(C) himself using the government travel card for cash advances totaling (b) (6), (b) (7)(C)

approximately \$1,050 to pay for sexual services from prostitutes. Additionally, (b) (6), (b) (7) admitted to improper personal use of his government travel card to make retail purchases when not in employee travel status. (b) (6), (b) (7) retired from the Department on April 15, 2017.

According to the Department's Handbook for Travel Policy (OCIO 16), the travel charge card is to be used only to charge expenses incurred in conjunction with official Government travel or to obtain authorized ATM cash withdrawals incident to official travel. It further states that misuse of the ATM program may result in disciplinary action as described in ACS Directive, OCIO:1-108 Travel Card Program; and deactivation of the PIN and the charge card account. (b) (6), (b) (7) completed the GSA SmartPay Travel Card Training (Account Holder) on June 7, 2016 (Exhibit 6).

Moreover, a review of Public Law 105 – 264, Travel and Transportation Reform Act of 1998; the Federal Travel Regulations, 41 C.F.R. § 301-51.7-9; and Administrative Communications System (ACS) Directive, Office of the Chief Information Officer's OCIO:1-108 Travel Card Program, Travel Charge Cards will only be used for OFFICIAL TRAVEL AND OFFICIAL TRAVEL RELATED EXPENSES. Personal and family member use of the Travel Charge Card is prohibited and misuse will result in corrective action up to and including possible removal from Federal Service. According to the Department's Human Capital Policy (HCP) 751-1, Discipline and Adverse Actions, a first offense of misuse of Government travel card and delinquency in payment of government travel card and conduct unbecoming a Federal employee are punishable by a Reprimand to removal from Government service.

Based on the results of this investigation, (b) (6), (b) (7) also violated the following Standards of Ethical Conduct for Employees of the Executive Branch: 5 C.F.R. § 2635.101 – Basic obligation of public service, which states that “employees shall protect and conserve Federal property and shall not use it for other than authorized activities,” and 5 C.F.R. § 2635.704 – Use of Government Property, which states that “an employee has a duty to protect and conserve Government property and shall not use such property, or allow its use, for other than authorized purposes.”

On May 17, 2017, the Department provided a trip summary spreadsheet that showed (b) (6), (b) (7)(C) start and end travel dates from 2009 through 2017 (Exhibit 7). A review of (b) (6), (b) (7)(C) government travel charge card account transactions from April 30, 2009 through March 23, 2017 using the official travel dates from the trip summary revealed 141 unauthorized or questionable transactions totaling \$15,056.08 (Exhibit 8). The unauthorized charge card transactions consisted of hotel rooms, rental car purchases, and cash advances outside of (b) (6), (b) (7)(C) official travel status dates.

PROSECUTIVE STATUS

On April 6, 2017, the details of the investigation were briefed to Assistant United States Attorney (AUSA) Randy Chartash, Chief of Economic Crimes for the United States Attorney's Office, Northern District of Georgia. AUSA Chartash declined criminal prosecution of this matter.

On June 20, 2017, the details of the investigation were provided to the Civil Division of the United States Attorney's Office, Northern District of Georgia. Civil Chief Amy Berne declined civil prosecution of this matter.

On August 8, 2017, AUSA Randy Chartash was again briefed on this matter due to the additional unauthorized charges found on (b) (6), (b) (7)(C) government travel card account, and (b) (6), (b) (7)(C) denial of any misuse other than during the 2016 – 2017 time period. AUSA Chartash declined criminal prosecution (b) (5).

Since (b) (6), (b) (7) retired from the Department on April 15, 2017 and prior to the resolution of this investigation, this report is being furnished to the Department's Human Resources Division pursuant to the National Defense Authorization Act for Fiscal Year 2017, Sec. 2, Division A, Title XI, Subtitle C, § 1140 (Pub. L. No. 114-328)(codified at 5 U.S.C. § 3322). This statute requires the Department to make a permanent notation in the official personnel file of an employee who retires or resigns prior to the resolution of a personnel investigation, which results in an adverse finding.

