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Description of document: Reports of Pension Benefit Guaranty Corporation (PBGC)
Inspector General (OIG) Closed Investigations
2019-2020

Requested date: 13-May-2021

Release date: 27-September-2021

Posted date: 06-June-2022

Source of document: Freedom of Information Act Request
Disclosure Officer
Pension Benefit Guaranty Corporation
1200 K Street, N.W., Suite 11101
Washington, D.C. 20005
Fax: (202) 229-4042
Email: disclosure@pbgc.gov
[FOIAonline](#)

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Pension Benefit Guaranty Corporation
1200 K Street, N.W., Washington, D.C. 20005-4026

VIA EMAIL

PBGC 2021-002218

September 27, 2021

Re: Request for Inspector General Records

I am responding to your Freedom of Information (FOIA) request to the Disclosure Division of the Pension Benefit Guaranty Corporation (PBGC), which was received on May 13, 2021. You requested a copy of the final report, report of investigation, closing memo, closing letter, and referral memo for the following investigations:

1. 20-0008-I;
2. 20-0002-I;
3. 20-0001-I;
4. 19-0011-I;
5. 19-0007-I;
6. 18-0004-I; and
7. 19-0003-I.

You authorized the fee amount of \$60.00. I processed your request in accordance with the Freedom of Information Act (FOIA) and the PBGC's implementing regulation. I apologize for the delay.

Pursuant to your request, the PBGC Officer of Inspector General conducted a search of agency records and located 242 pages. I have determined the 242 pages of the responsive records may be released to you in full or in part, as described below:

1. Closeout Memorandum OIG Case Number 18-0004-I dated December 29, 2020, (2 pages);
2. Closeout Memorandum-OIG Case Number 19-0003-I dated November 25, 2020, (2 pages);
3. Closeout Memorandum-OIG Case Number 19-0007-I dated November 10, 2020 (3 pages);
4. Investigative Memorandum-OIG Case Number 19-0007-I dated February 3, 2020 (2 pages);

5. Closeout Memorandum-OIG Case Number 19-0011-I dated September 28, 2020, (3 pages);
6. Closeout Memorandum-OIG Case Number 20-0001-I dated March 17, 2020, (6 pages);
7. Investigative Memorandum-OIG Case Number 20-0001-I dated January 8, 2020, (35 pages);
8. Closeout Memorandum-OIG Case Number 20-0002-I dated October 1, 2020, (2 pages);
9. Closeout Memorandum-OIG Case Number 20-0008-I dated (3 pages);
10. Investigative Memorandum-OIG Case Number 20-0008-I dated August 31, 2020, (13 pages); and
11. Investigative Memorandum Attachments-OIG Case Number 20-0008-I, (174 pages).

It was necessary to withhold portions of the above-referenced responsive documents from disclosure because the PBGC reasonably foresees that the disclosure of this information would harm interests protected by the FOIA; no pages were entirely withheld. I have relied on five FOIA Exemptions to withhold this information.

The first applicable exemption, 5 U.S.C. § 552(b)(4), permits the exemption from disclosure of matters that are “trade secrets and commercial or financial information obtained from a person which is privileged or confidential.” The records you have requested contain “commercial or financial information” within the meaning of the above cited statutory language and PBGC’s implementing regulation, 29 C.F.R. § 4901.21(b)(2). I have determined disclosure of this information would create a substantial risk of competitive harm.

The second applicable FOIA exemption, 5 U.S.C. § 552(b)(5), deals with internal documents: inter-agency or intra-agency memoranda or letters consisting of judgments, opinions, advice or recommendations which would not be available by law to a party other than an agency in litigations with the Pension Benefit Guaranty Corporation (PBGC) and as such are not required to be disclosed under 5 U.S.C. § 552(b)(5). This exemption also protects from disclosure attorney client communications and the agency’s deliberative processes. I have determined that the disclosure of this material would not further the public interest at this time and would impede the operations of the PBGC.

The third applicable FOIA exemption, 5 U.S.C. § 552(b)(6), exempts from required public disclosure, “personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.” Some of the records you requested contain “similar files” within the meaning of the above cited statutory language and the PBGC implementing regulation, 29 C.F.R. § 4901.21(b)(4). The FOIA requires agencies to conduct a balancing test. In applying Exemption 6, a balancing test was conducted, weighing the privacy interests of the individuals named in a document against the public interest in disclosure of the information. The public interest in disclosure is one that will “shed light on an agency’s performance of its statutory duties.” *Dep’t of Justice v. Reporters Committee*, 489 U.S. 749, 773 (1989). We have determined disclosure of this information would constitute a clearly unwarranted invasion of an individual’s personal privacy.

The fourth applicable exemption, 5 U.S.C. § 552(b)(7), permits the exemption from disclosure of “records compiled for law enforcement purposes” when disclosure would be detrimental to such purposes. Specifically, § 552 (b)(7)(C) prohibits disclosure if it could reasonably be expected to constitute an unwarranted invasion of personal privacy. The FOIA requires agencies to conduct a balancing test when invoking this exemption. In applying Exemption 7(C), a balancing test was conducted, weighing the privacy interests of the individuals named in a document against the public interest in disclosure of the information. The public interest in disclosure is one that will “shed light on an agency’s performance of its statutory duties.” *Dep’t of Justice v. Reporters Committee*, 489 U.S. 749, 773 (1989). We have determined disclosure of this information would reasonably constitute an unwarranted invasion of an individual’s personal privacy. In applying Exemption 7(E) protects law enforcement records if their release would disclose techniques and procedures for law enforcement investigation or prosecutions or would disclose guidelines for law enforcement investigations or prosecutions if the disclosure could reasonably be expected to risk circumvention of the law.

The fifth applicable exemption, 5 U.S.C. §552(b)(7)(E), permits the exemption from disclosure of “records or information compiled for law enforcement purposes ... [that] would disclose techniques and procedures for law enforcement investigations or prosecutions.” Accordingly, §552(b)(7)(E), protects records or information that could interfere with enforcement proceedings and disclose techniques and procedures for law enforcement investigations or prosecutions if such disclosure could circumvention of the law. Some of the records responsive to your request contain information which falls within the meaning of the above-cited statutory language. *See, e.g., Catledge v. Mueller*, No. 08-3550, 2009 WL 1025980, at *2 (7th Cir. Apr. 17, 2009). I have determined disclosure of the information could reasonably create a risk of circumvention of the law.

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.

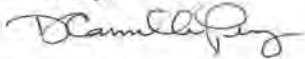
Since this response constitutes a partial denial of your records request, I am providing you your administrative appeal rights in the event you wish to avail yourself of this process. The FOIA provides at 5 U.S.C. § 552(a)(6)(A)(i) (2014) amended by FOIA Improvement Act of 2016, Pub. L. No. 114-185, 130 Stat. 538 that if a disclosure request is denied in whole or in part by the Disclosure Officer, the requester may file a written appeal within 90 days from the date of the denial or, if later (in the case of a partial denial), 90 days from the date the requester receives the disclosed material. The PBGC’s FOIA regulation provides at 29 C.F.R. § 4901.15 (2017) that the appeal shall state the grounds for appeal and any supporting statements or arguments, and shall be addressed to the General Counsel, Attention: Disclosure Division, Pension Benefit Guaranty Corporation, 1200 K Street, N.W., Washington, D.C. 20005. To expedite processing, the words “FOIA Appeal” should appear on the letter and prominently on the envelope.

In the alternative, you may contact the Disclosure Division’s Public Liaison at 202-326-4040 for further assistance and to discuss any aspect of your request. You also have the option to contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact

information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001; e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

This completes the processing of your request. There are no fees associated with its processing. You may submit future requests for PBGC records by accessing FOIAonline, our electronic FOIA processing system, at <https://foiaonline.gov>, or by e-mail at Disclosure@pbgc.gov.

Sincerely,



D. Camilla Perry
Disclosure Officer
Office of General Counsel
General Law and Operations Department

Enclosure



December 29, 2020

CLOSEOUT MEMORANDUM

(b)(6)

TITLE: Jean Fry / [REDACTED]

INVESTIGATOR: [REDACTED], Special Agent

OIG CASE NUMBER: 18-0004-I (b)(6), (b)(7)(c)

Investigative Initiation

In February 2017, Pension Benefit Guaranty Corporation (PBGC), Office of Inspector General (OIG) Assistant Inspector General for Investigations (AIGI) launched a data matching initiative to identify deceased PBGC participants that were still in active pay status. [REDACTED]

(b)(7)(e)

[REDACTED] One of the participants identified from this data matching project was Jean Fry, who died on March 2, 2011.

Details of Investigation

PBGC-OIG obtained a copy of the death certificate for Jean Fry from the State of Washington, which confirmed she died on March 2, 2011. (b)(6) (b)(6)

(b)(6) (b)(6) PBGC-OIG reviewed internal documents and financial records which showed that (b)(6) (b)(6) knowingly deceived PBGC by fraudulently collecting pension benefits intended for (b)(6).

From April 2011 to March 2019, (b)(6) deposited, into a jointly held bank account with (b)(6), 93 PBGC issued checks intended for Fry. (b)(6) endorsed the 93 checks by forging Fry's name and then negotiated them at a (b)(4) branch in Bainbridge Island, Washington. In total, (b)(6) converted \$84,274.76 in PBGC benefits for [REDACTED] own personal use.

(b)(6) (b)(6)

(b)(6) was not interviewed by PBGC-OIG, as [REDACTED] requested legal representation when investigators approached [REDACTED] for an interview.

(b)(6)

December 29, 2020

Page 2

Criminal Referral and Disposition

On December 13, 2017, the case was presented for prosecution to the United States Attorney's Office (USAO) for the Western District of Washington and was subsequently accepted. On September 17, 2020, (b)(6) was formally charged by the USAO, via Information, with one count of Title 18 U.S.C. 641, Theft of government funds.

Conclusion

On September 30, 2020, (b)(6) pleaded guilty in the United States District Court, Western District of Washington to one count of Title 18 U.S.C. 641 for the theft of the \$84,274.76 in PBGC benefits.

Disposition

Pursuant to (b)(6) guilty plea, on December 18, 2020, Judge Robert J. Bryan imposed a sentence of three years supervised probation and ordered (b)(6) to pay full restitution in the amount of \$84,274.76 to PBGC. On December 10, 2020, (b)(6) paid a lump sum of \$42,137.38 to the Court's registry; the remaining restitution balance will be paid during the period of supervision in monthly installments of not less than 10% of (b)(6) gross monthly household income.

This investigation is closed.

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

12/29/2020

Date

APPROVED:

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Date: 2020.12.29 14:24:22 -05'00'

Conrad Quarles
Assistant Inspector General for Investigations

12/29/2020

Date



November 25, 2020

CLOSEOUT MEMORANDUM

(b)(6)

TITLE:

INVESTIGATOR:

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

OIG CASE NUMBER: 19-0003-I

Investigative Initiation

(b)(7)(c)

In February 2017, [REDACTED] launched a data matching initiative to identify deceased Pension Benefit Guaranty Corporation (PBGC) participants still in pay status. [REDACTED]

(b)(7)(e)

[REDACTED] One of the deceased participants identified from this data matching project was Melva Stevenson, who died on June 17, 2016.

Investigative Summary

PBGC/OIG contacted the Social Security Administration (SSA)/OIG to determine if SSA paid benefits to Melva Stevenson's account after her date of death. SSA/OIG determined that they did incur a loss and joined the criminal investigation. [REDACTED]

(b)(7)(e)

(b)(6)

On April 22, 2019, PBGC/OIG and SSA/OIG agents interviewed (b)(6) (b)(6) at [REDACTED] admitted that, between approximately July 2016, and in or around June 2019, the money deposited by SSA and PBGC was withdrawn via ATM withdrawals, debit card transactions, and checks drawn on the account. (b)(6) also admitted that [REDACTED] knew it was wrong to use the money. (b)(6) knowingly and willfully

(b)(6)

November 25, 2020

Page 2

converted approximately \$48,750 in SSA Retirement Income Benefits and approximately \$3501.54 in PBGC benefits.

On February 11, 2020, the U.S. Attorney filed a criminal information against (b)(6), charging (b)(6) with theft of government funds. On March 3, 2020, (b)(6) pleaded guilty in United States District Court, Middle District Court of Florida, to two counts of theft of government funds.

