Description of document:	Department of Transportation (DOT) Office of Inspector General (OIG) Various investigation reports closed during 2019-2020
Requested date:	07-May-2020
Release date:	09-June-2021
Posted date:	05-July-2021
Source of document:	FOIA Requester Service Center Department of Transportation 1200 New Jersey Avenue, S.E., 7th Floor Washington, DC 20590 Fax: 202-366-1975 (Attn: FOIA Requester Service Center) Preferred during COVID-19 pandemic: Online FOIA Submission Form FOIA Online

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL

June 9, 2021

RE: FOIA Request, Control No.: FI-2020-0086

This letter is in response to your Freedom of Information Act (FOIA) request, dated May 7, 2020, sent to the U.S. Department of Transportation (DOT), Office of the Inspector General (OIG). The DOT OIG FOIA Office received your request on May 8, 2020. You requested the following records:

"A copy of the final report, report of investigation, closing memo, referral memo, and other concluding documents for each of the following DOT OIG investigations: I17Z0020200 USMMA Soccer Team Bus Incident, I17A0040200 Unmanned Aircraft Systems, I17G0050200 Cold Spring Construction Company, I16G0110200 Operation See No Evil, I15G0110200 NYS MTA DBE Settlements, I16E0010200 Operation Fix My House, I14E013SINV Relocation Funds Fraud, I14E016SINV Contract Rigging, I15E004SINV redacted, I15A001SINV Miami Air International, I18E0080300 Ethics Violation, I18E0120300 Ethics Violation, I18E130300 Ethics Violation, I17A0080300 Gray - Unauthorized Operation of an Aircraft, I17E0140300 Office of Commercial Space Transportation, I18A0010300 PIFER, I17A0050300 Commercial Pilot, I17A0060300 Unmanned Aircraft Systems, I16G0090300 Other, I16G0140300 Potomac Construction Company, I17H0010300 PHMSA Tank Cars, I15E016SINV Ethics violation, I16G001SINV redacted, I16E0020300 Conflict of Interest, I19A0050400 Brown Unmanned Aircraft Systems, I17E0060500 Disclosure of Confidential Information, I17E0040400 Prohibited Personnel Violation, I16T0020400 Daewon America, I07M000258CC O-United, Inc., I17H0030500 Koch Pipeline Company, I17E0050500 Extortion/Employee Integrity, I18A0030500 Cirrus Aircraft, I17A0010500 Unmanned Aircraft Systems, I17E0020500, redacted, I15T0010500 Takata, I14E0050500 Ethics Violation, I16G0120900 Public Corruption/Extortion, I17E0050401 Bribery/Gratuities, I17A0090400 Accident Related, I16H0060400 Colonial Pipeline Company, I16G0080401 redacted, I17A0080400 Mustang Sally Aviation, I15E0050902 redacted, I16E0040902 redacted, I14H0020202 Philadelphia Food Truck Explosion, I14E0040900

Conflict of Interest, I18A0130903 McIntyre, I14E001CCU FAA PRISM Disruption of Services, I16E0020100 Child, I13G0110600 US ex rel Thigpen."

Enclosed are 146 pages of documents responsive to your request. Some information was redacted or withheld pursuant to exemptions provided by the FOIA. (5 U.S.C. §552 (b)(5), (b)(6), (b)(7)(c).[1] We are producing the 146-page document with redactions.

On May 25, 2021, DOT OIG Attorney/FOIA Officer Barbara Hines spoke with you via telephone. During your conversation with Ms. Hines, she informed you that we had completed our review of the records responsive to this request and are currently consulting one Report of Investigation (ROI) with the Office of the Secretary of Transportation (OST) FOIA Office. You agreed to receive the records that are ready for disclosure and consider the Report of Investigation to be responsive to DOT OIG FOIA Request, Control No.: FI-2020-0109.

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.

For any further assistance, you may contact Attorney-Advisor/FOIA Officer Barbara Hines at (202) 680-3084, Barbara.Hines@oig.dot.gov. You may also contact our FOIA Public Liaison, Marie Miller at (202) 366-1959, Marie.Miller@oig.dot.gov.

If you are not satisfied with the DOT OIG's determination in response to this request, you may administratively appeal by writing to the Chief Counsel for the Office of Inspector General, Department of Transportation, 7th Floor West (JL), 1200 New Jersey Avenue, S.E. Washington, DC 20590. Appeals to the Chief Counsel should be prominently marked as a "FOIA Appeal." If you prefer, your appeal may be sent via

---

[1] Exemption 5 protects documents that are pre-decisional and are a direct part of the deliberative process. Exemption 6 protects names and any data identifying individuals if public disclosure would be a clearly unwarranted invasion of privacy. Exemption 7(C) protects personal information in law enforcement records. It prevents the disclosure of law enforcement information which could reasonably be expected to constitute an unwarranted invasion of personal privacy. Exemption 7(E) protects techniques/procedures used in law enforcement investigations or prosecutions from disclosure. It prevents the disclosure of guidelines for law enforcement investigations or prosecutions if disclosure could reasonably be expected to risk circumvention of the law.

electronic mail to FOIAAPPEALS@oig.dot.gov. An appeal must be received within 90 days of the date of this letter and should contain any information and arguments you wish to rely on. The Chief Counsel's determination will be administratively final.

You also have the right to seek dispute resolution services from the FOIA Public Liaison (contact information shown above) or the Office of Government Information Services (https://ogis.archives.gov) via phone—202-741-5770 / toll free—1-877-684-6448; fax—202-741-5769; or email— ogis@nara.gov.

Please be advised, due to the COVID-19 pandemic the DOT OIG FOIA Office is currently operating on a remote basis only. Therefore, there may be significant delays in the processing of current and future FOIA requests received via postal mail. Likewise, the delivery of printed copies will be impacted and experience significant delays.

Until further notice, we recommend (when possible) that FOIA requests be submitted using our online portal at https://www.oig.dot.gov/FOIA or the National FOIA portal at https://www.foia.gov/. We apologize for any inconvenience this may cause. Thank you for your patience.

Sincerely,

Siera Griffin
Government Information Specialist

Enclosure

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF INSPECTOR GENERAL

June 9, 2021

RE: FOIA Request, Control No.: FI-2020-0086

This letter is in response to your Freedom of Information Act (FOIA) request, dated May 7, 2020, sent to the U.S. Department of Transportation (DOT), Office of the Inspector General (OIG). The DOT OIG FOIA Office received your request on May 8, 2020. You requested the following records:

"A copy of the final report, report of investigation, closing memo, referral memo, and other concluding documents for each of the following DOT OIG investigations: I17Z0020200 USMMA Soccer Team Bus Incident, I17A0040200 Unmanned Aircraft Systems, I17G0050200 Cold Spring Construction Company, I16G0110200 Operation See No Evil, I15G0110200 NYS MTA DBE Settlements, I16E0010200 Operation Fix My House, I14E013SINV Relocation Funds Fraud, I14E016SINV Contract Rigging, I15E004SINV redacted, I15A001SINV Miami Air International, I18E0080300 Ethics Violation, I18E0120300 Ethics Violation, I18E130300 Ethics Violation, I17A0080300 Gray - Unauthorized Operation of an Aircraft, I17E0140300 Office of Commercial Space Transportation, I18A0010300 PIFER, I17A0050300 Commercial Pilot, I17A0060300 Unmanned Aircraft Systems, I16G0090300 Other, I16G0140300 Potomac Construction Company, I17H0010300 PHMSA Tank Cars, I15E016SINV Ethics violation, I16G001SINV redacted, I16E0020300 Conflict of Interest, I19A0050400 Brown Unmanned Aircraft Systems, I17E0060500 Disclosure of Confidential Information, I17E0040400 Prohibited Personnel Violation, I16T0020400 Daewon America, I07M000258CC O-United, Inc., I17H0030500 Koch Pipeline Company, I17E0050500 Extortion/Employee Integrity, I18A0030500 Cirrus Aircraft, I17A0010500 Unmanned Aircraft Systems, I17E0020500, redacted, I15T0010500 Takata, I14E0050500 Ethics Violation, I16G0120900 Public Corruption/Extortion, I17E0050401 Bribery/Gratuities, I17A0090400 Accident Related, I16H0060400 Colonial Pipeline Company, I16G0080401 redacted, I17A0080400 Mustang Sally Aviation, I15E0050902 redacted, I16E0040902 redacted, I14H0020202 Philadelphia Food Truck Explosion, I14E0040900

Conflict of Interest, I18A0130903 McIntyre, I14E001CCU FAA PRISM Disruption of Services, I16E0020100 Child, I13G0110600 US ex rel Thigpen."

Enclosed are 146 pages of documents responsive to your request. Some information was redacted or withheld pursuant to exemptions provided by the FOIA. (5 U.S.C. §552 (b)(5), (b)(6), (b)(7)(c).[1] We are producing the 146-page document with redactions.

On May 25, 2021, DOT OIG Attorney/FOIA Officer Barbara Hines spoke with you via telephone. During your conversation with Ms. Hines, she informed you that we had completed our review of the records responsive to this request and are currently consulting one Report of Investigation (ROI) with the Office of the Secretary of Transportation (OST) FOIA Office. You agreed to receive the records that are ready for disclosure and consider the Report of Investigation to be responsive to DOT OIG FOIA Request, Control No.: FI-2020-0109.

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.

For any further assistance, you may contact Attorney-Advisor/FOIA Officer Barbara Hines at (202) 680-3084, Barbara.Hines@oig.dot.gov. You may also contact our FOIA Public Liaison, Marie Miller at (202) 366-1959, Marie.Miller@oig.dot.gov.

If you are not satisfied with the DOT OIG's determination in response to this request, you may administratively appeal by writing to the Chief Counsel for the Office of Inspector General, Department of Transportation, 7th Floor West (JL), 1200 New Jersey Avenue, S.E. Washington, DC 20590. Appeals to the Chief Counsel should be prominently marked as a "FOIA Appeal." If you prefer, your appeal may be sent via

---

[1] Exemption 5 protects documents that are pre-decisional and are a direct part of the deliberative process. Exemption 6 protects names and any data identifying individuals if public disclosure would be a clearly unwarranted invasion of privacy. Exemption 7(C) protects personal information in law enforcement records. It prevents the disclosure of law enforcement information which could reasonably be expected to constitute an unwarranted invasion of personal privacy. Exemption 7(E) protects techniques/procedures used in law enforcement investigations or prosecutions from disclosure. It prevents the disclosure of guidelines for law enforcement investigations or prosecutions if disclosure could reasonably be expected to risk circumvention of the law.

electronic mail to FOIAAPPEALS@oig.dot.gov. An appeal must be received within 90 days of the date of this letter and should contain any information and arguments you wish to rely on. The Chief Counsel's determination will be administratively final.

You also have the right to seek dispute resolution services from the FOIA Public Liaison (contact information shown above) or the Office of Government Information Services (https://ogis.archives.gov) via phone—202-741-5770 / toll free—1-877-684-6448; fax—202-741-5769; or email— ogis@nara.gov.

Please be advised, due to the COVID-19 pandemic the DOT OIG FOIA Office is currently operating on a remote basis only. Therefore, there may be significant delays in the processing of current and future FOIA requests received via postal mail. Likewise, the delivery of printed copies will be impacted and experience significant delays.

Until further notice, we recommend (when possible) that FOIA requests be submitted using our online portal at https://www.oig.dot.gov/FOIA or the National FOIA portal at https://www.foia.gov/. We apologize for any inconvenience this may cause. Thank you for your patience.

Sincerely,

Siera Griffin
Government Information Specialist

Enclosure

Memorandum

U.S. Department of Transportation

Office of Inspector General

Subject: INFORMATION: Case Closing I17A0050300 (b)(6), (b)(7)c Commercial Pilot Operating Aircraft Under the Influence

Date: February 21, 2018

From: Floyd Sherman Floyd Sherman
Special Agent-in-Charge
Washington Regional Office, JRI-3

Reply to Attn of: 202-366-4189

To: (b)(6), (b)(7)c
FAA Special Investigations Branch, AAM-830

On March 9, 2017, the U.S. Department of Transportation (DOT), Office of Inspector General (OIG), received a referral from the Federal Aviation Administration (FAA), Special Investigations Branch who reported (b)(6), (b)(7)c performed duties as (b)(6), (b)(7)c (b)(6), (b)(7)c while intoxicated on November 17, 2016. (b)(6), (b)(7)c transported more than 40 passengers and crew from Minneapolis, MN to Arlington, VA. Following the flight, (b)(6), (b)(7)c was selected for random breath alcohol testing. (b)(6), (b)(7)c initial test was 0.092% and (b)(6), (b)(7)c confirmation test was 0.090%.

DOT OIG interviewed the (b)(6), (b)(7)c of flight 4635, who stated (b)(6), (b)(7)c did not see (b)(6), (b)(7)c consume any alcohol prior to departure and did not smell the odor of alcohol on (b)(6), (b)(7)c stated (b)(6), (b)(7)c did not appear intoxicated, and (b)(6), (b)(7)c behavior before and during the flight were normal. However, (b)(6), (b)(7)c other witnesses interviewed by DOT OIG said they smelled alcohol on (b)(6), (b)(7)c breath.

DOT OIG requested a back-extrapolation of (b)(6), (b)(7)c blood ethanol concentration from the Federal Bureau of Investigation (FBI) Laboratory. FBI determined (b)(6), (b)(7)c blood ethanol concentration was between 0.122 and 0.167 gram percent when (b)(6), (b)(7)c departed (b)(6), (b)(7)c exceeding the criminal presumption of 0.10 gram percent in Title 18 United States Code (USC), Section 343, and therefore violating Title 18 USC, Section 342.

DOT OIG presented the case for criminal prosecution to the United States Attorney's Office, Eastern District of Virginia (USAO EDVA). USAO EDVA declined to prosecute (b)(6), (b)(7)c stating their decision was based primarily on the fact that over a year had passed since (b)(6), (b)(7)c violation.

This investigation is closed with no further action anticipated by this office.

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER I18A0030500	DATE September 27, 2019
TITLE Cirrus Design Corporation (dba Cirrus Aircraft) 4961 Airport Road Hermantown, MN 55811 VIOLATION(S): 18 USC §1001, False Statements	PREPARED BY SPECIAL AGENT (b)(6), (b)(7)c DISTRIBUTION Region 4	STATUS Final INITIAL (b)(6), (b)(7)c 1/5 APPROVED AMK

DETAILS

This investigation was based upon a referral from the Air Force Office of Special Investigations (AFOSI), Office of Procurement Fraud, regarding allegations brought forth in a letter by a private citizen. (b)(6), (b)(7)c alleged that Cirrus purposely left out critical information pertaining to aircraft sold to the U.S. Air Force (USAF). This, in essence, would affect the aircrafts' certificate and thereby would have affected the USAF's decision to purchase the aircraft. As a member of the team associated with the design and technical aspects of Cirrus' aircraft, (b)(6), (b)(7)c further alleged that management specifically instructed (b)(6), (b)(7)c to not provide information about faulty parts, accidents involving deaths, etc. to the USAF. (b)(6), (b)(7)c stated (b)(6), (b)(7)c reluctance to continue to deceive the USAF in this manner led to (b)(6), (b)(7)c (Attachments 1-2).

The complainant, (b)(6), (b)(7)c advised (b)(6), (b)(7)c had also sent the complaint to the DOT-OIG Hotline who initially reviewed and subsequently closed it. The AFOSI had questions about the complaint as it related to the FAA and its aircraft certification process and wanted to collaborate with the OIG (Attachment 3).

Since early 2011, Cirrus was wholly owned by China Aviation Industry General Aircraft (CAIGA), a subsidiary of Aviation Industry Corporation (AVIC), which was owned by the People's Republic of China. Cirrus designs, manufactures, and distributes private, commercial, and military aircraft. The OIG interviewed (b)(6), (b)(7)c who worked for Cirrus from (b)(6), (b)(7)c as a (b)(6), (b)(7)c an (b)(6), (b)(7)c, and eventually as a (b)(6), (b)(7)c here (b)(6), (b)(7)c (b)(6), (b)(7)c communicating with the Engineering Department, and working in the Litigation Department dealing with, and producing documents for, the opposition's legal counsel until (b)(6), (b)(7)c

(b)(6), (b)(7)c At the instructions of superiors, (b)(6), (b)(7)c alleged that was ordered to destroy certain aircraft parts, take electronic media and videotapes offsite, and to move physical copies of materials off of the Cirrus computer system and into areas not searched when documents and information were demanded by third-party entities in reference to lawsuits against Cirrus. Also, on numerous occasions during employment, (b)(6), (b)(7)c allegedly was ordered by Cirrus executives to physically destroy items, including electronic media, videotapes, and copies of documents. Allegedly, this was done to hide crash data, design defects, and poor performance specifications of some of their aircraft, including the SR20, which was sold to the U.S. Air Force Academy in Colorado (Attachments 4-5).

The OIG interviewed (b)(6), (b)(7)c (b)(6), (b)(7)c to represent against Cirrus for (b)(6), (b)(7)c and (b)(6), (b)(7)c a hard drive to hold for safe keeping. described (b)(6), (b)(7)c as a straight forward person who was a (b)(6), (b)(7)c and (b)(6), (b)(7)c for Cirrus' aircraft. However, when (b)(6), (b)(7)c in the Legal Department, they had running around "sanitizing" accident sites (i.e. destroying evidence, etc.). (b)(6), (b)(7)c was (b)(6), (b)(7)c from Cirrus for what believes were trumped up reasons, which included (b)(6), (b)(7)c not wanting to continue being a part of deceiving the USAF in reference to the sale of Cirrus' aircraft to them. believed the SR20 was a fine aircraft for its type, but it had some issues that should have been disclosed. added that Cirrus was sold to the CAIGA in 2011, and the deal closed during that summer. stated the deal should not have gone through because of intellectual property which should not have been sold to China. The three main issues with the

(b)(4)

Cirrus needed permission from The Committee on Foreign Investment in the United States (CFIUS), but lied to CFIUS about the issues. added that Cirrus changed the design of the parachute deployment from being activated by hand mechanically to an electronic system. This would make the deployment system susceptible to electrical issues, such as being struck by lightning (Attachment 6).

The OIG interviewed (b)(6), (b)(7)c of Cirrus Aircraft. Referencing the USAF contract, (b)(6), (b)(7)c stated that without knowing the specifications (specs), was surprised the USAF wanted the SR20 because it was "under powered" based on Colorado's altitude and temperature. Technically, it could do the job, but only if done correctly. The SR22 would have been more of an ideal option for them. wondered who

made the decision for the USAF. (b)(6), (b)(7)c believed that was where Cirrus manipulated the wording in what they would have provided. (b)(6), (b)(7)c was told by (b)(6), (b)(7)c sources that Cirrus lied to the USAF about what the SR20 could do. (b)(6), (b)(7)c did not ask any follow-up questions, but was not surprised by the information. If the design specs were within the Pilot Operating Handbook (POH), then it should perform that way. (b)(6), (b)(7)c question about the contract would have been: "Do the numbers on the specs ever meet the POH?" This would correlate to the specs vs their intent. (b)(6), (b)(7)c believed Cirrus may have "assumed" the numbers vs actually testing the numbers. Referencing the allegations about Cirrus not providing correct information to CFIUS, (b)(6), (b)(7)c stated Cirrus did file for an opinion with them and should have been transparent, but (b)(6), (b)(7)c did not know what was done. (b)(6), (b)(7)c stated the following about the three specific subjects that Cirrus allegedly lied about to CFIUS:

(b)(4)

(b)(6), (b)(7)c knew the parachute deployment on the Cirrus aircraft was previously manual, but was changed to electrical. However, (b)(6), (b)(7)c did not know why it was done. (b)(6), (b)(7)c stated "The issue should be about transparency. If it needs to be fixed, then fix it. Don't lie about it. It appears to be about the 'numbers' (metrics)." (b)(6), (b)(7)c believed their attitude was "if you can't measure it, then it's not important." (b)(6), (b)(7)c provided an example involving the Testing Department saying their metric was to fly the aircraft less to save money. The problem with this was when something went wrong in production or after the sale, then the expenses increased dramatically (Attachment 7).

The OIG reviewed documents released by the USAF including the United State Air Force Academy (USAFA) T-53A Qualification Test and Evaluation, and their contract with Cirrus to purchase the aircraft. The T-53A was the USAF's designation for the Cirrus SR20. After conducting several tests on the aircraft, the USAF provided an executive summary that stated, "…[T]he T-53A was

able to perform all of the functions in the USAFA syllabus and was controllable during crosswind takeoffs and landings. All of the customer-requested data were collected to support the development of the flight manual T.O. Proceed to operational testing for an analysis of student training impact due to the deficiencies noted (Attachments 8-9)."

(b)(6), (b)(7)c provided the OIG with several documents and some hard drives containing information relevant to the allegations. After reviewing the information, the OIG determined there was not enough document evidence/information to support the allegations. Despite several requested attempts of (b)(6), (b)(7)c by the OIG, (b)(6), (b)(7)c could not sufficiently prove or validate the hard drives (b)(6), (b)(7)c provided (some of which were corrupted or password protected) were actually (b)(6), (b)(7)c property and not that of Cirrus. Without this validation, the OIG's Data Analytics & Computer Crimes (DACC) Team could not analyze the contents of the drives (Attachments 10-12).

The OIG presented the case to the U.S. Attorney's Office, District of Minnesota and they declined to pursue criminal prosecution (Attachment 13). Based on this declination and a lack of corroborating evidence to support the original allegations, there will be no further investigation into this matter and the case is now closed.

-#-

INDEX OF ATTACHMENTS

No.	Description
1.	Email RE DOT IG contact in Minneapolis Area-20171026
2.	(b)(6), (b)(7)c denial letter dtd FAA WB 7-26-17
3.	Email RE DOT IG contact in Minneapolis Area-20171027
4.	(b)(6), (b)(7)c IG CORREP
5.	(b)(6), (b)(7)c Interview
6.	(b)(6), (b)(7)c Interview
7.	(b)(6), (b)(7)c Interview
8.	AFFTC-TR-11-65 (USAFA PFP)_R03
9.	28693173191240-Cirrus Contract for AF Academy Trainers
10.	Documents Received from (b)(6), (b)(7)c Ref Cirrus Aircraft [ZIP]
11.	Email Re Hard Drives-20180924
12.	Email Cirrus Aircraft-20181002
13.	Email Declination To Criminally Prosecute Cirrus Aircraft Case-20190927

Note: All of the above documents and all case documents, including all interview reports, are maintained in the electronic case folder; therefore, there are no documents attached to this report.

Memorandum

U.S. Department of Transportation

Office of Inspector General

Subject: INFORMATION: Case Closure (b)(6), (b)(7)c Contract Rigging I14E016SINV

Date: June 15, 2018

From: Floyd Sherman
Special Agent-in-Charge, JRI-3

Reply to Attn of: JRI-3 (202) 366-4189

To: File

On March 12, 2014, the OIG Complaint center Operations received an allegation concerning possible misconduct by (b)(6), (b)(7)c According to the complainant and others, it appears that (b)(6), (b)(7)c and (b)(6), (b)(7)c are a couple, rather than work colleagues as (b)(6), (b)(7)c frequently attended workshops and conferences with (b)(6), (b)(7)c In 2012, (b)(6), (b)(7)c directed UB to task a contract supplement and (b)(6), (b)(7)c was the recipient of a task valued at approximately $90,000

Documentation and analysis confirmed that (b)(6), (b)(7)c recommended the University hire (b)(6), (b)(7)c friend and how much (b)(6), (b)(7)c contract amount should be.

This Investigation was presented to the DOJ Washington DC District and declaimed for criminal prosecution.

(b)(6), (b)(7)c Retired during this investigation.

This case will be closed with no further action anticipated by our office.

Memorandum

U.S. Department of Transportation

Office of the Secretary of Transportation

Office of Inspector General

Subject: **INFORMATION**: OIG Case # I16G0120900
RE: (b)(6), (b)(7)c Public Corruption

Date: November 21, 2019

From: for (b)(6), (b)(7)c
Jeffrey Dubsick
Special Agent-in-Charge, JRI-5

Reply to Attn. of: Dubsick
(415) 214-2392

To: K. Jane Williams
Acting Administrator
Federal Transit Administration

This memorandum summarizes the results of an Office of Inspector General (OIG) investigation involving (b)(6), (b)(7)c (b)(6), (b)(7)c

This investigation was initiated based on a referral from the Federal Bureau of Investigation (FBI) Phoenix, AZ. During an embezzlement investigation into Stephen Banta (Banta), former CEO, Valley Metro Regional Public Transportation Authority, it was revealed that Banta used public funds to pay for lavish meals with public officials which sometimes included FTA Region 9 officials. It was also revealed that (b)(6), (b)(7)c (b)(6), (b)(7)c paid for alcohol expenses during outings. (Note: In November 2018, Banta who pleaded guilty to fraudulent schemes and practices was sentenced to probation and ordered to pay $6K for fraud.)

FBI agents interviewed several FTA Region 9 employees whom admitted attending quarterly meals with Valley Metro officials, (b)(6), (b)(7)c and other public officials. Some FTA employees stated they provided small cash contributions to (b)(6), (b)(7)c but others did not. One former FTA employee stated they witnessed (b)(6), (b)(7)c drink expensive wines excessively during the dinners.

FBI agents interviewed (b)(6), (b)(7)c who stated it was a folklore gentleman's agreement that FTA employees would contribute $40-50 per person in cash since they could not accept gifts. (b)(6), (b)(7)c said it was an unfortunate situation and was regrettable. FBI was able to

demonstrate that from 2010 to 2015 (b)(6), (b)(7)c attended at least 13 meals paid for by Banta.

On June 2017, pursuant to a USDOT-OIG subpoena (b)(6), (b)(7)c provided internal expense records which indicated from 2011 to 2015, (b)(6), (b)(7)c paid for alcohol on at least eight occasions. The alcohol expense ranged from $188 to $1,069.

On November 20, 2018, USDOT-OIG agents interviewed (b)(6), (b)(7)c (b)(6), (b)(7)c after a proffer agreement was offered by the U.S. Attorney's Office. (b)(6), (b)(7)c admitted the existence of an arrangement where Banta paid for the meals while (b)(6), (b)(7)c paid for the alcohol during quarterly dinners which included FTA Region 9 officials. This agreement was established by the former PMOC when (b)(6), (b)(7)c (b)(6), (b)(7)c assumed the task order in Mesa, Arizona. After learning of the arrangement, (b)(6), (b)(7)c informed (b)(6), (b)(7)c who approved continuing the agreement citing it as an entertainment expense. Banta could not pay for the alcohol because Valley Metro's policy prohibited purchasing alcohol. The meals were held in Phoenix or San Francisco following the quarterly meetings. The attendee list was tightly controlled by FTA Region 9 and Valley Metro who sent out calendar invitations.

(b)(6), (b)(7)c described what usually occurred at the conclusion of a quarterly meeting (b)(6), (b)(7)c and other (b)(6), (b)(7)c staff were typically the last to arrive at the preselected restaurant. Valley Metro and FTA Region 9 officials began ordering drinks at the bar. By the time (b)(6), (b)(7)c arrived at the restaurant, it was known that (b)(6), (b)(7)c was the individual paying for the alcohol bill. It was usually Banta and (b)(6), (b)(7)c who ordered the drinks and they ordered as much as they wanted without ever asking (b)(6), (b)(7)c for permission. When the final bill was provided, it was split in two – meals and alcohol. (b)(6), (b)(7)c paid using (b)(6), (b)(7)c company credit card. (b)(6), (b)(7)c never received any cash contributions from FTA Region 9 officials (except in one instance where a HQ FTA employee contributed money) (b)(6), (b)(7)c also never witnessed any cash contributions made to Banta by FTA Region 9 officials. After returning from (b)(6), (b)(7)c trip, (b)(6), (b)(7)c filed a travel voucher where (b)(6), (b)(7)c attached the alcohol receipt and the attendee list. (b)(6), (b)(7)c explicitly made a note in their system not to bill the alcohol expense back to the FTA because (b)(6), (b)(7)c knew it was not a reimbursable expense.

(b)(6), (b)(7)c added that during (b)(6), (b)(7)c career (b)(6), (b)(7)c had many meals with various FTA officials around the country. But (b)(6), (b)(7)c experience with FTA Region 9 officials was the only FTA office that did not pay for their fair share of meals and alcohol.

The U.S. Attorney's Office, Northern District of California declined criminal prosecution of this case.

The OIG is closing its investigative file on this matter with no further action. If you have any questions, please contact Assistant Special Agent-in-Charge, (b)(6), (b)(7)c (b)(6), (b)(7)c

Memorandum

U.S. Department of Transportation

Office of Inspector General

Subject: INFORMATION: Case Closure
I16G0140300 – Potomac Construction - Kickbacks

Date: April 12, 2019

From: Jamie Mazzone
Special Agent-in-Charge, JRI-2
Mid-Atlantic Regional Office

Reply to Attn of: JRI-2
(202) 366-4189

To: (b)(6), (b)(7)c

On February 19, 2019, Hardutt Singh was acquitted in Prince George's County, MD Circuit Court of Attempted Bribery of a Public Officer.

As previously reported, Singh pleaded not guilty to one count of Attempted Bribery of a Public Officer. Singh was accused of attempting to bribe a Washington Metropolitan Area Transit Authority Disadvantaged Business Enterprise Manager.

DOT-OIG conducted this investigation jointly with the FBI. This investigation will be closed with no further action anticipated by the OIG.

If you have any questions about this investigation or if we can be of assistance on any other matters, please contact me at (202) 366-4189.

***

Memorandum

U.S. Department of Transportation

Office of the Secretary of Transportation

Office of Inspector General

Subject: **INFORMATION**: OIG Case #I14E0040900
RE: Will C. Willbanks

Date: November 30, 2017

From: William Swallow
Special Agent-in-Charge, JRI-9

Reply to Attn. of: William Swallow
(b)(6), (b)(7)c

To: (b)(6), (b)(7)c
Office of Investigations
Security and Hazardous Materials Safety
Federal Aviation Administration

This investigation was based on a September 2, 2014 referral (#AHW20140162) from the Federal Aviation Administration (FAA), Joint Office Security and Hazardous Materials Safety alleging Will C. Willbanks, Aviation Safety Inspector, FAA, Flight Standards District Office, Helena, MT, was involved in an apparent conflict of interest. Specifically it was alleged Willbanks had a personal financial interest in two aviation companies for which he had FAA oversight responsibilities.

OIG's investigation confirmed Willbanks had a financial interest in two aviation businesses, International Helicopter Training Academy (IHTA) and International Helicopter Services (IHS), and that the FAA had assigned Willbanks to be the Principal Operations Inspector (POI) responsible for FAA oversight of both companies. It was also discovered that Willbanks had caused the FAA to rent aircraft from IHTA/IHS over a period of several years, and that he had omitted his affiliation with the companies in numerous Office of Government Ethics (OGE) forms he completed.

On April 5, 2017, Willbanks was indicted in U.S. District Court, Helena, for Willful Conflict of Interests and False Statements to a Government Agency.

On or about July 22, 2017, Willbanks passed away. Consequently, the charges against him were dismissed on August 4, 2017.

OIG is closing its investigative file on this matter with no further action. If you have any questions, please feel free to contact me or (b)(6), (b)(7)c (b)(6), (b)(7)c

~~**For Official Use Only**~~
~~(Public availability to be determined under 5 U.S.C. 552)~~

REDACTED FOR DISCLOSURE

Memorandum

U.S. Department
Of Transportation

Office of the Secretary
of Transportation

Office of Inspector General

Subject: Case Closure
(b)(6), (b)(7)c
Case No. I17A0040200

Date: February 7, 2018

Reply to:

From: (b)(6), (b)(7)c

Attn of: JRI-2

To: Douglas Shoemaker
Special Agent-in-Charge, JRI-2

This investigation was predicated upon information received, on March 2, 2017, from the New York City Police Department (NYPD), regarding an incident involving a small Unmanned Aerial Vehicle (UAV). It was reported that on Feb. 25, 2017, a UAV crashed into the south-west facing window of apartment resident (b)(6), (b)(7)c shattering said window. (b)(6), (b)(7)c was at home at the time of the incident but uninjured. The NYPD arrested UAV operator (b)(6), (b)(7)c on March 1, 2017 for violation of NYPL 145.00 (03) [Criminal Mischief/Reckless Property Damage >$250]. The above incident was investigated for possible violations of FAA regulations pertaining to reckless/illegal UAV operations.

On April 4, 2017, (b)(6), (b)(7)c was interviewed by the reporting agent and FAA Aviation Safety Inspector (b)(6), (b)(7)c advised that while (b)(6), (b)(7)c was sitting at (b)(6), (b)(7)c desk by the southern-facing window in the living room, a drone struck said window, shattering it. The impact created a wide hole in the double-pane window and some glass shards ended up in (b)(6), (b)(7)c hair. The drone entangled itself in the blinds, its camera later found on the floor. NYPD had initially responded to the apartment to take a report and also to take custody of the drone and camera.

On April 4, 2017, the reporting agent and ASI (b)(6), (b)(7)c also met with (b)(6), (b)(7)c
(b)(6), (b)(7)c to obtain an invoice for the repairs to (b)(6), (b)(7)c apartment window. The costs for repairs totaled $1,571.45.

On June 9, 2017, Manhattan ADA (b)(6), (b)(7)c advised that (b)(6), (b)(7)c office dismissed the criminal charges against (b)(6), (b)(7)c in the interests of justice. However, (b)(6), (b)(7)c was required to make restitution to the building for the damages caused by the drone impact and (b)(6), (b)(7)c was required to serve community service. ADA (b)(6), (b)(7)c took into account the fact the victim suffered no injuries and that (b)(6), (b)(7)c had no priors.

On Jan. 25, 2018, the FAA's Enforcement Division issued an Order Assessing Civil Penalty to subject (b)(6), (b)(7)c for $2,492.50 in connection with (b)(6), (b)(7)c unauthorized UAV flight on Feb. 25, 2017.

This case is closed.

Memorandum

U.S. Department of Transportation

Office of the Secretary of Transportation

Office of Inspector General

Subject: **INFORMATION**: OIG Case #I18A0130903 Date: February 21, 2019

From: (b)(6), (b)(7)c
Jeffrey Dubsick
Special Agent-in-Charge, JRI-5

Reply to Attn. of: Dubsick
(b)(6), (b)(7)c

To: (b)(6), (b)(7)c

This memorandum summarizes the results of an Office of Inspector General (OIG) investigation of Michael M. McIntyre for knowingly aiming the beam of a laser pointer at aircraft.

In March 2018, the Seattle Airport Traffic Control Tower announced over air traffic communications that someone was pointing a green laser beam at commercial airplanes approaching the Seattle-Tacoma International Airport (Sea-Tac). A helicopter belonging to the King County Sheriff's Office (KCSO), known as Guardian 1, was patrolling the Federal Way, WA, area when it heard about the incident over air traffic communications. While en route to investigate the laser incident, one of the commercial airplane pilots announced via radio that the green laser beam was coming from the Burien Transit Center. As Guardian 1 was flying around the Transit Center, someone standing at a bus stop inside the Transit Center started shining a green laser beam at the helicopter's cockpit. The deputy piloting Guardian 1 had to take evasive measures and turn the helicopter away from the laser beam. Deputies in Guardian 1 used a thermal imaging camera to locate an individual at the Transit Center from where the green laser beam was coming. Guardian 1 dispatched a deputy on the ground and made contact with suspect, Michael M. McIntyre.

In March 2018, a detective with KCSO interviewed McIntyre. McIntyre admitted to shining the laser on passing airplanes at Sea-Tac and at Guardian 1.

In April 2018, OIG agents sought and obtained an arrest warrant for McIntyre. He was subsequently arrested by OIG and deputies from the King County Sheriff's Office.

On July 10, 2018, McIntyre pleaded guilty to pointing a laser at aircraft.

On December 18, 2018, Michael McIntyre was sentenced in U.S. District Court, Seattle, Washington, to 8 months' imprisonment, 3 years' supervised release, and a $100 special assessment.

OIG is closing this investigation. For any questions, please contact (b)(6), (b)(7)c (b)(6), (b)(7)c

Memorandum

U.S. Department of Transportation

Office of Inspector General

Subject: INFORMATION: Case Closure
I17A0060300 – (b)(6), (b)(7)c
Unmanned Aircraft Systems

Date: November 28, 2018

From: Jamie Mazzone
Special Agent-in-Charge
Washington Regional Office

Reply to Attn of: JRI-3
(b)(6), (b)(7)c

To: File

On April 24, 2017, DOT-OIG was notified by the Prince George's County Police Department (PGPD) of an incident involving an Unmanned Aerial System (UAS) and a PGPD helicopter that was assisting in the response to an apartment building fire in College Park, MD.

(b)(6), (b)(7)c was suspected of operating a UAS in the Special Flight Rules Area (SFRA) without FAA authorization. It was alleged that while operating the UAS (b)(6), (b)(7)c interfered with the PGPD helicopter and Prince George's County Fire Department firefighters who attempting to extinguish the fire (b)(6), (b)(7)c was subsequently arrested by the PGPD. In addition to the local charges, DOT-OIG investigated (b)(6), (b)(7)c for operating a UAS in the SFRA, without prior FAA authorization, in violation of 49 USC § 46307- National Defense Airspace.