SUBJECT OF INVESTIGATION

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

EXHIBITS

1. (b) (6), (b) (7)(C) travel charge card transactions June 2016 – February 2017.
2. (b) (6), (b) (7)(C) attempted but declined travel charge card transactions.
3. Memorandum of Interview on (b) (6), (b) (7) dated March 24, 2017.
4. Copy of the March 2017 JP Morgan Suspension Report.
5. Memorandum of Interview on (b) (6), (b) (7) dated April 13, 2017.
6. Copy of (b) (6), (b) (7)(C) GSA SmartPay Certificate of Training dated June 7, 2016.
7. (b) (6), (b) (7)(C) start and end official travel dates from 2009 – 2017.
8. (b) (6), (b) (7)(C) travel charge card transactions April 30, 2009 – March 23, 2017.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL



CLOSING
REPORT OF INVESTIGATION

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

I18EAS00381

SEPTEMBER 20, 2018

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(b) (6), (b) (7)
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CLOSING

REPORT OF INVESTIGATION

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

SUMMARY

The Office of General Counsel, Ethics Division sent a memorandum to the Office of Inspector General to refer (b) (6), (b) (7)(C) [REDACTED], for appropriate remedial action for failure to file his Termination Public Financial Disclosure Report, OGE Form 278e, and failure to make payment of the associated \$200 late filing fee. The Office of General Counsel, Ethics division exhausted its efforts to procure (b) (6), (b) (7)(C) compliance with this filing obligation and referred this matter to the Office of Inspector General for appropriate remedial action.

VIOLATIONS

The activities identified in this report are violations of:

- 5 U.S.C. app. §104 Failure to File or Filing False Reports

PREDICATION

This investigation was initiated based upon information that former Department employee, (b) (6), (b) (7)(C), failed to file his Termination Public Financial Disclosure Report, OGE Form 278e, as required under 5 U.S.C. app. §101, Persons Required to File.

NARRATIVE

The Office of Inspector General (OIG) received a memorandum from the Office of General Counsel (OGC), Ethics Division indicating (b) (6), (b) (7)(C) failed to file his Termination Public Financial Disclosure Report, OGE Form 278e by February 19, 2017, thirty days after he terminated his employment with the Department on January, 20, 2017 (Attachment 1). Prior to termination, (b) (6), (b) (7)(C) signed a memo acknowledging his filing obligation. On March 8, 2017, March 22, 2017 and May 1, 2017, the OGC Ethics Division sent email notifications to (b) (6), (b) (7)(C) informing him of his outstanding obligations, including electronic filing of his OGE Form 278e and payment of the \$200 late filing fee. The correspondence provided instructions for electronic submission of the form and payment of the fee.

On May 3, 2017, the OGC Ethics Division sent a letter to (b) (6), (b) (7)(C) via United Parcel Service, which advised he was required to submit the OGE Form 278e and pay the \$200 late filing fee. (b) (6), (b) (7)(C) failed to meet these requirements.

The OIG subsequently contacted the United States Attorney’s Office (USAO), Civil Division, Washington, DC and referred this matter. On January 26, 2018, the USAO, Civil Division issued a civil demand letter to the OIG which was to be hand-delivered to (b) (6), (b) (7)(C). The civil demand letter notified (b) (6), (b) (7)(C) of his requirement to file his OGE Form 278e and pay the \$200 late filing fee (Attachment 2). After an unsuccessful attempt to hand-deliver the civil demand letter, the OIG was contacted by (b) (6), (b) (7)(C) attorney who handled all future correspondence on behalf of (b) (6), (b) (7)(C). The civil demand letter was subsequently hand-delivered to (b) (6), (b) (7)(C) attorney on March 22, 2018.

On June 21, 2018, (b) (6), (b) (7)(C) filed his OGE Form 278e through Integrity.Gov (Attachment 3). The OGE Form 278e was reviewed and certified by the OGC Ethics Division on June 27, 2018. On September 13, 2018, the USAO, Civil Division, Washington, DC received payment of the \$200 late filing fee in the prescribed manner.