On September 21, 2020, (b)(6) was sentenced to 3 years' probation, including 8 months of home confinement. (b)(6) was also ordered to pay restitution of \$48,750 payable to SSA and \$3,501.54 to PBGC.

Disposition

This investigation is closed.

Approved:

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Date: 2020.11.25 12:52:41 -05'00'

Conrad Quarles
Assistant Inspector General for Investigations

November 25, 2020
Date



February 3, 2020

MEMORANDUM

TO: Jennifer Messina
Director, Participant Services Division

FROM: Conrad Quarles CONRAD QUARLES Digitally signed by CONRAD QUARLES Date: 2020.02.03 13:12:43 -05'00'
Assistant Inspector General for Investigations

SUBJECT: Referral for Recovery Action: Alan Welch (CID 243225)

As part of our proactive data matching project to identify participants who may be deceased and to whom PBGC may have paid retirement benefits post date of death, we previously referred deceased participant Alan Welch, who died on June 26, 2016, to the Corporation on November 16, 2017 for collection action. On October 30, 2018, we received a referral from (b)(6) on this same participant.

PBGC-OIG conducted a full investigation into this matter and presented this information for criminal prosecution to the U.S. Attorney's Office, Southern District of Florida. On January 30, 2020, this U.S. Attorney's Office subsequently declined to prosecute the case.

The investigation revealed that (b)(6) took possession of \$5,903.91 in PBGC benefits intended for (b)(6). Based on the preponderance of evidence accumulated during the investigation, (b)(6) is deemed the responsible party for PBGC recovery action. The investigation disclosed the following address information for (b)(6):

Current Address as reported by Florida DMV:

(b)(6)

Permanent address reported by the Social Security Administration:

(b)(6)

We have concluded our criminal investigation into this matter. Please take the appropriate action to initiate the recovery process. Please also provide to us the total

February 3, 2020

Page 2

overpayment amount recovered and advise us within 30 days of the actions taken and the results.

If you have any questions or need additional information, please feel free to contact me at extension (b)(6), (b)(7)(c)

cc: Nick Novak, Deputy Inspector General
David Foley, Chief of Benefit Administration



November 10, 2020

CLOSEOUT MEMORANDUM

(b)(6)

TITLE: Alan Welch / [REDACTED]
INVESTIGATOR: (b)(6), (b)(7)(c) [REDACTED] Special Agent
OIG CASE NUMBER: 19-0007-I

Investigative Initiation

In February 2017, Assistant Inspector General for Investigations (AIGI) Conrad Quarles launched a data matching initiative to identify deceased Pension Benefit Guaranty Corporation (PBGC) participants still in pay status. (b)(7)(e)

[REDACTED] AIGI Quarles p (b)(7)(e) [REDACTED] One of the deceased participants identified from this data matching project was Alan Welch, who died on June 26, 2016.

We previously referred deceased participant Alan Welch to the Corporation on November 16, 2017 for collection action; however, on October 30, 2018, we received a fraud referral from (b)(6) [REDACTED] on this same participant.

Details of Investigation

PBGC-OIG obtained a copy of the death certificate for Alan Welch from the State of Florida, Bureau of Vital Records, which confirmed he died on June 26, 2016. PBGC ceased issuing checks to Welch upon learning of his death in March 2017. Since Welch's death, PBGC had issued a total of nine checks, at \$655.99 per month, totaling approximately \$5,903.91. The PBGC monthly disbursement was one of two sources of funds deposited into the decedent's bank account, the other being Social Security Administration (SSA) benefits.

PBGC-OIG obtained records from (b)(4) [REDACTED] regarding the account where the PBGC checks were deposited; the case agent reviewed these records for evidence of theft of government funds. It was discovered that Alan Welch co-owned a (b)(4) [REDACTED] checking account with his (b)(6) [REDACTED]. The

records revealed that, in addition to the nine PBGC checks deposited, a total of nine Social Security checks issued to Alan Welch were also deposited into the joint checking account after his date of death. The records also disclosed that, every month, from July 2016 to March 2017, the deposited PBGC and SSA funds were expended on a daily and/or weekly basis.

PBGC and SSA stopped issuing Alan Welch checks beginning April 2017. It was suspected, and then subsequently confirmed, that (b)(6) was endorsing both the PBGC and SSA checks in his (b)(6) name and depositing the checks into the (b)(4) account. It was determined that PBGC's total loss was \$5,903.91, SSA's total loss was \$14,274.00, and therefore, the combined total loss to the U.S. government was \$20,177.91.

On April 24, 2019, (b)(6) was interviewed in-person by PBGC-OIG and SSA-OIG agents in Plantation, FL. (b)(6) admitted to endorsing and negotiating the PBGC and SSA checks issued to (b)(6). (b)(6) explained that (b)(6) needed the money at the time because (b)(6) was not working and required financial support for daily living expenses. (b)(6) confirmed (b)(6) never notified PBGC or SSA of (b)(6) death.

Criminal Referral and Disposition

On May 2, 2019, SSA-OIG presented the case for prosecution to the United States Attorney's Office for the Southern District of Florida. On January 30, 2020, Assistant United States Attorney, Eli Rubin, notified PBGC-OIG and SSA-OIG that the U.S. Attorney's Office had declined to prosecute the case.

Conclusion

On February 3, 2020, AIGI Conrad Quarles referred the case to Jennifer Messina, Director of the Participant Services Department, OBA for recovery of unentitled PBGC benefits, totaling \$5,903.91. Attempts to collect the debt were unsuccessful because of (b)(6) inability to repay PBGC. Therefore, the PBGC Office of General Counsel (OGC) determined that the expense of collecting the debt would exceed any amount recovered and recommended that PBGC write off the debt.

Disposition

This investigation is closed.

November 10, 2020

Page 3

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



11/10/2020

Date

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Conrad Quarles
Assistant Inspector General for Investigations

11/10/2020

Date



September 28, 2020

CLOSEOUT MEMORANDUM

TITLE:

James Boila / [REDACTED] (b)(6)

INVESTIGATOR:

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

[REDACTED] Special Agent

OIG CASE NUMBER: 19-0011-I

Investigative Initiation

In February 2017, Assistant Inspector General for Investigations (AIGI) Conrad Quarles launched a data matching initiative to identify deceased Pension Benefit Guaranty Corporation (PBGC) participants still in pay status. [REDACTED]

[REDACTED] One of the deceased participants identified from this data matching project was Ironium "James" Boila, who died on February 11, 2017.

Details of Investigation

PBGC-OIG obtained a copy of the death certificate for Ironium "James" Boila from the Tennessee Department of Health, which confirmed he died on February 11, 2017. Unaware of Boila's death, PBGC continued to make monthly electronic deposits of \$539.45 from March 2017 to December 2018, totaling approximately \$11,867.90.

(b)(4)

PBGC-OIG obtained relevant bank records from [REDACTED] the financial institution where Mr. Boila's PBGC benefits were deposited. The case agent reviewed these records for evidence of theft of government funds. The records confirmed that PBGC deposited \$539.45 per month into Boila's account from March 2017 to December 2018. The PBGC monthly disbursement was one of two sources of funds being deposited into the account, the second being Social Security Administration (SSA) benefits of \$1133.00 per month. The financial statements revealed that this checking account was opened on July 26, 2016 and was jointly owned with [REDACTED] (b)(6)

September 28, 2020

Page 2

The records also disclosed that, every month, from March 2017 to December 2018, the PBGC and SSA funds that were deposited into the joint account were transferred out of the joint account and into (b)(6).

On January 17, 2019, PBGC-OIG contacted (b)(4) via phone, they clarified that on December 12, 2018, (b)(6) deposited a check for \$22,256.47 into the joint account and, subsequently, on December 13, 2018 the Social Security Administration reclaimed a total amount of \$24,926.00 from the joint account. On December 18, 2018, the joint account was closed.

On February 5, 2019, (b)(6) was interviewed telephonically by PBGC-OIG. (b)(6) stated (b)(6) never intended to defraud the government and is willing and able to pay all unentitled benefits owed to PBGC.

Criminal Referral and Disposition

On February 11, 2019, PBGC-OIG presented the case for prosecution to the United States Attorney's Office (USAO) for the Western District of Tennessee. On March 26, 2019, Assistant United States Attorney, (b)(6), notified PBGC-OIG that the USAO declined to prosecute the case.

Conclusion

On April 1, 2019, AIGI Quarles referred the case to Jennifer Messina, Director of the Participant Services Department (PSD), Office of Benefits Administration (OBA) for recovery of PBGC overpayments in the possession of (b)(6). The OBA-PSD Recovery Team determined that the correct overpayment amount was \$12,636.26. The OBA-PSD Recovery Team sent an official demand letter to (b)(6) requesting repayment of the benefits paid to Mr. Boila after his date of death. On May 24, 2019, (b)(6) repaid PBGC \$9,710.10. On August 29, 2020, (b)(6) reimbursed PBGC for the remaining balance of \$2,936.16.

Disposition

This investigation is closed.

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



09/28/2020

Date _____

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Date: 2020.09.28 08:32:35 -04'00'

Conrad Quarles
Assistant Inspector General for Investigations

9/28/2020

Date



March 17, 2020

CLOSEOUT MEMORANDUM

TITLE: [REDACTED] (b)(6)

INVESTIGATOR: [REDACTED] (b)(6), (b)(7)(c), Special Agent

OIG CASE NUMBER: 20-0001-I

Investigative Initiation

On October 8, 2019, PBGC's Information Technology Infrastructure Operations Department (ITIOD) Security Operations reported to PBGC-OIG a potential breach of personally identifiable information (PII) involving PBGC employee

(b)(6). According to ITIOD Security Operations, on October 1, 2019, (b)(6) made six attempts to email a document containing PII from (b)(6) Yahoo email account.

Summary

PBGC-OIG has reasonable basis to believe that (b)(6) failed to follow PBGC directives on using personal email accounts to conduct official business and protecting sensitive information identified in the Appendix. Specifically, on October 1, 2019—while using a PBGC-issued computer and logged into the PBGC network through the Virtual Private Network (VPN)—(b)(6) attempted to email an unencrypted document containing a PBGC participant's PII six times from her personal Yahoo email account to personal email accounts belonging to (b)(6). Because the document was unencrypted, all six of her attempts were blocked by the PBGC Symantec Data Loss Prevention (DLP) system.

(b)(6)

(b)(6) (b)(6) was not fully candid with OIG investigators during (b)(6) first interview, as (b)(6) affirmatively denied ever using a personal email account to conduct (b)(6) official PBGC business. However, (b)(6) was re-interviewed and during (b)(6) second interview she was more forthcoming in explaining (b)(6) actions, she took responsibility, and (b)(6) acknowledged violating PBGC policy.

(b)(6)

In summary, PBGC-OIG found (b)(6) actions were not committed maliciously or for personal gain. (b)(6) actions were an attempted work-around for convenience (i.e., an attempt to print out a paper copy of a participant record

March 17, 2020

Page 2

(b)(6) from (b)(6) home printer) to answer a time sensitive question from a financial statement contract auditor while (b)(6) was teleworking. We were unable to substantiate that (b)(6) knowingly exposed sensitive information, but (b)(6) should have known the risks and potential consequences of (b)(6) actions.

Details of Investigation

Review of ITIOD Security Operations Report and Official PBGC Emails

ITIOD Security Operations issued PBGC-OIG a report on (b)(6) recent PBGC IT activity. The report highlighted the DLP incidents of October 1, 2019. According to the Symantec DLP system, (b)(6) attempted to email an unencrypted attachment, entitled "phase-in," that contained the full name, date of birth, and social security number for a PBGC participant. While signed into (b)(6) PBGC computer and remotely logged into the PBGC network, (b)(6) attempted to send the attachment from (b)(6) personal email account of (b)(6) to (b)(6), and to (b)(6).

PBGC-OIG requested all of (b)(6) email data from (b)(6) official PBGC email account for October 1. The data revealed that (b)(6) received an email from (b)(6), at 4:07 p.m. with the subject line, (b)(6) Hourly (#203176) – (b)(6). In the email, (b)(6) asked (b)(6) questions regarding participant (b)(6). At 6:26 p.m., (b)(6) drafted a response to (b)(6); however, (b)(6) did not send it until the morning of October 2.