The US Attorney's Office- District of Maryland declined further prosecutorial consideration of (b)(6), (b)(7)c FAA issued (b)(6), (b)(7)c a Final Notice of Proposed Civil Penalty for the amount of $10,000.

This complaint is closed with no further action anticipated by this office.

Memorandum

U.S. Department of Transportation

Office of the Secretary of Transportation

Office of Inspector General

Subject: **INFORMATION**: OIG Case # I17A0080400 (b)(6), (b)(7)c

Date: December 19, 2018

From: Jeffrey Dubsick
Special Agent-in-Charge, JRI-9

Reply to Attn. of: (b)(6), (b)(7)c

To: (b)(6), (b)(7)c
Federal Aviation Administration

This memorandum summarizes the results of an Office of Inspector General (OIG) investigation into (b)(6), (b)(7)c On January 4, 2017, US DOT-OIG received a request for investigative assistance from the Federal Aviation Administration (FAA). Per FAA, on November 10, 2016, Cessna 172N aircraft, having tail number N101KA, crashed in Jamaica killing three people onboard. N101KA is registered to (b)(6), (b)(7)c has more than 25 aircraft that it leases for flight instruction. (b)(6), (b)(7)c purchased N101KA in early 2014. According the National Transportation Safety Board (NTSB) who assisted the Jamaican Civil Aviation, the N101KA maintenance logbooks indicate the engine was overhauled in June 2014 by (b)(6), (b)(7)c However, according to (b)(6), (b)(7)c they did not perform the overhaul, and the maintenance logbook entry reflecting this overhaul is fraudulent. This alleged conduct violates Title 18, United States Code, Sections 1001 (False Statements) and 38 (Aircraft Parts Fraud).

OIG initiated an investigation which resulted in information being gathered as follows:

On July 21, 2017, OIG Agents interviewed (b)(6), (b)(7)c who told agents that (b)(6), (b)(7)c is a FAA Certified and Approved Repair Station that performs quality overhauled engines and new cylinder assemblies. They specialize in overhaul and machining along with basic tested cylinder repair, turn-key aircraft engines as well as other services.

(b)(6), (b)(7)c has 43 statements of accounts showing the consistency of their work and work order numbers with (b)(6), (b)(7)c The bogus engine overhaul was listed in the logbook, under

work order 25624 dated June 17, 2014. At the time of the crash and purported engine overhaul in June 2014, (b)(6), (b)(7)c work order numbers were in the 2800 series. The 2500 series of numbers was used in 2011. Another indication of overhaul entry being fraudulent was the signature on the alleged, fraudulent Cessna 172N maintenance work order sheet appeared different from the signatures on the other work order sheets.

US DOT-OIG obtained and analyzed the NTSB crash report for the Cessna 172N. The report identifies engine maintenance performed, on the island of Jamaica as a contributor factor to the crash. (b)(6), (b)(7)c told the United States Attorney's Office that the alleged crime happened outside the jurisdiction of the United States and on November 7, 2018, the United States Attorney's Office declined to prosecute due to the alleged crime happening in another country.

OIG is closing this investigation. For any questions, please contact (b)(6), (b)(7)c (b)(6), (b)(7)c

Memorandum

U.S. Department of Transportation
Office of the Secretary of Transportation
Office of Inspector General

Subject: Recommendation to Close OIG File No. I14E015SINV

Date: December 5, 2014

From: (b)(6), (b)(7)c

Reply to Attn of: x6-4189

To: Ronald Engler
Director, Special Investigations, JI-3

On February 26, 2014, the OIG Complaint Center Operations received a complaint alleging gross mismanagement of federal funds when senior Federal Aviation Administration (FAA) management officials entered into a settlement agreement with the National Air Traffic Controllers Association (NATCA) that allowed for the payment of attorney fees and expenses of $850,000 when NATCA only justified expenses of $278,877.50. The complainant alleges the extra $571,122.50 payment is unlawful and payment of these monies directly into the Union's treasury is without legal authority.

Possible Violations

- 29 U.S.C. § 186 Restrictions on financial transactions
- 29 U.S.C. § 201 Fair Labor Standards

Background

The settlement agreement concerned a grievance that was filed after FAA management denied a request by the Albuquerque Air Route Traffic Control Center (ZAB) in 2004 to upgrade its facility level that would have resulted in pay increases for air traffic controllers. In 2013, the case went before an Arbitrator who found that the FAA should have upgraded ZAB in June of 2004 and ordered FAA to calculate the amount of back pay and interest due. In addition, the Arbitrator directed the Union to submit its petition for attorney fees.

On December 13, 2013, NATCA submitted its petition for attorney fees and expenses to the Arbitrator for a total of $278,877.50. These costs were supported by documentation showing hours charged by date for each legal staff employee from September 2011 to 2013.

Subsequently, FAA and NATCA officials entered into negotiations and settled the grievance on January 27, 2014 for a lump sum amount of $34 million. At the request of NATCA officials, the settlement agreement stipulated that "FAA shall pay NATCA $850,000, out of the total settlement amount contained in Section 2, for attorney fees and expenses related to the Union's processing and litigation of Agency grievance #ASW-06-9530-ZAB/NATCA #06-ZAB-37 to be deposited by the Agency into the NATCA Legal Representation Fund within 30 calendar days of execution of this Agreement." FAA was to distribute the remaining amounts directly to affected employees.

Findings

To investigate these allegations we interviewed, among others, FAA senior management officials who signed the settlement agreement to determine why they agreed to the $850,000, Office of Secretary of Transportation (OST) general counsel to obtain an independent opinion on the settlement agreement, and Department of Labor personnel to determine if the settlement agreement violated any labor racketeering laws. Finally, we research FAA and federal regulations governing settlement agreements to determine if payment of $850,000 violated and laws, rules, or regulations.

FAA Management Officials

We interviewed (b)(6), (b)(7)c Office of Employee and Labor Relations (permanent Deputy Director) and (b)(6), (b)(7)c (b)(6), (b)(7)c Office of Chief Counsel, Employment and Labor Law Division. (b)(6), (b)(7)c and (b)(6), (b)(7)c were involved in the negotiations with NATCA and both signed the settlement agreement as management representatives. They indicated that they settled for a lump-sum amount of $34 million because it was within the amount authorized for them to negotiate. FAA estimated their exposure could be as high as $66 million for back pay and interest if they had to pay it through 2013.

When asked why they agreed to the $850,000 of attorney fees and expenses when NATCA's petition to the Arbitrator was only $278,877.50, they responded that

from their perspective, they settled for a lump sum of $34 million and did not care how NATCA distributed the money. It would be up to NATCA to answer to its members regarding the amount of attorney fees. Regarding the reasonableness of the $850,000, both indicated there was no formal review of the amount to determine if it was reasonable. Informally, it was discussed and they believed it was reasonable given how long the grievance had taken to settle. (b)(6), (b)(7)c stated (b)(6), (b)(7)c did the math in head and thought it was reasonable given the NATCA attorney experience and expenses, such as, travel to fly a large number of witnesses to the arbitration.

FAA officials required NATCA to send them justification for the $850,000. The justification was an email dated January 27, 2014, that indicated the case has taken almost a decade to resolve and included general statements on the costs included. It also indicated the Union would have filed a supplemental petition for expenses and attorney fees addressing time not covered by the initial petition. There was no detailed documentation to support the costs.

OST General Counsel

We contacted Michael Harkins, OST Deputy Assistant General Counsel to obtain an independent opinion on the settlement agreement. He was provided background information, and asked if there were any laws, rules, or regulations addressing what management can and cannot do during negotiated settlement agreements and if there were any ethical issues with adding the stipulation for paying $850,000 for attorney fees and expenses to the settlement agreement. Harkins responded that they do not know of any specific rules of conduct governing the negotiation of settlement agreements. In arriving at a settlement amount, the agency should have an idea of what the total exposure is and some basis for determining this amount. He was not aware of a specific rule stating this. As for ethical conduct, he indicated that the union attorneys would have to justify the attorney fees and expenses to its members under the applicable rules of professional conduct.

DOL Personnel

We interviewed Mark Wheeler, District Director of the Washington District Office, Department of Labor Office of Labor-Management Standards to discuss the FAA settlement agreement. We asked if the agreement between FAA and NATCA to pay the $850,000 of attorney fees and expenses without any supporting documentation, could be viewed as a collusive arrangement between union

officials and management that occurred at the expense of union members, potentially violating labor racketeering laws. Wheeler stated he was not aware of any provisions of law that would prevent management from paying the attorney fees. Improper payments to the union usually take place when payments are made directly into the union officials' pockets and not directly into the union's funds. Also, any payments directly into the union's funds generally are going to benefit its members.

Federal and FAA Regulations

We found no federal or FAA laws, rules or regulations covering the conduct of negotiated settlement agreements. For example, FAA has no guidance requiring officials to conduct reasonableness reviews for attorney fees agreed to in settlement agreements. If the costs were ordered by and submitted to an Arbitrator then FAA management officials stated they would formally review and dispute the costs as needed.

Also, federal law does permit the payment of the $850,000 directly to the Union's funds. Although 29 USC § 186(a) provides that certain payments are unlawful, § 186(c) provides for the following exception.

> The provisions of this section shall not be applicable…(2) with respect to the payment or delivery of any money or other thing of value in satisfaction of a judgment of any court or a decision or award of an arbitrator or impartial chairman or **in compromise**, adjustment, **settlement,** or release of any claim, complaint, **grievance**, or dispute in the absence of fraud or duress; [emphasis added]

Conclusion

Although we confirmed that FAA management agreed to pay for $850,000 attorney fees and expenses that were not supported by detail documentation, we found no evidence that FAA management's agreement and payment of these expenses violates any law, rule, or regulation. As such, I have concluded these allegations are unfounded, and recommend closing the case.

#

Memorandum

U.S. Department of Transportation
Office of the Secretary of Transportation
Office of Inspector General

Subject: **INFORMATION:** Closing Memorandum for I18E0120300 (b)(6), (b)(7)c Ethics Violation (Misconduct) — April 11, 2019

From: Jamie Mazzone
Special Agent-in-Charge
Washington Regional Office, JRI-2

Reply to
Attn. of: JRI-2

To: File

On February 14, 2018, the U.S. Department of Transportation (DOT), Office of Inspector General (OIG) initiated an investigation based on an anonymous complaint that (b)(6), (b)(7)c (b)(6), (b)(7)c (b)(6), (b)(7)c Federal Motor Carrier Safety Administration (FMCSA) provided misleading or false information on (b)(6), (b)(7)c (b)(6), (b)(7)c application. On the application, (b)(6), (b)(7)c listed a (b)(6), (b)(7)c (b)(6), (b)(7)c mill thereby influencing the hiring decision in (b)(6), (b)(7)c favor.

During the investigation, the DOT OIG special agent engaged in extensive document review and conducted witness interviews in order to substantiate the allegations contained herein. The aforementioned document review included but was not limited to examination of Office of Personnel Management (OPM) policy pursuant to the qualifications for the IT management series, OPM policy related to diploma mills, the Database of Accredited Postsecondary Institutions and Programs, open source information regarding (b)(6), (b)(7)c and official personnel files.

On March (b)(6), (b)(7)c 2018, the DOT OIG special agent interviewed (b)(6), (b)(7)c (b)(6), (b)(7)c, FMCSA regarding (b)(6), (b)(7)c employment application for the (b)(6), (b)(7)c position. According to (b)(6), (b)(7)c the aforementioned (b)(6), (b)(7)c position involved a competitive selection process. (b)(6), (b)(7)c noted if (b)(6), (b)(7)c was cognizant that (b)(6), (b)(7)c degree was fraudulent when applying for the job, (b)(6), (b)(7)c could be terminated from Federal employment.

According to (b)(6), (b)(7)c the vacancy announcement included a signature and false statement warning advising applicants a signature on the document certifies the accuracy of the information on the application.

On May 3, 2018, the DOT OIG special agent interviewed (b)(6), (b)(7)c (b)(6), (b)(7)c Office of the Secretary of Transportation (OST) regarding (b)(6), (b)(7)c selection for the (b)(6), (b)(7)c position. According to (b)(6), (b)(7)c selected (b)(6), (b)(7)c because (b)(6), (b)(7)c possessed a MBA. (b)(6), (b)(7)c noted the two other candidates competing for the position did not have a graduate degree. (b)(6), (b)(7)c was seeking to hire a candidate with a graduate level degree and stated (b)(6), (b)(7)c would have not been hired if (b)(6), (b)(7)c knew (b)(6), (b)(7)c degree was fraudulent. Since all the candidates had similar employment history, (b)(6), (b)(7)c stated job experience was not a factor in (b)(6), (b)(7)c decision. (b)(6), (b)(7)c reiterated (b)(6), (b)(7)c MBA degree was a factor in (b)(6), (b)(7)c decision to hire (b)(6), (b)(7)c over the other two candidates.

On May 30, 2018, subsequent to providing (b)(6), (b)(7)c with the "Warning and Assurance to Employees Requested to Provide Information on a Voluntary Basis" (Garrity) form for review and signature, DOT OIG special agents interviewed (b)(6), (b)(7)c regarding (b)(6), (b)(7)c educational qualifications for the Supervisory IT position. During the voluntary interview, (b)(6), (b)(7)c stated (b)(6), (b)(7)c completed work assignments through online courses at (b)(6), (b)(7)c (b)(6), (b)(7)c in pursuit of a MBA. While enrolled in the distance learning program, (b)(6), (b)(7)c stated (b)(6), (b)(7)c did not have any personal contact to include discussions or interactions with other students, professors, or teaching assistants in the MBA program. Upon the completion of the MBA program at (b)(6), (b)(7)c stated (b)(6), (b)(7)c was not required to submit a thesis or defend a paper or theory.

Although there was no application process to attend (b)(6), (b)(7)c noted the National Distance Learning Accreditation Council (Accreditation Council) "sounded like an accredited thing" to (b)(6), (b)(7)c advised (b)(6), (b)(7)c chose to pursue a graduate degree from (b)(6), (b)(7)c because the tuition was cheap and offered the convenience of distance learning.

On (b)(6), (b)(7)c USAJOBS application for the aforementioned position, (b)(6), (b)(7)c advised (b)(6), (b)(7)c checked the "I don't know" box regarding whether (b)(6), (b)(7)c degree was from an accredited college or university. When applying to DOT, (b)(6), (b)(7)c admitted to knowing (b)(6), (b)(7)c degree from (b)(6), (b)(7)c was not accredited. During the employment application process (b)(6), (b)(7)c stated, "I questioned that my degree was not as credible as the other people." Although (b)(6), (b)(7)c insisted (b)(6), (b)(7)c had transcripts (b)(6), (b)(7)c added that (b)(6), (b)(7)c knew (b)(6), (b)(7)c degree from (b)(6), (b)(7)c was potentially "sketchy" because (b)(6), (b)(7)c had never heard of the Accreditation Council.

Upon applying through USAJOBS, (b)(6), (b)(7)c advised (b)(6), (b)(7)c did not believe (b)(6), (b)(7)c (b)(6), (b)(7)c did anything wrong because the application package requested college transcripts but did not require a MBA degree. (b)(6), (b)(7)c did not deceive DOT because (b)(6), (b)(7)c indicated on USAJOBS that (b)(6), (b)(7)c degree from (b)(6), (b)(7)c was not accredited. (b)(6), (b)(7)c stated (b)(6), (b)(7)c knowingly submitting questionable documents when (b)(6), (b)(7)c applied for the Supervisory IT Specialist position at DOT. Additionally, (b)(6), (b)(7)c though (b)(6), (b)(7)c contributions and job experience would make up for concerns regarding educational background. (b)(6), (b)(7)c admitted to knowingly submitting information and documents to DOT with (b)(6), (b)(7)c job application that were questionable and not authentic. (b)(6), (b)(7)c stated, "I knew the documents were "sketchy," but not all of the documents were "sketchy." (b)(6), (b)(7)c said, "I chose to ignore it."

On July 18, 2018, the DOT OIG special agent interviewed (b)(6), (b)(7)c former (b)(6), (b)(7)c FMCSA regarding (b)(6), (b)(7)c employment application for the (b)(6), (b)(7)c position. (b)(6), (b)(7)c was on (b)(6), (b)(7)c hiring board at FMCSA. According to (b)(6), (b)(7)c MBA from (b)(6), (b)(7)c influenced (b)(6), (b)(7)c (b)(6), (b)(7)c decision in submitting (b)(6), (b)(7)c name to the hiring manager. According to (b)(6), (b)(7)c (b)(6), (b)(7)c did not know (b)(6), (b)(7)c MBA was not authentic. (b)(6), (b)(7)c stated (b)(6), (b)(7)c thought the Office of Human Resources, FMCSA conducted reference checks prior to sending the hiring board a list of qualified candidates.

On March 11, 2019, the DOT OIG reviewed (b)(6), (b)(7)c Standard Form (SF) 50 noting (b)(6), (b)(7)c from FMCSA effective on January (b)(6), (b)(7)c 2019. (Agent's Note: (b)(6), (b)(7)c (b)(6), (b)(7)c FMCSA advised (b)(6), (b)(7)c received written notice from FMCSA on December (b)(6), (b)(7)c 2018 regarding FMCSA's intent to separate (b)(6), (b)(7)c from (b)(6), (b)(7)c position due to lack of candor. (b)(6), (b)(7)c noted (b)(6), (b)(7)c on January (b)(6), (b)(7)c 2019 which was the same day (b)(6), (b)(7)c response was due to FMCSA regarding the proposed removal. Verification of the aforementioned personnel action was delayed due to the partial government shutdown from December 22, 2018 until January 27, 2019.)

DOT OIG briefed the U.S. Department of Justice, Public Integrity (DOJ PIN) on the facts of this investigation. DOJ PIN declined this matter for criminal prosecution.

This investigation is closed with no further action anticipated by DOT OIG.

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I16T0020400	February 15, 2018
TITLE DAEWON AMERICA-NHTSA - TREAD Act Violations	**PREPARED BY SPECIAL AGENT** (b)(6), (b)(7)c	**STATUS** Final
VIOLATIONS 18 USC § 1341	**DISTRIBUTION** JRI-4 (b)(6), (b)(7)c	1-10
		APPROVAL MTG

SYNOPSIS

This case was predicated upon information from private citizens alleging that Daewon America Inc. (Daewon), located in Opelika, Alabama, violated the National Traffic and Motor Vehicle Safety Act (NTMVSA) when it knowingly provided defective coil springs and sway bars to various automobile manufactures, resulting in unsafe vehicles.

(b)(6), (b)(7)c, (b)(7)d

(b)(6), (b)(7)c, (b)(7)d As such alleged conduct violates Title 18, United States Code, Section 1341(Mail Fraud), this case was referred for prosecution consideration to the United States Attorney's Office for the Middle District of Alabama (USAO-MDAL). Nevertheless, USAO-MDAL ultimately declined prosecution due to a "… lack of sufficient evidence…" (Attachments 1-2).

IDENTIFICATION

NAME: Daewon America, Inc.
ADDRESS: 4600 North Park Drive, Opelika, AL 36801

VIOLATION

Title 18, United States Code, Section 1341

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, or to sell, dispose of, loan, exchange, alter, give away, distribute, supply, or furnish or procure for unlawful use any counterfeit or spurious coin, obligation, security, or other article, or anything represented to be or intimated or held out to be such counterfeit or spurious article, for the purpose of executing such scheme or artifice or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or deposits or causes to be deposited any matter or thing whatever to be sent or delivered by any private or commercial interstate carrier, or takes or receives therefrom, any such matter or thing, or knowingly causes to be delivered by mail or such carrier according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter or thing, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation occurs in relation to, or involving any benefit authorized, transported, transmitted, transferred, disbursed, or paid in connection with, a presidentially declared major disaster or emergency (as those terms are defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)), or affects a financial institution, such person shall be fined not more than $1,000,000 or imprisoned not more than 30 years, or both.

BACKGROUND

Per (b)(6), (b)(7)c (b)(6), (b)(7)c, Daewon was considered a "manufacturer" under Title 49, United States Code, Section 30102 (49 USC § 30102), and coil springs and sway bars were considered "motor vehicle equipment" under 49 USC § 30102. However, as NHTSA has no performance standards for coil springs and sway bars, Daewon was not required to certify that its coil springs and sway bars met any particular specification under 49 USC § 30115. Regarding 49 USC § 30118, (b)(6), (b)(7)c advised the defect notification requirement of this statute only applied if the defect presented an "unreasonable risk to safety;" which (b)(6), (b)(7)c advised had yet to be determined with respect to the coil springs and sway bars at issue. (Attachments 1 - 3).

DETAILS

Motor Vehicle Safety Whistleblower Complaint

On June 2, 2016, DOT/OIG interviewed (b)(6), (b)(7)c and (b)(6), (b)(7)c alleging Daewon to have knowingly supplied automobile parts to car manufacturers that did not meet required specifications. With respect to the time period in question, (b)(6), (b)(7)c and (b)(6), (b)(7)c described the management structure of that division as follows: (b)(6), (b)(7)c (b)(6), (b)(7)c Thus, the chain of command was as follows: (b)(6), (b)(7)c (b)(6), (b)(7)c also noted that prior to (b)(6), (b)(7)c (b)(6), (b)(7)c at Daewon. (Attachments 2 and 4).

(b)(6), (b)(7)c, (b)(7)d

(b)(6), (b)(7)c that at Daewon, the parts moved down an automated assembly line, and that a segment of that line takes the parts through a furnace; which is heated to approximately 900 degrees Celsius. (b)(6), (b)(7)c the parts are only supposed to remain in the furnace for about 10 minutes; any longer than that, and the parts become overheated, and can suffer severe damage from the heat. (b)(6), (b)(7)c, (b)(7)d

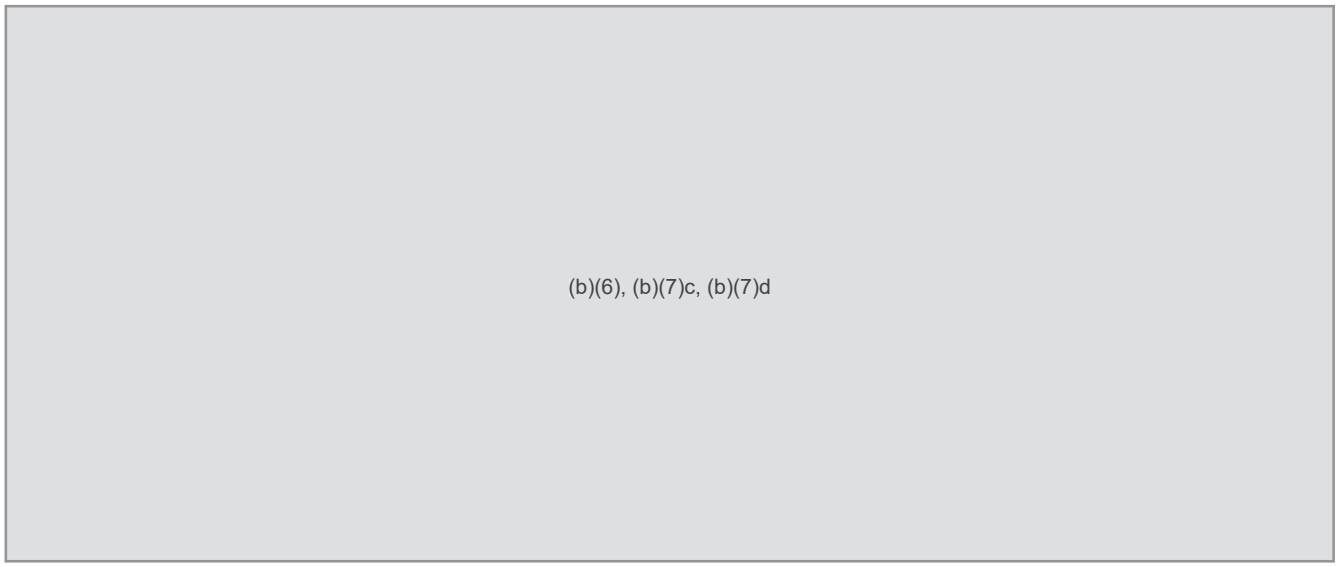
(b)(6), (b)(7)c, (b)(7)d

(b)(6), (b)(7)c, (b)(7)d

Nevertheless, (b)(6), (b)(7)c, (b)(7)d Daewon's managers seldom actually scrapped the parts like they were supposed to do. In fact, (b)(6), (b)(7)c, (b)(7)d

(b)(6), (b)(7)c, (b)(7)d

(b)(6), (b)(7)c, (b)(7)d



(b)(6), (b)(7)c, (b)(7)d Daewon generally brought in about six or seven interns from Korea every year. These interns generally only spoke Korean, and were generally only at Daewon for about one year before returning to Korea. Each year, as one group of interns returned to Korea, another new group of interns was brought in from Korea to replace them. With respect to (b)(6), (b)(7)c was only at Daewon from approximately (b)(6), (b)(7)c (Attachments 2 and 4).

(b)(6), (b)(7)c, (b)(7)d

(b)(6), (b)(7)c, (b)(7)d that various interns (b)(6), (b)(7)c, (b)(7)d often fabricated entries on these documents during periodic "audits" and/or while customers were present at the facility. (b)(6), (b)(7)c, (b)(7)d what entity or organization was responsible for conducting these periodic audits, (b)(6), (b)(7)c, (b)(7)d audits were required in order for Daewon to maintain certain certifications; (b)(6), (b)(7)c, (b)(7)d called "TS" and/or "ISO" certifications. (Attachments 2 and 4).

(b)(6), (b)(7)c for the last several years, fatigue testing had primarily been performed by interns. (b)(6), (b)(7)c (b)(6), (b)(7)c (b)(6), (b)(7)c this responsibility was shifted to the interns. (b)(6), (b)(7)c the fatigue test, the part was placed in a machine that would put stress on the part in a way that simulated the type of stress that part would be subjected to on an actual automobile. (b)(6), (b)(7)c generally speaking, to pass a fatigue test, a part was supposed to last approximately two days in this machine, depending on the part. Yet (b)(6), (b)(7)c several instances in which parts broke well before this two day

period ended. (b)(6), (b)(7)c

(b)(6), (b)(7)c

(b)(6), (b)(7)c paint thickness was generally determined by an impact test. This was performed using a device that placed pressure on the part in order to indent the paint on the part. The depth of this indentation was then measured to determine if the paint on the part was thick enough, per the specifications. (b)(6), (b)(7)c Daewon managers (b)(6), (b)(7)c (b)(6), (b)(7)c would ship the parts to customers anyway, regardless of whether or not the paint thickness met the required specifications. (b)(6), (b)(7)c

(b)(6), (b)(7)c, (b)(7)d

(b)(6), (b)(7)c, (b)(7)d

(b)(6), (b)(7)c, (b)(7)d believed Daewon provided a Certificate of Conformance with every shipment of parts that it sent to Daewon's clients. (b)(6), (b)(7)c, (b)(7)d

(b)(6), (b)(7)c, (b)(7)d

(b)(5), (b)(6), (b)(7)c, (b)(7)d

NHTSA Analysis

On July 20, 2016, DOT/OIG interviewed (b)(6), (b)(7)c National Highway Traffic Safety Administration (NHTSA). (b)(6), (b)(7)c was assigned to review the complaint memorandum against Daewon, dated June 2016, made by (b)(6), (b)(7)c (b)(6), (b)(7)c pursuant to the Motor Vehicle Safety Whistleblower Act. (b)(6), (b)(7)c explained the part specifications, testing, and quality assurance protocols referenced (b)(6), (b)(7)c (b)(6), (b)(7)c were not promulgated by NHTSA. Further, (b)(6), (b)(7)c was not aware of any NHTSA part specifications or testing requirements for the coil springs and sway bars referenced (b)(6), (b)(7)c believed that part specifications and testing requirements for the referenced coil springs and sway bars were most likely established by the Original Equipment Manufacturer (OEM) for each part, and most likely indicated on the OEM's drawing for each part in question. (b)(6), (b)(7)c believed these were most likely based on minimum specifications established by the Society of Automotive Engineers (SAE) for coil springs and sway bars in general, but that each OEM had most likely modified these baseline specifications and/or added additional specifications to suit each particular OEM's part. (Attachment 6).

(b)(6), (b)(7)c explained the SAE was not a government agency, but was simply a professional organization comprised of various engineers in the automotive industry that helped to establish general guidelines and standards for the automotive industry. (b)(6), (b)(7)c was not aware of any penalties for failing to meet or for deviating from SAE's standards, but advised that the automotive industry generally viewed SAE's standards as the minimum standards for the particular part at issue. Similarly, (b)(6), (b)(7)c opined that some of the testing and quality control protocols referenced (b)(6), (b)(7)c may have been based, at least in part, on standards established by the International Standards Organization (ISO); which was another professional organization, and not a government agency. (b)(6), (b)(7)c was not aware of any penalties for failing to meet or for deviating from ISO's standards, but advised that private industries generally viewed ISO's standards as the minimum standards for the process or procedure at issue. (Attachment 6).

(b)(6), (b)(7)c explained that coil springs helped to control a vehicle's suspension, and that sway bars primarily served to reduce the sway or "body roll" of a vehicle while turning. Regarding the safety implications of the alleged conduct, (b)(6), (b)(7)c believed that excessive heat during the manufacturing process could create material defects in both coil springs and sway bars. (b)(6), (b)(7)c also believed insufficient painting of these parts could cause the parts to corrode. Further, (b)(6), (b)(7)c opined that defective coil springs could pose a significant safety risk to an automobile because if a coil spring broke, it could potentially puncture a tire and/or cause the vehicle to ride extremely low; thus, causing the tire to make contact with the wheel well. However, with respect to sway bars, (b)(6), (b)(7)c opined that, though there were potential safety risks associated with defective sway bars, the risk potential for catastrophe with a broken sway bar was lower than that for a broken coil spring. (b)(6), (b)(7)c believed that if a sway bar broke, the driver would most likely notice an increase in the amount of vehicle sway, or body roll during a turn, but that such was less likely to cause a crash than that described above with respect to a broken coil spring. (Attachment 6).

(b)(6), (b)(7)c explained that automobile manufacturers were not likely to track the coil springs and sway bars that where placed on a particular vehicle during the manufacturing process. Therefore, (b)(6), (b)(7)c opined that if defective coil springs and sway bars were installed on a vehicle during the manufacturing process, it would be difficult to determine exactly which parts went on which vehicles. Nevertheless, (b)(6), (b)(7)c explained that if the alleged defective parts could be identified by a batch number (or by the time period during which they were produced and shipped), then the manufacturer would most likely be able to identify when that batch of defective parts was received by the manufacturer; and then identify the vehicles that were built after that batch of parts was received. Thus, a manufacturer could identify the vehicles built during the time window that such parts would have most likely been used, based on the number of parts received and the number of vehicles produced after receipt of those parts. Accordingly, (b)(6), (b)(7)c explained that from a safety recall perspective, if defective parts from Daewon were received by a manufacturer on a particular date, a safety recall could be issued for vehicles produced during the time period such parts would have most likely been used. Further, to error on the side of caution, the recall period could begin slightly before the defective parts were received, and could extend until slightly after the parts would have most likely been used. Nevertheless, the need for any such recall, based on the alleged conduct, had yet to be determined by NHTSA. (Attachment 6).

(b)(6), (b)(7)c, (b)(7)d was not aware of any past problems associated with Daewon's products, and advised Daewon had no enforcement history with NHTSA. (b)(6), (b)(7)c explained that, (b)(6), (b)(7)c (b)(6), (b)(7)c, NHTSA would investigate to see if any problems have been reported regarding coil springs and sway bars on the referenced vehicles. However, given the vast

number of makes and models alleged to be affected, (b)(6), (b)(7)c was certain how NHTSA would go about dedicating the resource necessary to review a matter of this size and scope. Hence, (b)(6), (b)(7)c opined that NHTSA would most likely conduct an initial review of just a few of the alleged affected makes and models to see if the number of reported problems with such was statistically significant, and that NHTSA would then decide how best to proceed from that point forward. As to what NHTSA considered a statistically significant problem, (b)(6), (b)(7)c explained that such was contingent on a variety of different factors, and could vary depending on the particular part in question and the length of the time period evaluated. However, for simplicity, (b)(6), (b)(7)c opined that for coil springs and sway bars, if (b)(6), (b)(7)c were to evaluate a 3 year period and find a problem occurring in excess of .05 percent of the particular make, model, and production year vehicle evaluated, (b)(6), (b)(7)c would consider that statistically significant. (b)(6), (b)(7)c explained that this .05 percent figure was not an official figure, and was an over simplification of the process NHTSA used in its evaluation, but that such was merely a ball park figure for the reporting agent. With respect to any NHTSA inquiry or investigation of this matter, (b)(6), (b)(7)c agreed to provide DOT/OIG with a copy of NHTSA's findings once they were available. Nevertheless, NHTSA's investigation of this matter remains ongoing, and NHTSA has yet to report any findings to DOT/OIG. (Attachments 1 and 6).

STATUS

On August 26, 2016, the USAO-MDAL advised DOT/OIG that it would decide the prosecution merits of this case upon receipt of NHTSA's findings regarding any significant safety problems identified with the parts at issue. However, as NHTSA's investigation remains ongoing and has yet to produce any findings to date, the USAO-MDAL has declined prosecution, "…based on a lack of sufficient evidence at this time…" Accordingly, this investigation is closed. (Attachment 1).

INDEX OF ATTACHMENTS

1. USAO-MDAL Declination & NHTSA Status on 02/08/2018
2. Whistleblower Complaint on 06 [redacted] 2016
3. DOT/OIG Interview of [redacted] on 07 [redacted] 2016
4. DOT/OIG Interview of [redacted] on 06 [redacted] 2016
5. DOT/OIG Electronic Monitoring MOA on 10 [redacted] 2016
6. DOT/OIG Interview of [redacted] on 07 [redacted] 2016

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER I17E0020500	DATE August 16, 2018
TITLE 6, 7(C) et al. 6, 7(C) 6, 7(C) VIOLATIONS: 18 USC §1957, Engaging in monetary transactions derived from unlawful activity	PREPARED BY SPECIAL AGENT 6, 7(C) DISTRIBUTION JRI-5 (1)	STATUS Final INITIAL 6, 7(C) 1/3 APPROVED TJU

DETAILS

This investigation was opened based upon a referral to the Office of Inspector General (OIG) hotline that received an anonymous complaint from the Federal Aviation Administration (FAA). The complaint alleged that various FAA 6, 7(C) 6, 7(C) (6, 7(C) employees and 6, 7(C) contractors were involved in a sports betting and/or gambling racket, which was operated in the 6, 7(C) contractors' office. The complaint named several employees including 6, 7(C) a 6, 7(C) contractor who allegedly ran the betting program, 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) and 6, 7(C) The complaint also alleged managers in the 6, 7(C) and 6, 7(C) offices were aware of the betting and may have participated (Attachment 1).

The OIG requested copies of emails of 16 6, 7(C) 6, 7(C) employees and contractors between August and November 2016 (Attachment 2). Approximately 26,000 emails were produced. A review of each email and attachment did not uncover information related to gambling or sports betting.

On September 11, 2017, Kim Svendsen, Assistant United States Attorney, U.S. Attorney's Office, District of Minnesota, Minneapolis, declined criminal prosecution because the USAO was not interested in investigating the matter further.

On April 17, 2018, OIG agents interviewed 6, 7(C) 6, 7(C) retired FAA 6, 7(C) 6, 7(C) employee. 6, 7(C) , stated there may have been some sort of gambling occurring because a couple of years ago 6, 7(C) saw a sheet of gambling squares in a lunch room. 6, 7(C) did not know who organized the squares and had no further information

about gambling at the FAA facility. No one asked 6, 7(C) to put money towards any sporting event and 6, 7(C) denied every placing a bet on any type of event (Attachment 3).

On April 17, 2018, OIG agents interviewed 6, 7(C) retired FAA employee and contractor. 6, 7(C) and worked as an FAA contractor from 6, 7(C) to 6, 7(C) 6, 7(C) claimed 6, 7(C) could not recall anything about gambling at the FAA 6, 7(C) 6, 7(C) (Attachment 4).

It is recommended this case be closed.

INDEX OF ATTACHMENTS

Attachment 1	Anonymous Complaint, dated October 31, 2016
Attachment 2	Memorandum requesting emails, dated November 28, 2016
Attachment 3	Interview of 6, 7(C) 6, 7(C) dated April 17, 2018
Attachment 4	Interview of 6, 7(C) dated April 17, 2018

Note: All of the above documents and all case documents, including all interview reports, are maintained in the electronic case folder; therefore, there are no documents attached to this report.

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I16E0010200	05/10/2018

TITLE	PREPARED BY SPECIAL AGENT	STATUS
(b)(6), (b)(7)c (b)(6), (b)(7)c Federal Aviation Administration Newark Liberty ATC Tower	(b)(6), (b)(7)c	Final
	DISTRIBUTION	1/5
Employee-Bribery/Gratuities	FAA AEA-7 (1) JRI-2 (1)	APPROVED Digitally signed by DOUGLAS SHOEMAKER Date: 2018.05.10 09:49:45 -04'00'

DETAILS

This investigation was initiated on October 14, 2015, based upon information received from the Federal Aviation Administration (FAA). The FAA Hotline had received an anonymous letter reporting two FAA employees were receiving bribes in exchange for the awarding of contracts. It was alleged that (b)(6), (b)(7)c Newark Liberty Air Traffic Control Tower and (b)(6), (b)(7)c Morristown Airport (b)(6), (b)(7)c were awarding contracts to companies/vendors in exchange for free home repairs and other personal services at their homes. Additionally, (b)(6), (b)(7)c were allegedly awarding contracts to companies that employ undocumented workers.