PROSECUTIVE STATUS

On November 21, 2017, this matter was presented to the USAO, Civil Division. The USAO, Civil Division issued a demand letter to (b) (6), (b) (7)(C) on January 26, 2018. (b) (6), (b) (7)(C) subsequently submitted his OGE Form 278e electronically through the Integrity.Gov system and submitted his late filing fee to the USAO, Civil Division. (b) (6), (b) (7)(C) has satisfied his outstanding requirements.

SUBJECT OF INVESTIGATION

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

[Redacted subject information]

FBI No: N/A

EXHIBITS

- 1. Referral Memorandum
- 2. USAO Demand Letter
- 3. (b) (6), (b) (7)(C) OGE Form 278e



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**



**CLOSING
REPORT OF INVESTIGATION**

(b) (6), (b) (7)(C) (EMPLOYEE)

I18EAS00522

JULY 11, 2018

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Report by:

(b) (6), (b) (7)(C)
Special Agent

Approved by:

GEOFFREY WOOD
Special Agent in Charge

Distribution:

File

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CLOSING

REPORT OF INVESTIGATION

(b) (6), (b) (7)(C) (EMPLOYEE)

SUMMARY

OIG received an allegation that (b) (6), (b) (7)(C), Office of Special Education and Rehabilitative Services (OSERS), sexually harassed and/or assaulted a fellow conference attendee after a networking event at the Hyatt Regency, Milwaukee, WI, in October 2017. The complainant stated she and (b) (6), were alone in the hotel elevator when (b) (6), pulled her towards him and kissed her without her consent.

This investigation revealed that (b) (6), kissed the complainant in the elevator and that the kiss was unwanted by the complainant. During an interview with OIG, (b) (6), displayed a lack of candor by initially denying his actions, but ultimately admitted to the accusation under further questioning.

An administrative referral was made to OSERS. As a result of the referral, OSERS suspended (b) (6), for three calendar days and ordered him to complete multiple Department training modules on sexual harassment.

VIOLATIONS

The activities identified in this report are violations of:

- ED HUMAN CAPITAL POLICY 751-1, Discipline and Adverse Actions
 - Inappropriate behavior of a sexual nature
 - Conduct unbecoming a Federal employee
 - Lack of candor

PREDICATION

This investigation was initiated based upon an allegation that (b) (6), (b) (7) sexually harassed and/or assaulted a fellow conference attendee after a networking event at the Hyatt Regency in Milwaukee, WI. The complainant stated she was alone in an elevator with (b) (6), when he pulled her towards him and kissed her without her consent.

NARRATIVE

OSERS management received a written complaint from (b) (6), (b) (7), an employee of the Ohio Department of Education. According to (b) (6) during the Division on Career Development and Transition (DCDT) conference held at the Hyatt Regency in Milwaukee, WI, she was sexually harassed and/or assaulted in the hotel elevator by (b) (6), (b) (6) claimed (b) (6), pulled her toward him and kissed her without her consent. She pulled away and told him “no.” He exited the elevator when he reached his floor. When (b) (6) reached her room, (b) (6), called her on her cellphone in an effort to meet back up with her. (b) (6) told him “no” and ended the conversation with him. She had no further contact with him during the conference.

(b) (6) was interviewed by OIG and reiterated the information provided in her complaint. She also confirmed that she filed a written complaint regarding the incident to (b) (6), (b) (7)(C), (b) (6), second line supervisor.

(b) (6), was interviewed by OIG. He initially stated he did not recall meeting (b) (6) and did not recall the incident. After additional questioning, (b) (6), admitted he did kiss (b) (6) in the elevator and that (b) (6) communicated through her body language that nothing would happen between them after he kissed her. After they separated from the kiss, (b) (6) told him, “No, stop it,” and raised her hands up. (b) (6), has not had any contact with (b) (6) since the conference.

Based on the results of this investigation, (b) (6), committed the following offenses in ED Human Capital Policy 751-1, Table of Penalties for Stated Offenses: Inappropriate behavior of a sexual nature; Conduct unbecoming of a Federal employee; and Lack of candor.