First OIG Interview of (b)(6)

On November 25, PBGC-OIG conducted an in-person interview with (b)(6). Investigators asked (b)(6) if (b)(6) has ever sent participant PII using (b)(6) personal Yahoo email account. (b)(6) responded that (b)(6) has not sent or attempted to send unprotected PBGC participant PII from (b)(6) PBGC email account or any PBGC participant related document from (b)(6) personal email account. (b)(6) verified with investigators that her personal email address is (b)(6).

(b)(6) Investigators presented (b)(6) with IT security documentation showing that on October 1 (b)(6) attempted to send an unencrypted PBGC benefit statement form for Techneglas Inc. Hourly Retirement Plan, containing PII of a participant

from (b)(6) and

(b)(6). Investigators explained to (b)(6) that the PBGC

(b)(6) Symantec DLP system blocked the emails with the unencrypted attachment. (b)(6)

did not recall attempts to send this attachment via email. PBGC-OIG showed

(b)(6) the document in question. (b)(6) stated that the form looked familiar because

(b)(6) was conducting a financial audit of benefits calculation on the (b)(4)

Hourly Retirement Plan and could have been working with the form for official purposes.

(b)(4) explained that the (b)(4) address belonged to (b)(6)

(b)(6) (b)(4), and the (b)(4) address belonged to (b)(6)

(b)(6) was questioned as to why (b)(6) would attempt

to send a PBGC document to (b)(6) and husband. (b)(6) replied that (b)(6) did not

recall trying to email the document and claimed that it must have been

(b)(6) accidental. (b)(6) was asked to provide the OIG with an explanation as to how (b)(6) could have attempted to email the attachment by accident. (b)(6)

explained that around that time (b)(6) and (b)(6) family were planning a vacation to

Thailand and (b)(6) may have intended to send a travel related document to (b)(6)

(b)(6) but accidentally attached the PBGC form.

(b)(6) confirmed that (b)(6) completed the FY2019 Security and Privacy Awareness and Rules of Behavior training and, therefore, understands that sending unprotected PII to or from personal email accounts violates IT security policy.

(b)(6) affirmed that (b)(6) could not recall sending the emails with the PII attachment to (b)(6), but, if (b)(6) did, it was accidental. (b)(6) stated,

"I know I cannot send PII outside of PBGC systems, not even to contractors." (b)(6)

(b)(6) said that (b)(6) would be more careful when dealing with PII and would not let this situation happen again.

Second OIG Interview of (b)(6)

On December 17, 2019, PBGC-OIG conducted a follow-up in-person interview with (b)(6)

(b)(6) explained that after the initial interview on November 25 (b)(6) searched (b)(6) through (b)(6) official PBGC email and personal Yahoo email accounts. (b)(6)

discovered that on October 1, near the end of the business day, (b)(6) received an

email from contractor auditor (b)(6) asking questions regarding the

financial audit of the Techneglas plan and a specific participant. (b)(6)

explained that (b)(6) is a financial auditor and it is PBGC policy to respond to any audit contractor within 24 hours. Investigators showed (b)(6) a copy of an email sent from (b)(6) to (b)(6) on October 1 at 4:07 p.m. and (b)(6) confirmed this was the email (b)(6) was referring to.

(b)(6) stated that because of the 24-hour deadline to provide answers to (b)(6) financial audit contractors, (b)(6) began working on a response from (b)(6) house at about 7:00 p.m. on October 1. In order to answer the questions posed by (b)(6) in the email, (b)(6) knew (b)(6) would need a copy of the participant's benefit statement located in the PBGC Image Viewer system. Therefore, on (b)(6) PBGC issued computer, (b)(6) remotely logged into PBGC Image Viewer and saved the participant's benefit statement to (b)(6) PBGC computer. (b)(6) stated (b)(6) wanted a hard copy printout of the document so (b)(6) could compare numbers on the (b)(6) statement to numbers in the Plan documents in PBGC Image Viewer. To conduct the necessary calculations to answer (b)(6) questions (b)(6) would have had to switch back and forth between the (b)(6) statement and the Plan documents. Because (b)(6) had only one screen, switching back and forth between the statement and the documents would have been confusing and time consuming. For convenience and ease, (b)(6) said, (b)(6) wanted a hard copy of the participant's statement.

(b)(6) explained that (b)(6) PBGC-issued computer is not connected to a printer at (b)(6) home. Because (b)(6) wanted to print the participant's statement, (b)(6) needed to transfer it to (b)(6) personal computer that was linked to a personal printer. Therefore, (b)(6), while using (b)(6) PBGC computer on the PBGC network, signed into (b)(6) personal Yahoo email account

(b)(6) and attempted to send the participant statement as an attachment to the same personal Yahoo email account. After three failed attempts, she attempted to email the attachment twice to (b)(6) son, (b)(6) (b)(6), and once to (b)(6) (b)(6) (b)(6), so that it could be printed at (b)(6) home from one of their Yahoo email accounts. After (b)(6) sent the emails, (b)(6) asked both (b)(6) son and (b)(6) if the attachment went through. Both men, (b)(6) said, told (b)(6) they did not receive the email with the participant's statement.

After six total failed attempts to send the attachment from (b)(6) Yahoo email to (b)(6) son, and husband, (b)(6) ended up completing the calculations by shifting back and forth between documents on (b)(6) PBGC computer screen.

March 17, 2020

Page 5

(b)(6) acknowledged that attempting to send the unencrypted participant benefit statement via personal email with the intention to print it from (b)(6) home printer was a violation of PBGC IT policy. (b)(6) explained, however, that (b)(6) was in such a rush to conduct the calculations and answer (b)(6) questions, (b)(6) that (b)(6) forgot (b)(6) PII was on the document in the upper right-hand corner. (b)(6) noted that (b)(6) will be more cognizant of (b)(6) actions and mindful of the sensitivity of PBGC documents in the future.

Criminal Referral and Disposition

Given the lack of criminal or malicious intent, we did not refer this matter to the Department of Justice.

Conclusion

Based on the findings above, there are reasonable grounds to believe that (b)(6) (b)(6) violated agency policy on conducting official business using personal email accounts and violated agency policy on protecting sensitive information.

Disposition

On January 29, 2020, (b)(6) was issued a written warning by (b)(6) supervisor, (b)(6), in lieu of formal discipline. (b)(6) found that (b)(6) excuse for violating PBGC policies -- that having a hard copy would have made it easier to complete work while at home -- was not justification for (b)(6) actions.

As part of (b)(6) decision in this matter, (b)(6) was ordered to re-complete the training on Security and Privacy Awareness no later than February 14, 2020. Additionally, given that (b)(6) actions clearly violated PBGC policies and procedures, (b)(6) determined that she was ineligible to telework for a period ninety (90) days -- from Monday, February 10 to Sunday, May 10, 2020.

This matter has been adjudicated and the investigation is closed.

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



03/17/2020

Date

March 17, 2020

Page 6

APPROVED:

**CONRAD
QUARLES**

Digitally signed by CONRAD
QUARLES
Date: 2020.03.17 10:06:56 -04'00'

Conrad Quarles
Assistant Inspector General for Investigations

3/17/20

Date



January 8, 2020

INVESTIGATIVE MEMORANDUM

TO: Scott Young
Director of Actuarial Services and Technology Department (ASTD)

Paul Chalmers
Acting General Counsel & DAEO

FROM: Conrad Quarles CONRAD QUARLES Digitally signed by CONRAD QUARLES Date: 2020.01.08 13:48:02 -0500
Assistant Inspector General for Investigations

SUBJECT: Conduct of ASTD Actuary (b)(6)
OIG Case Number: 20-0001-I

This investigative memorandum concerns the conduct of Office of Benefits Administration, ASTD, Actuary (b)(6). It is provided to management for whatever action you deem appropriate. Please provide our office with documentation of any action taken.

Unless noted otherwise below, we apply the preponderance of evidence standard to determine if there is a reasonable basis for our conclusions.

Predication

On October 8, 2019, PBGC's Information Technology Infrastructure Operations Department (ITIOD) Security Operations reported to PBGC-OIG a potential breach of personally identifiable information (PII) involving PBGC employee (b)(6). According to ITIOD Security Operations, on October 1, 2019, (b)(6) made six attempts to email a document containing PII from (b)(6) Yahoo email account.

(b)(6)

Synopsis

We have a reasonable basis to believe that (b)(6) failed to follow PBGC directives on using personal email accounts to conduct official business and protecting sensitive information identified in the Appendix. Specifically, on October 1, 2019—while using a

All Redactions IAW (b)(6)

PBGC-issued computer and logged into the PBGC network through the Virtual Private Network (VPN)—[REDACTED] attempted to email an unencrypted document containing a PBGC participant's PII six times from [REDACTED] personal Yahoo email account to personal email accounts belonging to [REDACTED]. Because the document was unencrypted, all six of her attempts were blocked by the PBGC Symantec Data Loss Prevention (DLP) system. [REDACTED] was not fully candid with OIG investigators during [REDACTED] first interview, as [REDACTED] affirmatively denied ever using a personal email account to conduct official PBGC business. However, [REDACTED] was re-interviewed and during [REDACTED] second interview [REDACTED] was more forthcoming in explaining [REDACTED] actions, [REDACTED] took responsibility, and [REDACTED] acknowledged violating PBGC policy. In summary, we found [REDACTED] actions were not committed maliciously or for personal gain. [REDACTED] actions were an attempted work-around for convenience (i.e., an attempt to print out a paper copy of a participant record from [REDACTED] home printer) to answer a time sensitive question from a financial statement contract auditor while [REDACTED] was teleworking. We were unable to substantiate that [REDACTED] knowingly exposed sensitive information, but [REDACTED] should have known the risks and potential consequences of [REDACTED] actions.

Details of Investigation

Review of ITIOD Security Operations Report and Official PBGC Emails

ITIOD Security Operations issued PBGC-OIG a report on [REDACTED] recent PBGC IT activity (Attachment 1). The report highlighted the DLP incidents of October 1, 2019. According to the Symantec DLP system, [REDACTED] attempted to email an unencrypted attachment, entitled "phase-in," that contained the full name, date of birth, and social security number for a PBGC participant (Attachment 2). While signed into [REDACTED] PBGC computer and remotely logged into the PBGC network, [REDACTED] attempted to send the attachment from [REDACTED] personal email account of [REDACTED] to [REDACTED], to [REDACTED], and to [REDACTED].

PBGC-OIG requested all of [REDACTED] email data from [REDACTED] official PBGC email account for October 1. The data revealed that [REDACTED] received an email from [REDACTED], OIG contract auditor, at 4:07 p.m. with the subject line, "Sample #59 - Techneglas, Inc, Hourly (#203176) – [REDACTED]" (Attachment 3). In the email, [REDACTED] asked [REDACTED] questions regarding participant [REDACTED]. At 6:26 p.m., [REDACTED] drafted a response to [REDACTED]; however, [REDACTED] did not send it until the morning of October 2.

First OIG Interview of [REDACTED]

On November 25, PBGC-OIG conducted an in-person interview with [REDACTED] (Attachment 4). Investigators asked [REDACTED] if [REDACTED] has ever sent participant PII using [REDACTED] personal Yahoo email account. [REDACTED] responded that [REDACTED] has not sent or attempted to send unprotected PBGC participant PII from [REDACTED] PBGC email account or any PBGC participant related document from [REDACTED] personal email account. [REDACTED] verified with investigators that [REDACTED] personal email address is [REDACTED].

Investigators presented [REDACTED] with IT security documentation showing that on October 1 [REDACTED] attempted to send an unencrypted PBGC benefit statement form for [REDACTED] Hourly Retirement Plan, containing PII of a participant from [REDACTED] to [REDACTED] and [REDACTED].

Investigators explained to [REDACTED] that the PBGC Symantec DLP system blocked the emails with the unencrypted attachment. [REDACTED] did not recall [REDACTED] attempts to send this attachment via email. PBGC-OIG showed [REDACTED] the document in question. [REDACTED] stated that the form looked familiar because [REDACTED] was conducting a financial audit of benefits calculation on the Techneglas Inc. Hourly Retirement Plan and could have been working with the form for official purposes.

[REDACTED] explained that the [REDACTED] address belonged to [REDACTED], [REDACTED] and the [REDACTED] address belonged to [REDACTED], [REDACTED]. [REDACTED] was questioned as to why [REDACTED] would attempt to send a PBGC document to [REDACTED] and [REDACTED]. [REDACTED] replied that [REDACTED] did not recall trying to email the document and claimed that it must have been accidental. [REDACTED] was asked to provide the OIG with an explanation as to how [REDACTED] could have attempted to email the attachment by accident. [REDACTED] explained that around that time [REDACTED] and [REDACTED] family were planning a vacation to Thailand and [REDACTED] may have intended to send a travel related document to [REDACTED] and [REDACTED], but accidentally attached the PBGC form.