The OIG investigation corroborated allegations that (b)(6), (b)(7)c received personal services, including free home repairs from an FAA vendor named JV Tree and Lawn Services Corporation (JV Tree). The investigation also determined that (b)(6), (b)(7)c who has the authority to choose vendors and award contracts, received reduced rate services from JV Tree and that (b)(6), (b)(7)c subsequently awarded additional contracts, for various FAA services, to JV Tree. A third FAA employee, (b)(6), (b)(7)c (b)(6), (b)(7)c Newark Liberty Air Traffic Control Tower, was also identified as receiving free services from JV Tree.

[1] (b)(6), (b)(7)c separated from the FAA on September 2, 2017 and is now employed with the (b)(6), (b)(7)c City.

With regard to the allegation that (b)(6), (b)(7)c were awarding contracts to companies that employed undocumented workers, the OIG confirmed the legal immigration status of JV Tree's (b)(6), (b)(7)c (b)(6), (b)(7)c The OIG did not pursue the immigration status of intermittent JV Tree workers[2]. It should be noted that the FAA purchase orders, awarded to JV Tree, do not contain any immigration requirements. JV Tree purchase orders, for work performed at the Newark Air Traffic Control Tower, merely state that U.S. identification is required and will be requested upon each visit.

A review of records from the FAA's PRISM database determined that JV Tree was awarded 14 FAA contracts between July 2014 and December 2015. The amount obligated to these awards was approximately $116,947.46. (b)(6), (b)(7)c listed for all of those awards with (b)(6), (b)(7)c (Attachment 1)

(b)(6), (b)(7)c

On November 15, 2017, (b)(6), (b)(7)c was interviewed by OIG Special Agents. (b)(6), (b)(7)c advised that (b)(6), (b)(7)c delivered material to, and installed sheetrock in, (b)(6), (b)(7)c personal residence located in (b)(6), (b)(7)c did not invoice anyone for the services at (b)(6), (b)(7)c home. (Attachment 2)

On November 20, 2017, (b)(6), (b)(7)c was interviewed by OIG Special Agents. During the interview, (b)(6), (b)(7)c admitted to receiving free services at (b)(6), (b)(7)c residence from JV Tree and its employees while JV Tree was an FAA vendor. (b)(6), (b)(7)c acknowledged that (b)(6), (b)(7)c painted (b)(6), (b)(7)c living room. An agreement to pay (b)(6), (b)(7)c $300 was made prior to the start of the job; however, (b)(6), (b)(7)c claimed (b)(6), (b)(7)c refused to take the payment when (b)(6), (b)(7)c completed the work. During this time, as a part of her FAA duties, (b)(6), (b)(7)c created purchase requests for FAA vendors, including JV Tree. (Attachment 3)

On November 21, 2017, (b)(6), (b)(7)c contacted the OIG and advised that (b)(6), (b)(7)c remembered why (b)(6), (b)(7)c did not pay (b)(6), (b)(7)c for the services in (b)(6), (b)(7)c home. (b)(6), (b)(7)c claimed that (b)(6), (b)(7)c damaged a kitchen cabinet which cost approximately $500 to replace and install. (Attachment 4)

On January 11, 2018, (b)(6), (b)(7)c was re-interviewed by OIG agents. (b)(6), (b)(7)c advised that in addition to the work done inside of (b)(6), (b)(7)c residence, (b)(6), (b)(7)c received free snow shoveling and grass cutting services at (b)(6), (b)(7)c home. (b)(6), (b)(7)c advised that (b)(6), (b)(7)c offered to pay (b)(6), (b)(7)c for the services after (b)(6), (b)(7)c realized how much work was being done in (b)(6), (b)(7)c home; however, there was no agreement for payment made in advance of the work being done. (b)(6), (b)(7)c did not offer a specific amount for the services and no payments were, in fact, ever made. (Attachment 5)

---

[1] On October 6, 2017, a Customs and Border Protection representative confirmed (b)(6), (b)(7)c legal immigration status.

[2] The nature of this particular allegation was not within the investigative jurisdiction of the OIG and therefore beyond the scope of our inquiry.

In a subsequent conversation with the OIG on January 12, 2018, (b)(6), (b)(7)c estimated $2,000 for the cost of the repairs at (b)(6), (b)(7)c home. (b)(6), (b)(7)c stated (b)(6), (b)(7)c did not recall causing any damage in (b)(6), (b)(7)c home that (b)(6), (b)(7)c would have needed to repair on (b)(6), (b)(7)c own (thus contradicting (b)(6), (b)(7)c contention that (b)(6), (b)(7)c damaged a kitchen cabinet). (Attachment 6)

(b)(6), (b)(7)c

On January 11, 2018, (b)(6), (b)(7)c advised that when (b)(6), (b)(7)c could not pay the bill for snow removal at (b)(6), (b)(7)c personal residence (b)(6), (b)(7)c referred JV Tree to (b)(6), (b)(7)c consideration of JV Tree for FAA contracts. Upon receiving the FAA contracts, JV Tree continued to provide free services for (b)(6), (b)(7)c in the form of snow removal and grass cutting services. (b)(6), (b)(7)c advised that (b)(6), (b)(7)c handled the billing for JV Tree and never invoiced (b)(6), (b)(7)c for the services (b)(6), (b)(7)c received. (Attachment 5)

On February 9, 2018, (b)(6), (b)(7)c was interviewed by OIG Special Agents. (b)(6), (b)(7)c admitted to receiving free services from JV Tree before and during the time JV Tree was an FAA vendor. (b)(6), (b)(7)c first made contact with JV Tree when (b)(6), (b)(7)c needed someone to remove snow from (b)(6), (b)(7)c residence. (b)(6), (b)(7)c could not recall the year (b)(6), (b)(7)c contacted JV Tree. (b)(6), (b)(7)c did not pay for the snow removal. After receiving free services from JV Tree, (b)(6), (b)(7)c referred JV Tree to (b)(6), (b)(7)c who was seeking a company for landscaping services. In July 2014, JV Tree was awarded an FAA contract for landscaping, and, subsequently, an FAA contract for snow removal. (b)(6), (b)(7)c continued to receive free services from JV Tree. During this time, as part of her FAA duties, (b)(6), (b)(7)c was also involved in the release of payments to FAA vendors, including JV Tree. (Attachment 7)

(b)(6), (b)(7)c

On October 12, 2017 (b)(6), (b)(7)c owner, JV Tree, was interviewed by OIG Special Agents. (b)(6), (b)(7)c advised that (b)(6), (b)(7)c requested a delivery of wood to (b)(6), (b)(7)c residence in (b)(6), (b)(7)c (b)(6), (b)(7)c made two deliveries to (b)(6), (b)(7)c home while JV Tree performed contracted work for the FAA. After the second delivery, (b)(6), (b)(7)c provided (b)(6), (b)(7)c a $250 check. (b)(6), (b)(7)c advised that (b)(6), (b)(7)c would have charged approximately $1,100 for the wood (b)(6), (b)(7)c delivered to (b)(6), (b)(7)c home based on the distance traveled to deliver the wood. (Attachment 8)

On December 20, 2017, during a consensually monitored telephone conversation between (b)(6), (b)(7)c and a consenting party, (b)(6), (b)(7)c denied having any work done in (b)(6), (b)(7)c home by JV Tree but admitted to receiving two home deliveries of wood from the company. (b)(6), (b)(7)c stated (b)(6), (b)(7)c was going to pay for the first delivery but that (b)(6), (b)(7)c refused payment. (b)(6), (b)(7)c also stated during the call that, after the second delivery, (b)(6), (b)(7)c wrote a $200 check for the wood. (Attachment 9)

On January 11, 2018, (b)(6), (b)(7)c advised the OIG that (b)(6), (b)(7)c suggested (b)(6), (b)(7)c deliver JV Tree wood to (b)(6), (b)(7)c home for free instead of paying someone to dispose of the wood. (b)(6), (b)(7)c did not think it was a

good idea to deliver the wood to (b)(6), (b)(7)c home so far away; however, (b)(6), (b)(7)c agreed to make the deliveries. (b)(6), (b)(7)c advised that JV Tree would have paid approximately $200 to dump the wood. (b)(6), (b)(7)c estimated the cost for delivery to (b)(6), (b)(7)c home was approximately $1960 for the wood, fuel, and hourly wages to the driver.

(b)(6), (b)(7)c also opined that (b)(6), (b)(7)c tended to underprice jobs. (Attachment 5)

On February 13, 2018, (b)(6), (b)(7)c was interviewed by OIG Special Agents. (b)(6), (b)(7)c advised that (b)(6), (b)(7)c received two deliveries of wood to (b)(6), (b)(7)c home in (b)(6), (b)(7)c, from JV Tree, while they were FAA vendors. (b)(6), (b)(7)c did not pay JV Tree for the first delivery of wood. (b)(6), (b)(7)c claimed (b)(6), (b)(7)c provided JV Tree a $200 check after the second delivery of wood. As an FAA CO, (b)(6), (b)(7)c had the authority to select companies for, and award, FAA contracts. (b)(6), (b)(7)c advised that after receiving wood from JV Tree, (b)(6), (b)(7)c awarded JV Tree landscaping, snow removal, and painting contracts at multiple FAA sites. (Attachment 10)

According to the FAA's Table of Disciplinary Offenses and Penalties (see, for instance, Sections 38, 43b, 74, & 75), the conduct detailed in this ROI may constitute violations that can lead to disciplinary action up to, and including, removal from service.

Assistant U.S. Attorney Jason Gould, District of New Jersey, effectively declined criminal prosecution in this matter on April 10, 2018, in favor of agency administrative action.

-#-

Index of Attachments

No.	Description
1.	FAA PRISM report of JV Tree awards, January 1, 2000-December 30, 2015.
2.	OIG Memorandum of Activity (Interview of (b)(6), (b)(7)c, dated November 15, 2017.
3.	OIG Memorandum of Activity (Interview of (b)(6), (b)(7)c dated November 20, 2017.
4.	OIG Memorandum of Activity (Record of Conversation with (b)(6), (b)(7)c dated November 21, 2017.
5.	OIG Memorandum of Activity (Interview of (b)(6), (b)(7)c dated January 11, 2018.
6.	OIG Memorandum of Activity (Record of Conversation with (b)(6), (b)(7)c dated January 12, 2018.
7.	OIG Memorandum of Activity (Interview of (b)(6), (b)(7)c dated February 9, 2018.
8.	OIG Memorandum of Activity (Interview of (b)(6), (b)(7)c dated October 12, 2017.
9.	Transcript of consensually monitored telephone conversation between (b)(6), (b)(7)c and consenting party, dated December 20, 2017.
10.	OIG Memorandum of Activity (Interview of (b)(6), (b)(7)c dated February 13, 2018.

U.S. Department of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER I14E001CCU	DATE 3/18/2019	
TITLE PRISM	**PREPARED BY SPECIAL AGENT** 6, 7(C)	**STATUS** FINAL	
VIOLATIONS 18 U.S. Code § 1030 - Fraud and related activity in connection with computers	**DISTRIBUTION** ALERTS	6, 7(C)	1-5
		APPROVAL Steven Burke Digitally signed by STEVEN NICHOLAS BURKE Date: 2019.03.18 16:10:00 -04'00' Adobe Acrobat DC Version: 2015.006.30448	

SYNOPSIS

This investigation was initiated by a hotline complaint by the Federal Aviation Administration (FAA) Investigation Division (AEO-500) requesting that the US Department of Transportation - Office of Inspector General (DOT-OIG) review a request from the Director of Acquisition & Contracting, AAQ-1, to conduct an investigation into alleged suspicious activities that caused an apparent "crash" of FAA's Performance and Registration Information Systems Management (PRISM).

This investigation substantiated that Andre Victorian was the responsible party for damage caused to the system. Victorian signed a written affidavit during the execution of a search warrant at his residence admitting to the allegations.

BACKGROUND

Criminal Statutes affected:

18 USC 1030(a)(5)(B) and (c)(4)(A)(i)(I) - Fraud and related activity in connection with computers

(a) Whoever—
(5)
(B) intentionally accesses a protected computer without authorization, and as a result of such conduct, recklessly causes damage;

(c) The punishment for an offense under subsection (a) or (b) of this section is—

(4)

(A) except as provided in subparagraphs (E) and (F), a fine under this title, imprisonment for not more than 5 years, or both, in the case of—

(i) an offense under subsection (a)(5)(B), which does not occur after a conviction for another under this section, if the caused (or, in the case of an attempted offense, would, if completed, have caused)—

(I) loss to 1 or more persons during any 1-year period (and, for purposes of an investigation, prosecution, or other proceeding brought by the United only, resulting from a related course of conduct affecting 1 or more other protected computers) aggregating at least $5,000 in value;

DETAILS

On September 19, 2014, the FAA referred to DOT-OIG, information regarding activities affecting FAA's Performance and Registration Information Systems Management (PRISM) database. It was alleged that an individual familiar with the PRISM database environment executed a command or sequence of commands that included a "DROP_INDEX" command, which resulted in a disruption of the performance of the PRISM database. (Attachment 1)

As part of their investigation into the matter, the FAA Cyber Security Management Center (CSMC) identified two remote Internet Protocol (IP) addresses which were assigned to a government contractor on August 26, 2014. The government contractor associated with the connections was identified as Andre Victorian (Victorian), the primary database administration for the Oracle environment running PRISM on the affected servers.

On October 6, 2014, the DOT-OIG Computer Crimes Unit (CCU) conducted Forensic Media Collection (FMC) on two (2) FAA servers located at the Mike Monroney Aeronautical Center in Oklahoma City. System information was also captured including date, OS version, time stamps for all files, logged on users, open ports, running processes and current and recent connections. (Attachments 2-4)

On December 18, 2014, the evidence gathered in this investigation was presented to Anthony Teelucksingh, Special Assistant United States Attorney, U.S. Department of Justice, Computer Crime & Intellectual Property Section. Upon reviewing the information, SAUSA Teelucksingh accepted the case for criminal prosecution and added that the venue would be the District of Maryland.

On March 11, 2015, a Forensic Media Analysis report was completed by USDOT OIG CCU. The report covered analysis of the log files from the affected servers and the servers themselves. (Attachment 5)

On March 25, 2015, DOT-OIG agents executed a search warrant on the residence of VICTORIAN. During the search warrant, an Apple iMac computer was located in the kitchen and was confirmed by Victorian to be the "Kitchen-iMac" computer identified in the search warrant affidavit. CCU was requested to conduct Forensic Media Analysis (FMA) on the Kitchen iMac. (Attachment 6)

On March 25, 2015, Andre Victorian, Former Contract Database Administrator, Tantus-OnPoint Systems Support, LLC, (Tantus-OnPoint), was interviewed. During the interview Victorian admitted to logging into the PRISM environment numerous times after August 27, 2014. According to Victorian, 6, 7(C) was struggling and 6, 7(C) was not helping him. Victorian utilized Remote Desktop on his Apple iMac computer named "Kitchen-iMac" to access his FAA-issued computer and the PRISM servers. Victorian further admitted to accessing the PRISM production server on September 8, 2014 in an attempt to delete logs related to his activities. Victorian admitted that he executed the command to drop the indexes on the production server on his last day on the contract, stating "that was me, I did that." He added that he developed these indices to make his job easier and he believed that the indices were his own intellectual property. Victorian stated, "I found the solutions, so they [OST] can find them themselves". Upon the completion of the interview, Victorian agreed to prepare a Signed Sworn Statement to explain his actions related to the PRISM system. (Attachments 7 - 8)

On May 28, 2015, a Forensic Media Analysis report was completed by USDOT OIG CCU. The report covered analysis of the "Kitchen-iMac" system from Victorian's residence. (Attachment 9)

On September 2, 2015, 6, 7(C) 6, 7(C) 6, 7(C) Optimal Solutions and Technologies (OST), was interviewed. 6, 7(C) relayed that on September 2, 2014 the system began experiencing extremely sluggish performance. Upon internal investigation of the PRISM database it became apparent to OST that 64 Indices had been "dropped" from the system. 6, 7(C) stated 6, 7(C) did not know who was responsible for issuing a command to drop the indices but that the individual would have intimate knowledge of the effected FAA systems.
6, 7(C) vehemently denied statements made by Victorian and added that not only did 6, 7(C) never receive a return phone call from Victorian but that the messages 6, 7(C) left for Victorian did not mention anything about the reporting server; only that OST was experiencing performance problems. (Attachment 10)

October 9, 2015, a Target Letter was issued to Andre Victorian. In the letter, Andre Victorian was informed that he was the target of a federal investigation into possible violations of Title 18, United States Code, Section 1030, Fraud and related activity in connection with computers. (Attachment 11)

On March 14, 2018, Andre Victorian pleaded guilty in the U.S. District Court of Maryland, to an information listing criminal charges related to the unauthorized access and damage of a protected FAA computer system. As a result of his actions, FAA incurred a loss of $27,510.10 which included the time its employees were unable to work and the time it took the Agency contractor to identify the cause of a database slowdown. (Attachment 12)

On June 15, 2018, Andre Victorian of Ellicott City, Maryland, was sentenced in U.S. District Court, Baltimore, Maryland, after pleading guilty to an information on criminal charges related to unauthorized access of a protected computer system resulting in damage, 18 U.S.C. §§1030(a)(5)(B) & (c)(4)(A)(i)(I). He was sentenced to 18 months' probation and was ordered to pay $27,510.10 in restitution. (Attachment 13)

No other investigative action is warranted. Upon proper disposition of evidence, this case will be closed by this office.

-#-

ATTACHMENTS

1. PRISM Hotline Referral; dated 9/19/2014
2. Forensic Media Collection Report_0940QAR029; dated 10/6/2014
3. Forensic Media Collection Report_0846AM0044; dated 10/6/2014
4. Forensic Media Collection Report_0846AM0044(2); dated 10/6/2014
5. Forensic Media Analysis report – logfile analysis; dated 3/11/2015
6. Forensic Media Collection Report_ D25JV3PBDNMM; dated 3/25/2015
7. Interview of Andre Victorian; dated 3/25/2015
8. Signed affidavit from Victorian; dated 3/25/2015
9. Forensic Media Analysis report – Kitchen iMac; dated 5/28/2015
10. Interview of (b)(6), (b)(7)c dated 9/2/2015
11. Target letter to Andre Victorian; dated 10/9/2015
12. Information, Defendant Andre Victorian; dated 3/14/2018
13. Sentencing document, Defendant Andre Victorian; dated 6/15/2018

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER I15T0010500	DATE January 9, 2019
TITLE Takata Corporation (Takata) & Tsuneo Chikaraishi, Hideo Nakajima, and Shinichi Tanaka	PREPARED BY SPECIAL AGENT 6, 7(C)	STATUS Final
	DISTRIBUTION	INITIAL 6, 7(C) 1/5
VIOLATION(S): 18 USC § 2 [Aiding and Abetting] 18 USC § 1343, Wire Fraud 18 USC § 1349, Conspiracy	JRI-4 [Chicago]	APPROVED 6, 7(C) AMK 6, 7(C)

SYNOPSIS

On November 24, 2014, a joint-investigation was initiated with the Federal Bureau of Investigation (FBI), and the U.S. Department of Justice (DOJ) based on allegations that Takata Corporation (Takata) and its U.S. based subsidiary, Takata Holdings, Inc. (TKH) conducted tests and knew of defects; however, instead of alerting the National Highway Traffic Safety Administration (NHTSA) of the possible danger, Takata executives discounted the results and ordered the lab technicians to delete the testing data from their computers and dispose of the airbag inflators. It was further alleged that Takata's actions of concealing defects violated the Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act.

The investigation substantiated that Takata engaged a fraud scheme associated with airbag inflators using its ammonium nitrate (AN) based propellant. The investigation found that Takata and some of its executives were engaged in a scheme to manipulate testing data and provided false test reports to Original Equipment Manufacturers (OEMs). Takata knew in or around 2000 that its phase stabilized ammonium nitrate (PSAN) airbag inflators were failing tests, including rupturing; however, Takata hid the problem from their customers and the traveling public. Further, Takata falsified and manipulated testing data in reports provided to the OEMs.

On January 13, 2017, an information was filed in U.S. District Court, Detroit, Michigan, charging Takata with wire fraud stemming from the company's fraudulent conduct in relation to the sale of defective airbag inflators. An indictment was also unsealed charging former Takata executives Tsuneo Chikaraishi, Hideo Nakajima, and Shinichi Tanaka with conspiracy and wire fraud charges in relation to the same conduct. On February 27, 2017, Takata pleaded guilty to wire fraud and was sentenced to pay a total criminal penalty of $1 billion. However, the individual defendants are currently international fugitives, last known to be residing in Japan.

BACKGROUND

Takata Corporation (Takata) was a Japanese company with a U.S. based subsidiary, Takata Holdings, Inc. (TKH), located in Auburn Hills, Michigan. Takata manufactured a wide-variety of automobile products for Original Equipment Manufacturers (OEMs), to include airbag systems. In or around 2000, Takata began using an ammonium nitrate (AN) based propellant in its airbag inflators.

On June 25, 2017, Takata filed for Chapter 11 bankruptcy in the U.S. and filed for bankruptcy protection in Japan. The surviving assets were sold to its largest competitor, Chinese owned and U.S. (Michigan) based Key Safety Systems. On April 11, 2018, following the completion of Key Safety System's acquisition of Takata, the company was renamed Joyson Safety Systems.

DETAILS

This investigation was based on information that Takata Corporation (Takata) and its U.S. based subsidiary, Takata Holdings, Inc. (TKH), knew about defective airbags and failed to disclose them to the National Highway Traffic Safety Administration (NHTSA), original equipment manufacturers (OEMs), and the traveling public. Takata was one of the world's largest suppliers of automotive safety-related equipment, and OEMs relied on the company to provide airbag inflators that met their specifications. Several OEMs were affected by the defendants' scheme, including Honda, Toyota, Subaru, and Nissan. The recall associated with Takata's inflators, which feature an ammonium-nitrate (AN) based propellant, is the largest recall in U.S. history and continues to grow. On November 3, 2015, NHTSA issued a consent order agreed upon by TKH.

The investigation found that Takata and some of its executives were engaged in a scheme to manipulate testing data and provided false test reports to OEMs. Takata knew in or around 2000 that its phase stabilized ammonium nitrate (PSAN) airbag inflators were failing validation tests, including rupturing. Rather than reporting the testing issues, Takata falsified and manipulated the test data in reports that were provided to OEMs. Takata provided the false testing data and

reports to the automobile manufacturers in an effort to convince them to purchase their airbag systems.

Takata employees commonly referred to the removal or alternation of unfavorable test data that was provided to customers as "XXing" the data. In or around February 2004, Hideo Nakajima explained in an email to Shinichi Tanaka and others that Nakajima was "manipulating" test data relating to a specific PSAN inflator in production for a victim OEM. In or around February 2005, Tanaka explained in an email to Nakajima, Tsuneo Chikaraishi, and one other person that they had "no choice" but to manipulate data intended for distribution to a particular victim OEM. Nakajima responded to the group that he, too, believed they had "no choice but to XX."

Additionally, in or around March 2005, Tanaka sent an email to Nakajima, Chikaraishi and others indicating "XX has been done. High and low compared to the spec." In or around April 2005, Tanaka directed a junior engineer to "Please do XX" in an email that was also sent to Nakajima and Chikaraishi. In or around June 2005, Nakajima explained in an email to Tanaka, Chikaraishi, and others, that they had "no choice" but to manipulate test data, and that they needed to "cross the bridge together."

On January 13, 2017, an information was filed in U.S. District Court, Detroit, Michigan, charging Takata with wire fraud stemming from the company's fraudulent conduct in relation to sales of defective airbag inflators. An indictment was also unsealed charging Chikaraishi, Nakajima, and Tanaka with conspiracy and wire fraud charges in relation to the same conduct. The individual defendants charged were employed as both engineers and executives at Takata until approximately 2015, and worked in both the U.S. and Japan. The indictment alleged that the defendants engaged in, and/or caused others to engage in, the practice of deleting, altering, and manipulating airbag-inflator testing data, and that false information was provided to OEMs. Some of the information removed described ruptures that had occurred during airbag-inflator testing. It was alleged that the defendants caused airbag-inflator ballistic test results and effluent-gas test results to be changed on several airbag-inflator products. (Attachments 1-2)

On February 27, 2017, Takata pleaded guilty to wire fraud and was sentenced in U.S. District Court, Detroit, Michigan. The conviction and sentencing were related to the company's conduct in relation to sales of defective airbag inflators. Takata was sentenced to a total criminal penalty of $1 billion, including $975 million in restitution, a $25 million fine, and 3 years' probation. (Attachments 3 - 4)

Under a joint restitution order entered at the time of sentencing, two restitution funds were established: a $125 million fund for individuals who have been or become physically injured by

Takata's airbags and who have not already reached a settlement with the company, and an $850 million fund for airbag recall and replacement costs incurred by auto manufacturers that were victims of Takata's fraud scheme. A court-appointed special master was appointed to oversee the administration of the restitution funds. Takata also implemented rigorous internal controls and retained an independent compliance monitor. (Attachments 5 - 6)

The last known whereabouts of the individual defendants, who are Japanese citizens, was Japan. Chikaraishi, Nakajima, and Tanaka are currently international fugitives with outstanding Interpol Red Notices. Although DOJ has requested Japan's assistance in extraditing the individual defendants, it is currently unknown if they will be produced to face criminal charges in the U.S. Accordingly, it is recommended the case be closed. (Attachments 7 – 12)

-#-

INDEX OF ATTACHMENTS

Attachment 1 – Information – U.S. v. Takata Corporation [*Case No. 16-20810*]
Attachment 2 – Indictment – U.S. v. Shinichi Tanaka, Hideo Nakajima, and Tsuneo Chikaraishi [*Case No. 16-20810*]*
Attachment 3 – Plea Agreement – U.S. v. Takata Corporation [*Case No. 16-20810*]
Attachment 4 – Judgment in a Criminal Case – U.S. v. Takata Corporation [*Case No. 16-20810*]
Attachment 5 – Order of Forfeiture – U.S. v. Takata Corporation [*Case No. 16-20810*]
Attachment 6 – Special Master Restitution Order [*Case No. 16-20810*]
Attachment 7 – Arrest Warrant – Shinichi Tanaka
Attachment 8 – Arrest Warrant – Hideo Nakajima
Attachment 9 – Arrest Warrant – Tsuneo Chikaraishi
Attachment 10 – Interpol Red Notice – Shinichi Tanaka
Attachment 11 – Interpol Red Notice – Hideo Nakajima
Attachment 12 – Interpol Red Notice – Tsuneo Chikaraishi

Note: All of the above documents and all case documents, including all interview reports, are maintained in the electronic case folder; therefore, there are no documents attached to this report.

**Additional Note: Indictments, informations, and criminal complaints are only accusations by the Government. All defendants are presumed innocent unless and until proven guilty.*

U.S. Department of Transportation
Office of Inspector General

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I15E016SINV	7/14/2017
TITLE (b)(6), (b)(7)(C) Office of the Secretary Of Transportation	PREPARED BY INVESTIGATOR (b)(6), (b)(7)(C)	STATUS Final
ALLEGATIONS Ethics Violation (Misconduct)	DISTRIBUTION JRI-3 (b)(6), (b)(7)(C) OST M-16 HR	(b)(6), (b)(7)(C) 1/5 APPROVED FDS (b)(6), (b)(7)(C)

SYNOPSIS

This investigation concerns the actions of (b)(6), (b)(7)(C) while (b)(6), (b)(7)(C) was the (b)(6), (b)(7)(C) for the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) left the (b)(6), (b)(7)(C) in (b)(6), (b)(7)(C) to accept a position with the Department of Transportation (DOT) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) The DOT Office of Inspector General (OIG) performed this investigation because the (b)(6), (b)(7)(C) was nearing its expiration date of September 30, 2015, when it learned of these matters. As (b)(6), (b)(7)(C) sole employer since (b)(6), (b)(7)(C) left the (b)(6), (b)(7)(C) DOT is in a position to take action in this matter, if warranted.

This investigation is based on concerns that (b)(6), (b)(7)(C) may have knowingly committed ethical violations (1) in (b)(6), (b)(7)(C) role as the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) on two contracts, (2) in seeking employment outside the (b)(6), (b)(7)(C) and (3) by using (b)(6), (b)(7)(C) position and title in emails on personal matters.

Our investigation disclosed as (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) knowingly allowed or engaged in several contracting improprieties. (b)(6), (b)(7)(C) knowingly allowed the (b)(6), (b)(7)(C) to enter into two pass-through contracts that improperly used a General Services Administration (GSA) contracting vehicle designed to assist disadvantaged businesses. By using the GSA program, the (b)(6), (b)(7)(C) avoided open competition and ensured the hiring of TrueTandem, a favored subcontractor. The two named DBEs did not perform substantive work. They billed the (b)(6), (b)(7)(C) for TrueTandem's charges plus a percentage. (b)(6), (b)(7)(C) also acknowledged asking TrueTandem and a desired prime contractor for market research supporting the contractor's selection. We also found that (b)(6), (b)(7)(C)

misrepresented to the GSA (b)(6), (b)(7)(C) own level of research in supporting the selection of the second DBE. Further, (b)(6), (b)(7)(C) admitted sending government cost information to TrueTandem despite knowing that was improper.

We did not find evidence that (b)(6), (b)(7)(C) sought employment with the contractor to whom (b)(6), (b)(7)(C) sent (b)(6), (b)(7)(C) resume.

We also found insufficient evidence that (b)(6), (b)(7)(C) used (b)(6), (b)(7)(C) position and title intentionally to benefit (b)(6), (b)(7)(C) financially.

DETAILS

On October 7, 2015, OIG Special Agent (b)(6), (b)(7)(C) and Assistant Special Agent-in-Charge (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C) regarding matters that occurred during (b)(6), (b)(7)(C) tenure with the (b)(6), (b)(7)(C) (**Attachment 1**).

The (b)(6), (b)(7)(C) had sought information technology support and, in July 2011, selected AMDEX (b)(6), (b)(7)(C) as the contractor for these services. AMDEX was selected through a General Services Administration (GSA) program known as 8(a) STARS. Under 8(a) STARS, GSA maintains a list of approved small, disadvantaged businesses that provide information technology and/or related services. An approved business, such as AMDEX, may be selected without competition. When asked why AMDEX was selected, (b)(6), (b)(7)(C) stated, "The only reason why I know [for AMDEX's selection] was because TrueTandem was a personal friend of [(b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) stated that (b)(6), (b)(7)(C) of TrueTandem and (b)(6), (b)(7)(C) were friends. TrueTandem provides IT services, but was not on the 8(a) STARS list. Thus, TrueTandem could not have been selected noncompetitively as the prime contractor. AMDEX was selected, but (b)(6), (b)(7)(C) and others knew that it acted as a pass-though company; TrueTandem performed the substantive work under the AMDEX contract.

The OIG agents asked (b)(6), (b)(7)(C) whether (b)(6), (b)(7)(C) knew that a pass-through was not supposed to be used. (b)(6), (b)(7)(C) responded that (b)(6), (b)(7)(C) "thought it was suspicious at the time, but I didn't wave a flag. . . . I didn't want to jeopardize my standing at the Board and be subject to retaliation and that frightened me more at the time." (b)(6), (b)(7)(C) added that (b)(6), (b)(7)(C) had been married recently and had "a lot of interests to look out for."

For fiscal year 2013, a new contract needed to be awarded under 8(a) STARS II, GSA's successor to 8(a) STARS. AMDEX was not a STARS II vendor, so (b)(6), (b)(7)(C) had to find a replacement contractor. (b)(6), (b)(7)(C) an employee of subcontractor TrueTandem, suggested using MetroStar Systems—an 8(a) STARS II approved vendor—as the prime contractor. In an email at 10:08 a.m. on July 27, 2012, under the subject, "Newstar," (b)(6), (b)(7)(C) asked (b)(6), (b)(7)(C) "Can you send me their link again?" (**Attachment 2**). Less than an hour later, (b)(6), (b)(7)(C) asked a GSA official

to confirm that MetroStar was an approved vendor under 8(a) STARS II. (b)(6), (b)(7)(C) email added that MetroStar "came highly recommended from the market research that we conducted" (**Attachment 3**).

(b)(6), (b)(7)(C) of TrueTandem explicitly referenced both pass-through arrangements to (b)(6), (b)(7)(C) in an email (**Attachment 4**), writing that (b)(6), (b)(7)(C) "agreement with [MetroStar was that we would leverage [STARS II] as a 'Pass-through' contract vehicle." In this email, (b)(6), (b)(7)(C) informed (b)(6), (b)(7)(C) that although MetroStar had agreed to charge no more than 5% above TrueTandem's labor rates, as had been the arrangement with AMDEX, MetroStar was actually "marking my cost up by about more than twice that at 13%." Later in the email, (b)(6), (b)(7)(C) adds, "MetroStar is not required to add any value to this effort, short of processing the paperwork. A 5% markup is more than fair."

In the OIG interview, (b)(6), (b)(7)(C) acknowledged improprieties in selecting MetroStar. (b)(6), (b)(7)(C) stated that MetroStar was identified as the new contractor because (b)(6), (b)(7)(C) knew and trusted someone there. When the OIG interviewers pointed out that selecting a contractor was not up to (b)(6), (b)(7)(C), (b)(6), (b)(7)(C) agreed. (b)(6), (b)(7)(C) acknowledged knowing that the contract was an illegal pass-through arrangement. (b)(6), (b)(7)(C) said (b)(6), (b)(7)(C) sought to follow (b)(6), (b)(7)(C) wishes and did not raise the illegality of the pass-through structure to (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) stated that (b)(6), (b)(7)(C) may not have known the structure was illegal.

OIG interviewers asked (b)(6), (b)(7)(C) why (b)(6), (b)(7)(C) mentioned concerns of potential retaliation if (b)(6), (b)(7)(C) had raised issues to (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) said that (b)(6), (b)(7)(C) could be retaliatory "to a certain extent." (b)(6), (b)(7)(C) gave an example of a former (b)(6), (b)(7)(C) employee, (b)(6), (b)(7)(C), whom (b)(6), (b)(7)(C) allegedly sought to have terminated after (b)(6), (b)(7)(C) called (b)(6), (b)(7)(C) a name in a meeting. (b)(6), (b)(7)(C) did not attend the meeting. A review of (b)(6), (b)(7)(C) emails indicates that (b)(6), (b)(7)(C) remained at the (b)(6), (b)(7)(C) until at least mid-August 2013 (**Attachment 5**), more than a year after (b)(6), (b)(7)(C) had emailed the GSA about MetroStar being "highly recommended" based on the (b)(6), (b)(7)(C) "market research." Consequently, it is improbable that the potential termination of (b)(6), (b)(7)(C) factored into (b)(6), (b)(7)(C) actions in the processes of selecting AMDEX in 2011 or MetroStar in 2012.

On October 8, 2015, SA (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C) GSA (**Attachment 6**). (b)(6), (b)(7)(C) stated that (b)(6), (b)(7)(C) had requested that (b)(6), (b)(7)(C) provide market research on why MetroStar had been selected. (b)(6), (b)(7)(C) stated to the OIG that if an official could not explain the selection, the award would be delayed until the official provided a logical, acceptable explanation. In this instance, after (b)(6), (b)(7)(C) requested market research supporting the MetroStar selection, (b)(6), (b)(7)(C) emailed (b)(6), (b)(7)(C) on August 20, 2012, asking if (b)(6), (b)(7)(C) had "any good gibberish" to add to the reasons for the selection. After (b)(6), (b)(7)(C) forwarded the request to MetroStar, (b)(6), (b)(7)(C) replied to all recipients (MetroStar and TrueTandem officials), "I just need a quick blurb. Why did we choose you all? I need a paragraph—nothing more. Thanks!" (**Attachment 7**). (b)(6), (b)(7)(C) stated to the OIG that (b)(6), (b)(7)(C) acted improperly by seeking market survey input from the contractor and that (b)(6), (b)(7)(C) was unaware (b)(6), (b)(7)(C) had done so.

The evidence indicates that misrepresented to GSA research on MetroStar. As stated above, in July 2012, wrote to GSA that MetroStar "came highly recommended from the market research that we conducted." Less than an hour before, however, had not recalled MetroStar's name asking to send the link for "Newstar." In OIG interview, stated research consisted of "going to the MetroStar website" and reviewing materials from MetroStar to see how their capabilities matched up with the needs. did not analyze firms other than MetroStar, said, because they were the desired contractor, and sole-source contracts are allowed under 8(a) STARS II. In effect, provided no evidence that the conducted independent market research to support assertion to the GSA about MetroStar being "highly recommended."

also conceded that should not have sent independent government cost estimate (IGCE) information to the subcontractor's employee. In interview, acknowledged that sent the IGCE to TrueTandem because "that's how we did things. . . that's how we were trying to get the contract in play." In OIG interview, GSA's stated that a subcontractor has neither a need nor a right to pricing information.