On May 29, 2018, an administrative referral was forwarded to OSERS (Exhibit 1). On July 6, 2018, OSERS notified OIG of the administrative action taken (Exhibit 2). (b) (6), was suspended for three calendar days and was ordered to complete multiple Department training modules on sexual harassment.

ADMINISTRATIVE STATUS

(b) (6), received a three calendar day suspension. In addition, he was required to successfully complete the following courses through the Department’s Training Management System: (1) Sexual Harassment Awareness; (2) Sexual Harassment Prevention for Federal Employees; (3) Dealing with Sexual Harassment Simulation; (4) Education Department Sexual Harassment Awareness; and (5) Workplace Harassment for Employees.

SUBJECT OF INVESTIGATION

(b) (6), (b) (7)(C)
[Redacted]

EXHIBITS

1. Referral Memorandum
2. OSERS Administrative Action Memorandum



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL
TECHNOLOGY CRIMES DIVISION**



**CLOSING
REPORT OF INVESTIGATION**

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

I18TCD02528

JULY 23, 2018

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Report by:

(b) (6), (b) (7)(C)
Special Agent

Approved by:

Robert Mancuso
Special Agent in Charge

Distribution: File

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CLOSING

REPORT OF INVESTIGATION

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

SUMMARY

(b) (6), (b) (7) socially engineered (b) (6), (b) (7) in order to obtain (b) (6), (b) (7) personal information. (b) (6), (b) (7) used the information to gain unauthorized access to (b) (6), (b) (7) Free Application for Federal Student Aid (FAFSA) account and change (b) (6), (b) (7) password, locking (b) (6), (b) (7) out of his FAFSA account. Additionally, (b) (6), (b) (7) used the information to gain unauthorized access to (b) (6), (b) (7) University of Tennessee (UT) email account and (b) (6), (b) (7) UT class registration account. (b) (6), (b) (7) locked (b) (6), (b) (7) out the email account and altered (b) (6), (b) (7) class schedule resulting in approximately \$100,000 in tuition charges. Prior to seeking a Federal search warrant for (b) (6), (b) (7) residence, information obtained from the Minnesota Bureau of Criminal Apprehension stated (b) (6), (b) (7) was found to be mentally incompetent. (b) (5), (b) (7), the United States Attorney's Office withdrew their support for this investigation and declined prosecution.

VIOLATIONS

The activities identified in this report are potential violations of:

- 18 U.S.C 1030 fraud/activity related to computers

PREDICATION

This investigation was initiated based upon information that (b) (6), (b) (7)(C) gained unauthorized access to (b) (6), (b) (7)(C) Federal Student Aid account and subsequently changed the password on that account, revoking (b) (6), (b) (7) access to the account.

NARRATIVE

Federal Bureau of Investigation (FBI) cyber task force officer (TFO), (b) (6), (b) (7)(C) contacted (b) (6), (b) (7)(C), ED OIG regarding the unauthorized access of (b) (6), (b) (7)(C) FAFSA account (Exhibit 1). Pursuant to a data request by TFO (b) (6), (b) (7)(C) ODAS records were obtained that showed (b) (6), (b) (7) account was accessed by an unknown individual. Based on this information, ED OIG joined the investigation with the FBI. Prior to seeking a Federal search warrant for (b) (6), (b) (7) residence, information obtained from the Minnesota Bureau of Criminal Apprehension stated (b) (6), (b) (7) was found to be mentally incompetent. (b) (5), (b) (7),

the United States Attorney's Office withdrew their support of this matter and declined prosecution. (Exhibit 2)

The following facts were established by the FBI's investigation and are contained in the draft search warrant affidavit attached to this report as Exhibit 3:

On 9/12/2017, TFO (b) (6), (b) (7)(C) , received a complaint from (b) (6), (b) (7)(C) for the University of Tennessee (UT) regarding a computer intrusion involving UT student (b) (6), (b) (7). (b) (6), (b) (7)(C) stated an unknown subject had gained unauthorized access to (b) (6), (b) (7)(C) UT Gmail account and changed the account to two factor authentication, which locked (b) (6), (b) (7) out of the account.