[REDACTED] confirmed that [REDACTED] completed the FY2019 Security and Privacy Awareness and Rules of Behavior training and, therefore, understands that sending unprotected PII to or from personal email accounts violates IT security policy.

[REDACTED] affirmed that [REDACTED] could not recall sending the emails with the PII attachment to [REDACTED] and [REDACTED], but, if [REDACTED] did, it was accidental. [REDACTED] stated, "I know I cannot send PII outside of PBGC systems, not even to contractors." [REDACTED] said that [REDACTED] would be more careful when dealing with PII and would not let this situation happen again.

Second OIG Interview of [REDACTED]

On December 17, 2019, PBGC-OIG conducted a follow-up in-person interview with [REDACTED] (Attachment 5).

[REDACTED] explained that after the initial interview on November 25 [REDACTED] searched through [REDACTED] official PBGC email and personal Yahoo email accounts. [REDACTED] discovered that on October 1, near the end of the business day, [REDACTED] received an email from contractor auditor [REDACTED] asking questions regarding the financial audit of the Techneglas plan and a specific participant. [REDACTED] explained that [REDACTED] is a financial auditor and it is PBGC policy to respond to any audit contractor within 24 hours. Investigators showed [REDACTED] a copy of an email sent from [REDACTED] to [REDACTED] on October 1 at 4:07 p.m. and [REDACTED] confirmed this was the email [REDACTED] was referring to.

[REDACTED] stated that because of the 24-hour deadline to provide answers to financial audit contractors, [REDACTED] began working on a response from [REDACTED] house at about 7:00 p.m. on October 1. In order to answer the questions posed by [REDACTED] in the email, [REDACTED] knew [REDACTED] would need a copy of the participant's benefit statement located in the PBGC Image Viewer system. Therefore, on [REDACTED] PBGC issued computer, [REDACTED] remotely logged into PBGC Image Viewer and saved the participant's benefit statement to [REDACTED] PBGC computer. [REDACTED] stated [REDACTED] wanted a hard copy printout of the document so [REDACTED] could compare numbers on the [REDACTED] statement to numbers in the Plan documents in PBGC Image Viewer. To conduct the necessary calculations to answer [REDACTED] questions, [REDACTED] would have to switch back and forth between the [REDACTED] statement and the Plan documents. Because [REDACTED] had only one screen, switching back and forth between the statement and the documents would have been confusing and time consuming. For convenience and ease, [REDACTED] said, [REDACTED] wanted a hard copy of the participant's statement.

[REDACTED] explained that [REDACTED] PBGC-issued computer is not connected to a printer at [REDACTED] home. Because [REDACTED] wanted to print the participant's statement, [REDACTED] needed to transfer it to [REDACTED] personal computer that was linked to a personal printer. Therefore, [REDACTED] while using [REDACTED] PBGC computer on the PBGC network, signed into [REDACTED] personal Yahoo email account [REDACTED] and attempted to send the participant statement as an attachment to the same personal Yahoo email account. After three failed attempts, [REDACTED] attempted to email the attachment twice to [REDACTED], [REDACTED] [REDACTED], and once to [REDACTED], [REDACTED] [REDACTED], so that it could be printed at [REDACTED] home from one of their Yahoo email accounts. After [REDACTED] sent the emails, [REDACTED] asked both [REDACTED] and [REDACTED] if the attachment went through. Both [REDACTED] said, told [REDACTED] they did not receive the email with the participant's statement.

After six total failed attempts to send the attachment from [REDACTED] Yahoo email to [REDACTED], [REDACTED], and [REDACTED], [REDACTED] ended up completing the calculations by shifting back and forth between documents on [REDACTED] PBGC computer screen.

[REDACTED] acknowledged that attempting to send the unencrypted participant benefit statement via personal email with the intention to print it from [REDACTED] home printer was a violation of PBGC IT policy. [REDACTED] explained, however, that [REDACTED] was in such a rush to conduct the calculations and answer [REDACTED] questions, that [REDACTED] forgot [REDACTED] PII was on the document in the upper right-hand corner. We note that this document contains the participant's SSN in two locations (one in bold), as well as [REDACTED] and [REDACTED] dates of birth. [REDACTED] noted that [REDACTED] will be more cognizant of [REDACTED] actions and mindful of the sensitivity of PBGC documents in the future.

Criminal Referral and Disposition

Given the lack of criminal or malicious intent, we did not refer this matter to the Department of Justice.

Conclusion

Based on the findings above, there are reasonable grounds to believe that [REDACTED] violated agency policy on conducting official business using personal email accounts and violated agency policy on protecting sensitive information.

APPENDIX

Applicable Statutes, Regulations, Rules, Policies, and Directives

PBGC Directive Number: IM 10-03, Protecting Sensitive Information

- (7) Policy: It is PBGC's policy to protect the confidentiality, integrity, and availability of sensitive information from unauthorized disclosure and access by properly safeguarding, disseminating, destroying such information in accordance with applicable laws and regulations. All PBGC employees and contractors are responsible for protecting sensitive information.
- (8)(o) Responsibilities of Employees and contractors:
 1. Be diligent about protecting sensitive information.
 2. Adhere to the policies and procedures established by PBGC to protect sensitive information, whether in electronic or hard copy format, used while performing official duties.
- (9)(d) Procedures. Privacy Breach Reporting:
 1. PBGC defines a privacy breach as loss of control, compromise, unauthorized disclosure, acquisition, or access, or any similar situation involving another than authorized purpose where persons other than authorized users have access or potential access to PII, whether physical or electronic.

Privacy Breaches Include the following:

 - a. Emailing unencrypted documents with PII to a personal email account.
 - b. Accidentally emailing sensitive information to an unintended person.
- (10) Misconduct and Corrective Action. Misconduct for which PBGC may initiate corrective, disciplinary, and/or adverse action includes, but is not limited to:
 1. Failing to follow the policies or procedures established to protect sensitive information, including PII, regardless of whether that failure resulted in the loss or unauthorized disclosure of sensitive information.
 2. Accessing without authorization, exceeding authorized access to, or unauthorized disclosure of, sensitive information.

PBGC Order Number: IM 05-9, Privacy Program

- (7)(I) PBGC Employees and Contractors: Protecting PII is the responsibility of every PBGC employee and contractor. Additionally, all employees and contractors are responsible for:
 1. Understanding their obligations with respect to PII.
 2. Following PBGC privacy procedures when handling PII, whether in electronic or paper format.

PBGC Directive Number: IM 05-4, Use of Information Technology Resources

- (7)(a) Policy, IT Resource Limits
 1. Encrypted Message Attachments. Federal employees/contractor employees shall ensure that all electronic mail attachments to external recipients containing PII are encrypted and secured with a password. The password shall be sent to the recipient in a separate communication mode (i.e. electronic mail, telephonically).

Rules of Behavior for Information Technology Users

- 10. I will not use any personal email account or any personal electronic messaging account to conduct PBGC official business to include sending or forwarding official records from PBGC email accounts to personal email accounts.

All Redactions IAW (b)(6)

ATTACHMENTS

1. ITIOD Security Operations Report: [REDACTED]
2. [REDACTED] Benefit Statement
3. [REDACTED] PBGC emails from October 1 to October 2, 2019
4. Memorandum of Interview, November 25, 2019: [REDACTED]
5. Memorandum of Interview, December 17, 2019: [REDACTED]

Attachment 1

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

(b)(6), (b)(7)(E)



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



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



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



DLP Incident #00536307; INC ticket# INC0200422

(b)(6)

Affected Pensioner (b)(6)

Pension Plan Case ID: 20317600

Date of Birth: (b)(6) (67 years old) DOB redacted by OIG

\$226.19 pension benefit monthly

ghosh@aim.com - Adobe Acrobat Pro DC
File Edit View Window Help
Home Tools Document

20317600
(b)(6)

Techneglas Inc. Hourly Retirement Plan SSN and DOB redacted by OIG

Participant: (b)(6) **SSN:** (b)(6)

Participant's Date of Birth: (b)(6)
Spouse Date of Birth: (b)(6)
Participant's Original Date of Hire: 7/31/1989
Participant's Adjusted Date of Hire: 7/31/1989
Participant's Date of Termination: 10/2/2004
Credited Service Start Date: 7/31/1989
Credited Service Stop Date: 10/2/2004
Location: Columbus

Screenshot from IPS – Phase-in.pdf (4/10/2008); Document ID:

208752990

<input type="checkbox"/>	28	208752991		2	Benefit Calculation Documents	20317600	04/10/2008	Doral
<input type="checkbox"/>	29	208752990		2	Benefit Calculation Documents	20317600	04/10/2008	Doral
<input type="checkbox"/>	30	208752990		5	Correspondence	20317600	04/10/2008	Doral

Spectrum Bank Information on (b)(6) :

Customer ID: (b)(6)

Client Plan Role SID: (b)(6)

(b)(6)

Lookup Pensioner's Name based on SSN

Search Pensioners by SSN

CLIENT_SID	ACTION_ID	TAX_ID	TYPE_CD	LAST_NM	FIRST_NM	MIDDLE_NM	EXTRA_NM	MAIDEN_NM	GN&A_NM	PREFR_NM	PREFR_CD	CLIENT_ORG_CD	SPL_RQMT_CD
(b)(6)	138518420	(b)(6)	SSN	(b)(6)	(b)(6)								

Client Profile (Search by CLIENT_SID)

Search by Client SID

CLIENT_PLAN_ROLE_SID	PENSION_PLAN_SID	ACTION_ID	CLIENT_SID	LEADSET	PRIME_SID	CLIENT_TYPE_SID	FAMILY_SID	ADDED_TO_FAMILY_DT	PRVING_SID	ADDED_TO_FAMILY_DT	PRVING_SID	ADDED_TO_FAMILY_DT	PRVING_SID
222884	(b)(6)	138518420	222884	1		1	1	222884	2008-04-10 00:00:00				

(b)(6)

DLP Incident #00536307; INC ticket# INC0200422

(b)(6)

Current Bank Information (Search by CLIENT_PLAN_ROLE_SID)

CLIENT_PLAN_ROLE_SID	PERM_PLAN_ROLE_SID	REV_COMM_SID	ACTION_SID	WCH_PRNC_CNC_PNC	WCH_BRANCH_PNC	ACH_STREET_1_PNC	ACH_STREET_2_PNC	ACH_STREET_3_PNC	ACH_CITY_CNC	ACH_STATE
215544	2031760	10818101	10910101	10910101	10910101	10910101	10910101	10910101	10910101	10910101

Current Bank Information (Search by CLIENT_PLAN_ROLE_SID)

ACH_ENTITY_PNC	ACH_ENTITY_PHONE_PNC	ACH_BANK_PNC	ACH_ACCT_PNC	ACH_ACCT_TYPR_CD	ACH_ENTITY_ACCT_TITLE_PNC	TEXT_COMMENT_CD	ACH_VLTY_PNC	IMAGE_ACCT_TX_PNC	Image
2154-444-1155	2031760	10818101	10910101	10910101	10910101	10910101	10910101	10910101	10910101

Account information redacted by OIG

Techneglas Inc. Hourly Retirement Pension Plan (20317600) –
actuary, worked on the plan in 2007.