Another concern mentioned to OIG was decision to send resume to MetroStar officers. claimed that although MetroStar officials indicated initially that they had an interest in told them they could not seek employment. adamantly denied that was ever looking for employment with MetroStar: "I never would accept a job from MetroStar and that's something I firmly will fight because I did not take any job, or any job offers." sent resume to of MetroStar, who said knew the at the Department of Commerce and wanted to connect the two. also sent resume to of MetroStar to review it and offer feedback. The evidence is insufficient to assert that sought or discussed employment with MetroStar officials to whom sent resume.

The final issue brought to the OIG was purported use of title and position in personal financial matters. A review of emails indicates that kept position and title in nearly all of emails regardless of whether they were official or personal. Though that may be improper, nothing indicates that kept that information in personal business dealings while removing it from other personal emails. In one email sent from personal email, attached work signature at the bottom, but also included personal phone number and informed the recipient that could call at either number. We note that the text of emails did not mention title or position. Consequently, there is insufficient evidence to find that intentionally used full signature block to convey a position of authority or gain some financial advantage.

#

INDEX OF ATTACHMENTS

Attachment 1 – Transcript of October 7, 2015 Interview of (b)(6), (b)(7)(C) by DOT OIG Special Agent (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and Assistant Special Agent-in-Charge (b)(6), (b)(7)(C)

Attachment 2 – Email from (b)(6), (b)(7)(C) to (b)(6), (b)(7)(C) re "Newstar" (July 27, 2012, 10:08 a.m.)

Attachment 3 – Email from (b)(6), (b)(7)(C) to (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) (GSA) (copied to others) (July 27, 2012, 10:44 a.m.)

Attachment 4 – Email from (b)(6), (b)(7)(C) (TrueTandem employee) to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (August 9, 2013)

Attachment 5 – Email from (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) employee) to (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) (August 21, 2013)

Attachment 6 – Summary of October 8, 2015 Interview of (b)(6), (b)(7)(C) (GSA)

Attachment 7 – Email from (b)(6), (b)(7)(C) to (b)(6), (b)(7)(C) copied to MetroStar officers (August 22, 2012)

Memorandum

U.S. Department of Transportation

Office of the Secretary of Transportation

Office of Inspector General

Subject: **INFORMATION**: OIG Case # I16E0040902
RE: (b)(6), (b)(7)(C)

Date: September 20, 2018

From: (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)
Assistant Special Agent-in-Charge, JRI-9

Reply to Attn. of: (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C)

To: (b)(6), (b)(7)(C)
(b)(6), (b)(7)(C) Internal Investigations Division
Federal Aviation Administration

This memorandum summarizes the results of an Office of Inspector General (OIG) investigation into allegations that (b)(6), (b)(7)(C) former (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) inappropriately awarded a no bid repair contract of $4,295.90 to (b)(6), (b)(7)(C) a company whose owner, (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) had a personal relationship. This is a possible violation of 18 USC 208 – Acts affecting a personal financial interest.

OIG conducted a search of the Federal Procurement Data System (FPDS) which showed (b)(6), (b)(7)(C) received several FAA contracts over the previous five year period. However, the contract in question was not included. The contracts that were awarded to (b)(6), (b)(7)(C) ranged in amount from (b)(6), (b)(7)(C). Based on the information from the FPDS, OIG could not determine if (b)(6), (b)(7)(C) was the contracting officer for any of the awarded contracts.

In February 2017, OIG received information that (b)(6), (b)(7)(C) retired from the FAA in (b)(6), (b)(7)(C)

On October 20, 2017, OIG Agents interviewed (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) is the (b)(6), (b)(7)(C) of (b)(6), (b)(7)(C) There are no other employees besides (b)(6), (b)(7)(C) who helps prepare bids for jobs. (b)(6), (b)(7)(C) was (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) at the (b)(6), (b)(7)(C) facility in the early 1990s. (b)(6), (b)(7)(C) described (b)(6), (b)(7)(C) as an acquaintance. The only time (b)(6), (b)(7)(C) could recall spending time with (b)(6), (b)(7)(C) outside of work was at a Veteran's group gathering. (b)(6), (b)(7)(C) generally finds out about jobs from a website where they are posted or from referrals. (b)(6), (b)(7)(C) does work for the local and federal

government and for private individuals or companies. (b)(6), (b)(7)(C) has had contracts with the FAA – the most recent job was completed (b)(6), (b)(7)(C) (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) could not recall if (b)(6), (b)(7)(C) ever received a sole source/no bid contract. The contracts are generally awarded through the contracting office.

(b)(6), (b)(7)(C) stated (b)(6), (b)(7)(C) did go to the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) building to view the work that would need to be done. After that a bid proposal was prepared. (b)(6), (b)(7)(C) could not recall who (b)(6), (b)(7)(C) provided it to but believed it was (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was not awarded the contract and never performed any of the work.

On July 2, 2018, the United States Attorney's Office declined to prosecute this case. OIG is closing this investigation. For any questions, please contact SA (b)(6), (b)(7)c (b)(6), (b)(7)c at (b)(6), (b)(7)(C)

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I17E0050401	09/07/18
TITLE	**PREPARED BY SPECIAL AGENT**	**STATUS**
(b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)	(b)(6), (b)(7)(C)	Final
	DISTRIBUTION	1/5
Title 18 United States Code, Section 201 Bribery of Public Officials and Witnesses	File	**APPROVED** TD

SYNOPSIS:

This investigation was based on information from (b)(6), (b)(7)(C) Federal Aviation Administration (FAA), (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) who alleged on March 16, 2017, a former (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) who has primarily responsible for oversight over the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) program, and several specific (b)(6), (b)(7)(C) may be corrupt and/or participated in prohibited and/or unethical practices. In addition, (b)(6), (b)(7)(C) reported (b)(6), (b)(7)(C) recently terminated two local (b)(6), (b)(7)(C) overseen by (b)(6), (b)(7)(C) because they made false statements regarding the administration of (b)(6), (b)(7)(C)

This matter was investigated by the USDOT, Office of Inspector General (OIG) with assistance from (b)(6), (b)(7)(C) FAA Office of Security and Hazardous Materials, Law Enforcement Assistance Program; and FAA Special (b)(6), (b)(7)(C) Investigations Team, AFS-1030.

IDENTIFICATION:

Name: (b)(6), (b)(7)(C)
DOB: (b)(6), (b)(7)(C)
SSN: (b)(6), (b)(7)(C)
Gender: (b)(6), (b)(7)(C)
Address: (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)

BACKGROUND:

1) Criminal Statutes Affected:

1. 18 USC § 201, Bribery of Public Officials and Witnesses

(b)Whoever –

(1) directly or indirectly, corruptly gives, offers or promises anything of value to any public official or person who has been selected to be a public official, or offers or promises any public official or any person who has been selected to be a public official to give anything of value to any other person or entity, with intent -

(A) to influence any official act; or

(B) to influence such public official or person who has been selected to be a public official to commit or aid in committing, or collude in, or allow, any fraud, or make opportunity for the commission of any fraud, on the United States; or

(C) to induce such public official or such person who has been selected to be a public official to do or omit to do any act in violation of the lawful duty of such official or person;

(2) being a public official or person selected to be a public official, directly or indirectly, corruptly demands, seeks, receives, accepts, or agrees to receive or accept anything of value personally or for any other person or entity, in return for:

(A) being influenced in the performance of any official act;

(B) being influenced to commit or aid in committing, or to collude in, or allow, any fraud, or make opportunity for the commission of any fraud, on the United States; or

(C) being induced to do or omit to do any act in violation of the official duty of such official or person;

(3) directly or indirectly, corruptly gives, offers, or promises anything of value to any person, or offers or promises such person to give anything of value to any other person or entity, with intent to influence the testimony under oath or affirmation of such first-mentioned person as a witness upon a trial, hearing, or other proceeding, before any court, any committee of either House or both Houses of Congress, or any agency, commission, or officer authorized by the laws of the United States to hear evidence or take testimony, or with intent to influence such person to absent himself therefrom.

DETAILS:

On March 16, 2017, (b)(6), (b)(7)(C) contacted Special Agent (SA) (b)(6), (b)(7)(C) U.S. Department of Transportation USDOT/OIG, (b)(6), (b)(7)(C) stating (b)(6), (b)(7)(C) the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) may be corrupt. According to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) came to that conclusion due to (b)(6), (b)(7)(C) being overly defensive over the termination of (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was terminated due to alleged fraud (b)(6), (b)(7)(C) committed in reporting (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) During that conversation, (b)(6), (b)(7)(C) confronted (b)(6), (b)(7)(C) where upon (b)(6), (b)(7)(C) confessed (b)(6), (b)(7)(C) took (b)(6), (b)(7)(C) on a personal ride in the (b)(6), (b)(7)(C) personally-owned (b)(6), (b)(7)(C) jet aircraft, the acceptance of this flight by (b)(6), (b)(7)(C) was later determined by the FAA Ethics office to be a prohibited gift in excess of $20.

(b)(6), (b)(7)(C) further stated (b)(6), (b)(7)(C) was previously suspended for 60 days for failing to disclose on (b)(6), (b)(7)(C) FAA Form 8500-8, Medical Certificate Second Class the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) Another issue of concern was that (b)(6), (b)(7)(C) recently purchased (b)(6), (b)(7)(C) despite previously complaining (b)(6), (b)(7)(C) of financial situation.

On April 11, 2017, (b)(6), (b)(7)(C) was interviewed by SAs (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) USDOT/OIG, (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) USDOT/OIG, (b)(6), (b)(7)(C) During this interview, (b)(6), (b)(7)(C) restated the information (b)(6), (b)(7)(C) previously told SA (b)(6), (b)(7)(C) and added that during (b)(6), (b)(7)(C) suspension period, (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) in a (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) despite, again, (b)(6), (b)(7)(C) previous complaints over (b)(6), (b)(7)(C) finances.

(b)(6), (b)(7)(C) complained to (b)(6), (b)(7)(C) would be losing money while on suspension, and that one of the (b)(6), (b)(7)(C) offered to pay (b)(6), (b)(7)(C) $250 weekly or monthly for assisting with duties related to the (b)(6), (b)(7)(C) program. (b)(6), (b)(7)(C) advised (b)(6), (b)(7)(C) that taking compensation from (b)(6), (b)(7)(C) would be a conflict of interest and could be an illegal act.

Finally, (b)(6), (b)(7)(C) stated during a visit to an expensive restaurant named (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) with a former (b)(6), (b)(7)(C) front line manager (FLM) who paid for the approximate $200 restaurant tab with restaurant gift cards. This former FLM and (b)(6), (b)(7)(C) were close, and (b)(6), (b)(7)(C) opined the former FLM may have been given the gift cards by the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)
On (b)(6), (b)(7)(C) SA (b)(6), (b)(7)(C) contacted (b)(6), (b)(7)(C) who advised (b)(6), (b)(7)(C) had submitted paperwork obtained from the Labor Relations Board (LRB) to the FAA Legal Office regarding (b)(6), (b)(7)(C) having accepted a personal flight in a (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) The LRB

determined this flight was an excessive gift due to it being personal in nature despite the professional association between (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C)

On (b)(6), (b)(7)(C) SA (b)(6), (b)(7)(C) contacted (b)(6), (b)(7)(C) who stated that on (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was given a termination letter stating (b)(6), (b)(7)(C) would be discharged from FAA service. On (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) provided (b)(6), (b)(7)(C) with a written resignation letter which stated (b)(6), (b)(7)(C) last day with the FAA would be (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) also informed (b)(6), (b)(7)(C) was planning on becoming a "consultant" assisting people with their (b)(6), (b)(7)(C) Upon request, (b)(6), (b)(7)(C) provided (b)(6), (b)(7)(C) work computer to the USDOT/OIG Computer Crimes Unit (CCU), Washington, DC.

On (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) FAA, (b)(6), (b)(7)(C) was interviewed by SAs (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) stated (b)(6), (b)(7)(C) was "worried" about (b)(6), (b)(7)(C) due to the multiple complaints about (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and the perception of other (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) that (b)(6), (b)(7)(C) favored (b)(6), (b)(7)(C) Specifically, the (b)(6), (b)(7)(C) were concerned that (b)(6), (b)(7)(C) flew on a (b)(6), (b)(7)(C) training aircraft owned by (b)(6), (b)(7)(C) the flight of which was witnessed by another (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was to have been terminated from FAA service due to this but (b)(6), (b)(7)(C) instead resigned. Another allegation regarding (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) was that (b)(6), (b)(7)(C) may have been (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) by (b)(6), (b)(7)(C) several years back.

According to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was also suspended for 60 days for not disclosing (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) on (b)(6), (b)(7)(C) required FAA Medical Application. Finally, (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) stated a rumor that arose within (b)(6), (b)(7)(C) alleged (b)(6), (b)(7)(C) was given a (b)(6), (b)(7)(C) by a (b)(6), (b)(7)(C) but was unaware of further details.

On June 26, 2017, SA (b)(6), (b)(7)(C) requested CCU analyze the (b)(6), (b)(7)(C) FAA computer. A subsequent review revealed nothing of investigative significance was found.

On October 16, 2017, SA (b)(6), (b)(7)(C) FAA, Office of Security and Hazardous Materials Safety, (b)(6), (b)(7)(C) contacted (b)(6), (b)(7)(C) via e-mail stating (b)(6), (b)(7)(C) office received two hotline complaints against (b)(6), (b)(7)(C) alleging (b)(6), (b)(7)(C) defrauded the State of (b)(6), (b)(7)(C) by failing to pay state sales taxes for (b)(6), (b)(7)(C) company, (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) According to the first allegation, (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) claimed on a (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) form that (b)(6), (b)(7)(C) was an aircraft broker business. The second allegation alleged (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) improperly conducted investigations against former (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) which led to their terminations from the (b)(6), (b)(7)(C) program.

On November 6, 2017, SA (b)(6), (b)(7)(C) requested OGE 450, Confidential Financial Disclosure Forms for (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) from the USDOT, Office of Chief Counsel, Employment and Labor

Law Division (AGC-100), (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) A subsequent review of the forms revealed (b)(6), (b)(7)(C) had no reportable assets or sources of income for (b)(6), (b)(7)c while employed by the FAA. A review of (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) forms revealed (b)(6), (b)(7)(C) as a reportable asset or source of income for (b)(6), (b)(7)c (b)(6), (b)(7)(C) claimed being the manager and single owner of this single member limited liability company. Further, (b)(6), (b)(7)(C) also reported a severance agreement with a company named (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) A review of FAA Legal concluded (b)(6), (b)(7)(C) had no apparent conflicts-of-interest.

On January 9, 2018, SA (b)(6), (b)(7)(C) spoke with (b)(6), (b)(7)(C) who stated that (b)(6), (b)(7)(C) had been hired as a (b)(6), (b)(7)(C) at the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) conferred with FAA attorneys about this but was told (b)(6), (b)(7)(C) the FAA could do nothing to prevent being hired by this contractor since (b)(6), (b)(7)(C) was allowed to quit (b)(6), (b)(7)(C) position as an (b)(6), (b)(7)(C) in lieu of being terminated. Subsequent to this telephone call, (b)(6), (b)(7)(C) provided an e-mail message to SA (b)(6), (b)(7)(C) citing (b)(6), (b)(7)(C) concern to the (b)(6), (b)(7)(C)

Finally, (b)(6), (b)(7)(C) informed SA (b)(6), (b)(7)(C) was reducing (b)(6), (b)(7)(C) cadre to three or four and terminating others in part because (b)(6), (b)(7)(C) resigned from the FAA in (b)(6), (b)(7)(C) 2017 after accepting a job with an (b)(6), (b)(7)(C)

Due to a lack of information substantiating the allegations against (b)(6), (b)(7)(C) this investigation is closed.

EVIDENCE:
On September 18, 2018, SA (b)(6), (b)(7)(C) contacted (b)(6), (b)(7)(C) DOT/OIG, and CCU, advising that the investigation was being closed and all electronic records could be disposed.

- # -

Memorandum

U.S. Department
Of Transportation

Office of the Secretary
of Transportation

Office of Inspector General

Subject:
Investigation Closure
Operation See No Evil
OIG Case No. I16G0110200

Date: October 19, 2018

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

Reply to:

Attn of: JRI-2

To:
(b)(6), (b)(7)(C)
Assistant Special Agent-in-Charge, JRI-2

This investigation was based on information received, in (b)(6), (b)(7)(C), (b)(7)D) from two (2) senior (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) officials alleging that (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) knowingly withheld information from this office and the Federal Transit Administration (FTA). It was alleged that (b)(6), (b)(7)(C) often closes fraud investigations if (b)(6), (b)(7)(C) determines that the exposure of fraud would be too costly and damaging to the (b)(6), (b)(7)(C)

Complainants provided examples of (b)(6), (b)(7)(C) investigations that were prematurely closed because of their alleged political sensitivity. The complainants alleged (b)(6), (b)(7)(C) purposely withheld from, or falsified information to, the FTA on separate projects, to wit: an investigation involving the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) regarding cost overruns and project completion time; an investigation involving construction on (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) to bring them up to compliance with the federal American with Disabilities Act (b)(6), (b)(7)(C) and, an allegation that (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was a "ghost employee". In the last instance, it was further alleged that (b)(6), (b)(7)(C) former (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) allowed this to occur, because (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) were close friends.

The ensuing investigation undertaken by the DOT-OIG and the United States Attorney's Office (USAO), (b)(6), (b)(7)(C) established that the actions taken by (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) were not criminal in nature.

REDACTED FOR DISCLOSURE

In regard to the (b)(6), (b)(7)(C) project, the complainant alleged that the (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) withheld information from the FTA regarding the project cost and estimated date of completion. (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was hired on (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was interviewed by the reporting agent and officials from the USAO. (b)(6), (b)(7)(C) explained that (b)(6), (b)(7)(C) was at meetings with (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C), FTA, (b)(6), (b)(7)(C), and other FTA officials, where cost overruns were discussed in detail. (b)(6), (b)(7)(C) stated that the FTA was fully aware of the cost overruns and the completion date. (b)(5) (b)(6), (b)(7)(C)

(b)(5)

In regard to the ADA-related allegation, the complainant alleged that the (b)(6), (b)(7)(C) mispresented, to the FTA, that certain (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) are ADA compliant. During the course of the investigation, (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) was interviewed by the reporting agent and an agent from the USAO. (b)(6), (b)(7)(C) stated that the FTA has been fully aware of all ADA matters regarding compliance. (b)(6), (b)(7)(C) provides the FTA with a quarterly report on (b)(6), (b)(7)(C) FTA reviews the reports and does its own checks of (b)(6), (b)(7)(C) ADA compliance. According to officials at the FTA, the FTA has never withheld funds from the (b)(6), (b)(7)(C) due to ADA noncompliance or misrepresentation by the (b)(6), (b)(7)(C) The FTA explained that they have a "trust, but verify" role in these projects. If they felt that the (b)(6), (b)(7)(C) was withholding or mispresenting information they would have referred the matter to this office.

In regard to the allegation involving (b)(6), (b)(7)(C) the (b)(6), (b)(7)(C) employees—who initially investigated the claim that (b)(6), (b)(7)(C) was not showing up to work—were interviewed by this office. (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) explained that (b)(6), (b)(7)(C) was showing up for work on a regular basis, but (b)(6), (b)(7)(C) (b)(6), (b)(7)(C). The remainder of the week, (b)(6), (b)(7)(C) worked from (b)(6), (b)(7)(C) office at the (b)(6), (b)(7)(C) in (b)(6), (b)(7)(C) (b)(5) (b)(6), (b)(7)(C)

(b)(5)

In the course of this investigation, the OIG and USAO also examined an allegation regarding the use of Pneumatically Applied Concrete (PAC), also known as Shotcrete, on FTA funded projects in (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) FTA, was interviewed at the USAO. (b)(6), (b)(7)(C) stated that PAC was used on the (b)(6), (b)(7)(C) project; the difference is how it is applied. (b)(6), (b)(7)(C) noted cast-in-place concrete is more time consuming to apply than PAC/Shotcrete due to workers having to build forms for the cement to be pour into to act as a mold. The FTA does not dictate 'means and methods'. The FTA's focus is on safety.

(b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(5) (b)(6), (b)(7)(C)

The reporting agent reviewed (b)(6), (b)(7)(C) personal banking account and the (b)(6), (b)(7)(C) banking account for any suspicious activity to and from these accounts. The activities in these accounts were not probative to the allegations presented here. Additionally, the

---

[1] A separate OIG investigation has been opened to address this matter. See OIG Case No. I17G0070200.

reporting agent had a mail cover conducted by the United States Postal Service on (b)(6), (b)(7)(C) residence in an effort to uncover a LLC or other types of businesses that (b)(6), (b)(7)(C) may have interest in. The mail cover did not uncover any such activities.

In conclusion, the USAO declined to prosecute this case due to the aforementioned findings. (b)(5)

(b)(5) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)

This case is closed.

Memorandum

U.S. Department of Transportation

Office of the Secretary of Transportation

Office of Inspector General

Subject: **Action**: Case Closure Memo
I13G0110600 – U.S. ex rel. Thigpin v. Texas A&M University Research Foundation

Date: September 18, 2018

From: (b)(6), (b)(7)(C)
Assistant Special Agent in Charge, JRI-6

Reply to Attn. of: (b)(6), (b)(7)(C)

To: Joseph M. Zschiesche
Special Agent in Charge, JRI-6

This memorandum recommends closure of DOT-OIG Case Number I13G0110600 – U.S. ex rel. Thigpin v. Texas A&M Research Foundation (TAMRF). This investigation was initiated based on allegations that TAMRF, an independent non-profit service organization, ignored federal restrictions and policies to overcharge salaries, disregard financial accounting practices, and camouflage time from administrative personnel in order to allow their salaries to be paid as direct costs on federal grants.

The investigation determined that TAMRF improperly charged additional compensation to federal grants for academic employees at an institution of higher education whom are ineligible to receive such pay. In addition it was determined that TAMRF improperly charged various federal grants for expenses not properly allocable to the grants, including salaries and wages for individuals not working on the grants, supplies and equipment unrelated to the grants, and travel expenses unrelated to objectives of the grants or for unaffiliated parties not working on the grants.

On September 5, 2018, TAMRF agreed to pay $750,000 to the U.S. Government in order to settle the allegations that TAMRF submitted improper charges to federal grants.

This investigation will be closed with no further action pending from this office.

Memorandum

U.S. Department of Transportation

Office of the Secretary of Transportation

Office of Inspector General

Subject: ACTION: Closing of # I17E0040400 Muhammad – Prohibited Personnel Violation

Date: May 15, 2018

From: (b)(6), (b)(7)(C)
Special Agent, JRI-4

Reply to Attn. of: (b)(6), (b)(7)(C)

To: File

Thru: Marlies Gonzalez, JRI-4
Special Agent in Charge

This investigation is based on information received from the U.S. Department of Treasury Inspector General for Tax Administration (TIGTA). During an investigation of (b)(6), (b)(7)(C) for fraudulent and retaliatory liens against a federal employee of the Internal Revenue Service (IRS), TIGTA found that (b)(6), (b)(7)(C) was employed by the Federal Aviation Administration (FAA), as a (b)(6), (b)(7)(C) at the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)

Our investigation substantiated that from about March 2012 through September 2012, (b)(6), (b)(7)(C) was involved in a debt elimination scheme to pay off approximately $413,645 of mortgage debt. According to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) were interested in farming and met a (b)(6), (b)(7)(C) who promised to teach them to farm, to be truly free, and to ultimately help others. However, (b)(6), (b)(7)(C) abused their trust and directed their efforts to eliminate debt through fraudulent means. As elements of the scheme, on June 22, 2012, (b)(6), (b)(7)(C) filed a declaration as a "sovereign citizen," with the (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and on September 18, 2012, (b)(6), (b)(7)(C) filed a lien against an IRS employee to obstruct the agency's ability to collect taxes.

In furtherance of the scheme, on June 25 2012, (b)(6), (b)(7)(C) attempted to defraud Wells Fargo Bank by submitting a fraudulent $200,000 check as full repayment of (b)(6), (b)(7)(C) mortgage loan. On the same date, (b)(6), (b)(7)(C) attempted to defraud GMAC mortgage with a $92,000 fraudulent check and Bank of America with a $130,000 check. On July 3, 2012, (b)(6), (b)(7)(C) disputed at least one banks refusal to accept (b)(6), (b)(7)(C) form of payment. All three banks denied the payments and determined they

were consistent with mortgage debt elimination fraud. Further review of Muhammad's banking records did not disclose fraudulent or suspicious activity other than that already identified.

While the investigation established evidence of violations within TIGTA's jurisdiction, the investigation did not show that (b)(6), (b)(7)(C) used FAA email account to conduct personal business. Futhermore, DOT/OIG did not identify emails related to the alleged financial dealings, bank or mortgage fraud, sovereign citizenship, or IRS.

On May 7, 2018, DOT/OIG received an email, through the TIGTA case agent from the Assistant United States Attorney assigned to the case stating that the U.S. Department of Justice (USDOJ) Tax Division did not approve prosecution. Based on this declination and the fact DOT/OIG does not have a violation of applicable statutes, this investigation does not warrant further investigative action by this office and is recommended for closure.

-#-

Memorandum

U.S. Department
Of Transportation

Office of the Secretary
of Transportation

Office of Inspector General

Subject: Investigation Closure
NYS MTA DBE Settlements
I15G0110200

Date: March 28, 2018

Reply to:

From: (b)(6), (b)(7)(C)
Special Agent, JRI-2

Attn of: JRI-2

To: (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)
Assistant Special Agent-in-Charge, JRI-2

This investigation was initiated in order to determine if FTA grant funds were put at risk due to improper oversight by the Metropolitan Transportation Authority (MTA). In order to receive FTA grant funds, the MTA is required to have systems in place to provide proper oversight and stewardship of those funds. The MTA's primary method of fraud protection and oversight is the NYS MTA, Office of Inspector General (MTA-OIG). Over the past several years, there have been instances where the MTA-OIG has not shared investigative data with the DOT-OIG or the FTA. The MTA-OIG has conducted several Disadvantaged Business Enterprise Fraud (DBE) investigations and prosecutions with the Manhattan District Attorney (DANY) which have resulted in multi-million dollar recoveries, some of which should have been due to the FTA.

Efforts by JI and JA to Collect Investigative and Settlement Data from DANY and the MTA-OIG:

On December 18, 2015, the reporting agent contacted ADA (b)(6), (b)(7)(C) (b)(6), (b)(7)(C), DANY, and requested documents related to financial settlements entered into by DANY and construction companies that were under investigation by DANY and the MTA-OIG. ADA (b)(6), (b)(7)(C) advised that all investigative files were under the control of the MTA-OIG. Reporting agent subsequently met with and spoke to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C), for the MTA-OIG, on several occasions. Initially, (b)(6), (b)(7)(C) provided documents related to various joint DANY/MTA-OIG investigations, but did not provide copies of the requested financial settlements. Finally, after a written request, dated May 10, 2016, from PAIG Michelle McVicker, (b)(6), (b)(7)(C) provided a list of companies involved in financial settlements with DANY/MTA-OIG, as well as the funding sources for those settlements.

Similarly, JA, in order to properly conclude their audit of FTA practices, made several requests to both DANY and the MTA-OIG for information on settled cases involving Federal funds from 2010 to 2017. Initially, the MTA-OIG shared some information regarding the settlements, but the information did not provide sufficient details about the specific contracts and vendors. When JA

followed up and asked MTA-OIG officials for more specific information, JA was referred to DANY. JA then asked DANY for this information, and after several requests, DANY explained that it could not provide the information because the matters settled were not contract-specific. DANY then referred JA back to the MTA-OIG, who maintained ownership of the investigative files. JI shared what settlement data it had with JA, allowing JA to continue moving forward with their audit of FTA funding procedures.

(b)(6), (b)(7)(C) **Dispositions**

Part of the overall investigation involved the possibility there were companies that should be referred to the FTA for suspension and debarment as a result of certain DANY settlements. (b)(6), (b)(7)(C) was indicted on (b)(6), (b)(7)(C) by DANY on one count of state charges of Scheme to Defraud in the First Degree, and ten counts of Offering a False Instrument for Filing in the First Degree. The indictment charged that between (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) and owner (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) acted in concert with general contractors and a certified DBE/WBE company to file false statements with the MTA and DEP. On (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) entered into a Deferred Prosecution Agreement (DPA) with DANY. As part of the DPA, (b)(6), (b)(7)(C) pleaded guilty to one count of Offering a False Instrument for Filing in the Second Degree, (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) were (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C)

Sub-Investigation of (b)(6), (b)(7)(C)

On November 22, 2016, ADA (b)(6), (b)(7)(C) provided information on two companies that were (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) The reporting agent worked with NYSDOT to look into (b)(6), (b)(7)(C) a DBE. NYSDOT provided voluminous documents, which were reviewed by the reporting agent. The document review did not yield any 'red flags'. It is believed that (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) It was suspected that (b)(6), (b)(7)(C) misrepresented (b)(6), (b)(7)(C) company's economic disadvantage, as well as the true size of (b)(6), (b)(7)(C) business. (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) On several occasions the reporting agent contacted ADA (b)(6), (b)(7)(C) in an attempt to meet with (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) ADA (b)(6), (b)(7)(C) never facilitated this meeting. No other investigative avenues seemed warranted.

The reporting agent corresponded with AUSA (b)(6), (b)(7)(C) related to the lack of apparent evidence needed to move the investigation forward related to (b)(6), (b)(7)(C) and recommended closure. (b)(6), (b)(7)(C), (b)(5)

Based on the above, this case is closed.

-#-

Memorandum

U.S. Department of Transportation

Office of Inspector General

Subject: INFORMATION: Case Closing I17E0140300 – OFFICE OF COMMERCIAL SPACE TRANSPORTATION – Gross Mismanagement

Date: May 4, 2018

From: Floyd Sherman *Floyd Sherman*
Special Agent-in-Charge
Washington Regional Office, JRI-3

Reply to Attn of: (202) 366-4189

To: Case File: I17E0140300

On August 29, 2017, the U.S. Department of Transportation (DOT), Office of Inspector General (OIG), Complaint Center Operations received an email from a confidential complainant, alleging possible misconduct by (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) Federal Aviation Administration (FAA), Office of Commercial Space Transportation (AST), and The Aerospace Corporation (Aerospace), a Federally Funded Research and Development Center (FFRDC).

The specific allegations were: (1) (b)(6), (b)(7)(C) negotiated with Aerospace to establish a roughly 700 square foot facility for an eventual contract from the FAA without an agreement or contract. (2) (b)(6), (b)(7)(C) initiated a dialog with Aerospace directing work and services on behalf of FAA. (3) Despite warnings, (b)(6), (b)(7)(C) continued to task Aerospace and deny to leadership that Aerospace was working for (b)(6), (b)(7)(C) or (4) (b)(6), (b)(7)(C) violated the Anti-Deficiency Act (ADA) by working with Aerospace without a contract.

JRI-3 interviewed the complainant and reviewed email documents for the employees identified in the complaint. Additionally, JRI-3 interviewed several current employees of FAA AST and Aerospace Corporation, but no specific, pertinent information was provided that substantiated the allegations that (b)(6), (b)(7)(C) and Aerospace violated the ADA, nor that the relationship was beyond the scope that is allowed by the Code of Federal Regulations (CFR) Title 48, Part 35.017: Federally Funded Research and Development Centers.

The investigation will be closed with no further action anticipated by this office.

-#-

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER I18A0030500	DATE September 27, 2019
TITLE Cirrus Design Corporation (dba Cirrus Aircraft) 4961 Airport Road Hermantown, MN 55811 VIOLATION(S): 18 USC §1001, False Statements	PREPARED BY SPECIAL AGENT (b)(6), (b)(7)c DISTRIBUTION Region 4	STATUS Final INITIAL (b)(6), (b)(7)c 1/5 APPROVED AMK

DETAILS

This investigation was based upon a referral from the Air Force Office of Special Investigations (AFOSI), Office of Procurement Fraud, regarding allegations brought forth in a letter by a private citizen. (b)(6), (b)(7)c alleged that Cirrus purposely left out critical information pertaining to aircraft sold to the U.S. Air Force (USAF). This, in essence, would affect the aircrafts' certificate and thereby would have affected the USAF's decision to purchase the aircraft. As a member of the team associated with the design and technical aspects of Cirrus' aircraft, (b)(6), (b)(7)c further alleged that management specifically instructed (b)(6), (b)(7)c to not provide information about faulty parts, accidents involving deaths, etc. to the USAF. (b)(6), (b)(7)c stated (b)(6), (b)(7)c reluctance to continue to deceive the USAF in this manner led to (b)(6), (b)(7)c (Attachments 1-2).

The complainant, (b)(6), (b)(7)c advised (b)(6), (b)(7)c had also sent the complaint to the DOT-OIG Hotline who initially reviewed and subsequently closed it. The AFOSI had questions about the complaint as it related to the FAA and its aircraft certification process and wanted to collaborate with the OIG (Attachment 3).

Since early 2011, Cirrus was wholly owned by China Aviation Industry General Aircraft (CAIGA), a subsidiary of Aviation Industry Corporation (AVIC), which was owned by the People's Republic of China. Cirrus designs, manufactures, and distributes private, commercial, and military aircraft. The OIG interviewed (b)(6), (b)(7)c who worked for Cirrus from (b)(6), (b)(7)c as a (b)(6), (b)(7)c an (b)(6), (b)(7)c, and eventually as a (b)(6), (b)(7)c here (b)(6), (b)(7)c (b)(6), (b)(7)c communicating with the Engineering Department, and working in the Litigation Department dealing with, and producing documents for, the opposition's legal counsel until (b)(6), (b)(7)c

(b)(6), (b)(7)c At the instructions of (b)(6), (b)(7)c superiors, (b)(6), (b)(7)c alleged that (b)(6), (b)(7)c was ordered to destroy certain aircraft parts, take electronic media and videotapes offsite, and to move physical copies of materials off of the Cirrus computer system and into areas not searched when documents and information were demanded by third-party entities in reference to lawsuits against Cirrus. Also, on numerous occasions during (b)(6), (b)(7)c employment, (b)(6), (b)(7)c allegedly was ordered by Cirrus executives to physically destroy items, including electronic media, videotapes, and copies of documents. Allegedly, this was done to hide crash data, design defects, and poor performance specifications of some of their aircraft, including the SR20, which was sold to the U.S. Air Force Academy in Colorado (Attachments 4-5).

The OIG interviewed (b)(6), (b)(7)c (b)(6), (b)(7)c to represent (b)(6), (b)(7)c against Cirrus for (b)(6), (b)(7)c and (b)(6), (b)(7)c a hard drive to hold for safe keeping. (b)(6), (b)(7)c described (b)(6), (b)(7)c as a straight forward person who was a (b)(6), (b)(7)c and (b)(6), (b)(7)c for Cirrus' aircraft. However, when (b)(6), (b)(7)c in the Legal Department, they had (b)(6), (b)(7)c running around "sanitizing" accident sites (i.e. destroying evidence, etc.). (b)(6), (b)(7)c was (b)(6), (b)(7)c from Cirrus for what (b)(6), (b)(7)c believes were trumped up reasons, which included (b)(6), (b)(7)c not wanting to continue being a part of deceiving the USAF in reference to the sale of Cirrus' aircraft to them. (b)(6), (b)(7)c believed the SR20 was a fine aircraft for its type, but it had some issues that should have been disclosed. (b)(6), (b)(7)c added that Cirrus was sold to the CAIGA in 2011, and the deal closed during that summer. (b)(6), (b)(7)c stated the deal should not have gone through because of intellectual property which should not have been sold to China. The three main issues with the (b)(4)

Cirrus needed permission from The Committee on Foreign Investment in the United States (CFIUS), but lied to CFIUS about the issues. (b)(6), (b)(7)c added that Cirrus changed the design of the parachute deployment from being activated by hand mechanically to an electronic system. This would make the deployment system susceptible to electrical issues, such as being struck by lightning (Attachment 6).

The OIG interviewed (b)(6), (b)(7)c of Cirrus Aircraft. Referencing the USAF contract, (b)(6), (b)(7)c stated that without knowing the specifications (specs), (b)(6), (b)(7)c was surprised the USAF wanted the SR20 because it was "under powered" based on Colorado's altitude and temperature. Technically, it could do the job, but only if done correctly. The SR22 would have been more of an ideal option for them. (b)(6), (b)(7)c wondered who

made the decision for the USAF, believed that was where Cirrus manipulated the wording in what they would have provided. was told by sources that Cirrus lied to the USAF about what the SR20 could do, did not ask any follow-up questions, but was not surprised by the information. If the design specs were within the Pilot Operating Handbook (POH), then it should perform that way. question about the contract would have been: "Do the numbers on the specs ever meet the POH?" This would correlate to the specs vs their intent, believed Cirrus may have "assumed" the numbers vs actually testing the numbers. Referencing the allegations about Cirrus not providing correct information to CFIUS, stated Cirrus did file for an opinion with them and should have been transparent, but did not know what was done. stated the following about the three specific subjects that Cirrus allegedly lied about to CFIUS:

(b)(4)

knew the parachute deployment on the Cirrus aircraft was previously manual, but was changed to electrical. However, did not know why it was done. stated "The issue should be about transparency. If it needs to be fixed, then fix it. Don't lie about it. It appears to be about the 'numbers' (metrics)." believed their attitude was "if you can't measure it, then it's not important." provided an example involving the Testing Department saying their metric was to fly the aircraft less to save money. The problem with this was when something went wrong in production or after the sale, then the expenses increased dramatically (Attachment 7).