The subject also gained access to (b) (6), (b) (7) class registration console and added and deleted (b) (6), (b) (7) classes which resulted in approximately \$100,000 USD in tuition fees. The fees were ultimately removed by UT personnel.

Information obtained from UT showed internet protocol (IP) addresses (b) (6), (b) (7)(C) accessed the victim's email account (b) (6), (b) (7)(C) on the dates in question. Additional logs provided by UT showed that a recovery email of (b) (6), (b) (7)(C) and recovery phone number of (b) (6), (b) (7) were associated with the victim's email account (b) (6), (b) (7)(C) during that time.

Obtained records identified the IP addresses listed above belonging to (b) (6), (b) (7) , (b) (6), (b) (7)(C) .

Obtained records identified the phone number (b) (6), (b) (7) as belonging to (b) (6), (b) (7)(C) (b) (6), (b) (7)(C)

Obtained records identified email address (b) (6), (b) (7)(C) as being related to (b) (6), (b) (7)(C) . Email address (b) (6), (b) (7)(C) was accessed by IP address (b) (6), (b) (7)(C) which was identified as belonging to (b) (6), (b) (7) (b) (6), (b) (7)

On 9/13/2017, (b) (6), (b) (7)(C) made contact with (b) (6), (b) (7) who stated that the subject also gained unauthorized access to (b) (6), (b) (7) Free Application for Federal Student Aid (FAFSA) account and changed (b) (6), (b) (7) password.

(b) (6), (b) (7) stated he was familiar with an individual name (b) (6), (b) (7) from Minnesota whom he met on the Sony PlayStation network. (b) (6), (b) (7) stated (b) (6), (b) (7) used the moniker (b) (6), (b) (7)(C) on the Sony PlayStation network. He stated (b) (6), (b) (7) knew (b) (6), (b) (7) first and last name.

Obtained records identified the moniker (b) (6), (b) (7) as belonging to (b) (6), (b) (7)(C) . Additionally, the (b) (6), (b) (7) account was accessed using IP address (b) (6), (b) (7)(C) , which was identified as belonging to (b) (6), (b) (7) at the same address.

On 9/14/2017, (b) (6), (b) (7)(C) made contact with AUSA David Jennings who stated the United States Attorney's Office for the Eastern District of Tennessee would support this investigation. AUSA Matthew Morris was assigned the case.

On 10/19/2017, (b) (6), (b) (7)(C) made contact with ASAC (b) (6), (b) (7)(C), EDOIG regarding the case and requested assistance from EDOIG in obtaining information on (b) (6), (b) (7) FAFSA account, specifically log in information. ASAC (b) (6), (b) (7) subsequently provided the logs to (b) (6), (b) (7) that showed the invalid password attempts, the changing of the password and the acceptance of the banner in order to log in to the FAFSA account. Additionally, the IP address associated with (b) (6), (b) (7) was used to access (b) (6), (b) (7) FAFSA account during the time in question.

On 4/10/2018, at the request of (b) (6), (b) (7)(C) SA (b) (6) searched multiple IP addresses related to the subject through ODAS to determine if the subject had gained unauthorized access to any additional FAFSA accounts. The search results were negative.

On 6/19/2018, prior to the planned searched warrant, (b) (6), (b) (7)(C) informed EDOIG the case had been declined for prosecution by the United States Attorney's Office (b) (5) [REDACTED]

PROSECUTIVE STATUS

This investigation was declined for prosecution by the United States Attorney's Office in the Eastern District of Tennessee.

SUBJECT OF INVESTIGATION

Index
(b) (6), (b) (7)(C)
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

EXHIBITS

1. Email Correspondence
2. Email Correspondence
3. Draft Federal Search Warrant Affidavit



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**



**CLOSING
REPORT OF INVESTIGATION**

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

I18EAS03180

AUGUST 1, 2019

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Report by:

(b) (6), (b) (7)(C)
Special Agent

Approved by:

Geoffrey D. Wood
Special Agent in Charge

Distribution:

HQ
File

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CLOSING

REPORT OF INVESTIGATION

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

SUMMARY

This case was predicated on information received from a Congressional hearing during which members of Congress questioned Department of Education officials about possible conflicts of interest involving (b) (6), (b) (7)(C). The conflict of interest query involved (b) (6) emails and calendar entries (b) (6), (b) (7)(C).