Detected DLP events from Splunk DLP logs since 6/1/2019

Splunk Enterprise - App Enterprise Security

New Search

code+symantec:source="Symantec DLP endpoint" (BASE64= copy) OR 01004122
table _time, INCIDENT_ID, HOSTOR_NAME, SPID, SDCID
sort -_time desc

100 Per Page

Time	INCIDENT_ID	HOSTOR_NAME	SPID	SDCID
2019-06-16 15:10:11	10001	Techneglas Inc.	10001	10001
2019-06-16 15:10:11	10002	Techneglas Inc.	10002	10002
2019-06-16 15:10:11	10003	Techneglas Inc.	10003	10003
2019-06-16 15:10:11	10004	Techneglas Inc.	10004	10004
2019-06-16 15:10:11	10005	Techneglas Inc.	10005	10005
2019-06-16 15:10:11	10006	Techneglas Inc.	10006	10006
2019-06-16 15:10:11	10007	Techneglas Inc.	10007	10007
2019-06-16 15:10:11	10008	Techneglas Inc.	10008	10008
2019-06-16 15:10:11	10009	Techneglas Inc.	10009	10009
2019-06-16 15:10:11	10010	Techneglas Inc.	10010	10010

Detected DLP activities from Symantec DLP Endpoint Detection on 9/16/2019

9/16/2019 – Used VPN from mobile hot spot (107.77.202.42) with assigned IP

VPN Activity from Gateway Policy

Time	Source IP	Destination IP	Destination Port	Destination Type
2019-09-16 15:14:21	107.77.202.42	107.77.202.42	80	Web, Open
2019-09-16 15:14:21	107.77.202.42	107.77.202.42	80	Web, Open
2019-09-16 15:14:21	107.77.202.42	107.77.202.42	80	Web, Open
2019-09-16 15:14:21	107.77.202.42	107.77.202.42	80	Web, Open
2019-09-16 15:14:21	107.77.202.42	107.77.202.42	80	Web, Open

Attachment 2

20317600

(b)(6)

Techneglas Inc. Hourly Retirement Plan

SSN and DOB redacted by OIG

Participant: (b)(6) **SSN:** [REDACTED]

Participant's Date of Birth: [REDACTED]

Spouse Date of Birth: [REDACTED]

Participant's Original Date of Hire: 7/31/1989

Participant's Adjusted Date of Hire: 7/31/1989

Participant's Date of Termination: 10/2/2004

Credited Service Start Date: 7/31/1989

Credited Service Stop Date: 10/2/2004

Location: Columbus

Labor Grade: 10

Eligible to Retire From Active Employment: No

Eligible for unreduced benefit prior to Age 55: No

(Active Employee on Plant Shutdown - 8/29/2004 w/ 30 years)

Years of Credited Service: 15.167

Normal Retirement Date (NRD): 2/1/2017

Earliest Unreduced Retirement Date: 2/1/2017

Earliest PBGC Unreduced Retirement Date: 2/1/2017

Earliest PBGC Retirement Date: 2/1/2007

Requested Date of Retirement (DOR): 4/1/2008

Retirement Age: 56

Form Conversion Factor (as a Joint and 50% Survivor): 0.9230

Early Retirement Factor: 0.4261

Benefit Calculation:

	Annual Credit Factor	Plan Benefit at NRD	Benefit at DOR as a SLA	Benefit Increase at DOR	Phase-In Limit	Guaranteed Amount of Increase
Effective						
06/01/2000	\$28	\$424.68	\$180.95	\$0.00	100%	\$180.95
06/01/2001	\$29	\$439.84	\$187.42	\$6.47	\$80/80%	\$6.47
06/01/2002	\$31	\$470.18	\$200.34	\$12.92	\$60/60%	\$12.92
06/01/2003	\$33	\$500.51	\$213.27	\$12.93	\$40/40%	\$12.93
06/01/2004	\$35	\$530.85	\$226.19	\$12.92	\$20/20%	\$12.92

(1) Estimated PBGC Monthly Benefit as a Life Annuitant: ~~\$226.19~~

	Annual Credit Factor	Plan Benefit at NRD	Benefit at DOR as a J&50%S	Benefit Increase at DOR	Phase-In Limit	Guaranteed Amount of Increase
Effective						
06/01/2000	\$28	\$424.68	\$167.02	\$0.00	100%	\$167.02
06/01/2001	\$29	\$439.84	\$172.99	\$5.97	\$80/80%	\$5.97
06/01/2002	\$31	\$470.18	\$184.91	\$11.92	\$60/60%	\$11.92
06/01/2003	\$33	\$500.51	\$196.85	\$11.94	\$40/40%	\$11.94
07/01/2004	\$35	\$530.85	\$208.77	\$11.92	\$20/20%	\$11.92

(2) Estimated PBGC Monthly Benefit as a J50%S: ~~\$208.77~~

Attachment 3

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

From: (b)(6)
Sent: Tuesday, October 1, 2019 4:07 PM
To: (b)(6)
Cc:
Subject: Sample #59 - Techneglas, Inc, Hourly (#203176) - Fulford

Hello,

I'm reviewing the benefit calculation for Sample #59 - Techneglas, Inc, Hourly Retirement Plan (b)(4) - (b)(6) and I have a couple of questions. Please see below.

1. Why is the annuity start date 4/1/2008? According to (b)(6) benefits application (b)(6) requested a start date of 9/1/2008.
2. Why isn't this participant subject to phase-ins? The benefit calculation is using a final benefit rate of \$35, instead of the phase-in values noted on page 20 of the memo.

Please let me know if you have any questions.

Thank you!

(b)(6)

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

From: (b)(6)
Sent: Wednesday, October 2, 2019 8:00 AM
To: (b)(6)
Subject: Sample #59 - Techneglas, Inc, Hourly (#203176) - (b)(6)
Attachments: IVS #208752987.pdf; IVS#208752989.pdf; IVS #208811985.pdf

(b)(6)

Please review my responses to (b)(6) questions:

(b)(6)

(b)(6)

1. Why is the annuity start date 4/1/2008? According to (b)(6) benefits application, (b)(6) requested a start date of 9/1/2008.

The participant actually called PBGC and requested a start date of 4/1/2008. Please see the attached files.

2. Why isn't this participant subject to phase-ins? The benefit calculation is using a final benefit rate of \$35, instead of the phase-in values noted on page 20 of the memo.

Because the phase-in benefits increase are small, the participant's guaranteed benefit is not affected by the Phase-In Limitation.

Here is the phase-in calculation.

Effective Benefit	Annual Credit Factor	Plan Benefit at NRD	Benefit at DOR as a SLA Increase	Benefit increase at	Phase-in	Phase-in
DOR	Limit					

06/01/2000	\$28	\$420.00	\$178.96	\$0	100%	
		\$178.96				
06/01/2001	\$29	\$435.00	\$185.35	\$6.39	\$80/80%	\$6.39
06/01/2002	\$31	\$465.00	\$198.14	\$12.79	\$60/60%	\$12.79
06/01/2003	\$33	\$495.00	\$210.92	\$12.78	\$40/40%	\$12.78
06/01/2004	\$35	\$525.00	\$223.70	\$12.78	\$20/20%	\$12.78

Thanks,

(b)(6)

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

From: (b)(6)
Sent: Wednesday, October 2, 2019 10:54 AM
To: (b)(6)
Subject: RE: Sample #59 - Techneglas, Inc, Hourly (#203176) - Fulford

I just moved them.

From: (b)(6)
Sent: Wednesday, October 2, 2019 10:51 AM
To: (b)(6)
Subject: RE: Sample #59 -

I have uploaded the 3 files to folder 6. Thanks.

From: Scott Amy (b)(5)
Sent: Wednesday, October 2, 2019 10:41 AM
To: Pham Quyen (b)(6)
Subject: RE: Sample #59 - Techneglas, Inc, Hourly (#203176) - Fulford

Yes, can you put them in the appropriate folders and then I will move them? Thanks.

From: Pham Quyen (b)(6)
Sent: Wednesday, October 2, 2019 10:37 AM
To: Scott Amy (b)(6)
Subject: RE: Sample #59 -

Thanks (b)(6)

Can I provide them the 3 attached files? If yes, can you move these files to their shared file location.

From: (b)(6)
Sent: Wednesday, October 2, 2019 10:32 AM
To: (b)(6)
Subject: RE: Sample #59 -

Thanks, feel free to respond. Let me know if you need me to move any documents to their shared file location.

From: (b)(6)
Sent: Wednesday, October 2, 2019 8:00 AM
To: (b)(6)
Subject: Sample #59 - Techneglas, Inc, Hourly (#203176) - Fulford

(b)(6)

Please review my responses to (b)(6) questions:

1. Why is the annuity start date 4/1/2008? According to his benefits application, he requested a start date of 9/1/2008.

The participant actually called PBGC and requested a start date of 4/1/2008. Please see the attached files.

2. Why isn't this participant subject to phase-ins? The benefit calculation is using a final benefit rate of \$35, instead of the phase-in values noted on page 20 of the memo.

Because the phase-in benefits increase are small, the participant's guaranteed benefit is not affected by the Phase-In Limitation.

Here is the phase-in calculation.

Effective Benefit DOR	Annual Credit Factor Limit	Plan Benefit at NRD	Benefit at DOR as a SLA Increase	Benefit increase at	Phase-in	Phase-in
-----------------------------	----------------------------------	------------------------	--	------------------------	----------	----------

06/01/2000	\$28	\$420.00	\$178.96	\$0	100%	
		\$178.96				
06/01/2001	\$29	\$435.00	\$185.35	\$6.39	\$80/80%	\$6.39
06/01/2002	\$31	\$465.00	\$198.14	\$12.79	\$60/60%	\$12.79
06/01/2003	\$33	\$495.00	\$210.92	\$12.78	\$40/40%	\$12.78
06/01/2004	\$35	\$525.00	\$223.70	\$12.78	\$20/20%	\$12.78

Thanks,

(b)(6)

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

From: (b)(6)
Sent: Wednesday, October 2, 2019 11:01 AM
To: (b)(6)
Cc: (b)(6)
Subject: RE: Sample #59 - Techneglas, Inc, Hourly (#203176) - Fulford
Attachments: Annuity Starting Date 1_IVS #208752987.pdf; Annuity Starting Date 2_IVS#208752989.pdf; Annuity Starting Date 3_IVS #208811985.pdf

(b)(6)

Please see my responses in blue below.

Please let me know if you have any questions.

Thanks,

(b)(6)

From: (b)(6)
Sent: Tuesday, October 1, 2019 4:07 PM
To: (b)(6)
Cc: (b)(6)
Subject: Sample #59 - Techneglas, Inc, Hourly (#203176) - Fulford

Hello,

I'm reviewing the benefit calculation for Sample #59 - Techneglas, Inc, Hourly Retirement Plan (b)(4) (b)(6), and I have a couple of questions. Please see below.

1. Why is the annuity start date 4/1/2008? According to (b)(6) benefits application (b)(6) requested a start date of 9/1/2008.
The participant actually called PBGC and requested a start date of 4/1/2008. Please see the attached files.
2. Why isn't this participant subject to phase-ins? The benefit calculation is using a final benefit rate of \$35, instead of the phase-in values noted on page 20 of the memo.
Because the phase-in benefits increase are small, the participant's guaranteed benefit is not affected by the Phase-In Limitation.
Here is the phase-in calculation.

Effective	Annual Credit Factor	Plan Benefit at NRD	Benefit at DOR as a SLA	Benefit Increase at DOR	Phase-in Limit	Phase-in Benefit
06/01/2000	\$28	\$420.00	\$178.96	\$0	100%	\$178.96
06/01/2001	\$29	\$435.00	\$185.35	\$6.39	\$80/80%	\$6.39
06/01/2002	\$31	\$465.00	\$198.14	\$12.79	\$60/60%	\$12.79
06/01/2003	\$33	\$495.00	\$210.92	\$12.78	\$40/40%	\$12.78
06/01/2004	\$35	\$525.00	\$223.70	\$12.78	\$20/20%	\$12.78

Please let me know if you have any questions.

Thank you!

(b)(6)

Attachment 4



Office of Inspector General
Pension Benefit Guaranty Corporation

Prepared by:	Date Prepared:
(b)(7)(c), (b)(6)	December 19, 2019

MEMORANDUM OF INTERVIEW

Investigation Number:	OIG #20-0001-I
Investigation Title:	(b)(6), (b)(7)(c)
Case Agent:	(b)(6), (b)(7)(c)

On November 25, 2019, Pension Benefit Guaranty Corporation (PBGC), Office of Inspector General (OIG) Special Agent (SA) (b)(7)(c) and Assistant Inspector General for Investigations (AIGI) (b)(6), (b)(7)(c) (b)(6), (b)(7)(c) conducted an in-person interview with (b)(6), Actuary with the PBGC Actuarial Services and Technology Department. The interview was conducted at the PBGC-OIG office, Investigations Division, located at 1200 K St, NW, Suite 480, Washington, DC 20005. Prior to the start of the interview, the agents showed (b)(6) their badge and credentials, and identified themselves as federal agents. Next, SA (b)(7)(c) provided (b)(6) with the "Employee's Advisement of Rights – Request to Provide Information on a Voluntary Basis" warning and the "Employee Notification Regarding Union Representation" form. (b)(6) did not have any questions and signed both the forms.