The OIG reviewed documents released by the USAF including the United State Air Force Academy (USAFA) T-53A Qualification Test and Evaluation, and their contract with Cirrus to purchase the aircraft. The T-53A was the USAF's designation for the Cirrus SR20. After conducting several tests on the aircraft, the USAF provided an executive summary that stated, "…[T]he T-53A was

able to perform all of the functions in the USAFA syllabus and was controllable during crosswind takeoffs and landings. All of the customer-requested data were collected to support the development of the flight manual T.O. Proceed to operational testing for an analysis of student training impact due to the deficiencies noted (Attachments 8-9)."

(b)(6), (b)(7)c provided the OIG with several documents and some hard drives containing information relevant to the allegations. After reviewing the information, the OIG determined there was not enough document evidence/information to support the allegations. Despite several requested attempts of (b)(6), (b)(7)c by the OIG, (b)(6), (b)(7)c could not sufficiently prove or validate the hard drives (b)(6), (b)(7)c provided (some of which were corrupted or password protected) were actually (b)(6), (b)(7)c property and not that of Cirrus. Without this validation, the OIG's Data Analytics & Computer Crimes (DACC) Team could not analyze the contents of the drives (Attachments 10-12).

The OIG presented the case to the U.S. Attorney's Office, District of Minnesota and they declined to pursue criminal prosecution (Attachment 13). Based on this declination and a lack of corroborating evidence to support the original allegations, there will be no further investigation into this matter and the case is now closed.

-#-

INDEX OF ATTACHMENTS

No.	Description
1.	Email RE DOT IG contact in Minneapolis Area-20171026
2.	(b)(6), (b)(7)c denial letter dtd FAA WB 7-26-17
3.	Email RE DOT IG contact in Minneapolis Area-20171027
4.	(b)(6), (b)(7)c IG CORREP
5.	(b)(6), (b)(7)c Interview
6.	(b)(6), (b)(7)c Interview
7.	(b)(6), (b)(7)c Interview
8.	AFFTC-TR-11-65 (USAFA PFP)_R03
9.	28693173191240-Cirrus Contract for AF Academy Trainers
10.	Documents Received from (b)(6), (b)(7)c Ref Cirrus Aircraft [ZIP]
11.	Email Re Hard Drives-20180924
12.	Email Cirrus Aircraft-20181002
13.	Email Declination To Criminally Prosecute Cirrus Aircraft Case-20190927

Note: All of the above documents and all case documents, including all interview reports, are maintained in the electronic case folder; therefore, there are no documents attached to this report.

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER I17Z0020200	DATE August 24, 2018	
TITLE Soccer Team Bus Incident United States Merchant Marine Academy Kings Point, NY	PREPARED BY SPECIAL AGENT (b)(6), (b)(7)c	STATUS Final	
	DISTRIBUTION (b)(6), (b)(7)c JRI-2 (1); MARAD (1)		1/7
Administrative Violations – Violation of Code of Conduct		APPROVED Digitally signed by DOUGLAS SHOEMAKER Date: 2018.08.24 15:10:28 -04'00'	

SYNOPSIS

This investigation was predicated upon information received, on February (b)(6), (b)(7)c 2017, from (b)(6), (b)(7)c (b)(6), (b)(7)c United States Merchant Marine Academy (USMMA), Kings Point, NY, regarding an incident concerning a former freshman (Plebe) V-1[1]. It was alleged that V-1 had been subjected to inappropriate behavior (speculation of a sexual nature) on-board a USMMA soccer team bus on or about September (b)(6), (b)(7)c 2016. The soccer team traveled to Johns Hopkins University (JHU) in Baltimore, Maryland, on September (b)(6), (b)(7)c 2016, played games on the (b)(6), (b)(7)c returning to the USMMA on the evening of September (b)(6), (b)(7)c V-1 subsequently quit the soccer team and resigned from the USMMA on November (b)(6), (b)(7)c 2016.

The ensuing OIG investigation, which included interviews of approximately thirty-four (34) Midshipmen and USMMA personnel, and the reviews of USMMA records, revealed that several Midshipmen were, in fact, assaulted by soccer team seniors at the back of the team bus while on travel for the USMMA. These Midshipmen characterized the assaults to be of a sexual nature and as part of long standing/systemic hazing ritual of freshmen (Plebe) soccer players. The part of the investigation concerning the assaults was referred to the U.S. Attorney's Office, on March (b)(6), (b)(7)c 2017, (b)(5), (b)(6), (b)(7)c

(b)(5), (b)(6), (b)(7)e

[1] Former freshman Plebe is herein identified as V-1, to protect the identity of the source individual. For the purposes of this report, "V", "W", and "S" are used to identify each individual as a Victim, Witness, or Senior, respectively, in order to protect their identities.

DETAILS

Upon receiving notice of V-1's resignation from the soccer team and the USMMA, the USMMA initiated an internal investigation. In late 2016, the Office of Civil Rights, Federal Railroad Administration (FRA) conducted the internal investigation. Once the internal investigation was completed, the OIG Office of Investigations was notified of the findings. Subsequently, in early 2017, the OIG opened a criminal investigation.

V-1 filed a "Restricted Report" with the USMMA on October (b)(6), (b)(7)c 2016. The contents of this report were made public by the filing of a civil lawsuit in this matter by V-1. In the "Restricted Report", V-1 detailed what occurred on September (b)(6), (b)(7)c 2016, in part [Attachment 1[2]]:

> "The worst of this was when I was sexually assaulted on Sept. (b)(6), (b)(7)c 2016 while on a soccer TM on our way to a tournament. I was being yelled at for almost anything. So I was sitting on the bus and all of a sudden I was slapped by a banana in the face. Out of anger I threw it backwards and hit [REDACTED] in the face. As I was quick to apologize, seniors [REDACTED] and [REDACTED] called me back to 'have a talk.' These two individuals had already been harassing me throughout the year, but I believed they actually wanted to have a conversation. But as soon as I got back there they shoved me to the ground. When I hit the ground they pulled my boxers and shorts to my ankles. As I was naked on the floor they tried to shove a banana and I believe hands into my anus and privates. As this was happening [REDACTED], who I believe was peeing on me, doing something with liquid, pouring it on my head, yelling 'Plebe we told you to shave your pubes.' After a few minutes of struggling I managed to get up and run to my seat. While running the seniors tried shoving their fingers in my butt as I ran by. Their excuse to me later was, 'It happens to every Plebe.' As soon as I got off the bus at the hotel I was told how bad I smelled and was not spoken to by anyone."

After conducting approximately thirty four (34) interviews and reviewing documents and emails, the OIG investigation determined that at least seven (7) former Plebes, including V-1, on the USMMA men's soccer team were subjected to assaults of a sexual nature by upperclassmen. Of the seven (7) former Plebes, five (5) were found to have been assaulted by class of 2016 Seniors S-1 [3], S-2 [4], S-3 [5], and S-4 [6]. Interviews revealed that the assaults included forcible restraint, use

[2] Law Offices of Thomas M. Grasso, LLC as "Written Statement Submitted for Consideration by the U.S. Merchant Marine Academy Board of Visitors at its meeting for Monday, April 23, 2018 at 3:00p.m." By email to all members of the U.S. Merchant Marine Academy Board of Visitors.
[3] 2016 senior is herein identified as S-1 to protect the identity of the individual.
[4] 2016 senior is herein identified as S-2 to protect the identity of the individual.
[5] 2016 senior is herein identified as S-3 to protect the identity of the individual.
[6] 2016 senior is herein identified as S-4 to protect the identity of the individual.

of hands and fingers to grab around the "butt" and genitals, taking off the Plebes' clothing, and smearing condiments and food onto their genitals. This was primarily done underneath the Plebes' clothing directly onto their genitals and sometimes on the outside of their clothing. Other acts included twisting of Plebes' nipples and water poured over their heads while being forcibly restrained on the ground and verbal attacks. OIG Agents were informed that Plebes were warned by V-2[7] about going to the back of the bus during a dinner in the summer of 2016 that was held at (b)(6), (b)(7)c as well as in the team locker room before leaving on a trip. In a particular instance, a Midshipman recalled (b)(6), (b)(7)c (b)(6), (b)(7)c (b)(6), (b)(7)c All of the aforementioned acts had occurred while on official USMMA soccer team movements accompanied by the USMMA staff, soccer coaches, and athletic trainers. [Attachments 2-10]

During one soccer team movement, another Plebe, V-3[9], stated (b)(6), (b)(7)c (b)(6), (b)(7)c (b)(6), (b)(7)c stood up and saw (b)(6), (b)(7)c (b)(6), (b)(7)c looked at (b)(6), (b)(7)c 'funny' but (b)(6), (b)(7)c did not say anything." [Attachment 4]. Another former Plebe, W-2 [10], stated that (b)(6), (b)(7)c never gave a zero tolerance lecture to the players. [Attachment 5]. Another former Plebe, W-3 [11], stated "the only time that (b)(6), (b)(7)c spoke on the bus and addressed an issue was when the players were all chanting "(person's name) likes to suck dick", (b)(6), (b)(7)c had stood up and yelled, "You can't say that." [Attachments 6 and 11]

A former Plebe,V-4[12], stated that on the way to Maryland (b)(6), (b)(7)c went to the back of the bus to use the restroom and after (b)(6), (b)(7)c came out (b)(6), (b)(7)c was grabbed by the torso and pushed into the seat in front of the restroom by the upperclassmen. V-4 further stated that (b)(6), (b)(7)c (b)(6), (b)(7)c (b)(6), (b)(7)c V-4 indicated that the juniors and seniors were (b)(6), (b)(7)c (b)(6), (b)(7)c walked back to (b)(6), (b)(7)c seat. [Attachment 7]

[7] 2016 sophomore is herein identified as V-2 to protect the identity of the individual.
[8] 2016 junior is herein identified as W-1 to protect the identity of the individual.
[9] 2016 Plebe is herein identified as V-3 to protect the identity of the source individual.
[10] 2016 Plebe is herein identified as W-2 to protect the identity of the source individual.
[11] 2016 Plebe is herein identified as W-3 to protect the identity of the source individual.
[12] 2016 Plebe is herein identified as V-4 to protect the identity of the source individual.

Former Plebe, V-5[13], explained that it is common for freshmen players on the USMMA soccer team to get pushed around coming back from the restroom located at the rear of the bus. V-5 further stated that (b)(6), (b)(7)c went to the back of the bus where (b)(6), (b)(7)c was pulled and held down by the shoulders; seniors would not let (b)(6), (b)(7)c stand up even if (b)(6), (b)(7)c attempted to. V-5 indicated that (b)(6), (b)(7)c (b)(6), (b)(7)c the seniors were (b)(6), (b)(7)c V-5 could not see who was (b)(6), (b)(7)c (b)(6), (b)(7)c V-5 further stated that there wasn't anything anyone could do about the bus incidents because players were told it was a tradition. [Agent's Note: At this point in the interview V-5 appeared (b)(6), (b)(7)c] [Attachment 8]

According to former Plebe, V-6 [14], before the bus left the USMMA for the JHU trip, V-6 recalled being seated at the back of the bus and being told, by the seniors, to get up and that "plebes sit in the front". V-6 stated that the seniors took up approximately six (6) rows at the back of the bus on each side and when (b)(6), (b)(7)c tried to get up (b)(6), (b)(7)c was (b)(6), (b)(7)c and the seniors played the (b)(6), (b)(7)c They were "rough housing" and "tossing" (b)(6), (b)(7)c around. V-6 recalled having to name five (5) cereals as they were (b)(6), (b)(7)c V-6 stated there were a "bunch of hands" and that (b)(6), (b)(7)c V-6 further stated that (b)(6), (b)(7)c (b)(6), (b)(7)c but were unsuccessful. [Attachment 9]

Former Sophomore, V-2, stated that Plebes would have to use the bathroom before leaving on a trip, otherwise the seniors will "rough you up" if they used the facilities at the back of the bus. V-2 further stated that the seniors "messed" with (b)(6), (b)(7)c at the back of the bus. Seniors (b)(7)c (b)(6), (b)(7)c V-2 recalled "army crawling" to the back of the bus because (b)(6), (b)(7)c knew something would eventually occur and (b)(6), (b)(7)c (b)(6), (b)(7)c V-2 stated once (b)(6), (b)(7)c got to the back of the bus (b)(6), (b)(7)c (b)(6), (b)(7)c (b)(6), (b)(7)c V-2 recalled (b)(6), (b)(7)c (b)(6), (b)(7)c V-2 stated that there were a (b)(6), (b)(7)c (b)(6), (b)(7)c initially stating that there was no (b)(6), (b)(7)c but recalled that (b)(6), (b)(7)c was being (b)(6), (b)(7)c which V-2 later realized was (b)(6), (b)(7)c V-2 identified S-2, S-3, and S-4, among other former 2015 seniors, who committed these acts during the 2015 soccer season. [Attachment 2]

Another former Sophomore, V-7 [15], stated that when (b)(6), (b)(7)c went to the back of the bus (b)(6), (b)(7)c (b)(6), (b)(7)c (b)(6), (b)(7)c V-7 stated (b)(6), (b)(7)c could not see what was happening at the

[13] 2016 Plebe is herein identified as V-5 to protect the identity of the source individual.
[14] 2016 Plebe is herein identified as V-6 to protect the identity of the source individual.
[15] 2016 sophomore is herein identified as V-7 to protect the identity of the source individual.

back of the bus because the junior class would stand up and block the middle aisle. [Attachment 10]

According to statements made by several of the Midshipmen, Plebes were told that the assaults were a "tradition" and that it happened to most Plebes. (b)(6), (b)(7)c (b)(6), (b)(7)c stated that it was known for years that Plebes do not go to the back of the bus otherwise they would get "messed with" by the seniors. It was known that Plebes were pushed or punched by the seniors. Seniors would yell, "Plebes don't come to the back of the bus" implying something would happen if they did. (b)(6), (b)(7)c stated that this was said in front of the staff and everyone heard it, including (b)(6), (b)(7)c even recalling (b)(6), (b)(7)c (b)(6), (b)(7)c stating, "people pay their dues", referring to the roles of the freshmen players on the team. [Attachments 5 and 11]

During the trip to JHU, (b)(6), (b)(7)c witnessed Plebes coming from the back of the bus looking disheveled with "messed up hair" and (b)(6), (b)(7)c It wasn't until later in November 2016, that (b)(6), (b)(7)c became aware of the assault alleged by V-1 and reported it directly to (b)(6), (b)(7)c supervisors. (b)(6), (b)(7)c witnessed teasing towards V-1 committed by (b)(6), (b)(7)c and told them to "knock it off"; however, (b)(6), (b)(7)c was ignored by (b)(6), (b)(7)c During a conversation with W-3 regarding the V-1 assault, W-3 told him that "if everybody is ok with it, why is it wrong?" and "that's just how it is on the soccer team." The coaches knew about the hazing and teasing for years, according to (b)(6), (b)(7)c [Attachments 11 and 15]

(b)(6), (b)(7)c a (b)(6), (b)(7)c has been a (b)(6), (b)(7)c for many different team movements over the years and was the (b)(6), (b)(7)c for the soccer team movement to JHU in September 2016. (b)(6), (b)(7)c explained that the soccer players do "stupid stuff" which (b)(6), (b)(7)c observed when (b)(6), (b)(7)c looked into the rear view mirror on various occasions. (b)(6), (b)(7)c witnessed one incident when an African-American soccer player was sleeping on the bus, while another player, described as a "white guy", (b)(6), (b)(7)c As this occurred, the other players were taking pictures of the incident. (b)(6), (b)(7)c recalled that it was a senior who put (b)(6), (b)(7)c (b)(6), (b)(7)c because (b)(6), (b)(7)c overheard conversations about how much time the players involved in the incident had left at the USMMA. (b)(6), (b)(7)c further recalled an incident on the bus when a player was pinned down in the back and stated that they (seniors) were either trying to get the player to do something or they (seniors) were trying to do something to the player. While (b)(6), (b)(7)c was able to see in the back three rows of the bus that one player had (b)(6), (b)(7)c (b)(6), (b)(7)c [Attachment 12]

On August (b)(6), (b)(7)c 2018, OIG Special Agents attempted to interview (b)(6), (b)(7)c (b)(6), (b)(7)c for the USMMA. After being presented with, and reviewing, the warning and assurance to employees required to provide information (Kalkines Warnings), (b)(6), (b)(7)c refused to sign the Kalkines Waiver and requested consultation with legal counsel. [Attachment 13]

On same date, OIG Special Agents attempted to interview (b)(6), (b)(7)c After being presented with, and reviewing, the warning and assurance to employees requested to provide information on a voluntary basis (Garrity Warnings), (b)(6), (b)(7)c refused to sign the Garrity Waiver and requested consultation with legal counsel. [Attachment 14]

(b)(6), (b)(7)c has contacted the OIG, cancelled two previously-arranged interviews, and requested legal counsel.

According to MARAD's Table of Offenses and Penalties (see, for instance, Sections 21, 23, 40(d), and 47), the conduct detailed in this ROI may constitute violations that can lead to disciplinary action up to, and including, removal.

-#-

Index of Attachments

No.	Description
1	Written Statement Submitted for Consideration, Law Offices of Thomas M. Grasso, LLC, dated April (b)(6), (b)(7)c 2018.
2	Interview of V-2, dated May (b)(6), (b)(7)c 2017.
3	Interview of W-1, dated December (b)(6), (b)(7)c 2017.
4	Interview of V-3, dated May (b)(6), (b)(7)c 2017.
5	Interview of W-2, dated May (b)(6), (b)(7)c 2017.
6	Interview of W-3, dated June (b)(6), (b)(7)c 2017.
7	Interview of V-4, dated June (b)(6), (b)(7)c 2017.
8	Interview of V-5, dated May (b)(6), (b)(7)c 2017.
9	Interview of V-6, dated June (b)(6), (b)(7)c 2017.
10	Interview of V-7, dated July (b)(6), (b)(7)c 2017.
11	Interview of (b)(6), (b)(7)c dated August (b)(6), (b)(7)c 2018.
12	Interview of (b)(6), (b)(7)c dated June (b)(6), (b)(7)c 2017.
13	Interview of (b)(6), (b)(7)c dated August (b)(6), (b)(7)c 2018.
14	Interview of (b)(6), (b)(7)e dated August (b)(6), (b)(7)c 2018.
15	DOT-OIG Kalkines, and Garrity warning forms.

-#-

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I14E0050500	04/16/2019
TITLE	PREPARED BY SPECIAL AGENT	STATUS
6, 7(C) Ethics Violation (Misconduct)	(6), (7)(C) 6, 7(C)	Final
	DISTRIBUTION	INITIAL 6, 7(C) 1/3
Violation of DOT Orders, Polices, or Regulations	JRI-4	APPROVED AMK

SYNOPSIS

This investigation was based on a referral from the Office of Personnel Management Office of Inspector General (OPM OIG). OPM OIG alleged that 6, 7(C) 6, 7(C) a Federal Highway Administraton (FHWA) employee was in violation of the Federal Employees Health Benefits (FEHB) program by enrolling ineligible persons.

DOT OIG's investigation confirmed that from 2001 to 2013, 6, 7(C) had enrolled 6, 7(C) 6, 7(C) and 6, 7(C) 6, 7(C) as (6),(7)(C) children in (6),(7)(C) Blue Cross and Blue Shield health care plan. 6, 7(C) and 6, 7(C) were the children 6, 7(C) sister 6, 7(C) 6, 7(C) a U.S. Department of Health and Human Services (HHS) employee. 6, 7(C) also enrolled 6, 7(C) as (6),(7)(C) 6, 7(C) in (6),(7)(C) health care plan, even though they were never married.

On November 10, 2015, 6, 7(C) 6, 7(C) Assistant United States Attorney (AUSA), U.S. Attorneys Office, 6, 7(C) declined the case.

DETAILS

On August 11, 2014, DOT OIG complaint hotline received an email that one of their contracted health plans, Blue Cross Blue Shield (BCBS), was concerned 6, 7(C) enrolled ineligible persons, a violation of the FEHB program.

Documents from BCBS indicated that on June 3, 2015, BCBS retroactively dis-enrolled 6, 7(C) 6, 7(C) and 6, 7(C) 6, 7(C) and retracted all claim payments. Wellmark, an independent licensee of BCBS, closed their case on 6, 7(C) 6, 7(C) (Attachement 1)

On February 17, 2016, 6, 7(C) 6, 7(C) 6, 7(C) (6, 7(C) FHWA, was interviewed. 6, 7(C) stated that around 2000, 6, 7(C) 6, 7(C) and 6, 7(C) 6, 7(C) 6, 7(C) niece and 6, 7(C) began living with (6),(7)(C) 6, 7(C) and 6, 7(C) lived full time with 6, 7(C) until March 2002. 6, 7(C) never obtained legal guardianship of them. 6, 7(C) and 6, 7(C) are the biological children of 6, 7(C) sister, 6, 7(C) 6, 7(C) 6, 7(C) is a federal employee who currently works for HHS. A couple of years ago, 6, 7(C) recalled BCBS contacting (6),(7)(C) regarding 6, 7(C) and 6, 7(C) According to 6, 7(C) BCBS indicated that 6, 7(C) 6, 7(C) was attempting to put the children on 6, 7(C) health care plan. BCBS advised 6, 7(C) that they would be unable to put 6, 7(C) and 6, 7(C) on 6, 7(C) plan, because they were still covered on 6, 7(C) plan. 6, 7(C) told 6, 7(C) to take care of it, meaning to remove 6, 7(C) and 6, 7(C) from (6),(7)(C) FEHB. In 2012 or 2013, 6, 7(C) began receiving Explanation of Benefits letters from BCBS for 6, 7(C) and 6, 7(C) 6, 7(C) gave the letters to 6, 7(C) 6, 7(C) never contacted BCBS to question why (6),(7)(C) received those documents for 6, 7(C) and 6, 7(C) 6, 7(C) told 6, 7(C) to remove 6, 7(C) and 6, 7(C) from 6, 7(C) health insurance. 6, 7(C) admitted that 6, 7(C) does not have the authority to add or remove dependents on 6, 7(C) FEHB. 6, 7(C) stated (6),(7)(C) is not legally married to 6, 7(C) but they have a common law marriage. (b)(6), (b)(7)(C) is the 6, 7(C) of (6),(7)(C) children; (6),(7)(C) opted to have all (6),(7)(C) children take (6),(7)(C) 6, 7(C) last name of 6, 7(C) 6, 7(C) stated that (6),(7)(C) lived in 6, 7(C) for a period of time and 6, 7(C) has a co-habitation law that grants marital status to unmarried couples. 6, 7(C) uses the 6, 7(C) co-habitation as (6),(7)(C) legal basis for marriage with 6, 7(C); although, 6, 7(C) never resided with (6),(7)(C) in 6, 7(C) 6, 7(C) has always lived in 6, 7(C) never in 6, 7(C) with several of the couple's children. (Attachement 2)

On November 10, 2015, AUSA 6, 7(C) 6, 7(C) U.S. Attorneys Office, 6, 7(C) declined the case.

It is recommended this case be closed.

INDEX OF ATTACHMENTS

Attachment 1 – Review of Documents

Attachment 2 – Interview of 6, 7(C) 6, 7(C)

Note: All of the above documents and all case documents, including all interview reports, are maintained in the electronic case folder; therefore, there are no documents attached to this report.

Memorandum

U.S. Department of Transportation

Office of Inspector General

Subject: INFORMATION: Case Closure
I17H0010300 – RESCAR – PHMSA Tank Cars

Date: March 5, 2019

From: Jamie Mazzone
Special Agent in Charge, JRI-2
Washington, DC Regional Office

Reply to Attn. of: (202) 366-4189

To: David L. Kannenberg
Regional Administrator, Region 2
Federal Railroad Administration

On August 27, 2016, the shell of a rail tank car breached at Axiall Corporation, New Martinsville, WV, which caused the release of 17,000 gallons of chlorine. The National Transportation Safety Board (NTSB) and the Federal Railroad Administration (FRA) investigated the accident. FRA reported to OIG that the tank car in question was recently repaired by Rescar, Inc. who is a national tank car repair company. DOT OIG investigated the incident with the Environmental Protection Agency (EPA), Criminal Investigation Division (CID). DOT OIG and EPA CID presented the case to the US Attorney Office of the Northern District of West Virginia (USAWVN) in March, 2017.

DOT OIG interviewed multiple FRA officials about the tank car breach, as well as about Rescar's history of other violations. NTSB issued a preliminary report about the tank car breach, and subsequently issued a final report on February 11, 2019.

Based on the findings of the NTSB final report, EPA CID closed their investigation in March, 2019. The USAWVN declined to accept the case for criminal prosecution.

This investigation will be closed with no further action anticipated by this office.

#

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I17A0010500	12/29/17
TITLE	**PREPARED BY SPECIAL AGENT**	**STATUS**
6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) IN 6, 7(C)	6, 7(C) 6, 7(C) 6, 7(C)	Final
	DISTRIBUTION	6, 7(C) 1/3
	JRI-5 (1)	APPROVED
18 USC 32 – Destruction of Aircraft		TJU

DETAILS

This investigation was opened based upon a referral from the Federal Aviation Administration (FAA) Joint Security and Hazardous Materials Safety Office (AHC). AHC received information of an incident investigated by the 6, 7(C) Police Department (6, 7(C) Indiana, who responded to a report of a drone, also known as an Unmanned Aircraft System (UAS), shot down while in flight on 6, 7(C) 6, 7(C) incident/investigation reports identified 6, 7(C) 6, 7(C) as the owner of the UAS and 6, 7(C) 6, 7(C) as the individual who shot the UAS down. AHC conducted a preliminary inquiry of 6, 7(C) for the violation of 18 USC 32 - Destruction of Aircraft or Aircraft Facilities.

The OIG worked this investigation with the 6, 7(C) Indiana.

On 6, 7(C) 6, 7(C) used a shotgun to destroy a UAS owned by 6, 7(C) Indiana resident and neighbor 6, 7(C)

On 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) Indiana, was interviewed to obtain information related to the 6, 7(C) investigation. 6, 7(C) provided both 6, 7(C) and 6, 7(C) video statements, which 6, 7(C) recorded on 6, 7(C) and photos of the destroyed UAS (Attachment 1).

On February 3, 2017, the case was presented to the Northern District of Indiana, United States Attorney's Office (USAO) for prosecution. The USAO declined to prosecute the case.

On 6, 7(C) SA Todd 6, 7(C) referred the case to the 6, 7(C) 6, 7(C) (6, 7(C) 6, 7(C) IN, for criminal prosecution. The 6, 7(C) accepted the case.

On 6, 7(C) 6, 7(C) was charged with Criminal Mischief in 6, 7(C) Indiana, for shooting down a UAS, resulting in at least $750.00 loss to the owner (Attachment 2).

On 6, 7(C) the State of Indiana, by Deputy Prosecuting Attorney, moved to dismiss the Criminal Mischief case, without prejudice, against 6, 7(C) in 6, 7(C) Indiana, for shooting down a UAS. In support of the motion, the State of Indiana informed the Court that $ 6, 7(C) in restitution was paid to 6, 7(C) by 6, 7(C) (Attachment 3).

It is recommended this case be closed.

INDEX OF ATTACHMENTS

No.	Description
1.	Interview of 6, 7(C) dated 6, 7(C)
2.	6, 7(C) charged with Criminal Mischief on 6, 7(C)
3.	Criminal Mischief charges dismissed on 6, 7(C) referring to restitution of $ 6, 7(C)

Note: All of the above documents and all case documents, including all interview reports, are maintained in the electronic case folder; therefore, there are no documents attached to this report.

U.S. Department of
Transportation
Office of Inspector General

December 20, 2017

Via Email
6, 7(C) 6, 7(C)
c/o 6, 7(C)
Webster & Fredrickson, P.L.L.C.
1775 K Street, N.W., Suite 600
Washington, DC 20006
6, 7(C)

Re: OIG Case No. I16G001SINV

Dear 6, 7(C)

This letter responds to the complaint you filed with our office that we received on August 13, 2015. In the complaint, you alleged that your 6, 7(C) the Washington Metropolitan Area Transit Authority (WMATA) 6, 7(C) 6, 7(C) 6, 7(C) you as a 6, 7(C) 6, 7(C) in reprisal for whistleblowing. You asserted that your 6, 7(C) violated the whistleblower protections under the American Recovery and Reinvestment Act of 2009 (ARRA). Your complaint was later amended to add a claim of whistleblower retaliation under 41 U.S.C. § 4712, the Pilot Program for Enhancement of Contractor Protection from Reprisal for Disclosure of Certain Information (NDAA).

We have completed our investigation. Pursuant to ARRA section 1553(b)(1) and NDAA section 4712(b)(1), we enclose a copy of our report of investigative findings. As required by the statutes, we are providing a copy of our report to WMATA and the U.S. Secretary of Transportation. Based on the dates we received your complaints, we believe you have exhausted your administrative remedies under ARRA section 1553(c)(3) and NDAA section 4712(c)(2) and may file an action in U.S. District Court under these sections.

Because our investigation is complete, we will close our file. If you have any questions, please contact me at (202) 366-4189.

Sincerely,

Floyd Sherman
Special Agent-in-Charge

Enclosure

U.S. Department of Transportation
Office of Inspector General

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I16G001SINV	December 20, 2017
TITLE Alleged Whistleblower Reprisal by Washington Metropolitan Area Transit Authority (WMATA)	**PREPARED BY INVESTIGATOR** 6, 7(C)	**STATUS** Final
ALLEGATIONS Section 1553(a) of the American Recovery and Reinvestment Act of 2009 (ARRA). Pub. L. No. 111-5, § 1553, 123 Stat. 115, 297 (2009) 41 U.S.C. § 4712—Pilot Program for Enhancement of Contractor Protection from Reprisal for Disclosure of Certain Information	**DISTRIBUTION** DOT, S-1, C-1 (b)(6), (b)(7)c Esq., on behalf of Complainant 6, 7(C) 6, 7(C) Patricia Lee, General Counsel, WMATA File	6, 7(C) 1/30 **APPROVED** 6, 7(C) FDS

SYNOPSIS

On 6, 7(C) the Department of Transportation (DOT) Office of Inspector General (OIG) received a complaint from former Washington Metropolitan Area Transit Authority (WMATA) employee 6, 7(C) 6, 7(C) 6, 7(C) asserts that WMATA 6, 7(C) (6),(7)(C) employment in 6, 7(C) because (6),(7)(C) told (6),(7)(C) supervisor that it was 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) under the American Recovery and Reinvestment Act of 2009 (ARRA). On 6, 7(C) 6, 7(C) 6, 7(C) amended (6),(7)(C) complaint to add a claim of whistleblower retaliation under the National Defense Authorization Act of 2013 (NDAA), 41 U.S.C. § 4712.[1]

6, 7(C) worked for WMATA from 6, 7(C) through 6, 7(C) when (6),(7)(C) was 6, 7(C) 6, 7(C) From 6, 7(C) until (6),(7)(C) 6, 7(C) (6),(7)(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) (6),(7)(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C)

[1]Section 4712 was made permanent during the course of this investigation. For all relevant purposes in this matter, the substance of the statute did not change.

On or around 6, 7(C) 6, 7(C) attended a meeting to discuss 6, 7(C) a project to 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) complaint, 6, 7(C) claims that at the meeting the 6, 7(C) said 6, 7(C) would be "the single point of contact for the 6, 7(C) Program (a program with multiple [6, 7(C)] vehicles for the 6, 7(C) 6, 7(C) 6, 7(C) contracts and purchase orders) and all purchases of less than $3000 for all aspects of the 6, 7(C) 6, 7(C) parts, and associated warranties." 6, 7(C) and the 6, 7(C) testified that 6, 7(C) expressed (6),(7)(C) belief that it would be improper for (6),(7)(C) to order parts. 6, 7(C) further attested in (6),(7)(C) complaint that the instruction would have placed (6),(7)(C) in the improper position of receiving parts. When 6, 7(C) pushed back, the 6, 7(C) said they would discuss the matter later.

6, 7(C) asserts that (6),(7)(C) engaged in whistleblowing at the meeting, which led the 6, 7(C) to retaliate. 6, 7(C) claims that after the meeting, (6),(7)(C) 6, 7(C) with the 6, 7(C) changed. 6, 7(C) claims that the 6, 7(C) and the 6, 7(C) supervisor took away (6),(7)(C) 6, 7(C) 6, 7(C) ((6),(7)(C) denied training opportunities, made false claims about (6),(7)(C) conduct and performance, and (6),(7)(C) .

WMATA claims that 6, 7(C) 6, 7(C) was unrelated to (6),(7)(C) comments at the meeting. Rather, WMATA alleges, 6, 7(C) failed to learn essential facets of (6),(7)(C) job and finish projects on time, despite being informed of (6),(7)(C) professional deficiencies. The 6, 7(C) asserted that 6, 7(C) work tailed off considerably around 6, 7(C) after the 6, 7(C) informed 6, 7(C) who had been in (6),(7)(C) , that (6),(7)(C) would not be approved for training for another position, 6, 7(C) The 6, 7(C) added that 6, 7(C) also coincided with the cancelation of (6),(7)(C) (6),(7)(C) after (6),(7)(C) failed to provide evidence that (6),(7)(C) was attending 6, 7(C) which the 6, 7(C) claims was the reason 6, 7(C) gave for requesting (6),(7)(C)

BACKGROUND

ARRA and NDAA provide protections for employees of grantees awarded federal funds. ARRA prohibits a non-federal employer that receives ARRA funds from discharging or otherwise discriminating against an employee in reprisal for making certain disclosures to (among others) someone with supervisory authority over the employee. Pub. L. No. 111-5, § 1553, 123 Stat. 115, 297 (2009). NDAA whistleblower provisions are similar substantively, but they are not limited to a specific statutory source of funding. For the NDAA provisions to apply to a grantee employee, however, the disclosure must be connected to a Federal grant awarded on or after July 1, 2013. *See* Pub. L. 112–239, div. A, title VIII, § 828(b) (2013).

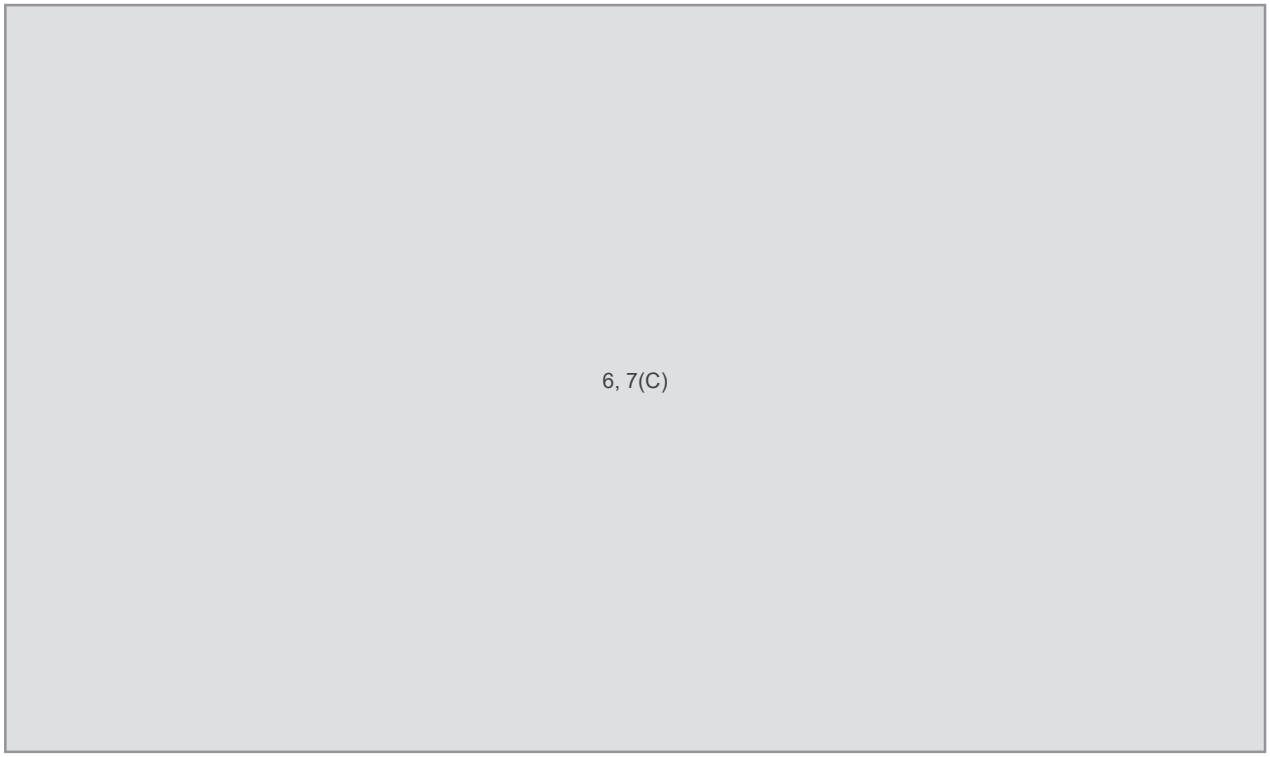
Abbreviations and Acronyms

The following abbreviations and/or acronyms are used in this Report:

WMATA: Washington Metropolitan Area Transit Authority

6, 7(C) 6, 7(C) 6, 7(C)
6, 7(C) 6, 7(C)
(6),(7)(C) 6, 7(C)
6, 7(C) WMATA 6, 7(C)

Aside from 6, 7(C) individuals' names are not used in this Report. The following acronyms, abbreviations, and titles are used in place of proper names for the following WMATA employees.