The investigation focused on (b) (6) disclosed recusals pertaining to Gainful Employment (GE), Borrower Defense (BD) and (b) (6) other potential conflicts of interests. Several interviews, email queries, and other investigative measures were conducted in this matter. After several attempts were made to interview (b) (6) at OIG offices regarding his recusals, the Acting Inspector General notified the Deputy Secretary of (b) (6) failure to cooperate with the OIG. Subsequently, (b) (6) appeared for an interview. No evidence proving a violation of (b) (6) recusals were uncovered. These matters were also discussed with (b) (6), (b) (7)(C), the Department's (b) (6), (b) (7)(C), who also concluded that no conflict of interest was presented in this case.

VIOLATIONS

The activities identified in this report are potential violations of:

- 18 U.S.C. § 209 - Conflict of Interest
- 18 U.S.C. § 208 - Acts Affecting a Personal Financial Interest
- 5 C.F.R § 2635.502 – Violation of Personal and Business relationships
- E.O. 13770 – Violation of Ethics Pledge Executive Branch Employees
- ACS Departmental Directive OIG: 1-102 – Failure to Cooperate with the Office of Inspector General

PREDICATION

This case was predicated on information that arose during a Congressional hearing regarding possible conflicts of interest involving (b) (6). The conflict of interest query involved (b) (6) emails and calendar entries (b) (6), (b) (7)(C).

(b) (6) ED OIG initiated an investigation into potential violations committed by (b) (6).

NARRATIVE

ED OIG initiated an investigation into potential violations committed by (b) (6), (b) (7)(C) involving alleged conflicts of interest. ED OIG requested and received access to (b) (6), (b) (7)(C) Department email account which identified several emails associated with (b) (6), (b) (7)(C) recusals and other potential conflicts of interest involving the work (b) (6), (b) (7)(C) was performing.

On September 19, 2018, (b) (6), (b) (7)(C), U.S. Department of Education, was interviewed. (b) (6), (b) (7)(C) stated that she worked with (b) (6), (b) (7)(C) on occasion for matters involving policies (Attachment 1). (b) (6), (b) (7)(C) always removed himself from GE matters whether it was on emails or in meetings. If the subject turned to GE, (b) (6), (b) (7)(C) would either excuse himself or remove himself from an email. She also recalled that he was recused from working on BD claims regarding his former employers and for-profit schools that were involved with BD actions with ED. (b) (6), (b) (7)(C) excused himself from meetings when the discussion turned to GE related matters and removed himself from emails.

On September 19, 2018, (b) (6), (b) (7)(C), U.S. Department of Education, was interviewed (Attachment 2). (b) (6), (b) (7)(C). In that position, she worked with (b) (6), (b) (7)(C) on occasion for matters involving the Secretary. (b) (6), (b) (7)(C) could not recall if (b) (6), (b) (7)(C) was recused from any BD matters. She did not recall any recusals having to do with former employers and for-profit schools that were involved with BD actions with the Department. (b) (6), (b) (7)(C) recalled that (b) (6), (b) (7)(C) always removed himself from GE matters whether it was on emails or in meetings. (b) (6), (b) (7)(C) recalled that (b) (6), (b) (7)(C) was emphatic about removing himself from GE related issues, and he would communicate the fact that he could not participate or be involved with any GE related matters.

(b) (6), (b) (7)(C) was contacted for an interview on October 17, 2018 and he advised that he needed to speak with an attorney. On November 7, 2018, ED OIG was contacted by (b) (6), (b) (7)(C) attorney and between November 14, 2018 and January 22, 2019, ED OIG attempted to set up an interview with (b) (6), (b) (7)(C) attorney tried to dictate the terms of the interview and eventually refused to make (b) (6), (b) (7)(C) available for an interview at ED OIG offices on January 23, 2019.