(b)(6) was asked if (b)(6) had any indications as to why the OIG asked to speak with (b)(6) regarding (b)(6) use of PBGC IT systems. (b)(6) replied that (b)(6) assumed it was because (b)(6) was sending (b)(6) an abundance of sensitive information through (b)(6) PBGC email. (b)(6) explained that beginning in June 2019, (b)(6) was chosen to be a part of a testing group for the Benefits Calculation Valuation (BCV) new (b)(4). As part of (b)(6) duties in the testing group, (b)(6) compares assets with statements for conversion into the new Oracle database. To accomplish this, (b)(6) will occasionally need to send (b)(6) via PBGC email, sensitive participant and plan information. However, (b)(6) didn't think this was a violation of PBGC IT policy since (b)(6) was simply sending the information to herself all within PBGC email and network systems.

SA (b)(7)(c) explained that (b)(6) activity, as explained above, was not a violation of PBGC IT policy, however then questioned (b)(6) about sending sensitive PBGC participant information to and from (b)(6) personal email. (b)(6) affirmed that (b)(6) has never sent or attempted to send participant personally identifiable information (PII) from (b)(6) PBGC email to a personal email. (b)(6) also confirmed that (b)(6) has never sent participant PII from (b)(6) personal email to anyone. (b)(6) declared a second time that (b)(6) could not recall sending participant PII from any personal email accounts. (b)(6) also verified with investigators that (b)(6) personal email address was (b)(6).

(b)(6) was then confronted with IT security documentation showing that, on October 1, 2019, (b)(6) attempted to send (on six occasions) a PBGC form for Techneglas Inc. Hourly Retirement Plan, with PII of participant (b)(6), from (b)(6) Yahoo email of (b)(6). (b)(6) did not recall (b)(6)

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OIG FORM # 1
11/10/15

This report is furnished on an official need to know basis and must be protected from dissemination which may compromise the best interests of the Pension Benefit Guaranty Corporation Office of Inspector General. This report shall not be released or disseminated to other parties without prior consultation with the Office of Inspector General. Unauthorized release may result in criminal prosecution.

December 19, 2019

Page 2

attempts to send this attachment via email. SA (b)(7)(c) showed [REDACTED] the document in question with [REDACTED] PII, and [REDACTED] stated that the form looked familiar because [REDACTED] was conducting a financial audit of benefits calculation on that particular plan. [REDACTED] explained that [REDACTED] conducts financial audits on plans that can date back to 1990.

[REDACTED] was then shown another IT security document that showed, on October 1, 2019, [REDACTED] attempted to send the aforementioned attachment with [REDACTED] PII from [REDACTED] to [REDACTED] and also to [REDACTED]. [REDACTED] was asked who the email addresses belonged to, and explained that [REDACTED] was [REDACTED], and [REDACTED] was [REDACTED]. [REDACTED] was questioned as to why [REDACTED] would send a PBGC sensitive document containing a participant PII to [REDACTED] and [REDACTED]. [REDACTED] replied that [REDACTED] believes it was accidental and does not recall attempting to send the emails. [REDACTED] explained that during this time [REDACTED] and [REDACTED] family were planning a vacation to Thailand, and [REDACTED] believed that [REDACTED] intended to send travel related documents to [REDACTED] and [REDACTED] but accidentally may have attached the form with the PII of [REDACTED].

[REDACTED] confirmed that [REDACTED] completed the FY2019 Security and Privacy Awareness and Rules of Behavior training and understands that sending unprotected PII to and from personal email accounts of unauthorized persons constitutes a violation of IT security policy. [REDACTED] affirmed again that [REDACTED] could not recall attempting to send the emails with the PII attachment to [REDACTED] and [REDACTED], and if [REDACTED] did, it was purely accidental. [REDACTED] indicated that [REDACTED] would be more careful when dealing with PII and wouldn't let that situation happen again. [REDACTED] added that [REDACTED] could have simply printed out the document at PBGC headquarters and taken the document home with [REDACTED] if [REDACTED] needed to work on it from home, instead of going through the difficulty of attempting to send the PII documents to a personal email account or to [REDACTED] and [REDACTED].

Upon conclusion of the interview, AIGI [REDACTED] noted to [REDACTED] the importance of being truthful to investigators. [REDACTED] stated, "I know I cannot send PII outside of PBGC systems, not even to contractors," and reaffirmed that [REDACTED] did not recall sending the emails with the PII attachment to [REDACTED] and [REDACTED]. [REDACTED] then inquired about the next steps of the investigation. SA (b)(7)(c) explained that PBGC-OIG would be in contact with [REDACTED] if additional information was needed in the future.



EMPLOYEE NOTIFICATION REGARDING UNION REPRESENTATION

Pursuant to 5 USC 7114(a)(2)(B) you have the right to be represented during the interview about to take place by a person designated by the exclusively recognized labor organization for the unit in which you work if you reasonably believe that the results of this interview may result in disciplinary action against you and you request representation.

I acknowledge receipt of this notification of my right to union representation.

(b)(6)

(Signature)

11/25/2019
(Date)

(b)(6)

(Print Name)

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

11/25/19

Special Agent

(Date)

Office of Inspector General

Pension Benefit Guaranty Corporation

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

11/25/19

Witness Signature

(Date)

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

Witness' Printed Name

1200 K St. NW Ste. 480

Location



EMPLOYEE'S ADVISMENT OF RIGHTS REQUEST TO PROVIDE INFORMATION ON A VOLUNTARY BASIS

You are being asked to provide information as part of an investigation being conducted by the Office of Inspector General into alleged misconduct and/or improper performance of official duties. This investigation is being conducted pursuant to the Inspector General Act of 1978, as amended.

This is a voluntary interview. Accordingly, you do not have to answer questions. No disciplinary action will be taken against you solely for refusing to answer questions.

Any statement you furnish may be used as evidence in any future criminal or civil proceeding or agency disciplinary proceeding, or both.

ACKNOWLEDGEMENT

I understand the warnings and assurances stated above and I am willing to make a statement and answer questions. No promises or threats have been made to me and no pressure or coercion of any kind has been used against me.

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

Office of Inspector General
Special Agent

(b)(6)

Employee's Signature

Witness:

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

Time: 11 a.m.

Date: 11/25/2019

Location: 1200 K # 480

Attachment 5



All Redactions IAW (b)(6)

Office of Inspector General
Pension Benefit Guaranty Corporation

Prepared by:	Date Prepared:
(b)(7)(c)	December 18, 2019

MEMORANDUM OF INTERVIEW

Investigation Number:	OIG #20-0001-I
Investigation Title:	
Case Agent:	(b)(7)(c)

On December 17, 2019, Pension Benefit Guaranty Corporation (PBGC), Office of Inspector General (OIG) Special Agent (SA) (b)(7)(c) and (b)(7)(c) conducted a follow-up in-person interview with [REDACTED], Actuary with the PBGC Actuarial Services and Technology Department. The interview was conducted at the PBGC-OIG office, Investigations Division, located at 1200 K St, NW, Suite 480, Washington, DC 20005. SA (b)(7)(c) reminded [REDACTED] that the "Employee's Advisement of Rights – Request to Provide Information on a Voluntary Basis" warning and the "Employee Notification Regarding Union Representation" form that [REDACTED] signed at the beginning of the first interview was still applicable to this interview. [REDACTED] did not have any questions regarding the forms and agreed to continue with the interview.

[REDACTED] explained that after the initial interview on November 25, 2019, [REDACTED] conducted research on the allegations discussed by searching through her official PBGC email and personal Yahoo email accounts. [REDACTED] noted that on October 1, 2019, near the end of the business day, [REDACTED] received an email from [REDACTED] (Contractor Auditor, Office of Inspector General) asking questions regarding the financial audit of the Techneglas plan and participant [REDACTED]. [REDACTED] explained that [REDACTED] is a contracted financial auditor and it is PBGC policy to respond to any auditing contractor within 24 hours. SA (b)(7)(c) showed [REDACTED] a copy of an email sent from [REDACTED] to [REDACTED] on October 1, 2019 at 4:07p.m., and [REDACTED] confirmed this was the email [REDACTED] was referring to.

[REDACTED] stated that, because of the 24-hour deadline to provide answers to financial auditing contractors, [REDACTED] began working on the request from [REDACTED] house at about 7:00p.m. on October 1, 2019. In order to answer the questions posed by [REDACTED] in the email [REDACTED] knew [REDACTED] would need a copy of [REDACTED] benefit statement located in the PBGC Image Viewer system. Therefore, on her PBGC issued computer, [REDACTED] logged into PBGC Image Viewer and saved the [REDACTED] benefit document to [REDACTED] PBGC computer. Because specific calculations were involved in answering the questions posed in the email, [REDACTED] stated [REDACTED] needed a hard copy printout of the [REDACTED] statement. [REDACTED] indicated that a printout was needed so [REDACTED] could compare numbers on the [REDACTED] statement to numbers in the Plan documents in PBGC Image Viewer. For calculations to answer [REDACTED] questions, [REDACTED] knew [REDACTED] would have to switch back and forth between documents, so for convenience and ease, [REDACTED] wanted a hard copy printout of [REDACTED] statement. Because [REDACTED] only had one screen, trying to switch back and

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OIG FORM # 1
11/10/15

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December 18, 2019

Page 2

forth between the [REDACTED] statement and plan documents would have been too difficult and time consuming.

[REDACTED] explained that [REDACTED] PBGC issued computer is not hooked up to a printer at [REDACTED] house, and because [REDACTED] wanted to print the [REDACTED] document, [REDACTED] needed to transfer the document to [REDACTED] personal computer that was linked to a personal printer. Therefore, [REDACTED] while using [REDACTED] PBGC computer, signed into [REDACTED] personal Yahoo email account ([REDACTED]) and attempted to send to the same personal Yahoo email account the [REDACTED] document as an attachment. After three failed attempts, [REDACTED] attempted to email the attachment twice to [REDACTED], [REDACTED], and once to [REDACTED], [REDACTED], so that it could be printed from one of their accounts. After [REDACTED] sent the emails, [REDACTED] asked both [REDACTED] and [REDACTED] if the attachment went through to their respective Yahoo emails, and both confirmed that they never received the email with the [REDACTED] attachment.

After six total failed attempts to send the attachment from [REDACTED] Yahoo email to [REDACTED], [REDACTED], and [REDACTED], [REDACTED] ended up completing the calculations manually by shifting back and forth between documents on [REDACTED] PBGC computer screen.

In the morning of October 2, 2019, [REDACTED] emailed [REDACTED] a drafted response to [REDACTED] questions. [REDACTED] noted that all official responses to auditing contractors had to be approved prior to sending to the contractor, and in this instance, [REDACTED] was the approving official. On the same date, [REDACTED] sent the official response to [REDACTED] regarding [REDACTED] questions posed in the original email.

[REDACTED] recognized that attempting to send the [REDACTED] benefit statement with PII via personal email, in hopes to print it out on [REDACTED] home personal printer, was a violation of PBGC IT policy. [REDACTED] explained that [REDACTED] was in such a rush to conduct the calculations to answer [REDACTED] question that [REDACTED] didn't realize [REDACTED] PII was on the document. [REDACTED] noted that [REDACTED] will be more cognizant of [REDACTED] actions and mindful of the sensitivity of PBGC documents.

Upon conclusion of the interview, SA (b)(7)(c) explained that PBGC-OIG would contact [REDACTED] if additional information was needed.



All Redactions IAW (b)(6)

October 1, 2020

CLOSEOUT MEMORANDUM

TITLE: Ruby Montgomery / (b)(6)
INVESTIGATOR: (b)(6), (b)(7)(c) Special Agent
OIG CASE NUMBER: 20-0002-I

Investigative Initiation

A project was initiated in which the Florida Department of Health matched their death data to the Social Security Administration (SSA) beneficiary payment records for approximately 4 million Social Security number holders, who died in Florida between January 1990 through December 2014. The SSA identified 501 beneficiaries in current payment status whose Personally Identifiable Information (PII) matched that of individuals in the Florida death data files.

One of these individuals was Ruby Montgomery, who passed away on April 02, 2012; however, her SSA Retirement and Survivors Insurance (RSI) Benefits continued to be deposited into her bank account. SSA obtained her death certificate and provided this information to the Jacksonville SSA, Office of Inspector General (OIG), Office of Investigation for further inquiry.