Limited Availability of WMATA Documents

The DOT OIG believes that WMATA policies limited the availability of relevant WMATA emails in this matter. The first reason for the OIG's belief is WMATA's data retention policy. A WMATA OIG Information Technology Specialist informed the DOT OIG that at the time of the events in this matter, the then-WMATA Chief Information

[2] As of the date of this Report, the only individuals on this list who still appear to be WMATA employees are the 6, 7(C) and the 6, 7(C)

Officer had put in place a policy by which emails would be retained only for six months both on WMATA's work computers and its servers. Consequently, relevant emails may have disappeared before the OIG began its investigation.

Further, the OIG requested and received emails from the 6, 7(C) computer, but many potentially relevant emails were missing. 6, 7(C) computer at the time (6),(7)(C) left WMATA contained more than 10,000 emails, which WMATA provided to the DOT OIG. Nevertheless, fewer than ten of these emails came from 6, 7(C) and WMATA stated that there were no additional emails available from the 6, 7(C) computer.

WMATA was able to provide the contents of an electronic folder on 6, 7(C) maintained by Employee Relations (ER). This folder contained additional emails from 6, 7(C) to the 6, 7(C) that had not been included in WMATA's emails on the 6, 7(C) work computer. The 6, 7(C) indicated that these emails were ones that (6),(7)(C) personally deemed relevant.

Finally, the 6, 7(C) testified that (6),(7)(C) maintained a notebook of daily activities, which documented, among other things, 6, 7(C) conduct during two meetings with (6),(7)(C) (6),(7)(C) stated that when (6),(7)(C) 6, 7(C) (6),(7)(C) left the notebook with WMATA Counsel. WMATA's Office of General Counsel informed the DOT OIG, however, that it did not have the notebook.

DETAILS

Applicability of ARRA and NDAA Provisions to Grantee Employees

ARRA and NDAA Grant Funds

6, 7(C) complaint asserted that the 6, 7(C) inappropriately asked (6),(7)(C) to "serve as the single 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) (6),(7)(C) must show that (6),(7)(C) report concerned the use of ARRA funds. For the NDAA provisions to apply, 6, 7(C) must show that 6, 7(C) was supported by DOT grant funds awarded on or after July 1, 2013.

6, 7(C) alleged that WMATA pools its 6, 7(C) funds from all sources and draws from the pooled funds to pay for 6, 7(C) programs, including 6, 7(C) Consequently, 6, 7(C) argued, disclosures related to the use of funds for 6, 7(C) would necessarily touch on ARRA as one of WMATA's funding sources. Similarly, because WMATA received funds from grants awarded by the Federal Transit Administration (FTA) on or after the date that the NDAA took effect (July 1, 2013), these funds would be included in the pooled funds used for (6),(7)(C) expenses.

WMATA's Managing Director, Office of Management and Budget Services (OMBS), discussed the process by which WMATA pays expenses and receives funds through FTA grants. Upfront, WMATA incurs and pays expenses for 6, 7(C) (and other CIPs) from its general enterprise fund. If an FTA grant may apply to the expense, WMATA may later seek reimbursement through that grant. The funds received from FTA go into WMATA's general enterprise fund, which includes funds from all sources.

WMATA's OMBS Managing Director also explained that under WMATA's expenditure-based budgeting, budget calculations reflect anticipated expenses and funding sources. The numbers and funding sources, however, fluctuate over the fiscal year. If additional funds may be needed, WMATA may reprogram funds among projects. Reprogramming and other budget changes, however, do not affect the normal process of reimbursement from FTA for eligible 6, 7(C) expenses: WMATA pays from its general account and then seeks reimbursement for eligible expenses through specific FTA grants.

ARRA Grants

6, 7(C) work on 6, 7(C) started in fiscal year (FY) 2014 (July 1, 2013-June 30, 2014) and ended in FY 2015. WMATA's OMBS Managing Director stated that a review of grant information did not identify ARRA grants used to pay for 6, 7(C) costs in either fiscal year. The Managing Director also said that ARRA grants were usually, if not always, spent on projects that began with the prefix "ARA," which was not the case for the project at issue, 6, 7(C)

Non-ARRA Grants

WMATA's OMBS Managing Director informed the DOT OIG that WMATA requested reimbursement for 6, 7(C) expenses incurred in FYs 2014 and 2015 through four FTA grants. One grant— 6, 7(C) —is a State of Good Repair Grant awarded in February 2015, months after 6, 7(C) 6, 7(C) The three other grants were Passenger Rail Investment and Improvement Act of 2008 (PRIIA) grants awarded before July 1, 2013, the date when the NDAA protections for grantee employees took effect:

PRIIA Grant	Award Date
6, 7(C)	

Based on the information provided, it is unclear whether 6, 7(C) identified FTA grants that would be the basis for whistleblower protections under ARRA or NDAA with respect to 6, 7(C) expenses incurred during 6, 7(C) time on the project— 6, 7(C) 6, 7(C) The DOT OIG did not find evidence that 6, 7(C) expenses were reimbursed directly through ARRA grants during FYs 6, 7(C) . In addition,

grantee employees do not have protections for disclosures concerning FTA grants awarded before July 1, 2013.

WMATA Accounting Issues

WMATA's OMBS Managing Director acknowledged that WMATA had significant accounting deficiencies at the time of the events in this matter. An FTA Financial Management Oversight (FMO) review addressed material weaknesses in WMATA's accounting system. A publicly available draft of the FMO review stated that WMATA had inadequate controls "to ensure that Federal expenditures were incurred and charged to grants in accordance with approved budgets." 6, 7(C) asserted that the FMO review reflected that "WMATA was not tracking where its funds were going and was not making distinctions regarding which money from any funding source was linked to which payment. WMATA used ARRA funds interchangeably with funding for other 6, 7(C) programs, and paid for [6, 7(C) with ARRA money." In light of the material weaknesses identified in the FMO review, and the possibility that covered FTA funds were used on 6, 7(C) during the relevant time period, we have reviewed the substance of 6, 7(C) claims.

Build America Bonds

Apart from ARRA grants, 6, 7(C) asserted that funds provided through the ARRA-based "Build America Bonds" (BAB) program went toward 6, 7(C) and thus were another basis for ARRA's whistleblower protections. The BAB program provided a vehicle through which certain non-Federal entities could issue bonds. An entity that offered bonds via the BAB program could be subsidized by the U.S. Treasury for 35% of the coupon interest paid to bondholders. According to WMATA's FY 2014 Budget Book, in June 2009, Metro issued approximately $55.0 million of Build America Bonds. The Budget Book stated that WMATA received "an annual credit of $1.3 million" from the BABs.

The DOT OIG does not believe that the BAB program provides the same whistleblower protections as a grant. ARRA may protect a grantee employee for retaliation if 6,(7)(C) or 6,(7)(C) reported a "violation of law, rule, or regulation related to an agency contract . . . or grant, awarded or issued relating to covered funds." The purpose of the payments under the BAB program was to offer an incentive to invest in bonds issued by WMATA, not to create a grantee or contractor relationship between WMATA and the United States Treasury. The issuance of bonds and resulting subsidy payment would not appear to qualify as a contract or grant covered by ARRA.

Alleged Whistleblowing

The specific project at the heart of 6, 7(C) allegations, 6, 7(C) is a WMATA 6, 7(C) 6, 7(C) project. 6, 7(C) 6, 7(C) . On 6, 7(C) , the 6, 7(C) emailed individuals working on 6, 7(C) including the 6, 7(C) (6),(7)(C) 6, 7(C) to inform them "that all orders" related to that (6),(7)(C) "must be ordered through this program office for which your contact person is 6, 7(C) 6, 7(C) (emphasis in original). The 6, 7(C) testified that (6),(7)(C) and the 6, 7(C) decided to have 6, 7(C) order parts for 6, 7(C) to better track spending on the project.

On 6, 7(C) 6, 7(C) participated in a meeting to discuss 6, 7(C) Also present were the 6, 7(C) the (6),(7)(C) 6, 7(C) and an (6),(7)(C) 6, 7(C) . 6, 7(C) claims that at this meeting, the 6, 7(C) told the group that 6, 7(C) would be the sole point of contact for 6, 7(C) According to (6),(7)(C) complaint, 6, 7(C) would be the contact for "all purchases of less than $3000 for all aspects of the 6, 7(C) 6, 7(C) parts, and associated warranties." 6, 7(C) and the 6, 7(C) told the DOT OIG that in the meeting, the 6, 7(C) identified 6, 7(C) as the contact for purchase orders, and 6, 7(C) expressed (6),(7)(C) belief that it was improper. The 6, 7(C) told 6, 7(C) they would discuss the matter later. 6, 7(C) alleged that the 6, 7(C) said, "So you are saying you aren't going to do it?"

6, 7(C) asserted in (6),(7)(C) DOT OIG complaint that being named as the sole point of contact would violate a number of laws, rules, and regulations. As one example, FTA Circular 5010.1D required FTA grantees to have "adequate internal controls over all their functions that affect implementation of a grant." Among other provisions, the FTA Circular sought to "[e]nsure timely collection and proper accounting of the grantee's operating and other revenues," and "accuracy and reliability in financial, statistical, and other reports." 6, 7(C) asserted that the 6, 7(C) proposal would have violated internal controls by placing (6),(7)(C) in charge of all aspects of contract management without proper checks and oversight. Moreover, 6, 7(C) argued, the Circular requires that "internal control functions" be given to "competent and experienced employees." 6, 7(C) stated that (6),(7)(C) is not a technical expert on 6, 7(C) 6, 7(C) and their parts. 6, 7(C) concluded that the 6, 7(C) proposal thus violated rules on internal controls and rules on the delegation of functions beyond (6),(7)(C) expertise.

The 6, 7(C) acknowledged at the meeting, (6),(7)(C) asked 6, 7(C) to purchase parts for the project. The 6, 7(C) testified that after the meeting, (6),(7)(C) checked with the 6, 7(C) and was told that 6, 7(C) should not be ordering parts. In a DOT OIG interview, the 6, 7(C) stated that 6, 7(C) lacked procurement authority to order parts. Even though 6, 7(C) ultimately was not given the parts ordering responsibility, the 6, 7(C) testified that (6),(7)(C) felt 6, 7(C) could have accepted it. When asked by the DOT OIG if it was aggravating for 6, 7(C) to respond the way (6),(7)(C) had in the meeting, the 6, 7(C) said, "I can't tell you that it wasn't frustrating to me."

The 6, 7(C) denied telling 6, 7(C) that (6),(7)(C) would have all responsibilities for 6, 7(C) The 6, 7(C) testified that no one in (6),(7)(C) group would receive parts, which went to the workshop. In addition, (6),(7)(C) testified that (6),(7)(C) never put 6, 7(C) in charge of creating or overseeing a budget. Rather, (6),(7)(C) said, 6, 7(C) was tasked with invoicing responsibilities, preparing year-end accruals, and with downloading and manipulating budget information contained on WMATA servers.

The 6, 7(C) acknowledged some tension at the meeting, which (6),(7)(C) attributed to the fact that neither (6),(7)(C) nor the 6, 7(C) approved 6, 7(C) request for (b)(6), (b)(7)c training. The 6, 7(C) testified that the 6, 7(C) (6),(7)(C) (second-level supervisor) would have had to approve this offsite training and that neither the 6, 7(C) nor the 6, 7(C) had authority to do so. However, as discussed in the section "Denial of Training," below, this training issue appears to have been discussed in emails on July 9 and 14, which came after the July 3 meeting.

The DOT OIG interviewed the other meeting participants. The (6),(7)(C) 6, 7(C) did not recall 6, 7(C) by name but remembered the meeting. (6),(7)(C) said that the 6, 7(C) "wanted" 6, 7(C) to process purchase orders. The (6),(7)(C) 6, 7(C) told the OIG that 6, 7(C) responded that the work was below (6),(7)(C) "pay grade" and that (6),(7)(C) focus was on 6, 7(C) 6, 7(C) work, rather than paperwork for the (6),(7)(C) The 6, 7(C) told 6, 7(C) that they would discuss the request later. The 6, 7(C) did not know what happened after that.

The (6),(7)(C) 6, 7(C) did not recall the names of the meeting participants but recalled a meeting with the (6),(7)(C) 6, 7(C) and 6, 7(C) At the meeting, "[T]hey were trying to give [6, 7(C) duties as a parts person [but (6),(7)(C) was a] 6, 7(C) 6, 7(C) ." The (6),(7)(C) 6, 7(C) said 6, 7(C) did not do that type of work. The 6, 7(C) request made little sense to the 6, 7(C) because 6, 7(C) job was not "actually check[ ] parts in. It just doesn't sound like that would be (6),(7)(C) job." When asked whether (6),(7)(C) understood that the 6, 7(C) was trying to make 6, 7(C) the parts person, the Mechanic Helper responded,

> See, that's—I'm not sure of. . . . [A]s the conversation got along, that's when we understood that that's what it sounded like and that's when we were like that doesn't sound like something (6),(7)(C) does anyway 'cause (6),(7)(C) wouldn't. (6),(7)(C) not the parts person. The parts person . . . received the parts in. They [] either would be us in the shop, or the people in parts department because they have to make sure that they get the correct parts in. Whoever opens the boxes up, you know, [must] check that the parts are correct.

When 6, 7(C) expressed (6),(7)(C) concerns about being assigned as the parts person, testified the (6),(7)(C) 6, 7(C) , "it was adversarial. It wasn't, it wasn't nice." (6),(7)(C) added, "It wasn't a friendly discussion." The (6),(7)(C) 6, 7(C) stated that during the meeting, (6),(7)(C) expressed (6),(7)(C) view that assigning 6, 7(C) as the parts person did not make sense. After

further discussion in the meeting, (6),(7)(C) added, "I thought . . . it was decided that this wasn't in (6),(7)(C) realm of responsibility. So they would give it to someone else that was actually working for (6),(7)(C)(6),(7)(C) added that (6),(7)(C) thought the meeting "ended on a good note," with 6, 7(C) "doing what (6),(7)(C) was supposed to do, which was paying the bills when (6),(7)(C) got the receipts and everything in. Someone else who was supposed to be doing the receiving would be doing that."

The DOT OIG interviewed 6, 7(C) former second-level supervisor, the 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) (6, 7(C) The 6, 7(C) testified that (6),(7)(C) had not heard that 6, 7(C) claimed (6),(7)(C) could not sign for parts or that the 6, 7(C) had wanted 6, 7(C) to sign for parts. The 6, 7(C) testified that (6),(7)(C) believed that (6),(7)(C) heard from the 6, 7(C) that 6, 7(C) declined to take on certain responsibilities, but (6),(7)(C) did not recall exactly which responsibilities they were. The 6, 7(C) stated to the DOT OIG that (6),(7)(C) is now 6, 7(C) from WMATA but because of pending litigation with 6, 7(C) at the time of (6),(7)(C) 6, 7(C) (6),(7)(C) left any documents relating to (6),(7)(C) employment with WMATA counsel. As discussed in the "BACKGROUND" section above, WMATA counsel did not have all of the documents the 6, 7(C) claimed to have provided to counsel.

The DOT OIG interviewed the 6, 7(C) 6, 7(C) for whom 6, 7(C) had performed some work. When the 6, 7(C) Supervisor was interviewed, (6),(7)(C) 6, 7(C) [3] When asked by the DOT OIG whether (6),(7)(C) had heard of issues with 6, 7(C) being named the point of contact for any project, the 6, 7(C) 6, 7(C) mentioned (6),(7)(C) own project. When asked about other projects, (6),(7)(C) did not identify 6, 7(C)

Alleged Retaliation

Rescission of 6, 7(C) 6, 7(C)

6, 7(C) alleged that on 6, 7(C) (6),(7)(C) supervisors engaged in their first act of retaliation when the 6, 7(C) informed (6),(7)(C) that (6),(7)(C) 6, 7(C) 6, 7(C) ((6),(7)(C) had been revoked. 6, 7(C) had been on an (6),(7)(C) since joining the 6, 7(C) group on Monday, 6, 7(C) 6, 7(C)

6, 7(C) and (6),(7)(C) supervisors disagreed on the term of the (6),(7)(C) arrangement. In a letter from 6, 7(C) received by the 6, 7(C) on 6, 7(C) , 6, 7(C) wrote that the 6, 7(C) had informed (6),(7)(C) on 6, 7(C) "that the abrupt cancelation of part of my compensation package was your decision." 6, 7(C) letter asserted that the 6, 7(C) and a human resources representative had agreed to (6),(7)(C) as part of 6, 7(C) "negotiation for this position."

[3] 6, 7(C) 6, 7(C) (6),(7)(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) (6),(7)(C)

6, 7(C) also wrote that (6),(7)(C) had no performance issues during the three and a half months (6),(7)(C) had been on (6),(7)(C) No WMATA employee corroborated 6, 7(C) assertion that (6),(7)(C) had been part of an approved compensation package.

Nevertheless, emails show that shortly before joining the 6, 7(C) unit, 6, 7(C) requested an (6),(7)(C) which (6),(7)(C) then followed until 6, 7(C) The 6, 7(C) acknowledged the request in an email on 6, 7(C) "I remember you saying that you will be out 6, 7(C) so you can tell me what is convenient for you and we will work with it." 6, 7(C) responded a few minutes later with the proposed (6),(7)(C) and asked, "Is this OK?" The 6, 7(C) did not respond in writing. Neither of these emails referenced a reason for requesting or allowing (6),(7)(C)

The 6, 7(C) and 6, 7(C) initially asserted that no one approved 6, 7(C) (6),(7)(C) In an email to the Senior Employee Relations Officer (6, 7(C) on 6, 7(C) the 6, 7(C) wrote, "There was no official (6),(7)(C) in place, and certainly not on paper (contrary to (6),(7)(C) letter to [6, 7(C) and (6),(7)(C) constant email reminders)." On 6, 7(C) the 6, 7(C) emailed the 6, 7(C) and the 6, 7(C) a copy of the 6, 7(C) email exchange between 6, 7(C) and the 6, 7(C) The 6, 7(C) wrote, "On that [April 10] email, (6),(7)(C) presented (6),(7)(C) 6, 7(C) 6, 7(C) and you never said no…take a look at the email…. You said you would work with (6),(7)(C) and whatever is convenient for (6),(7)(C) The 6, 7(C) responded, "I cannot find a response. However, I specifically recall having a telephone conversation in which I relayed that my supervisor said that we will work with (6),(7)(C) 6, 7(C) to accommodate (6),(7)(C) 6, 7(C) No emails prior to 6, 7(C) referenced 6, 7(C) or any other specific basis for the (6),(7)(C) request.

The 6, 7(C) testified to the DOT OIG that 6, 7(C) said (6),(7)(C) had an (6),(7)(C) because (6),(7)(C) was 6, 7(C) 6, 7(C). The 6, 7(C) said (6),(7)(C) spoke with the 6, 7(C) at the time, and (6),(7)(C) gave 6, 7(C) permission to continue (6),(7)(C) (6),(7)(C) In the 6, 7(C) said the 6, 7(C) the 6, 7(C) mentioned that 6, 7(C) The 6, 7(C) asked 6, 7(C) if (6),(7)(C) 6, 7(C) were over. 6, 7(C) said (6),(7)(C) was 6, 7(C) The 6, 7(C) instructed the 6, 7(C) to cancel the (6),(7)(C) because 6, 7(C) 6, 7(C) "This is when the war really started," the 6, 7(C) said in (6),(7)(C) DOT OIG interview.

After the rescission of 6, 7(C) (6),(7)(C) (6),(7)(C) sent an email to the 6, 7(C) on 6, 7(C) which appeared to reflect (6),(7)(C) dismay. In the email, 6, 7(C) commented on the "abrupt cancellation by you of my 6, 7(C) " 6, 7(C) closed the email by writing, "A valued employee, is a happy employee…" The 6, 7(C) forwarded the email to the 6, 7(C) and the 6, 7(C) In the email to the 6, 7(C) on 6, 7(C) , the 6, 7(C) wrote that the 6, 7(C) had concerns that 6, 7(C) letter to (6),(7)(C) "contains untruths naming [6, 7(C)] as having an agreement or contract with (6),(7)(C) for an (6),(7)(C)

6, 7(C) the 6, 7(C) and the 6, 7(C) met on August 19, 2014. The 6, 7(C) claimed that 6, 7(C) approved (6),(7)(C) had only been temporary. At that same meeting, 6, 7(C) said, the 6, 7(C) requested documentation that had not been part of the original (6),(7)(C) agreement. The 6, 7(C) testified that 6, 7(C) yelled at the 6, 7(C) during the meeting. The 6, 7(C) similarly testified that 6, 7(C) had acted rudely to (6),(7)(C) (6),(7)(C) told the DOT OIG that (6),(7)(C) documented 6, 7(C) conduct in a notebook (6),(7)(C) left with WMATA counsel (currently Chief Counsel—Finance & Administration) when (6),(7)(C) 6, 7(C) WMATA's Office of General Counsel (OGC) informed the DOT OIG that the OGC did not have the notebook.

The 6, 7(C) testified that (6),(7)(C) 6, 7(C) with 6, 7(C) became strained due to the (6),(7)(C) issue. (6),(7)(C) said that (6),(7)(C) worked in close proximity to 6, 7(C) and noticed that (6),(7)(C) "appeared not to be in the office on Fridays." (6),(7)(C) approached the 6, 7(C) because the 6, 7(C) group did not consider (6),(7)(C) requests unless they were supported by a valid reason. The 6, 7(C) responded that 6, 7(C) had an (6),(7)(C) to attend classes that would end soon. The 6, 7(C) asked the 6, 7(C) to check on 6, 7(C) future class 6, 7(C) 6, 7(C) informed the 6, 7(C) that 6, 7(C) was not taking classes at the time. Upon receiving this information, the 6, 7(C) stated, (6),(7)(C) decided that 6, 7(C) would need to report to the office each weekday.

The 6, 7(C) discussed 6, 7(C) claim in (6),(7)(C) 6, 7(C) letter that the 6, 7(C) and a Human Resources Representative "witness and/or agreed" to (6),(7)(C) (6),(7)(C) The 6, 7(C) testified that (6),(7)(C) contacted these individuals, and they did not corroborate 6, 7(C) assertion that (6),(7)(C) had been a condition of (6),(7)(C) employment. Further, the 6, 7(C) testified, when (6),(7)(C) the 6, 7(C) and 6, 7(C) met on August 19, (6),(7)(C) asked 6, 7(C) for paperwork showing an approved (6),(7)(C) 6, 7(C) could not provide it.

The 6, 7(C) DOT OIG testimony differs from a written statement (6),(7)(C) signed September 22, 2014. The 6, 7(C) wrote at that time that (6),(7)(C) knew in "late April 2014" that 6, 7(C) needed "a few Fridays off to complete courses in which (6),(7)(C) was enrolled when (6),(7)(C) transferred to us." The 6, 7(C) testimony to the DOT OIG, however, implied a lack of knowledge of 6, 7(C) (6),(7)(C)

On 6, 7(C) 6, 7(C) sent an email to the 6, 7(C) and the 6, 7(C) which contained a form signed by the Director of (b)(6), (b)(7)c approving 6, 7(C) (6),(7)(C) effective May 5, 2013. Despite this form, the 6, 7(C) emailed the 6, 7(C) on August 28, 2014, that 6, 7(C) was not actually on (6),(7)(C) when (6),(7)(C) left (6),(7)(C) (6),(7)(C) position in April 2014 and that (6),(7)(C) had been approved based on the "allegation that (6),(7)(C) was completing (6),(7)(C) master's degree." Contrary to these claims, 6, 7(C) 6, 7(C) told the DOT OIG that 6, 7(C) was in fact on (6),(7)(C) when (6),(7)(C) left (6),(7)(C) group to join the 6, 7(C) Further, (6),(7)(C) stated that 6, 7(C) (6),(7)(C) was unrelated to getting a master's degree and that no reason was needed for someone to have an (6),(7)(C) as long as the work was done.

On September 2, 2014, the 6, 7(C) drafted a (b)(6), (b)(7)c to 6, 7(C) The draft was sent to the 6, 7(C) and copied to the 6, 7(C) and the 6, 7(C) supervisor. The drafted

(b)(6), (b)(7)c focused on 6, 7(C) assertion that (6),(7)(C) had an approved (6),(7)(C) as part of (6),(7)(C) compensation package, as well as (6),(7)(C) alleged conduct in the August 19, 2014, meeting to discuss (6),(7)(C) The 6, 7(C) wrote that (6),(7)(C) had no evidence of any (6),(7)(C) agreement for 6, 7(C) The 6, 7(C) also took issue with 6, 7(C) "attitude." (6),(7)(C) wrote that when (6),(7)(C) asked for a copy of 6, 7(C) (6),(7)(C) and the date when (6),(7)(C) spring classes would end, (6),(7)(C) countered that providing the information would merit an approved (6),(7)(C) Based on (6),(7)(C) view of 6, 7(C) actions and attitude, the 6, 7(C) wrote,

> Intentionally misrepresenting facts or not providing complete information is a serious offense. Additionally, your attitude during the interview on August 19, 2014 was unprofessional. As a result, I am issuing this letter of (b)(6), (b)(7)c Any additional infractions of this nature may result in additional disciplinary action up to and including 6, 7(C)

The day after the 6, 7(C) sent the draft, the 6, 7(C) sent (6),(7)(C) and the 6, 7(C) a copy of the April 2014 email exchange between the 6, 7(C) and 6, 7(C) discussing (6),(7)(C) request for an (6),(7)(C) The 6, 7(C) draft (b)(6), (b)(7)c was not delivered.

According to the 6, 7(C) 6, 7(C) desire to have an (6),(7)(C) caused tensions. The 6, 7(C) stated that 6, 7(C) had requested (6),(7)(C) to complete a class, but when information on the class was requested, it became apparent 6, 7(C) was not taking a class but was still on an (6),(7)(C) The 6, 7(C) added that WMATA does not offer permanent (6),(7)(C) to employees, and an (6),(7)(C) in one department would not transfer to another department.

The 6, 7(C) 6, 7(C) (6, 7(C) testified that 6, 7(C) was unhappy about the rescission of (6),(7)(C) (6),(7)(C) 6, 7(C) indicated that (6),(7)(C) had been approved when (6),(7)(C) accepted (6),(7)(C) position. The 6, 7(C) also heard claims, however, that 6, 7(C) approval was based on a false assertion that (6),(7)(C) was attending school.

Denial of Training

6, 7(C) asserts that (6),(7)(C) was denied relevant training in retaliation for (6),(7)(C) whistleblowing, while the 6, 7(C) and the 6, 7(C) received such training. The 6, 7(C) and 6, 7(C) testified that 6, 7(C) sought training unrelated to (6),(7)(C) position. When the training was not approved, testified the 6, 7(C) 6, 7(C) became "belligerent."

Emails from July 9 and 14, 2014, dealt with requests by 6, 7(C) to gain knowledge in (b)(6), (b)(7)c Specifically, 6, 7(C) sought WMATA's payment for membership to the (b)(6), (b)(7)c When that request was declined, (6),(7)(C) asked for paid time to attend (b)(6), (b)(7)c training relating to (6),(7)(C) work. That request was declined by the 6, 7(C) who asserted that (b)(6), (b)(7)c training was unrelated to (6),(7)(C) position.

An August 21, 2014, email from 6, 7(C) to the 6, 7(C) discusses 6, 7(C) view that (6),(7)(C) has been denied "specific training" provided to the 6, 7(C) and the 6, 7(C) 6, 7(C) asserted that the 6, 7(C) and (6),(7)(C) had "agreed that [6, 7(C) would be trained, utilizing site visits, practical, textbook, and classroom sessions. **This all changed** approximately three weeks ago" (emphasis in original). 6, 7(C) stated that the denial of training "puts me at a major disadvantage to effectively communicate the needs of this contract." (6),(7)(C) added, "Please advise because I am concerned."

An email later on August 21 from the 6, 7(C) to the 6, 7(C) discussed 6, 7(C) concerns. The 6, 7(C) wrote that after receiving 6, 7(C) email, they met in the 6, 7(C) office, and 6, 7(C) "continued this rant about not being able to go on site to get a 'better understanding of the subject matter'." According to the 6, 7(C) 6, 7(C) asserted that by "not being allowed to go the same training" that the 6, 7(C) attended, 6, 7(C) lacks "what (6),(7)(C) needs to prepare" certain electronic documentation. The 6, 7(C) email expressed (6),(7)(C) view that "this is not going to work. I am revising my verbal and putting (6),(7)(C) on notice today."

Alleged Performance/Conduct Issues and September 5, 2014, (b)(6), (b)(7)c

6, 7(C) and the 6, 7(C) disagree sharply in their assessment of 6, 7(C) performance and 6, 7(C) 6, 7(C) (b)(6), (b)(7)c (6),(7)(C) (6),(7)(C) (6),(7)(C) work product for the 6, 7(C) The 6, 7(C) first contacted the 6, 7(C) about 6, 7(C) on or around July 30, 2014. The next day, 6, 7(C) (6),(7)(C) was rescinded.

6, 7(C) asserted that (6),(7)(C) performed well throughout (6),(7)(C) time with the 6, 7(C) Furthermore, (6),(7)(C) said (6),(7)(C) was unaware of any of the 6, 7(C) alleged performance or behavior concerns before they met on August 28, 2014, to discuss (6),(7)(C) midyear performance appraisal.

On August 25, 2014, 6, 7(C) emailed (6),(7)(C) view of (6),(7)(C) own performance to the 6, 7(C) Among (6),(7)(C) accomplishments in a section titled, "Progress notes: Individual objectives," 6, 7(C) wrote, "Identified and executed the first accrual," which saved spending authority and "ensured appropriate matching of services received and expenditures." 6, 7(C) also wrote that (6),(7)(C) took on "additional duties previously performed by" the 6, 7(C) 6, 7(C) self-assessment also stated, "Worked closely with 6, 7(C) Superintendent [6, 7(C) 6, 7(C)] to successfully execute[]" a contract from beginning until its submission to the WMATA Office of General Counsel on August 22, 2014.

The 6, 7(C) drafted the first document summarizing multiple alleged performance and conduct concerns with 6, 7(C) The document, dated August 21, 2014, was attached to an email from the 6, 7(C) to the 6, 7(C) on August 26, 2014. The date of the summary—August 21, 2014—is the date when 6, 7(C) and the 6, 7(C) had an early morning email exchange in which 6, 7(C) asserted that the denial of training on a specific contract

placed (6),(7)(C) "at a major disadvantage," and the 6, 7(C) emailed the 6, 7(C) that "this is not going to work."

The 6, 7(C) summary indicated that 6, 7(C) performed well in some areas initially, but it identified several alleged issues with 6, 7(C) performance and conduct. These issues included repeated requests for a promotion to (b)(6), (b)(7)c upon joining the 6, 7(C) group despite having accepted a 6, 7(C) 6, 7(C) position; repeated requests for training not required or relevant for (6),(7)(C) position; challenging the 6, 7(C) on training decisions; referring to (6),(7)(C) coworker's salary; failing to follow instructions; pushing back on a directive to take over purchase requisitions and electronic documents on two contracts; not providing accurate documents in a timely manner; confronting the 6, 7(C) in an effort to get (6),(7)(C) and expressing to (6),(7)(C) coworker that (6),(7)(C) was not doing (6),(7)(C) job for the money (6),(7)(C) was paid. After receiving the document, the 6, 7(C) responded to the 6, 7(C) "Based on your concerns we are suggesting that you consider 6, 7(C) sooner than later."

On August 28, 2014, the 6, 7(C) and 6, 7(C) met to discuss (6),(7)(C) midyear performance appraisal, which referenced several of the alleged performance and/or conduct issues. The 6, 7(C) told the DOT OIG that when (6),(7)(C) tried to present the evaluation, 6, 7(C) became "combative" by "yelling and screaming" about the issues being raised. In an email to the 6, 7(C) the 6, 7(C) wrote that (6),(7)(C) could not finish delivering the appraisal because 6, 7(C) became "confrontational when we got to the 'behaviors' part . . . (6),(7)(C) kept asking for examples, and when I list one (6),(7)(C) wanted another." The email also mentioned that 6, 7(C) requested that the 6, 7(C) Supervisor be a witness to the meeting. The 6, 7(C) told the DOT OIG that 6, 7(C) wanted the 6, 7(C) Supervisor to discuss the good work (6),(7)(C) had done for (6),(7)(C) The 6, 7(C) Supervisor was not in 6, 7(C) chain of command. The 6, 7(C) declined to have (6),(7)(C) participate in 6, 7(C) performance review.

On September 5, 2014, 6, 7(C) received a (b)(6), (b)(7)c based on purported performance and conduct concerns. The (b)(6), (b)(7)c identified six "serious concerns":

> 1. Failure to meet deadlines and not providing alternative solutions to ensure deadlines can be met.
>
> 2. Easily distracted by employee information (salaries) that do not pertain to your position.
>
> 3. Poor communication skills that include sending emails confirming conversations that never occurred. Endless emails that are distracting and take away from the work you need to perform.
>
> 4. Responding to delegated tasks by emails providing a list of what you understand to be your responsibilities, citing any other assigned task as "additional duties".

> 5. Your conduct is disruptive and unprofessional and must stop immediately. This includes your rude and inappropriate comments toward [redacted] (comments made during the [redacted] discussion) and your insistence on attending trainings not related to your position.
>
> 6. Your lack of confidentiality has put our team and information at risk. During a routine request for information, you took the salaries of your peers and used that information for your personal use (requesting a promotion based on your peer's salary, and questioning [redacted] performance). In addition, you confronted the co-worker about [redacted] salary and performance.

The memorandum referenced WMATA policy at the time, which stated that full time employees, such as [redacted] "who move to a different position via voluntary transfer, promotion, lateral move, etc. are subject to a probationary period of 6 months." Based on this policy, the memorandum continued, [redacted] could be [redacted] if [redacted] could not "demonstrate and maintain the expected performance . . . by October 4, 2014."

In an email to the [redacted] supervisor, the [redacted] Maintenance, on September 8, 2014, the [redacted] mentioned that [redacted] asserted that there were no issues until [redacted] wrote to the [redacted] about the rescission of [redacted] [redacted] likewise told the DOT OIG that [redacted] was unaware of any alleged performance deficiencies before the August 28, 2014, performance evaluation meeting with the [redacted] According to [redacted] when the [redacted] began discussing the assertions in the memorandum, [redacted] asked for examples and clarifications. [redacted] asserted that these requests were labeled "combative" by the [redacted]

On September 16, 2014, [redacted] filed a four-page document with WMATA employee relations. Part of the document was a response to the September 5 [redacted] asserted that no section of the [redacted] had merit. [redacted] stated that [redacted] asked the [redacted] for a "list of performance measurements . . . Nothing was in writing or had been expressed to me before [redacted] meeting. Upon that request, [redacted] stopped the meeting, stated I was being combative when I asked for clarity and examples . . . I was not combative."

On September 30, 2014, [redacted] wrote a separate response to the [redacted] assertion that [redacted] had breached confidentiality. In the memo, [redacted] denied all allegations concerning [redacted] alleged misuse of salary information and argued that [redacted] never even had access to it. [redacted] wrote that the charges against [redacted] reflected the [redacted] retaliation "for not complying with [redacted] to bully and create a hostile work environment against my co-worker [redacted] [redacted] reiterated that [redacted] alleged performance deficiencies had not been brought to [redacted] attention before August 28, 2014, even though the [redacted] had several avenues to do so, including the group's weekly meetings, in response to monthly emails from [redacted] asking for feedback, or any other time they talked. The response did not reference [redacted]

Concerning the alleged access and use of the 6, 7(C) salary, the 6, 7(C) the 6, 7(C) and the 6, 7(C) testified that they believed 6, 7(C) knew and discussed the 6, 7(C) salary. Though the 6, 7(C) thought 6, 7(C) was an excellent employee, (6),(7)(C) also felt that (6),(7)(C) reference to (6),(7)(C) pay was the "nail in 6, 7(C) proverbial coffin."

DOT OIG did not find documentary evidence of concerns with 6, 7(C) performance prior to the 6, 7(C) contacting the 6, 7(C) on or around July 30, 2014.