On March 29, 2019, Acting Inspector General (IG) Sandra Bruce sent a letter to Deputy Secretary Mitchell Zais regarding (b) (6), (b) (7)(C) failure to cooperate with the OIG (Attachment 3). In this letter, Acting IG Bruce advised (b) (6), (b) (7)(C) the Deputy Secretary that the OIG cannot allow employees, no matter their seniority within the Department, to dictate how and where an interview is to be conducted. Acting IG Bruce also advised that (b) (6), (b) (7)(C) refusal to submit to an interview prevents the OIG from completing their mission to investigate fraud, waste and abuse within Departmental programs. Acting IG Bruce advised Deputy Secretary Zais that (b) (6), (b) (7)(C) non-cooperation would be reported in the semiannual report and would be referred to the Department for potential discipline if he continued to refuse to cooperate.

On April 15, 2019, ED OIG was contacted by (b) (6), (b) (7)(C) new attorney who advised that (b) (6), (b) (7)(C) would agree to be interviewed.

On May 9, 2019, (b) (6), (b) (7)(C) U.S. Department of Education, was interviewed (Attachment 4). (b) (6) advised that he contacted (b) (6), (b) (7)(C) shortly after his arrival at the Department to discuss potential conflicts of interests regarding his employment with the Department. After his arrival, he was directed that he could not work on matters involving specific borrower defense claims where his former employer was a party to the claim. (b) (6) also voluntarily recused himself from borrower defense matters and policy discussions regarding pending claims under the old borrower defense regulations and from participating in discussions about, the review of, or modifications to the Department's gainful employment regulations and guidance until February 2019.

(b) (6) reviewed a series of tweets that (b) (6), (b) (7)(C) posted via Twitter. The tweets included two of (b) (6) emails and a calendar entry. One email, (b) (6), (b) (7)(C) the presentation on Higher Education, and he did not organize any presentations or meetings on gainful employment. He attended the presentation but left when the subject turned to gainful employment. (b) (6) reviewed a calendar entry from his calendar that displayed a (b) (6), (b) (7)(C) (b) (6) admitted that he was on this call for the portion that included borrower defense and recused himself for the GE matters. In another email from (b) (6), (b) (7)(C), which included an attached draft backgrounder, (b) (6) requested that the gainful employment insert be removed before it was sent over to the White House. (b) (6) explained that this email referenced regulatory resets and when it was sent it still had an insert for gainful employment, and he wanted it removed. (b) (6) maintained that he did not violate any of his recusals and did not have any conflicts of interest regarding his work at the Department.

On June 19, 2019, ED OIG discussed the results of this investigation with (b) (6), (b) (7)(C), who in turn consulted with the Office of Government Ethics (OGE). (b) (6), (b) (7)(C) concluded, in consultation with OGE, that (b) (6) did not appear to be in violation of a statutory, regulatory and/or an ethics pledge disqualification. (b) (6) was not barred from working on specific legal matters other than those he was already (b) (6) recused from involving GE and pending BD claims against the Department.

PROSECUTIVE/ADMINISTRATIVE STATUS

On October 9, 2018, this investigation was presented to the USAO for the District of Columbia and on October 10, 2018, was declined for prosecution.

On March 29, 2019, Acting Inspector General Bruce referred (b) (6) failure to cooperate with the OIG to Deputy Secretary Mitchell.

SUBJECT OF INVESTIGATION

Name: (b) (6), (b)
Title: (b) (6), (b) (7)(C)
Address: 400 Maryland Avenue SW, Washington D.C. 20202
Phone: (b) (6), (b) (7)(C)

EXHIBITS

1. Interview of (b) (6), (b) (7)(C), dated September 19, 2018
2. Interview of (b) (6), (b) (7)(C), dated September 19, 2018
3. Acting Inspector General letter to Deputy Zais, dated March 29, 2019
4. Interview of (b) (6), (b) (7)(C), dated May 9, 2019