Details of Investigation

On August 7, 2019, SSA-OIG interviewed [REDACTED], regarding [REDACTED] RSI benefits. [REDACTED] confessed that [REDACTED] had removed money from [REDACTED] account after her death and admitted that [REDACTED] knew it was wrong to do so. [REDACTED] stated that [REDACTED] had used [REDACTED] mother's benefits for [REDACTED] own use and only for normal living expenses. Additionally, [REDACTED] confessed that [REDACTED] had also been receiving a pension from a company she had worked for earlier in her life, and [REDACTED] had removed those funds as well. Further investigation revealed this company to be Uniroyal Plastics Company and the benefits were administered through the Pension Benefit Guaranty Corporation (PBGC).

The interview and verbal confession detailed [REDACTED] knowledge and guilt regarding [REDACTED] receipt of SSA and PBGC benefits, to which [REDACTED] was not entitled. The total fraud loss to the U.S. Government from April 2012 through September 2019 was \$143,386.40 (SSA: \$126,283.60, PBGC: \$17,102.80). Upon discovery of the theft of PBGC benefits, SSA-OIG contacted PBGC-OIG to assist in the investigation.

Criminal Referral and Disposition

On December 9, 2019, the case was presented for prosecution to the United States Attorney's Office (USAO) for the Northern District of Florida and was subsequently accepted. On January 21, 2020, [REDACTED] was indicted by a federal grand jury on two counts of Title 18 U.S.C. 641; theft of government funds.

On June 25, 2020, [REDACTED] pleaded guilty to both counts of Title 18 U.S.C. 641; theft of SSA (1) and PBGC (2) benefits.

Conclusion

Pursuant to [REDACTED] guilty plea, on September 30, 2020, [REDACTED] received a sentencing of 143 days in the custody of Bureau of Prisons, 90 days of which will be implemented as home confinement. Additionally, [REDACTED] received 1-year supervised release, and ordered to pay restitution in the amount of \$126,283.60 to SSA and \$16,519.75 to PBGC. [REDACTED] sentence begins on October 30, 2020.

Disposition

This investigation is closed.

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

10/01/2020

Date

APPROVED:

CONRAD
QUARLES

Digitally signed by CONRAD
QUARLES
Date: 2020.10.01 14:11:57 -04'00'

Conrad Quarles
Assistant Inspector General for Investigations

10/1/2020

Date



All Redactions IAW (b)(6)

November 16, 2020

CLOSEOUT MEMORANDUM

TITLE:

[REDACTED]

INVESTIGATOR:

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

OIG CASE NUMBER: 20-0008-I

Investigative Initiation

On June 24, 2019, PBGC-OIG received a confidential complaint alleging PBGC employee [REDACTED] engaged in "manufactured spending" activities. Manufactured spending is the process of buying items (gift cards, prepaid cards) via credit card that can be converted to cash. The cardholder then uses these cash instruments to buy money orders or cashier's checks to pay the credit card bill while retaining the cash back or reward points.

Investigative Summary

[REDACTED] conceded [REDACTED] engaged in manufactured spending activities by using government-provided mass transit benefits while on government time. Although [REDACTED] said [REDACTED] could not say how much in benefits and time [REDACTED] used, we found, from January 2019 to February 2020, [REDACTED] used \$999.15 in PBGC-provided transit benefits for 303 Metro trips, during 153 workdays, to conduct manufactured spending activities. [REDACTED] used the Metro to travel to sites where [REDACTED] conducted manufactured spending actions while on official PBGC time. During the 153 mid-workday trips, we found [REDACTED] used 106 hours of official government time that resulted in a salary loss of \$6,122.55 to PBGC. Together, these instances over 13 months of misuse of transit benefits and government time totaled \$7,121.70.

We also discovered that while teleworking on February 5 and 19, 2020, [REDACTED] conducted manufactured spending activities for at least 5 hours each day during [REDACTED] duty hours. Further, we determined that, on [REDACTED] telework days from January 2019 to February 2020, [REDACTED] was logged-on to the PBGC computer assigned to [REDACTED] for an average of 5 hours and 37 minutes. Yet, for those days, [REDACTED] claimed on [REDACTED] time and attendance records that [REDACTED] worked a full 8 hours. When reviewing each telework day from January 2019 to February 2020, we discovered that a total of 66 hours of time was unaccounted for. Given the evidence that [REDACTED] conducted manufactured spending activities on other

telework days, [REDACTED] was not logged-on to [REDACTED] computer for the hours [REDACTED] claimed on [REDACTED] telework days, and [REDACTED] did not request leave for the hours [REDACTED] was not logged-on, it is reasonable to conclude [REDACTED] conducted manufactured spending activities during those 66 hours. [REDACTED] 66 hours of absences without leave represented an additional salary loss of \$3,812.15 to PBGC.

In summary, PBGC-OIG found that [REDACTED] knowingly used government time and government-provided mass transit benefits for personal gain and falsified official PBGC documents in the process.

Criminal Referral and Disposition

PBGC-OIG had reasonable grounds to believe [REDACTED] violated federal criminal law; specifically, 18 U.S.C. Section 641 (embezzlement of government funds) and 18 U.S.C. Section 1001 (making false statements). Therefore, on April 27, 2020, we presented this case to the Department of Justice (DOJ) Public Integrity Section and the Fraud Section for criminal prosecution. Ultimately, DOJ declined to prosecute [REDACTED].

Conclusion

[REDACTED] conceded [REDACTED] had misused government time and transit benefits since at least January 2019. The evidence showed that during that time, [REDACTED] spent \$999.15 in federal transit benefits for [REDACTED] personal use. The evidence also showed [REDACTED] used 106 hours of official PBGC time for personal business. The salary lost to PBGC for the 106 hours totals \$6,122.55. Additionally, [REDACTED] 66 hours of absences without leave during [REDACTED] telework days represented an added salary loss of \$3,812.15 to PBGC. Therefore, the approximate total loss to PBGC from [REDACTED] actions is \$10,933.85.

Based on the findings above, there were reasonable grounds to believe that [REDACTED] violated agency policy regarding conducting personal business while on duty, falsification of official documents, and misuse of the mass-transit benefit program.

Disposition

On August 31, 2020, PBGC-OIG issued an Investigative Memorandum to PBGC management officials detailing the findings of the investigation. On October 5, 2020, [REDACTED] sent [REDACTED] resignation, via email, to [REDACTED] direct supervisor, [REDACTED] indicating [REDACTED] intent to resign effective November 7, 2020.

On October 13, 2020, [REDACTED] issued [REDACTED] a Notice of Proposal to Remove [REDACTED] from employment with PBGC; however, the date of proposed removal would

November 16, 2020

Page 3

not take effect until 30 calendar days after the date of service of the notice (November 12, 2020). On November 6, 2020, (b)(6) reiterated, via written memorandum, (b)(6) intent to resign from PBGC effective November 7, 2020.

As of November 8, 2020, (b)(6) has separated from PBGC employment before full adjudication of this matter. PBGC-OIG considers this investigation to be closed.

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

Digitally signed by

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

Date: 2020.11.16 15:53:04
-05'00'

11/16/2020

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

Special Agent

Date

APPROVED:

**CONRAD
QUARLES**

Digitally signed by
CONRAD QUARLES
Date: 2020.11.16
15:57:41 -05'00'

11/16/2020

Conrad Quarles

Assistant Inspector General for Investigations

Date



All Redactions IAW (b)(6)

August 31, 2020

INVESTIGATIVE MEMORANDUM

TO: Patricia Kelly
Chief Financial Officer

Theodore Winter
Director, Financial Operations Department

Paul Chalmers
Acting General Counsel

FROM: Conrad Quarles
Assistant Inspector General for Investigations **CONRAD QUARLES**

Digitally signed by
CONRAD QUARLES
Date: 2020.08.31
12:57:59 -04'00'

SUBJECT: Conduct of [REDACTED]
OIG Case Number: 20-0008-I

This investigative memorandum concerns the conduct of Policies, Procedures, and Control Division (PPCD), [REDACTED]. It is provided to management for whatever action you deem appropriate. Please provide our office with documentation of any action taken. Unless noted otherwise below, we apply the preponderance of evidence standard to determine if there is a reasonable basis for our conclusions.

Predication

On June 24, 2019, PBGC OIG received a confidential complaint alleging PBGC employee [REDACTED] engaged in "manufactured spending" activities. Manufactured spending is the process of buying items (gift cards, prepaid cards) via credit card that can be converted to cash. The cardholder then uses these cash instruments to buy money orders or cashier's checks to pay the credit card bill while retaining the cash back or reward points.

Synopsis

As summarized below, we found that [REDACTED] committed time and attendance fraud and transit benefit fraud in support of his manufactured spending.

[REDACTED] conceded he engaged in manufactured spending activities using government-provided mass transit benefits and while on government time. Although [REDACTED] said he could not say how much in benefits and time he used, we found, from January 2019 to February 2020, [REDACTED] used \$999.15 in PBGC-provided transit benefits for 303 Metro trips, during 153 workdays, to conduct manufactured spending. [REDACTED] also took the Metro trips during 106 duty hours, resulting in a salary loss of \$6,122.55 to PBGC. Together, these instances over 13 months of misuse of transit benefits and government time total \$7,121.70.

We also discovered that while teleworking on February 5 and 19, 2020, [REDACTED] conducted manufacturing spending activities for at least 5 hours each day during [REDACTED] duty hours. Further, we determined that, on [REDACTED] telework days from January 2019 to February 2020, [REDACTED] was logged-on to the PBGC computer assigned to [REDACTED] for an average of 5 hours and 37 minutes. Yet, for those days, [REDACTED] claimed on [REDACTED] time and attendance records that [REDACTED] worked a full 8 hours. When reviewing each telework day from January 2019 to February 2020, we discovered that a total of 66 hours of time was unaccounted for. Given the evidence that [REDACTED] conducted manufactured spending activities on other telework days, [REDACTED] was not logged-on to [REDACTED] computer for the hours [REDACTED] claimed on [REDACTED] telework days, and [REDACTED] did not request leave for the hours [REDACTED] was not logged-on, it is reasonable to conclude [REDACTED] conducted manufactured spending activities during those 66 hours. [REDACTED]'s 66 hours of absences without leave represents an additional salary loss of \$3,812.15 to PBGC.

We have reasonable grounds to believe [REDACTED] violated the directives and statutes identified in Appendix I.

Details of Investigation

Time and Attendance Evidence for [REDACTED]'s February 5, 2020 Telework Day

On February 5, 2020, a PBGC-OIG investigator surveilled [REDACTED]'s residential address. (Attachment 1) The surveillance was to confirm [REDACTED]'s location and document [REDACTED] whereabouts during [REDACTED] designated telework day (the first Wednesday of each pay period). The surveillance revealed that [REDACTED] was not at [REDACTED] residence from 0726 to 1246 (5 hours and 20 minutes). Instead, [REDACTED] was seen traveling to and from a number of retail and financial establishments during that time. From 0803 to 1022

hours, [REDACTED] was witnessed at three (b)(4) grocery stores, one (b)(4) grocery store, one (b)(4) grocery store, one (b)(4) store, and one (b)(4) location. These businesses are located across Fairfax County and Prince William County, Virginia.

PBGC-OIG reviewed the log-on/log-off data for [REDACTED]'s PBGC-issued computer for February 5, 2020. We found [REDACTED] logged into [REDACTED] computer at 1255 and logged off at 1429. In sum, [REDACTED] computer was in use for 1 hour and 34 minutes. PBGC-OIG also analyzed [REDACTED]'s time and attendance report for February 5. (Attachment 2) The report revealed that [REDACTED] certified he teleworked 8 hours that day.

Time and Attendance Evidence for [REDACTED]'s February 19, 2020 Telework Day

On February 19, 2020, a PBGC-OIG investigator conducted a second surveillance operation at the residential address for [REDACTED]. (Attachment 3) February 19 was another of [REDACTED]'s regularly scheduled telework days. The surveillance operation revealed that from 0727 to 1245 (5 hours and 18 minutes) [REDACTED] was not teleworking at [REDACTED] residence. Instead, during that time, [REDACTED] was witnessed at 12 retail establishments, 2 credit unions, and 1 residential location across Fairfax County and Prince William County, Virginia.