6, 7(C) September 2014 Retaliation Claims to WMATA

After receiving the September 5 (b)(6), (b)(7)c 6, 7(C) wrote to WMATA officials that (6),(7)(C) was facing retaliation. As referenced in the preceding section, on September 16, 2014, 6, 7(C) sent to WMATA Employee Relations a document that combined a complaint against the 6, 7(C) and a response to the September 5 (b)(6), (b)(7)c The complaint alleged that the 6, 7(C) engaged in "retaliation, bullying, harassment, and creating a hostile work environment." 6, 7(C) asserted that the problems began when (6),(7)(C) asked the 6, 7(C) to "stop (6),(7)(C) unprofessional behavior by constantly bashing personally my co-worker . . . and demanding my agreement." 6, 7(C) also asserted that (6),(7)(C) faced retaliation for inquiring why (6),(7)(C) (6),(7)(C) was revoked and for asking for examples of (6),(7)(C) allegedly inappropriate behavior. The complaint did not reference 6, 7(C)

The 6, 7(C) investigated 6, 7(C) complaint. (6),(7)(C) prepared a memorandum dated September 30, 2014, with the results of (6),(7)(C) investigation, though it would not be delivered to 6, 7(C) until the following day, October 1. The 6, 7(C) did not substantiate most of 6, 7(C) allegations. Nevertheless, (6),(7)(C) wrote that there was no evidence that 6, 7(C) confronted the 6, 7(C) about (6),(7)(C) salary. The 6, 7(C) recommended that the (b)(6), (b)(7)c be reissued without the allegation that 6, 7(C) breached confidentiality with respect to salary information.

On September 23, 2014, while the 6, 7(C) was investigating 6, 7(C) complaint, 6, 7(C) contacted the WMATA OIG. The WMATA OIG summarized 6, 7(C) claim as one of retaliation after (6),(7)(C) confronted the 6, 7(C) about (6),(7)(C) berating of the 6, 7(C) The WMATA OIG summary of 6, 7(C) contact does not mention 6, 7(C)

Delivery of 6, 7(C) Findings and (b)(6), (b)(7)c Memorandum

WMATA management met with 6, 7(C) on October 1, 2014. The 6, 7(C) first gave 6, 7(C) the findings of the investigation of 6, 7(C) September 16, 2014, complaint.

Afterwards, in the presence of the 6, 7(C) the 6, 7(C) gave 6, 7(C) a revised memorandum regarding "(b)(6), (b)(7)c" The memorandum focused largely on 6, 7(C) alleged failures to follow instructions and to respond to the 6, 7(C) requests in a timely manner. Under the heading, "Failure to meet deadlines and unable to

work in a fast-paced, high stress environment," the 6, 7(C) asserted that unbeknownst to (6),(7)(C) until mediation that took place on September 10, 2014, 6, 7(C) had worked for the 6, 7(C) Supervisor for three months, even though the 6, 7(C) Supervisor had said that (6),(7)(C) needed 6, 7(C) for two weeks. The 6, 7(C) added that while 6, 7(C) worked for the 6, 7(C) Supervisor, (6),(7)(C) did not complete assigned tasks for the 6, 7(C) by requested deadlines.

As discussed above, 6, 7(C) write-up of (6),(7)(C) own performance in an August 25, 2014, email to the 6, 7(C) clearly mentioned (6),(7)(C) extensive work for the 6, 7(C) Supervisor: "Worked closely with 6, 7(C) Superintendent [ ] to successfully execute[] the Operations Funded 6, 7(C) IDIQ [] Contract, from craddle [*sic*] to [General Counsel] submission, on 8/22/14." Consequently, the 6, 7(C) had reason to know of this work more than two weeks before the mediation.

The 6, 7(C) Supervisor testified to the DOT OIG that the 6, 7(C) offered 6, 7(C) assistance on projects, and (6),(7)(C) accepted the offer. After this initial contact with the 6, 7(C) the 6, 7(C) Supervisor did not touch base with (6),(7)(C) about 6, 7(C) work on (6),(7)(C) project. Emails exchanged later on October 1, 2014, discussed 6, 7(C) work for the 6, 7(C) Supervisor. In one email, the 6, 7(C) Supervisor wrote that the assertion that the 6, 7(C) did not know of 6, 7(C) work for (6),(7)(C) "is a big fat lie, I personally asked for 6, 7(C) for help in front of (6),(7)(C) supervisor and (6),(7)(C) said that is what (6),(7)(C) is here for, to give us assistance."

The memorandum extended 6, 7(C) probationary period 30 days, until November 12, 2014. The stated reason for the extension was to offer 6, 7(C) "the opportunity to (b)(6), (b)(7)c the (b)(6), (b)(7)c " The September 5 memorandum was removed from 6, 7(C) personnel folder.

In emails the evening of October 1, 2014, the 6, 7(C) wrote about how the meetings with 6, 7(C) went. The 6, 7(C) wrote to the 6, 7(C)

> Today, you were the second person . . . I have witnessed 6, 7(C) being confrontational towards, and this was even worse than what I witnessed with [6, 7(C)] The more confrontational and beligerent [ ] (6),(7)(C) became towards you, the more rediculous [ ] (6),(7)(C) accusations became, against you, against [6, 7(C)] and worse [ ] of all against me. I have never seen (6),(7)(C) like this. In total, since June, 6, 7(C) has been confrontational to 4 people, (you, [6, 7(C) 6, 7(C)]) with you being the worse [ ].
>
> I have been a (b)(6), (b)(7)c for over 20 years, have only 6, 7(C) 1 person, but 6, 7(C) is the first person I've ever (b)(6), (b)(7)c . (6),(7)(C) bad behavior has escalated where 6, 7(C) believes (6),(7)(C) has everyone where (6),(7)(C) wants them and (6),(7)(C) intends to do what (6),(7)(C) wants to do and tell you what (6),(7)(C) wants to do.

> Please let me know if you will need any support to your supervisor regarding (6),(7)(C) bad behavior towards you today. I'll be happy to state what I witnessed.

Later that same evening, the 6, 7(C) wrote an email to the 6, 7(C) and (6),(7)(C) supervisor, the 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C)

> The plan was that [6, 7(C)] would have (6),(7)(C) discussion regarding (6),(7)(C)] no evidence of retaliation, then I would follow up with the probation extension memo. At 10 this morning, I walked into the biggest confrontational mess with 6, 7(C) being the aggressor, stating that I should be punished instead of (6),(7)(C) . . . 6, 7(C) was in the middle of slamming the table and accusing (6),(7)(C) of [] bias. …
>
> After I read the [ ] memo to (6),(7)(C) (6),(7)(C) exploded. I was accused of the following:
>
> -Wanting (6),(7)(C) arrested
>
> -Wanting to fire (6),(7)(C)
>
> -Threatening (6),(7)(C) physically (by writing the memo – [6, 7(C) told (6),(7)(C) that this was not physical)
>
> -Assigning (6),(7)(C) work for every minute of the day with unrealistic deadlines
>
> -Falsifying documents (don't know what documents (6),(7)(C) is referring to)
>
> . . .
>
> Anyway, my recommendation is to (6),(7)(C) (6),(7)(C) (6),(7)(C) is not performing at all, and we will be managing far more than we are managing right now; and if (6),(7)(C) cannot handle 2 projects, how is (6),(7)(C) going to handle more. . . . (6),(7)(C) behavior today should be more than enough to (b)(6), (b)(7)c

6, 7(C) Performance and Conduct after (b)(6), (b)(7)c Memorandum

6, 7(C) asserted that (6),(7)(C) performed well in a hostile environment. Emails from 6, 7(C) reflect (6),(7)(C) belief that the 6, 7(C) sought to (6),(7)(C) by giving 6, 7(C) an unmanageable workload. They also expressed a view that the 6, 7(C) scapegoated 6, 7(C) for errors that were not (6), (b)(7)c and for not taking actions for which (6),(7)(C) had no authority.
For example, on September 30, 2014, at 9:16 a.m., the 6, 7(C) emailed 6, 7(C) a number of assignments, each with a specific deadline. One had a deadline of 1:00 p.m. that day. 6, 7(C) responded that (6),(7)(C) thought this task would "likely take the entire day because I need to drill down for the detail that is still available and PeopleSoft can be extremely slow in executing commands." At around 12:10 p.m. that day, according to 6, 7(C) the 6, 7(C) gave (6),(7)(C) a higher priority assignment that took (6),(7)(C) out of the office until 4 p.m.

While (6),(7)(C) was out, the 6, 7(C) had another WMATA employee perform the assignment due by 1:00 p.m. The 6, 7(C) wrote to 6, 7(C) that it took this employee "less than ½ hour to produce" the requested document. 6, 7(C) asked for a copy of the document. (6),(7)(C) also wrote,

> It is degrading to state that another employee was able to complete a task within 30 minutes that I stated would take me the entire day. If you have any questions about what steps I was taking versus what steps (6),(7)(C) was taking to complete the task, let me know and I will answer any questions you may have. This would help me in the future.

In another portion of the email exchange, 6, 7(C) asserted that despite the 6, 7(C) being the contracting officer's technical representative on a contract signed in October 2012, the 6, 7(C) failed to ensure that the contract was set up correctly in WMATA's financial system. The errors supposedly prevented 6, 7(C) from completing the assigned task. (6),(7)(C) wrote, "I could not receipt the invoice because of the errors. You held onto this contract for over a year, and never corrected the errors." (6),(7)(C) added, "Why are you trying to give the appearance that I held up the payment process?" 6, 7(C) expressed (6),(7)(C) frustration to the 6, 7(C) "I feel that you are trying to overwhelm me with work, not leaving room for the unexpected, and then prepared to complain about whatever the ending product is…"

An email exchange on October 20, 2014, also contained an assertion by 6, 7(C) that the 6, 7(C) was not working to see 6, 7(C) succeed. 6, 7(C) wrote that during a meeting earlier that morning, the 6, 7(C) said that 6, 7(C) had performed satisfactorily since October 5. Yet the 6, 7(C) written notes, which (6),(7)(C) provided to 6, 7(C) after the meeting, indicated that (6),(7)(C) expectations were "not fully met." The 6, 7(C) responded that 6, 7(C) "efforts were (b)(6), (b)(7)c"

The 6, 7(C) asserted that (6),(7)(C) wanted to help 6, 7(C) 6, 7(C) but 6, 7(C) refused to work in a productive manner and could not be counted on to provide accurate or timely work. The 6, 7(C) prepared a document titled, "Work Performance From 9/29/14 to Present For 6, 7(C) 6, 7(C) The document purports "to provide details of 6, 7(C) 6, 7(C) work performance since being issued a memorandum of (b)(6), (b)(7)c on October 1, 2014. … 6, 7(C) weekly assignments are sufficient to fill approximately 50% of (6),(7)(C) 37-1/2 hour work week, leaving plenty of time for (6),(7)(C) to acquaint (b)(6), (b)(7)c with other skills and opportunities." Nevertheless, the document states, "6, 7(C) has met . . . weekly assignment tasks with push backs through excessive lengthy emails in which there are many excuses, arguments, conflicting and in-accurate statements, and accusations." The document contains charts of assignments, time anticipated for completion, time taken for completion, and general reviews of 6, 7(C) work on each assignment.

Second Retaliation Complaint (October 10, 2014)

6, 7(C) submitted a retaliation complaint dated October 10, 2014. In this complaint, 6, 7(C) noted that although the September 5 (b)(6), (b)(7)c was removed from (6),(7)(C) file, management presented (6),(7)(C) with "another completely re-written **Memorandum:** (b)(6), (b)(7)c **dated October 1, 2014**" (emphasis in original). Among its allegations, the complaint stated that the 6, 7(C) "never provided complete evidence to support the October 1, 2014, memorandum, in an attempt to mislead the reader, and never attempted to ensure that information was accurate." The complaint asserted that the 6, 7(C) actions were aimed at harming 6, 7(C) and did not seek to correct alleged performance issues, which had never been documented or raised by the 6, 7(C) prior to formal discipline. 6, 7(C) also asserted that the 6, 7(C) intentionally gave (6),(7)(C) an unmanageable workload and "refused to acknowledge . . . roadblocks to 6, 7(C) completion, potential alternatives, and reasons why WMATA policy and procedures would not allow the assignment to be accomplished." 6, 7(C) last assertion was that even when the 6, 7(C) received work in a timely manner, the 6, 7(C) "never acknowledges (b)(6), (b)(7)c performance."

On October 24, 2014, 6, 7(C) had an email exchange with the Manager, Employee Relations (ER Manager), who supervised the 6, 7(C) 6, 7(C) wrote that (6),(7)(C) learned that the ER Manager planned to "perform your own investigation." The ER Manager responded that (6),(7)(C) would not be investigating but asked for documents that 6, 7(C) "referenced . . . so that I may review this performance matter in its entirety." In a DOT OIG interview, the ER Manager stated that (6),(7)(C) reviewed the matter but could not say that (6),(7)(C) "reviewed every email."

6, 7(C)

The evidence indicates that 6, 7(C) supervisors decided to (6),(7)(C) (6),(7)(C) well before implementing the decision on 6, 7(C) The 6, 7(C) alluded to the possibility of 6, 7(C) 6, 7(C) on August 21, 2014 when (6),(7)(C) wrote "this is not going to work." On August 26, 2014, the 6, 7(C) suggested to the 6, 7(C) that (6),(7)(C) consider 6, 7(C) 6, 7(C) based on the 6, 7(C) concerns. The following day, the 6, 7(C) wrote that "while [6, 7(C) is out next week," the 6, 7(C) will "ensure that all is in place to (b)(6), (b)(7)c

On September 11, 2014, the 6, 7(C) drafted and delivered to the 6, 7(C) an email with (6),(7)(C) "first cut at the justification" for 6, 7(C) 6, 7(C) The email contained eight points:

1. Violation of confidential information. Specifically, you had access to information on the salary of a team member. You used this information to approach your immediate supervisor to request a project coordination position. You also used this information to inform the team member that (6),(7)(C) was not doing (6),(7)(C) job for the

amount of money (6),(7)(C) was making creating an adverse morale issue within your team.

2. Providing misleading information. Specifically, you documented in a formal letter that an 6, 7(C) 6, 7(C) ((6),(7)(C) was a 6, 7(C) 6, 7(C) of an (6),(7)(C) being a condition of employment. Additionally, the individuals who you specified had knowledge of such a condition of employment denied any knowledge of approving an (6),(7)(C) for you.

3. Failure to meet deadlines. On August 19, 2014, you were asked to provide your Assistant 6, 7(C) two pieces of information by September 2, 2014: (1) a copy of your approved (6),(7)(C) when assigned to the Office of (b)(6), (b)(7)c and (2) the date your spring term classes ended. You did not provide the latter information. Additionally, you have failed to provide your immediate supervisor with requested information by established suspenses.

4. Failure to exhibit a mutually beneficial attitude. During the meeting on your (6),(7)(C) 6, 7(C) with your Assistant 6, 7(C) on August 19, 2014, when (6),(7)(C) asked for the two items, you stated it wouldn't do any good to provide them because you (6),(7)(C) [ ] had already determined that (6),(7)(C) would not grant you an (6),(7)(C) Additionally, you stated that if you provided the two pieces of requested information, you expected an approved (6),(7)(C) in return.

5. Failure to accept criticism constructively. Your immediate supervisor has been unable to complete your mid-year performance review because of your argumentative nature on each behavior issue.

6. Unable to communication [*sic*] effectively with your team, your supervisor and upper management. Specifically, you have manipulated information and distorted facts when it benefits your position. On September 10, 2014, you stated that your Assistant 6, 7(C) stated during the meeting on August 14, 2014, that you were on probation and could be fired. What your Assistant 6, 7(C) asked was did you understand that you were on probation. Your Assistant 6, 7(C) did not make any statement about being fired. Additionally, on August 19, 2014, you stated that (6),(7)(C) being a condition of employment could be verified by recorded telephone conversations with HR representatives and your immediate supervisor because the Authority records all telephone conversations. This means of verification does not exist.

7. Unable to work in a fast-paced, high stress 6, 7(C) (b)(6), (b)(7)c you replied that you were too stressed to provide this information. During a meeting on September 6, 7(C) read the letter about your past behavior or to comprehend its contents within the presence of these two individuals. You also stated that the environment during this meeting on September 5, 2014 was too intimidating for you.

8. Unable to establish trustworthiness and integrity. Based upon the total of your observed performance to date, you have been unable to establish trust and integrity with your team member, your supervisor or your Assistant 6, 7(C) And it does not appear that you will be able to establish trust and integrity in the foreseeable future.

The next day, September 12, the 6, 7(C) confirmed to the 6, 7(C) that 6, 7(C) should be 6, 7(C) The 6, 7(C) indicated that there was a consensus among (6),(7)(C) the 6, 7(C) and the 6, 7(C) supervisor. Nevertheless, the 6, 7(C) was not carried out until November. In the interim, on October 25, the 6, 7(C) emailed that (6),(7)(C) needed "to be as detailed as possible with appropriate backup to justify [6, 7(C) since [6, 7(C) allegations are very strong."

6, 7(C) was 6, 7(C) on November 17, 2017. The 6, 7(C) 6, 7(C) letter asserted that it was based on alleged performance issues since July 1, 2014. The letter referenced the October 1 " (b)(6), (b)(7)c " memorandum as a (b)(6), (b)(7)c describing aspects of your (b)(6), (b)(7)c which were considered (b)(6), (b)(7)c for the period of July l, 2014 through September 27, 2014." The 6, 7(C) letter asserted that 6, 7(C) (b)(6), (b)(7)c

The 6, 7(C) denied that the meeting and subsequent communications regarding 6, 7(C) had anything to do with the decision to 6, 7(C) 6, 7(C) Rather, the 6, 7(C) alleges, 6, 7(C) performance dropped after (6),(7)(C) (6),(7)(C) was rescinded and (6),(7)(C) training requests were not approved. Ultimately, alleged the 6, 7(C) 6, 7(C) failed to learn skills required of (6),(7)(C) job and to finish projects on time, despite being informed of the deficiencies and being given opportunities to improve.

6, 7(C) Alleged Review of Coworker's Salary Information

Although allegations of a breach of confidentiality were removed from the final "(b)(6), (b)(7)c memorandum of October 1, 2014, the issue of 6, 7(C) alleged discussion of (6),(7)(C) coworker's salary may have factored into (6),(7)(C) 6, 7(C)

The first contact between the 6, 7(C) and the 6, 7(C) was on July 30, 2014. The next day, the 6, 7(C) informed 6, 7(C) of the decision to rescind (6),(7)(C) (6),(7)(C) on 6, 7(C) The following day, August 1, 2014, the 6, 7(C) offered suggestions "that may be helpful with [6, 7(C) which focused on the belief that 6, 7(C) had inappropriately discussed employee salaries. The suggestions included "Confront (6),(7)(C) inappropriate behavior (i.e. complaining about salaries)" and "Set the expectations (if (6),(7)(C) mentions such confidential information out of context again – you will write (6),(7)(C) up immediately)." The 6, 7(C) concluded (6),(7)(C) email by referring to 6, 7(C) as a "bully" who "is trying to intimidate you into giving (6),(7)(C) a promotion (other assignments) and trying to manipulate [6, 7(C) into hearing and understanding (6),(7)(C) side of the story." In a follow-up email later that day, the 6, 7(C) added, " Tell (6),(7)(C) as the budget analyst – (6),(7)(C) will see everyone's salary and that you are very concerned about (6),(7)(C) ethics and (6),(7)(C) ability to keep information confidential. (6),(7)(C) reaction to someone's salary was unacceptable and concerning. (6),(7)(C) reaction **is a red flag and cause for a** (b)(6), (b)(7)c (b)(6), (b)(7)c (emphasis in original).

The 6, 7(C) told the DOT OIG that the 6, 7(C) asked (6),(7)(C) if (6),(7)(C) had shared (6),(7)(C) salary information with 6, 7(C) The 6, 7(C) alleges that (6),(7)(C) then realized that 6, 7(C) had access to project information that included the number of hours and amounts paid for WMATA personnel who worked on the project. The DOT OIG reviewed a June 3, 2014, email from 6, 7(C) to the 6, 7(C) which included employees' hours worked on specific projects. Despite the 6, 7(C) assertion, it seems unclear that salary could be calculated from this information. For example, the 6, 7(C) hours for one project shows 7.5, 10, and 12.5 hours. The associated "Resource Amount" figures show, respectively, 347.94, 3,711.34, and 10,438.18. Clearly, these figures do not translate directly to wages; the 6, 7(C) number of hours for the third entry (12.5) is less than two times the first (7.5), but the value for the corresponding third "Resource Amount" entry (10,438.18) is approximately

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

On August 26, 2014, the 6, 7(C) emailed the 6, 7(C) a draft of "concerns about 6, 7(C) 6, 7(C) behaviors." The document referenced performance and conduct issues. With respect to salary information, the 6, 7(C) wrote, "On July 17, . . . I had a direct discussion with you [6, 7(C) when you voiced your reason for being promoted again by referencing your co-worker's salary." The 6, 7(C) added, "Please be advised that another

person's title and/or salary is not a justification for a promotion for you. You need to [] focus on your responsibilities."

The 6, 7(C) expressed concerns with 6, 7(C) alleged use of (6),(7)(C) coworker's salary information. As discussed in the preceding section, the 6, 7(C) September 11, 2014, points for justifying 6, 7(C) 6, 7(C) began with "Violation of confidential information," which discussed 6, 7(C) alleged accessing of a coworker's salary information to (1) seek a different position and (2) tell the coworker that (6),(7)(C) was not

6, 7(C)

6, 7(C)

6, 7(C)

The 6, 7(C) told the DOT OIG that after problems arose with 6, 7(C) (6),(7)(C) contacted 6, 7(C)

6, 7(C)

6, 7(C)

6, 7(C)

6, 7(C)

promotion. The 6, 7(C) confirmed to the DOT OIG that 6, 7(C) used salary information to justify (6),(7)(C) own promotion.

WHISTLEBLOWER REPRISAL SUBSTANTIVE ANALYSIS

ARRA and the NDAA prohibit Federal grantees from reprising against an employee for making a protected disclosure of information to certain covered individuals or entities. Under ARRA, the covered individuals include people "with supervisory authority over the employee (or such other person working for the employer who has the authority to investigate, discover, or terminate misconduct)." Under the NDAA, the covered individuals likewise include a "management official or other employee of the contractor, subcontractor, or grantee who has the responsibility to investigate, discover, or address misconduct." 41 U.S.C. § 4712.

For a report of information to be protected under ARRA, the person making the disclosure must reasonably believe that (b)(6), (b)(7)(C) was providing evidence of (1) gross mismanagement of an ARRA contract or grant; (2) a gross waste of ARRA funds; (3) a substantial and specific danger to public health or safety related to the use of ARRA funds; (4) an abuse of authority related to the use of ARRA funds; or (5) a violation of law, rule, or regulation related to an agency grant or contract "awarded or issued relating to [ARRA] funds." Similarly, the NDAA requires the employee to have had a reasonable belief that (b)(6), (b)(7)(C) was disclosing evidence of (1) gross mismanagement of a Federal contract or grant; (2) a gross waste of Federal funds; (3) an abuse of authority relating to a Federal contract or grant; (4) a substantial and specific danger to public health or safety; or (5) a violation of law, rule, or regulation related to a Federal contract or grant.

Under both statutes, even if the employee made a protected disclosure to an entity or individual covered by the statute, the employer would still prevail by providing clear and

convincing evidence that the same action would have been taken absent the employee's disclosure.

No later than 30 days after receiving this report, the Secretary of Transportation shall determine whether there is a sufficient basis to conclude WMATA committed whistleblower reprisal and shall issue an order denying relief in whole or in part or providing 6, 7(C) with corrective action. ARRA § 1553(c)(2); see also NDAA, § 4712(c)(1). Potential corrective action includes reinstatement with compensatory damages and the reimbursement of all costs associated with 6, 7(C) OIG complaint.

Report Made to Covered Party

The ARRA and NDAA specify entities and individuals to whom a disclosure may be made to be eligible for protection. Under ARRA, the covered individuals include people "with supervisory authority over the employee." Covered individuals under the NDAA include a "management official or other employee of the . . . grantee who has the responsibility to investigate, discover, or address misconduct." Under both ARRA and NDAA, the 6, 7(C) would appear to be a covered individual to receive 6, 7(C) disclosure.

6, 7(C) **Reasonable Belief**

6, 7(C) asserts that in the meeting on 6, 7(C) (6),(7)(C) disclosed to the 6, 7(C) that (6),(7)(C) plan to make 6, 7(C) the sole contact on 6, 7(C) including ordering and receiving parts, would be a violation of law, rule, or regulation. 6, 7(C) identified a number of potential bases for this assertion, including FTA Circular 5010.1D, Chapter VI, Section 2. This section addresses internal controls with respect to FTA grants. FTA grantees "must ensure that resources are properly used and safeguarded." *Id.* § 2(a). Internal controls "must be integrated with the management systems used by the grantee to regulate and guide its operations." *Id.* § 2(b). Further, under subsection (e)(1)(c), "Responsibility for duties and functions must be segregated within the organization to ensure that adequate internal checks and balances exist. Grantees should pay particular attention to authorization, performance, recording, inventory control, and review functions to reduce the opportunity for unauthorized or fraudulent acts." 6, 7(C) stated that when (6),(7)(C) voiced (6),(7)(C) opposition to being the sole contact for 6, 7(C) (6),(7)(C) had concerns that this instruction violated internal controls and could lead to errors or permit fraud.[4]

A disclosure of a violation of law, rule, or regulation may be protected even if the violation might be seen as trivial. *Hudson v. Department of Veterans Affairs*, 104

[4] In addition to the FTA Circular, 6, 7(C) asserted that being named as the sole contact for 6, 7(C) would have violated 49 C.F.R § 18.20, the FTA Master Agreement, and generally accepted accounting principles. The bases for these assertions are largely similar to the ones identified for the FTA Circular, so they are not discussed separately here.

M.S.P.R. 283, 289 (2006). Requirements laid out in an FTA Circular may be rules for purposes of the whistleblower statutes. The Merit Systems Protection Board (MSPB) held in *Chavez v. Department of Veterans Affairs*, 120 M.S.P.R. 285, 297 (2013), "Although the [Whistleblower Protection Act] does not define 'rule,' the Board has suggested it includes established or authoritative standards for conduct or behavior." Under this approach, an FTA Circular's required actions would appear to be rules.

Though whistleblower statutes do not define "reasonable belief," this term has been considered in Federal employees' whistleblower retaliation complaints. The NDAA explicitly adopts the legal burdens of proof in these cases. 5 U.S.C. § 4712(c)(6). A belief is reasonable when a "disinterested observer with knowledge of the essential facts known to and readily ascertainable by the employee could reasonably conclude that the actions" being reported evidence a type of disclosure identified in the statute. *See LaChance v. White*, 174 F.3d 1378, 1381 (Fed. Cir. 1999). A protected disclosure does not lose its protection because it is later found to be inaccurate; the determination relies on the facts known and ascertainable by the complainant at the time of the disclosure. *Special Counsel v. Spears*, 75 M.S.P.R. 639, 659 (1997). A vague or speculative disclosure will not be protected. *McCorcle v. Dep't of Agric.*, 98 M.S.P.R. 363 (2005).

6, 7(C) would appear to have had a reasonable basis to question the propriety of the 6, 7(C) instructions at the meeting with respect to internal controls. The 6, 7(C) acknowledged that (6),(7)(C) had asked 6, 7(C) to order parts and 6, 7(C) pushed back. The 6, 7(C) later asked the 6, 7(C) about the matter and was told that 6, 7(C) should not be the person ordering parts. The 6, 7(C) expounded on the question in (6),(7)(C) interview with the DOT OIG, noting that 6, 7(C) lacked procurement authority to order supplies. Further support for 6, 7(C) position came from the testimony of the (6),(7)(C) Mechanic Helper. (6),(7)(C) specifically recalled that it seemed as if the 6, 7(C) was instructing 6, 7(C) to receive parts. In sum, 6, 7(C) may have had a reasonable belief that (6),(7)(C) disclosed a violation of internal control rules when (6),(7)(C) expressed to the 6, 7(C) that it was not proper to be the sole person in charge of creating procurements for parts, ordering the parts, and receiving them.

Contributing Factor

Under 5 U.S.C. § 1221(e)(1), to establish a prima facie case of whistleblower reprisal, a complainant must show that a protected disclosure was a "contributing factor" in the personnel action at issue. Proof of a "contributing factor" requires the complainant to show that either the fact or content of the protected disclosure "tended to affect the personnel action in any way." *Salerno v. Dep't of the Interior*, 123 M.S.P.R. 230, 237-238 (2016).

The complainant may rely on circumstantial evidence to prove that a disclosure was a contributing factor. By statute, a complainant may establish this proof by demonstrating

that both (1) the official taking the personnel action knew of the disclosure and (2) the personnel action occurred soon enough after the disclosure that a "reasonable person could conclude that the disclosure or protected activity was a contributing factor in the personnel action." 5 U.S.C. § 1221(e)(1). This is known as the "knowledge-timing test" in whistleblower reprisal cases.

Evidence of Contributing Factor

Satisfaction of the knowledge-timing test under Section 1221(e)(1) establishes the element of "contributing factor." In addition, courts will consider other, relevant circumstantial evidence. The MSPB has identified examples of such evidence: "the strength or weakness of the agency's reasons for taking the personnel action, whether the whistleblowing was personally directed at the proposing or deciding officials, and whether those individuals had a desire or motive to retaliate against the appellant." *Stiles v. Dep't of Homeland Security*, 116 M.S.P.R. 263, 273-274 (2011).

For the "knowledge" element of the "knowledge-timing test," an official responsible for 6, 7(C) 6, 7(C) must have actual or constructive knowledge of (6),(7)(C) protected disclosure. Constructive knowledge occurs when one official with knowledge of a disclosure influences a second official—who may not know of the disclosure—to take an action against the whistleblower. *Aquino v. Dep't of Homeland* Security, 121 M.S.P.R. 35, 45 (2014).

Section 1221(e)(1) does not state how much time would cause a reasonable person to conclude a disclosure was a contributing factor. Courts interpreting this Section have construed it to mean periods of a year and, in some instances, more. In *Kewley v. Department of Health and Human Services*, 153 F.3d 1357, 1363 (Fed. Cir. 1998), the Federal Circuit held a reasonable time in a whistleblower reprisal action could normally extend to an action taken within the employee's same performance evaluation period of one year. A recent MSPB decision analyzing Section 1221(e)(1) noted, "The [MSPB] has held that a personnel action taken within approximately 1 to 2 years of the appellant's disclosures satisfies the timing component of the knowledge/timing test." *Salerno*, 123 M.S.P.R. at 238 (citing three MSPB decisions).

In 6, 7(C) case, the knowledge-timing test appears to be satisfied. On 6, 7(C) (6),(7)(C) made (6),(7)(C) allegedly protected disclosures. All of the alleged personnel actions, including 6, 7(C) occurred within the ensuing five months.

WMATA's Opportunity to Rebut Charges

Even if the complainant can show that a disclosure was a contributing factor in the personnel action, the employer will prevail if it proves by clear and convincing evidence

that it would have taken the same personnel action in the absence of the disclosure. 5 U.S.C. § 1221(e)(2). In Whistleblower Protection Act cases, clear and convincing evidence is "that measure or degree of proof that produces in the mind of the trier of fact a firm belief as to the allegations sought to be established." 5 C.F.R. § 1209.4(e).

In determining whether employers meet the clear and convincing standard, courts in Whistleblower Protection Act cases consider: (1) the strength of the employer's evidence in support of the discharge; (2) the existence and strength of any retaliatory motive by the officials responsible for the discharge decision; and (3) evidence concerning the employer's treatment of similarly-situated employees who were not whistleblowers. *Carr v. Social Security Administration*, 185 F.3d 1318, 1323 (Fed. Cir. 1999).

Strength of WMATA's Evidence in Support of the Discharge

considerably around after training requests were not approved and was rescinded. Ultimately, according to the failed to learn facets of job and finish projects on time. Further, did not improve when informed of professional deficiencies.

The desired WMATA's approval of training. made a "training request" for Institute (membership. When that was disapproved, emailed the a request "to confirm that WMATA will allow paid time to attend the training offered by this organization which is directly job related." According to the informed that "training would not be directly related to my position because it is not in the realm of management of projects." The email concluded, "Just an FYI to follow up to close the loop… Thanks…" Nothing in the written email chain appears combative or confrontational.

The evidence provides support for the assertion that was displeased with the rescission of and the non-approval of training related to a (not When informed that was rescinded, wrote a letter to the indicating that it had been part of the package negotiated when agreed to take position. In August 8 email to the commented on the "abrupt cancellation" of and commented that a "valued employee is a happy employee." Moreover, the and the testified that was disrespectful to the in an August 19, 2014, meeting to discuss the

Although was on the evidence indicates that a decision to came much earlier. On September 12, 2014, the confirmed to the the decision to The indicated that there was a consensus among the and the supervisor. Because a

decision was made by September 12 to 6, 7(C) 6, 7(C) reasons given after that date would appear to carry less weight than reasons preceding that date.

Alleged issues with 6, 7(C) performance and conduct before September 12 were discussed in several documents, including emails about the rescission of 6, 7(C) (6),(7)(C) the 6, 7(C) August write-up of issues with 6, 7(C) 6, 7(C) midyear performance evaluation; the 6, 7(C) draft (b)(6), (b)(7)c of September 2; the September 5 (b)(6), (b)(7)c and the 6, 7(C) September 11 "first cut" of reasons to 6, 7(C) 6, 7(C)

Reviewing these documents provides a few common themes. 6, 7(C) supervisors asserted consistently that there was no agreement for 6, 7(C) to have (6),(7)(C) as part of (6),(7)(C) compensation package, contrary to 6, 7(C) statement in (6),(7)(C) letter to the 6, 7(C) The 6, 7(C) appears to have questioned 6, 7(C) integrity based on this assertion. (6),(7)(C) also took the position that 6, 7(C) had requested (6),(7)(C) to take classes and had not been forthcoming about the fact that (6),(7)(C) was not taking them. 6, 7(C) supervisors also stated that (6),(7)(C) acted unprofessionally towards the 6, 7(C) when questioned by (6),(7)(C) about (6),(7)(C) class 6, 7(C)

The pre-September 12 documents provided other common subjects. 6, 7(C) supervisors discussed (6),(7)(C) alleged use of (6),(7)(C) coworker's salary information in an effort to benefit (b)(6), (b)(7)c They also stated that 6, 7(C) failed to meet deadlines and did not communicate effectively with others. In support of this claim, the 6, 7(C) made general reference to emails from 6, 7(C) that allegedly confirmed discussions that never happened. The 6, 7(C) asserted that 6, 7(C) "distorted facts when it benefits (6),(7)(C) position." Specifically, the 6, 7(C) stated that (6),(7)(C) had asked 6, 7(C) whether (6),(7)(C) understood (6),(7)(C) was on probation. (6),(7)(C) denied 6, 7(C) assertion that (6),(7)(C) made a statement that (6),(7)(C) could be fired.

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

the 6, 7(C) wrote that (6),(7)(C) knew from the 6, 7(C) that 6, 7(C) would be absent on some Fridays. Yet the 6, 7(C) told the DOT OIG that (6),(7)(C) talked with the 6, 7(C) because (6),(7)(C) noticed that 6, 7(C) was absent on Fridays. If the 6, 7(C) knew that 6, 7(C) would not be in some Fridays, it is unclear why noticing (6),(7)(C) absence would trigger concern. With respect to the 6, 7(C) (6),(7)(C) argued that (6),(7)(C) did not know until September 10, 2014, that 6, 7(C) worked for the 6, 7(C) Supervisor for an extended period. Yet (6),(7)(C) had reason to know of this work because 6, 7(C) clearly identified it in (6),(7)(C) August 25 self-assessment to the 6, 7(C)

Existence and Strength of Retaliatory Motive

Concerning retaliatory motive, courts in whistleblower retaliation cases have considered, among other things, the effect of the whistleblower's disclosure on those responsible for taking action against the whistleblower. *See Wadhwa v. Department of Veterans Affairs*, 353 F. App'x 435, 438 (Fed. Cir. 2009); *Whitmore v. Department of Labor*, 680 F.3d 1353, 1370-1372 (Fed. Cir. 2012).

6, 7(C) unwillingness to order parts for 6, 7(C) may have provided some basis for retaliation. The 6, 7(C) testified that (6),(7)(C) and the 6, 7(C) had decided that 6, 7(C) would perform this task. The 6, 7(C) indicated that (6),(7)(C) was initially frustrated by 6, 7(C) refusal to do so, which occurred in a meeting with other WMATA employees.

Nevertheless, the 6, 7(C) stated that shortly after the meeting, the 6, 7(C) informed the 6, 7(C) that 6, 7(C) should not be ordering parts, and the issue was resolved. The 6, 7(C) asserted that this matter had no impact on any of the actions taken against 6, 7(C) In support of this position is the fact that many issues and concerns about 6, 7(C) alleged performance and conduct were discussed openly in emails and discipline-related documents, yet these documents did not reference (6),(7)(C) actions in the 6, 7(C) meeting.

6, 7(C) WMATA complaints did not appear to assert that (6),(7)(C) faced retaliation due to (6),(7)(C) actions in the 6, 7(C) meeting to discuss 6, 7(C) 6, 7(C) complaints referenced a number of issues, especially the 6, 7(C) alleged treatment of the 6, 7(C) but they did not discuss the specific assertions made at the 6, 7(C) meeting.

WMATA's Treatment of Similarly-Situated Employees Who Were Not Whistleblowers

The 6, 7(C) had only one individual other than 6, 7(C) working for (6),(7)(C) the 6, 7(C) The 6, 7(C) informed the DOT OIG that after 6, 7(C) was gone, (6),(7)(C) had differences with the 6, 7(C) In (6),(7)(C) estimation, the 6, 7(C) created reasons to (6),(7)(C) including asserting that (6),(7)(C) asked too many questions. (6),(7)(C) was subsequently 6, 7(C) The 6, 7(C) did not identify (b)(6), (b)(7)(C) as a whistleblower.

U.S. Department of Transportation
Office of Inspector General

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I16G0090300	[redacted],
TITLE Addendum to Report of Investigation into Alleged Whistleblower Reprisal by Oglala Sioux Tribe	PREPARED BY INVESTIGATOR 6, 7(C)	STATUS Final
ALLEGATIONS 41 U.S.C. § 4712—Enhancement of Contractor Protection from Reprisal for Disclosure of Certain Information	DISTRIBUTION DOT, S-1, C-1 Complainant 6, 7(C) 6, 7(C) Jennifer Bear 6, 7(C) In-House Counsel, Oglala Sioux Tribe Legal Department File	6, 7(C) 1/5 APPROVED

SYNOPSIS

As discussed in more detail in the U.S. Department of Transportation Office of Inspector General (DOT OIG) July 12, 2018, Report of Investigation (ROI), Complainant 6, 7(C) 6, 7(C) was an 6, 7(C) (6, 7(C) for the Oglala Sioux Tribe (OST), alleges that (b)(6), (b)(7)(engaged in whistleblowing relating to Federal highway funds granted to OST. (b)(6), (b)(7)(further asserts that 6, 7(C) whistleblowing on this and other matters led to the 6, 7(C) decision by OST's then- 6, 7(C) to 6, 7(C) 6, 7(C) 6, 7(C) in violation of the whistleblower provisions of 41 U.S.C. § 4712 (section 4712).

After the ROI had been distributed, OST informed DOT OIG that additional documents had been located and provided copies to DOT OIG. This addendum to the ROI (Addendum) summarizes those documents that would have been included in the ROI had they been located before its dissemination. Where relevant, the Addendum also provides an updated analysis in light of these documents. Consequently, this Addendum should be read in conjunction with the ROI, which remains in effect, except as discussed herein.

Additional Relevant Documents

The additional production included the following documents:

- A memorandum dated 6, 7(C) from the OST Economic & Business Development Committee (EBD Committee) recommending to the 6, 7(C) "that [OST 6, 7(C) be 6, 7(C) pursuant to Section XI and other disciplinary provisions of the OST Personnel Manual not later than the close of business on 6, 7(C) The basis for 6, 7(C) is continuous and repeated failure to comply with OST policies and procedures and 6, 7(C) 6, 7(C)

- A complaint dated 6, 7(C) from 6, 7(C) 6, 7(C) to the OST Tribal Council against the 6, 7(C) The complaint discussed the OST 6, 7(C) alleged "reinstatement of employees [whom the 6, 7(C) 6, 7(C) . . . and the hiring of employees . . . without any authority as well as failing to implement committee action in accordance with tribal law." One specific issue was the 6, 7(C) alleged failure to act promptly to delegate "to the 6, 7(C) Office for immediate implementation" the EBD Committee's recommendation to 6, 7(C) the OST 6, 7(C) 6, 7(C)

- A memorandum dated 6, 7(C) from the 6, 7(C) directing the 6, 7(C) to 6, 7(C) the 6, 7(C) 6, 7(C) Though the memorandum briefly references 6, 7(C) and the EBD Committee's recommendation, it focuses primarily on the fact that the 6, 7(C) 6, 7(C) 6. 7(C) .

WHISTLEBLOWER RETALIATION ANALYSIS

The DOT OIG ROI considered 6, 7(C) allegations under the whistleblower retaliation provisions of section 4712. Nothing in the new documents affects the ROI's consideration of the merits of 6, 7(C) disclosures. Likewise, the documents do not affect the ROI's discussion of whether 6, 7(C) might be able to show that a disclosure protected by section 4712 was a contributing factor in the decision to 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) These sections of the whistleblower retaliation analysis thus remain unchanged and are not discussed here.

OST's Opportunity to Rebut Charges

If 6, 7(C) is deemed to have met the elements of a prima facie case of whistleblower retaliation under section 4712, the newly obtained documents should be considered when determining whether OST could show by clear and convincing evidence that 6, 7(C) would have been 6, 7(C) even if (b)(6), (b)(7)(C) had not engaged in whistleblowing. As discussed in more detail in the ROI, an employer will prevail, regardless of whistleblowing, if it shows by clear and convincing evidence that the same actions would have been taken in the absence of the disclosure.

In determining whether an employer meets the clear and convincing standard, courts in Whistleblower Protection Act cases consider: (1) the strength of the employer's evidence in support of the discharge; (2) the existence and strength of any retaliatory motive by the officials responsible for the discharge decision; and (3) evidence concerning the employer's treatment of similarly-situated employees who were not whistleblowers.[1]

Strength of OST's Evidence in Support of the Discharge

Nothing in the recently reviewed documents affects this prong, so we quote from the ROI:

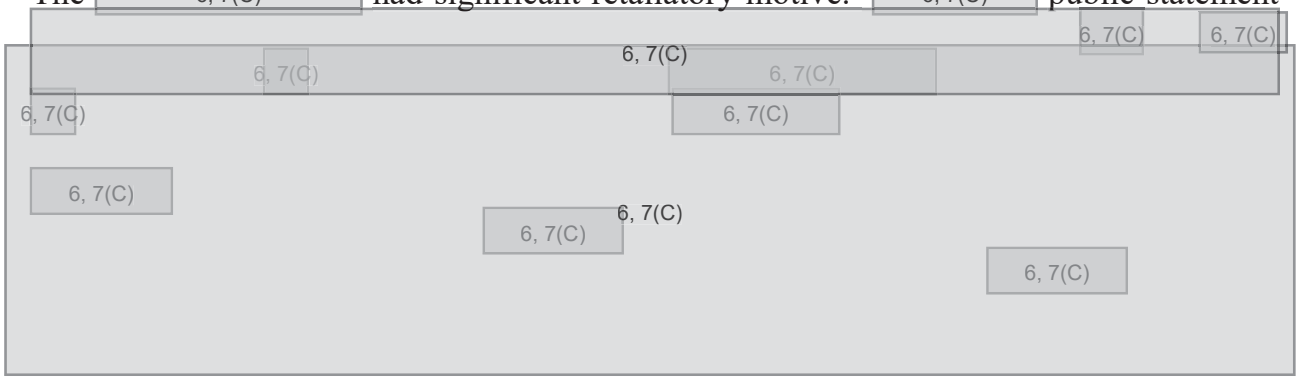
> OST has strong evidence in support of 6, 7(C) discharge. 6, 7(C) does not deny that (b)(6), (b)(7)(C) did not follow the 6, 7(C) instruction to 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) report to 6, 7(C) assigned workplace. Further, (b)(6), (b)(7)(C) made clear (b)(6), (b)(7)(C) would not return to the environment, which (b)(6), (b)(7)(C) alleged to be hostile. These factors strongly support the 6, 7(C) decision to 6, 7(C) 6, 7(C) for insubordination.

Existence and Strength of Retaliatory Motive

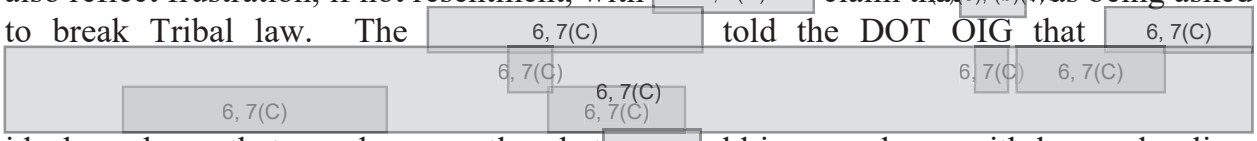
The analysis below replaces the ROI analysis on the existence and strength of the 6, 7(C) retaliatory motive.

[1] In limited instances, facts referenced in the analysis in this Addendum had not been deemed sufficiently relevant to be included in the ROI but were deemed relevant after the additional documents were produced.

Concerning retaliatory motive, courts in whistleblower retaliation cases have considered, as one possible motive, the effect of the whistleblower's disclosure on those responsible for taking action against the whistleblower. *See Wadhwa v. Department of Veterans Affairs*, 353 F. App'x 435, 438 (Fed. Cir. 2009); *Whitmore v. Department of Labor*, 680 F.3d 1353, 1370-1372 (Fed. Cir. 2012). Other motives may be considered as well. The 6, 7(C) had significant retaliatory motive. 6, 7(C) public statement



Statements by the 6, 7(C) to the DOT OIG concerning the TERO issue may also reflect frustration, if not resentment, with 6, 7(C) claim that (b)(6), (b)(7)c was being asked to break Tribal law. The 6, 7(C) told the DOT OIG that 6, 7(C)



ideal employee that . . . does exactly what (b)(6), (b)(7)c told in accordance with law and policy, and (b)(6), (b)(7)c failed to follow my directive."

Another possible motive was the effect of the TERO Order on OST's finances. After 6, 7(C) raised the issue of the OST Contractor continuing work for OST despite the TERO Order, the OST Contractor stopped its work. The OST Contractor then asserted that because it could not work while the TERO order was in effect, it could not seek reimbursement on OST's behalf for more than $3 million already spent by the Tribe. 6, 7(C) role in raising issues that may have affected OST's ability to seek prompt reimbursement could have been another motive for (b)(6), (b)(7)c

In sum, the 6, 7(C) had significant motivation to 6, 7(C) 6, 7(C) for 6, 7(C) assertion that (b)(6), (b)(7)c would have committed illegal acts had (b)(6), (b)(7)c paid the OST Contractor for work performed after the TERO Cease and Desist Order took effect.

Treatment of Similarly-Situated Employees Who Were Not Whistleblowers

The analysis below replaces the ROI analysis on the treatment of similarly-situated employees who were not whistleblowers.

In this matter, OST Personnel Policies and Procedures (Personnel Policies) appear to have been applied inconsistently by the 6, 7(C) In 6, 7(C) 6, 7(C) memo reinstating 6, 7(C) effective 6, 7(C) the 6, 7(C) wrote that 6, 7(C) could not reassign 6, 7(C) because nothing in the Personnel Policies granted 6, 7(C) the authority to do so. The Personnel Policies, however, do not appear to take a position on whether the 6, 7(C) may reassign employees.

In contrast to this ambiguity, section X(B)(5) of the Personnel Policies states, with respect to 6, 7(C) actions, "The recommendation for discharge must be issued by the 6, 7(C) The 6, 7(C) was copied on the 6, 7(C) reinstatement memo, thus becoming 6, 7(C) 6, 7(C) effective 6, 7(C) 6, 7(C) Yet the 6, 7(C) had not recommended 6, 7(C) 6, 7(C) when the 6, 7(C) 6, 7(C) 6, 7(C) on 6, 7(C)

In addition, though the 6, 7(C) 6, 7(C) 6, 7(C) for not following 6, 7(C) instruction, the 6, 7(C) did not follow the 6, 7(C) instruction to 6, 7(C) the 6, 7(C) When asked why 6, 7(C) 6, 7(C) 6, 7(C) the 6, 7(C) said to the DOT OIG, "I run a tight ship here and if you don't follow my directives, there's [sic] consequences. 6, 7(C) . . . failed to follow my directive. And some of my 6, 7(C) might be more lenient, but I'm not. And so that's why I did it." Despite the lack of leniency with 6, 7(C) the 6, 7(C) did not 6, 7(C) the 6, 7(C) despite the EBD Committee's recommendation; the 6, 7(C) acknowledgement of that recommendation and 6, 7(C) own complaint against the 6, 7(C) for not implementing it promptly; and the 6, 7(C) subsequent instruction to do so.

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I17H0030500	October 26, 2018
TITLE	PRE (b)(6), (b)(7)c NT	STATUS
Koch Pipeline Company 6483 85th St. S Cottage Grove, MN 55016	DISTRIBUTION	Final INITIAL (b)(6), (b)(7)c 1/4
Violation: §18 U.S.C. 1001, False Statements	JRI-5	APPROVED AWL

Anthony Lucari
Acting SAC

SYNOPSIS

This investigation was opened based upon a referral from (b)(6), (b)(7)c, U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), Central Region. (b)(6), (b)(7)c alleged that an employee of Koch Pipeline Company (Koch), Cottage Grove, MN, reported to (b)(6), (b)(7)c that the employee was directed by (b)(6), (b)(7)c supervisor (b)(6), (b)(7)c (b)(6), (b)(7)c, to alter (b)(6), (b)(7)c employee operator evaluations. It was alleged that the employee evaluations were altered to meet the requirements of the employee (b)(6), (b)(7)c (b)(6), (b)(7)c program as outlined in Title 49 CFR 195 subpart G. Koch is a refinery where crude oil is processed to produce gasoline products and transported via pipeline.

OIG interviewed several current and former Koch employees. Based on the disparity of information derived regarding training requirements, the allegations against Koch and (b)(6), (b)(7)c could not be substantiated.

BACKGROUND

Title 49 CFR 195 subpart G prescribes in part, the minimum requirements for operator qualification of pipeline personnel performing covered tasks on a pipeline facility.

Title 18 USC 1001 (False Statements) states whoever, knowingly and willfully makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry.

DETAILS

This investigation was opened based upon a referral from (b)(6), (b)(7)c U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), Central Region (b)(6), (b)(7)c alleged that an employee of Koch Pipeline Company (Koch), Cottage Grove, MN, reported to (b)(6), (b)(7)c that the employee was directed by (b)(6), (b)(7)c (b)(6), (b)(7)c to alter (b)(6), (b)(7)c employee operator evaluations. It was alleged that the employee evaluations were altered to meet the requirements of the employee (b)(6), (b)(7)c program as outlined in Title 49 CFR 195 subpart G. Koch is a refinery where crude oil is processed to produce gasoline products and transported via pipeline (Attachment 1).

On May 16, 2017, (b)(6), (b)(7)c Koch, related that Koch had an internal certification program known as (b)(6), (b)(7)c which represent different skills or tests each (b)(6), (b)(7)c must pass before they can be qualified to perform a task. The (b)(6), (b)(7)c certification process was comprised of three components; initial training, written examination, and a field examination referred to as a Performance Verification (PV). (b)(6), (b)(7)c did not witness any Koch manager falsify any component of the (b)(6), (b)(7)c process. (b)(6), (b)(7)c did not falsify any records (b)(6), (b)(7)c nor had (b)(6), (b)(7)c been instructed to falsify any (b)(6), (b)(7)c records (Attachment 2).

On June 28, 2017, (b)(6), (b)(7)c former Koch (b)(6), (b)(7)c, stated that (b)(6), (b)(7)c agreed to let (b)(6), (b)(7)c use (b)(6), (b)(7)c to administer computer based tests to (b)(6), (b)(7)c crew. (b)(6), (b)(7)c was not able to use (b)(6), (b)(7)c because Koch switched to a new testing system. (b)(6), (b)(7)c claimed (b)(6), (b)(7)c notified the project manager that (b)(6), (b)(7)c attempted to use (b)(6), (b)(7)c but could not access the system. (b)(6), (b)(7)c was subsequently interviewed by Koch officials and was (b)(6), (b)(7)c (Attachment 3).

On November 9, 2017, (b)(6), (b)(7)c, former Koch (b)(6), (b)(7)c indicated that (b)(6), (b)(7)c did not allow open-book testing. (b)(6), (b)(7)c was never instructed to falsify any test records (Attachment 4).

On March 7, 2018, the OIG met with Flint Hills Resources (Flint Hills) officials and learned Koch went through a reorganization in the fall of 2017 and was renamed Flint Hills. The employees were managed by Flint Hills and many were terminated due to a reduction in force. Flint Hills opined that the PHMSA regulations involving the (b)(6), (b)(7)c program were vague. There were no certification forms required to be submitted to PHMSA. The certification of their (b)(6), (b)(7)c training records occurred when PHMSA conducted their audit review. Flint Hills officials indicated the (b)(6), (b)(7)c program had undergone revision and improvements. Flint Hills used to (b)(6), (b)(7)c tests under the National Center for Construction Education and Research (NCCER) testing program. Flint Hills switched training vendors late in 2017 to the Energy World Net (EWN) testing program. The new (b)(6), (b)(7)c program was submitted to PHMSA for review (Attachment 5).

On March 8, 2018, the OIG conducted a document review of Koch employee training records. The review did not reveal irregularities or evidence that documented training was not completed (Attachment 6).

On April 16, 2018, (b)(6), (b)(7)c, former Koch (b)(6), (b)(7)c related that Koch merged with Flint Hills (b)(6), (b)(7)c did not experience any problems with Koch's training program (b)(6), (b)(7)c was not given answers to test questions nor was (b)(6), (b)(7)c asked to falsify evaluations. (b)(6), (b)(7)c former Koch employee, stated (b)(6), (b)(7)c was not given answers during testing (b)(6), (b)(7)c completed the performance evaluations and said there was always someone present during the evaluations (Attachments 7-8).

On August 16, 2018, (b)(6), (b)(7)c, former Koch (b)(6), (b)(7)c stated (b)(6), (b)(7)c was one of many (b)(6), (b)(7)c under the old testing system NCCER (b)(6), (b)(7)c was never assigned a (b)(6), (b)(7)c under the new system EWN. The (b)(6), (b)(7)c certification transitioned to a computerized system. In addition, a PV was performed. The PV portion was completed orally by asking the employee to explain the process of a given task. If the (b)(6), (b)(7)c was satisfied with the employee's response, the employee would pass the PV portion. (b)(6), (b)(7)c related that (b)(6), (b)(7)c received notification that (b)(6), (b)(7)c attempted to use (b)(6), (b)(7)c (b)(6), (b)(7)c reported the incident to management (b)(6), (b)(7)c said (b)(6), (b)(7)c initially told management that (b)(6), (b)(7)c allowed (b)(6), (b)(7)c to use (b)(6), (b)(7)c, but then admitted to not being authorized to use anyone's (b)(6), (b)(7)c (b)(6), (b)(7)c was subsequently (b)(6), (b)(7)c (b)(6), (b)(7)c was let go due to a reduction in force (b)(6), (b)(7)c indicated (b)(6), (b)(7)c was never directed to falsify any tests or PVs (Attachment 9).

Based on unfounded allegations and no evidence of criminal violations, the U.S. Attorney's Office was not contacted. It is recommended this case be closed.

INDEX OF ATTACHMENTS

No.	Description
1.	Complaint from PHMSA, dated 4/26/17.
2.	Interview of (b)(6), (b)(7)c, dated 5/16/17.
3.	Interview of (b)(6), (b)(7)c dated 6/28/17.
4.	Interview of (b)(6), (b)(7)c dated 11/9/17.
5.	Meeting with Flint Hills Resources officials, dated 3/7/18.
6.	Document review, dated 3/8/18.
7.	Interview of (b)(6), (b)(7)c, dated 4/16/18.
8.	Interview of (b)(6), (b)(7)c, dated 4/16/18.
9.	Interview of (b)(6), (b)(7)c dated 8/16/18.

Note: All of the documents and all case documents, including all interview reports, are maintained in the electronic case folder; therefore, there are no documents attached to this report.

U.S. Department of Transportation
Office of the Secretary of Transportation

OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION	INVESTIGATION NUMBER	DATE
	I18E0080300	8/22/2018
TITLE 6, 7(C) – Ethics Violation (Misconduct) 6, 7(C) 6, 7(C) 6, 7(C) Federal Aviation Administration	**PREPARED BY SPECIAL AGENT** 6, 7(C) Michael Adams 6, 7(C)	**STATUS** Interim
Violations Investigated: 5 CFR Part 2635.302 -- Gifts Between Employees	**DISTRIBUTION** FAA Office of Finance and Management (AFN-001) File	**APPROVED BY** Floyd Sherman

SYNOPSIS

This investigation was initiated on December 13, 2017, by a referral from the Federal Aviation Administration (FAA), Internal Investigations Division (AXI-100), reporting that the FAA Administrator's Hotline received a complaint alleging three executive level senior management employees have been receiving gifts from a subordinate employee, possibly for preferential treatment for a future promotion.

The complaint alleged 6, 7(C) 6, 7(C) (6, 7(C) , FAA, 6, 7(C) 6, 7(C) 6, 7(C) (6, 7(C) provided gifts to the following FAA Senior Executives: 6, 7(C) FAA, 6, 7(C) 6, 7(C) (6, 7(C) FAA, 6, 7(C) (6, 7(C) and 6, 7(C) (6, 7(C) FAA, 6, 7(C) (6, 7(C)

The complaint also alleged 6, 7(C) purchased drinks and meals while they were on travel together, possibly made purchases at sporting events, gifted Star Wars memorabilia, a piñata, a rubber chicken, and a framed picture, most of which were above the allowable gift giving limits of 5 CFR 2635.302.

The complaint alleged the gifts were given to the previously mentioned Senior Executives in return for preferential treatment for a new 6, 7(C) pay band position being created in 6, 7(C) An 6, 7(C) pay band position would be a promotion for 6, 7(C) who is currently a 6, 7(C) band employee.

DETAILS

On 6, 7(C) 6, 7(C) 6, 7(C)
FAA, 6, 7(C)

(6, 7(C) 6, 7(C)
(Attachments 1 & 2)

On May 2, 2018, DOT-OIG interviewed 6, 7(C) who advised 6, 7(C) provided gifts to the aforementioned FAA Senior Executives. 6, 7(C) noted 6, 7(C) is part of the 6, 7(C) within 6, 7(C) that reports to 6, 7(C) 6, 7(C) reports directly to 6, 7(C) while both 6, 7(C) and 6, 7(C) reported to 6, 7(C) 6, 7(C) stated 6, 7(C) was 6, 7(C) 6, 7(C)

According to 6, 7(C) 6, 7(C) told 6, 7(C) 6, 7(C) that 6, 7(C) likes to buy "gag gifts." 6, 7(C) elaborated in that 6, 7(C) 6, 7(C) advised 6, 7(C) bought a piñata every year for 6, 7(C) birthday. 6, 7(C) also stated 6, 7(C) advised that 6, 7(C) gave 6, 7(C) 6, 7(C) a Christmas wreath for 6, 7(C) office. 6, 7(C) stated that 6, 7(C) was "not afraid to say 6, 7(C) gave 6, 7(C) 6, 7(C) things." 6, 7(C) was surprised because "you can't gift upward."

6, 7(C) advised both 6, 7(C) and 6, 7(C) have an interest in Star Wars figurines and bobble heads. 6, 7(C) stated 6, 7(C) provided 6, 7(C) with Star Wars figurines and bobble heads. Unlike 6, 7(C) according to 6, 7(C) 6, 7(C) was "not vocal and more guarded about where the items came from."

6, 7(C) stated none of the gifts to the senior executives were "over the top" until 6, 7(C) saw a huge picture while in 6, 7(C) office for a February 2017 meeting. 6, 7(C) estimated the dimensions of the picture to be approximately 30 inches x 36 inches. 6, 7(C) described the picture as a "mythological figure" in that it depicted a human head on an animal's body. According to 6, 7(C) 6, 7(C) stated, "You know that 6, 7(C) 6, 7(C) 6, 7(C) will spare no expense for a gag gift." 6, 7(C) further stated the picture was double matted with a wooden frame that was "not inexpensive." 6, 7(C) stated an image of 6, 7(C) head and face was superimposed on the animal's body. 6, 7(C) recalls 6, 7(C) 6, 7(C) who attended the aforementioned meeting, stated the picture must have cost "$300 or so." 6, 7(C) thought 6, 7(C) picture was not the "usual gag gift." Upon being asked about 6, 7(C) motivation for providing gifts for senior executives, 6, 7(C) stated, "6, 7(C) is going to make sure 6, 7(C) 6, 7(C) gets 6, 7(C) SES one way or another."

Although 6, 7(C) stated that neither 6, 7(C) 6, 7(C) nor 6, 7(C) refused to accept gifts from 6, 7(C) 6, 7(C) stated that 6, 7(C) never saw 6, 7(C) give a gift to 6, 7(C) 6, 7(C) or 6, 7(C) 6, 7(C) stated everyone was required to take online ethics training on an annual basis. (Attachment 3)

On May 1, 2018, DOT-OIG conducted a review of FAA's Learning History Report regarding 6, 7(C) 6, 7(C) 6, 7(C) and 6, 7(C) The review noted 6, 7(C) 6, 7(C) 6, 7(C) and 6, 7(C) completed annual ethics training. A review of the Core Compensation Pay Bands from the Department's personnel database identified the salaries for 6, 7(C) 6, 7(C) 6, 7(C) and 6, 7(C) in the pay banding positions at FAA. (Attachment 4)

On June 5, 2018, DOT-OIG interviewed 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) FAA. Upon being queried regarding 6, 7(C) knowledge of gifts from 6, 7(C) to senior FAA personnel, 6, 7(C) stated 6, 7(C) was aware 6, 7(C) received a gift from 6, 7(C) 6, 7(C) added 6, 7(C) did not know if either 6, 7(C) or 6, 7(C) received any gifts from 6, 7(C) According to 6, 7(C) 6, 7(C) provided 6, 7(C) with a framed picture with 6, 7(C) face on it. 6, 7(C) characterized the gift as a "gag gift" and stated, for a brief period of time, the picture was hung in a conference room where meetings were routinely conducted. Upon being asked

to provide a physical description of the framed picture, 6, 7(C) stated the picture was approximately twice the size of 6, 7(C) Dell laptop that 6, 7(C) referenced on 6, 7(C) desk. 6, 7(C) added the picture depicted a painting of a muscular man wrestling a bull and 6, 7(C) face was superimposed over the man's face in the painting. 6, 7(C) noted 6, 7(C) face could have been printed on a color printer and was in proportion to the man's body in the picture. 6, 7(C) advised the framed picture did not look expensive. 6, 7(C) added the frame was a "basic empty frame" that could have been bought in a convenience store. Upon being queried regarding if 6, 7(C) was cognizant of any other gifts from 6, 7(C) to 6, 7(C) 6, 7(C) replied 6, 7(C) was not aware of any other gifts. Upon being asked why 6, 7(C) may have given 6, 7(C) the framed picture, 6, 7(C) stated 6, 7(C) is a "likeable guy" and the picture was a "funny thing." 6, 7(C) added 6, 7(C) did not think the framed picture would curry any favor from 6, 7(C) to 6, 7(C) 6, 7(C) added 6, 7(C) did not think there was anything questionable about 6, 7(C) being selected by 6, 7(C) without competition to be 6, 7(C) 6, 7(C) (Attachment 5)

On June 6, 2018, DOT-OIG interviewed 6, 7(C) (6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) was previously employed as a 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) FAA. During part of 6, 7(C) tenure at FAA, 6, 7(C) reported directly to 6, 7(C) after 6, 7(C) became the 6, 7(C) 6, 7(C) 6, 7(C) Upon being queried regarding 6, 7(C) recollection of a February 2017 meeting in 6, 7(C) office, 6, 7(C) visibly chuckled and stated, "I put two and two together." 6, 7(C) asked, "Is this [voluntary interview] about a picture?" Upon being asked to provide a description of the picture, 6, 7(C) provided the following example: "I go purchase a picture in a frame of LeBron James. I go take a picture of you [6, 7(C) and put your face on LeBron James's [body]." 6, 7(C) added 6, 7(C) face could have been on a horse in the framed picture. During the meeting, according to 6, 7(C) 6, 7(C) remarked "You know who gave me that picture." 6, 7(C) advised that 6, 7(C) stated, "only 6, 7(C) (6, 7(C) would do something like that." 6, 7(C) added, "That's 6, 7(C) (6, 7(C) 6, 7(C) is a prankster, likes to laugh, has fun, and gets the job done." Upon being asked for clarification, 6, 7(C) noted 6, 7(C) stated during the meeting that 6, 7(C) gave 6, 7(C) the framed picture. Upon being queried regarding the size of the framed picture, 6, 7(C) stated it could have been approximately 16 x 20. 6, 7(C) stated, "It was in a nice frame" but 6, 7(C) was not sure about the quality of the picture. 6, 7(C) could not provide additional details regarding the picture.

6, 7(C) opined 6, 7(C) was fixated on the framed picture because the value of the picture may have exceeded the cost of giving a gift to a supervisor. According to 6, 7(C) 6, 7(C) noted the picture looked expensive and there were rules around giving gifts. 6, 7(C) advised the aspect of the picture 6, 7(C) remembered most was 6, 7(C) face on "something" in a nice frame. 6, 7(C) stated the picture was a "gag gift" and 6, 7(C) did not know how much the picture may have cost. 6, 7(C) added the picture may have also been a point of contention when 6, 7(C) applied for, and was not selected as the 6, 7(C) 6, 7(C) Upon being queried regarding 6, 7(C) knowledge of gifts being provided from 6, 7(C) to other senior personnel, 6, 7(C) stated 6, 7(C) was unaware of any such gifts from 6, 7(C) 6, 7(C) added 6, 7(C) did not know if either 6, 7(C) or 6, 7(C) received any gifts from 6, 7(C) 6, 7(C) stated 6, 7(C) does not think 6, 7(C) gave the picture to 6, 7(C) in an effort to obtain benefit. 6, 7(C) stated, "It was just a picture." 6, 7(C) added, "Whatever the front office was going to do, the office was going to do anyway. In my opinion, 6, 7(C) 6, 7(C) did not need a gift to get whatever 6, 7(C) 6, 7(C) was going to get." 6, 7(C) stated ethics training was completed in 6, 7(C) each year. According to 6, 7(C) the annual ethics training was conducted on-line and included a certificate of completion. 6, 7(C) noted 6, 7(C) was a manger and opined managers took the same training as other 6, 7(C) staff. (Attachment 6)

On June 7, 2018, 6, 7(C) e-mailed information to DOT-OIG, clarifying 6, 7(C) duties and responsibilities at FAA. No additional information was voluntarily provided regarding the allegations of 6, 7(C) providing gifts to senior personnel. (Attachments 7 & 8)

On June 13, 2018, DOT-OIG interviewed 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) FAA. Prior to commencement of the interview, DOT-OIG provided 6, 7(C) the "Warning and Assurance to Employees Requested to Provide Information on a Voluntary Basis" (Garrity) form for review and signature. (Attachment 9)

During the interview, 6, 7(C) added 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) 6, 7(C) In addition to 6, 7(C) office, 6, 7(C) stated the offices of three executives - 6, 7(C) 6, 7(C) and 6, 7(C) – are also located in the front office in 6, 7(C) Upon being asked if 6, 7(C) ever gave gifts to senior personnel [6, 7(C) 6, 7(C) and 6, 7(C) in the front office, 6, 7(C) stated, "Yes, I have." 6, 7(C) stated 6, 7(C) provided 6, 7(C) 6, 7(C) (6, 7(C) direct supervisor, a gift around the Christmas holiday season. 6, 7(C) clarified 6, 7(C) would give 6, 7(C) a "gag gift" such as a glass for the holidays. Upon being asked if there were any other gifts provided from 6, 7(C) to 6, 7(C) 6, 7(C) stated, "not to my knowledge." SA 6. 7(C) asked 6, 7(C) specifically if any of the gifts would include Star Wars memorabilia, 6, 7(C) replied, "May have…but I don't recall. Can't say I have never given 6, 7(C) anything related to Star Wars."

6, 7(C) stated 6, 7(C) provided 6, 7(C) with a holiday "gag gift" of nominal value for the holiday season that included cookies or candy. 6, 7(C) clarified 6, 7(C) birthday was close to the holiday season and 6, 7(C) (6, 7(C) could have also given 6, 7(C) a card or candy. Upon being asked if 6, 7(C) ever brought a piñata into the office, 6, 7(C) stated one year 6, 7(C) did bring in a piñata for a holiday office party and the office shared the candy. 6, 7(C) stated 6, 7(C) did not provide any other gifts to 6, 7(C) outside of the random birthday gift or card.

6, 7(C) stated 6, 7(C) provided 6, 7(C) with a t-shirt for a "gag gift." Initially 6, 7(C) stated the t-shirt was the only gift 6, 7(C) had given to 6, 7(C) Upon being asked if 6, 7(C) gave 6, 7(C) a framed picture as a gift, 6, 7(C) stated 6, 7(C) created the picture, brought the picture into the office, and gave the picture to 6, 7(C) Upon being asked to describe the picture, 6, 7(C) stated 6, 7(C) obtained a picture of 6, 7(C) from the FAA website and put 6, 7(C) face on the body of actor Ben Stiller's body from a scene in the movie Dodgeball. In the picture, it appeared 6, 7(C) was wrestling a bull. 6, 7(C) stated the frame that bordered the picture was repurposed and brought from 6, 7(C) home. 6, 7(C) opined the "simple, metal frame with glass" was worth approximately $15 and served as a means to transport the picture to FAA. 6, 7(C) stated the frame cost approximately $15 in new condition and was between five to ten years old when 6, 7(C) stated 6, 7(C) repurposed the frame as part of a gift to 6, 7(C) 6, 7(C) stated the aforementioned picture was intended as a joke to increase office morale.

According to 6, 7(C) 6, 7(C) 6, 7(C) or 6, 7(C) never refused a gift from 6, 7(C) 6, 7(C) stated there were no discussions with 6, 7(C) 6, 7(C) or 6, 7(C) regarding ethics in terms of 6, 7(C) giving gifts to them. 6, 7(C) advised 6, 7(C) desired to keep the gifts at a nominal value to avoid the notion that 6, 7(C) was giving gifts in order to receive preferential treatment. 6, 7(C) noted 6, 7(C) did not intend to break a regulation or a rule. 6, 7(C) stated all the gifts, with the exception of the frame, were valued at $10 or less. 6, 7(C) added the office does a "holiday thing" that includes exchanging nominal gifts ranging between $10 and $20 in

value. Upon being queried regarding training provided to 6, 7(C) staff, 6, 7(C) noted the staff, to include himself, completes ethics training on an annual basis. (Attachment 10)

On June 14, 2018, DOT-OIG contacted 6, 7(C) Ethics, FAA via telephone. Upon being queried to provide a definition of a gift, 6, 7(C) defined a gift as being anything of value. The telephone contact focused on the limitations on gift exchanges between federal employees. According to 6, 7(C) even if the gift is below the $10 limit, FAA's Office of General Counsel recognizes repeated gift-giving can create the appearance of an ethics violation. In terms of repeated gift-giving, 6, 7(C) advised an ethics violation exists even if the gift is given from a subordinate to a supervisor and the value of the gift is below $10. 6, 7(C) noted the exceptions to the rule are not the rule and an employee can't use the exception like it is a rule. 6, 7(C) stated holidays and birthdays ae not an exception to the gift-giving rule since these occasions occur on an annual basis. Although the gift-giving may be within the allowable limit, 6, 7(C) reiterated the giving cannot be a recurring gift in order to avoid the appearance of an ethical violation. As an example, 6, 7(C) added a manager who is a recipient of a gift two or three times from the same subordinate employee is a factor in creating the appearance of an ethical violation. 6, 7(C) advised the limit is $10 for giving a gift from a subordinate employee to a supervisor. Pursuant to the topic of voluntary gift exchanges between federal employees during the holiday season that involve supervisors, 6, 7(C) noted all gifts cannot exceed the $10 limit.

INDEX OF ATTACHMENTS

No.	Description
1	Memorandum of Activity – Receipt of e-mail from 6, 7(C)
2	E-mails from Jolene 6, 7(C) to DOT-OIG
3	Memorandum of Activity – Interview of 6, 7(C)
4	Memorandum of Activity – Review of Records
5	Memorandum of Activity – Interview of 6, 7(C)
6	Memorandum of Activity – Interview of 6, 7(C)
7	Memorandum of Activity – Receipt of e-mail from 6, 7(C)
8	E-mail from 6, 7(C) to DOT-OIG
9	Garrity Warning – 6, 7(C) 6, 7(C)
10	Memorandum of Activity – Interview of 6, 7(C) 6, 7(C)
11	Memorandum of Activity – Telephone contact with 6, 7(C)

Memorandum

U.S. Department of Transportation

Office of Inspector General

Subject: INFORMATION: Nicholas Pifer Sentencing

Date: December 28, 2018

From: 6, &(C)
Assistant Special Agent-in-Charge
For Jamie Mazzonie
Special Agent-in-Charge
Washington Regional Office, JRI-3

Reply to Attn of: 6. 7(C)

To: David Burk
Manager
Flight Standards District Office
Federal Aviation Administration

On December 21, 2018, Nicholas Pifer was sentenced in Federal District Court to serve 3 days incarceration, followed by 1 year supervised release. In addition, Pifer was ordered to pay a $1500 fine.

As previously reported, Pifer pleaded guilty to one count of aiming a laser pointer at at an aircraft. According to court documents, Pifer struck the cockpit of two commercial aircraft with the beam of a laser pointer. Both aircraft were in the process of landing at Washington Dulles International Airport, but managed to land safely. All four pilots reported seeing the cabin illuminated with a green light.

DOT-OIG conducted this investigation jointly with the FBI. This investigation will be closed with no further action anticipated by the OIG.

If you have any questions about this investigation or if we can be of assistance on any other matters, please contact me at 6, 7(C), or Special Agent-in-Charge Jamie Mazzone at (202)366-4189.

***