After the February 19 surveillance, [REDACTED] told OIG during our interview of [REDACTED] that [REDACTED] believed had been followed by a law enforcement officer on the 19th. Prior to [REDACTED] 5 hour and 18 minute absence from work, [REDACTED] had not requested leave for that time. It was not until the next day, February 20, after [REDACTED] believed someone from law enforcement had seen [REDACTED] not teleworking, that [REDACTED] requested 6 hours annual leave for February 19. In addition, [REDACTED]'s time and attendance records show that February 19 was the only telework day since January 2019 that [REDACTED] requested leave.

Time and Attendance Evidence for [REDACTED]'s Other Telework Days

PBGC-OIG reviewed [REDACTED]'s log-on/log-off data provided by the Information Technology Infrastructure Operations Department (ITIOD). The data included [REDACTED]'s log-on and log-off times for [REDACTED] PBGC-issued computer on [REDACTED] telework days from January 22, 2019 to March 26, 2020. (Attachment 4) We found that on [REDACTED] one scheduled telework day per pay period, [REDACTED] logged in to [REDACTED] computer an average of 5 hours and 37 minutes. Similarly, the surveillance operations of [REDACTED] revealed that [REDACTED] was away from [REDACTED] residence for 5 hours and 20 minutes on [REDACTED] February 5 telework day, and 5 hours and 18 minutes on [REDACTED] February 19 telework day.

Additionally, there are five other days (April 3, 2019, October 31, 2019, November 27, 2019, December 31, 2019, and January 2, 2020) where [REDACTED] certified [REDACTED] was in telework status; however, the computer data indicated [REDACTED] did not log onto his PBGC computer on those days. [REDACTED] claimed a total of 34 hours of official PBGC time on [REDACTED] time and attendance records for those days. (April 3, 2019: 8 hours; October 31, 2019: 8 hours; November 27, 2019: 7 hours; December 31, 2019: 9 hours; and January 2, 2020: 2 hours).

Evidence Regarding [REDACTED]'s Personal Use of Mass Transit Benefits

On January 30, 2020, PBGC-OIG obtained [REDACTED]'s 2019 and 2020 PBGC Employee Mass Transit Benefit (EMTB) program applications. (**Attachments 5 and 6**) On them, [REDACTED] certified that, in 2019, [REDACTED] commute to and from PBGC headquarters cost \$265 per month and, in 2020, \$270 per month. [REDACTED] also certified that [REDACTED] commute was by way of mass transit, using a combination of Washington Metropolitan Area Transit Authority (WMATA) Metrobus and Metrorail.

The EMTB program is a pre-tax benefit PBGC provides to employees for all or a portion of their mass transit commuting costs within the limits set under the Internal Revenue Code. Currently, the statutory limit for this benefit is \$270 (under the IRS Revenue Procedure 2018-57.18). These benefits are applicable only for commuting to and from work; they are not available for weekend or personal use.

On February 25, 2020, PBGC-OIG received [REDACTED]'s Metro transit records from WMATA-OIG. (**Attachment 7**) The records show that from January 22, 2019 to February 24, 2020, [REDACTED] used approximately \$999.15 in PBGC transit benefits for 303 Metro trips, on 153 workdays, during [REDACTED] regular duty hours. Those trips ranged from 30 minutes to 4 hours between McPherson Square Station and Gallery Place/Chinatown (97 trips), Court House (17 trips), L'Enfant Plaza (10 trips), Rosslyn (9 trips), Crystal City (4 trips), Union Station (2 trips), Dupont Circle (1 trip), Eastern Market (1 trip), and Capitol South (1 trip). The 303 Metro trips occurred during times (totaling 106 hours) when [REDACTED] certified on [REDACTED] time and attendance record [REDACTED] was on PBGC duty. PBGC paid [REDACTED] approximately \$6,122.55 for the 106 hours [REDACTED] claimed [REDACTED] worked but was riding Metro and conducting personal business. During our interview of [REDACTED] described below, [REDACTED] did not dispute the accuracy of the above information.

OIG Interview of [REDACTED] – July 20, 2020

On July 20, 2020, PBGC-OIG conducted a teleconference interview with [REDACTED]. (**Attachment 8**) The interview was conducted via video due to the COVID-19 pandemic.

█████ stated that █████ had a “general idea” as to why PBGC-OIG requested to speak with █████. █████ said █████ assumed the reason for the meeting was because █████ thought █████ was under investigation by the U.S. Postal Service OIG for █████ manufactured spending activities.

- *How and why █████ conducts manufactured spending*

█████ was asked by investigators to describe █████ manufactured spending. █████ explained █████ started this “hobby” in 2013, and it entailed buying gift cards (loaded with money) with credit cards that offer rewards of airline mileage or cash back. █████ then “cycles” the gift cards by buying money orders with them and using the money orders to pay off the credit card that █████ used to buy the gift cards. █████ explained that manufactured spending is a way of getting free air miles and cash back. █████ said █████ engages in manufactured spending for the airline miles because, as the only child of elderly parents, █████ needs to fly to █████ to take care of them. █████ said █████ also engages in manufactured spending because it provides █████ and █████, who are expecting a child, with supplemental income.

- *█████ profits from manufactured spending*

█████ said that █████ has conducted millions of dollars of manufactured spending transactions over the last five years. █████ told investigators that each year █████ has profited appropriately \$20,000 to \$30,000 in cash back rewards and gained 2-3 roundtrips from airfare rewards. █████ said splits his reward profits “50/50” between airfare miles and cash back rewards.

- *█████ process for manufactured spending*

█████ explained that each manufactured spending transaction (buying a large amount of gift cards from a grocery store, then buying money orders with those cards) takes about 15 minutes. █████ explained that at the Post Office █████ would purchase up to \$24,000 in money orders with the gift cards. █████ purchased the money orders in \$1000 increments, totaling 24 transactions. █████ noted that a Post Office money order is capped at \$1000.) █████ said that when █████ was working at PBGC headquarters, there were occasions when █████ would go to the Post Office, located at the Courthouse Metro stop in Arlington on his one-hour lunch break. According to █████, this trip took approximately 15 minutes on the Metro from PBGC headquarters. There, █████ explained, █████ would conduct a 15 minute money order transaction and take a 15 minute Metro ride back to the McPherson Square Metro station where PBGC headquarters is located.

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██████████ specified that ██████████ manufactured spending is “seasonal,” meaning a financial institution will “open up” during a certain time to allow for large amounts of money order purchases with gift cards. ██████████ added that “you have to strike it while it’s hot” before the institution changes its policy on using gift cards to purchase money orders.

██████████ told investigators ██████████ usually conducts manufactured spending by ██████████, but sometimes ██████████ spouse assists ██████████. ██████████ initially stated ██████████ conducts manufactured spending activities, on average, 2 to 3 times per week, for 2 to 3 hours per day, with a maximum of 4 hours per day on the weekend.

- ██████████ *description of his workday*

██████████ was asked to describe the times ██████████ arrives and departs PBGC headquarters on a typical workday. ██████████ stated that ██████████ arrives at the office around 0600 and leaves around 1530. Sometimes ██████████ leaves later – around 1600 to 1700. ██████████ said ██████████ has been on a “flex” work schedule since 2015 and, per pay period, ██████████ works 9 hours per day for 8 days, 8 hours per day on ██████████ designated telework day (normally Wednesday), and the other Wednesday in the pay period is ██████████ day off in ██████████ flex schedule.

When working at PBGC headquarters, ██████████ said ██████████ normally takes a one-hour lunch break at around 1030. ██████████ explained that if he took a longer lunch he would “make up the time somewhere else” by, for example, staying late, doing extra work on his way home, or coming into work early (around 0530) the next day. ██████████ informed investigators that ██████████ needed to make up the work hours in order to “finish his job” and “meet deadlines.”

According to ██████████, on a typical telework day, ██████████ would log-in to his computer around 0600. ██████████ said that sometimes ██████████ would work offline reviewing printed copies of documents and making notations on the documents in a word file. ██████████ also said that, on many occasions, ██████████ used ██████████ personal computer for telework assignments. ██████████ added that ██████████ supervisor authorized ██████████ to do this. (OIG investigators did not confirm this statement with ██████████ supervisor.)

- ██████████ *ultimately conceded ██████████ conducted manufactured spending activities while on duty*

██████████ was asked if ██████████ ever conducted manufactured spending activities while on official PBGC duty. ██████████ first responded, “I don’t recall” and “normally I do it during lunch time.” When asked if ██████████ conducted manufactured spending activities outside of ██████████

lunch hour on PBGC official time, [REDACTED] replied, "I don't recall if I did." [REDACTED] then restated [REDACTED] claim that [REDACTED] conducted manufactured spending only during [REDACTED] one-hour lunch break.

Initially, [REDACTED] would not concede that [REDACTED] did not always perform government work on [REDACTED] telework days. Investigators presented [REDACTED] with data from Wednesday, February 5, 2020 that showed [REDACTED] logged into [REDACTED] PBGC-issued computer for only 1 hour and 34 minutes — [REDACTED] logged-on at 1255 and logged-off at 1429. When asked how [REDACTED] accounted for the remainder of [REDACTED] workday, [REDACTED] said [REDACTED] was "probably doing work prior to logging-in, "such as reviewing and editing hard copies of PBGC policies and pronouncements. When [REDACTED] was presented with the evidence that [REDACTED] was witnessed away from [REDACTED] residence from 0726 to 1246 on February 5, [REDACTED] stated [REDACTED] could not recall where [REDACTED] was during that time. After we informed him that [REDACTED] was witnessed at multiple grocery stores and financial institutions from 0726 to 1246, [REDACTED] conceded, "Yes, it could be me" (at those places).

Investigators then asked [REDACTED] to describe what [REDACTED] did on his telework day of Wednesday, February 19, 2020. [REDACTED] initially responded that [REDACTED] did not recall. When [REDACTED] was informed that [REDACTED] certified that [REDACTED] teleworked for 3 hours and used annual leave for 6 hours, [REDACTED] said that whenever [REDACTED] conducts personal business during a telework day [REDACTED] "tries to alleviate the situation by turning in leave to make up for it." [REDACTED] told investigators that [REDACTED] felt that [REDACTED] needed to "rectify" [REDACTED] time (i.e., request annual leave) for that day because [REDACTED] had conducted personal business during [REDACTED] scheduled work hours.

Investigators, once again, asked [REDACTED] if [REDACTED] conducted personal business, including manufactured spending activities, on official PBGC time. [REDACTED] finally responded, "Yes." [REDACTED] said that [REDACTED] did not think doing so was a "big deal" because, [REDACTED] said, [REDACTED] always completed [REDACTED] assigned work in a timely manner. [REDACTED] then told investigators [REDACTED] had conducted manufactured spending activities on multiple occasions on PBGC time.

- [REDACTED] conceded [REDACTED] used Metro transit benefits for personal reasons

Investigators asked [REDACTED] about [REDACTED] use of the WMATA Metro card associated with [REDACTED] PBGC mass transit benefits. Initially, [REDACTED] was presented with the fact that [REDACTED] certified on [REDACTED] 2019 and 2020 PBGC EMTB applications that [REDACTED] used both Metrobus and Metrorail to get to and from PBGC headquarters. Yet, according to WMATA records, from January 2019 to February 2020, [REDACTED] never rode a Metro bus. [REDACTED] confirmed that [REDACTED] falsely claimed to use Metrobus in order to obtain the maximum monthly mass transit benefits (\$265 in 2019 and \$270 in 2020). According to [REDACTED], [REDACTED] requested the maximum transit benefits to allow [REDACTED] free travel to places other than PBGC headquarters.

██████████ was presented with WMATA data for ██████████ usage of PBGC EMTB funds. The data showed that from January 22, 2019 to February 24, 2020, ██████████ made 303 trips, on 153 workdays, during normal business hours, that ranged from 30 minutes to 4 hours. The stations ██████████ entered and exited and number of trips ██████████ made included: Pentagon City (161), Gallery Place/Chinatown (97), Court House (17), L'Enfant Plaza (10), Rosslyn (9), Crystal City (4), Union Station (2), Dupont Circle (1), Eastern Market (1), and Capitol South (1). ██████████ initially told investigators that "sometimes I took my lunch over at those places ... and also when I come home from work (some of) those places are along the line of Huntington Metro." When told that these trips did not occur after ██████████ workday ended, ██████████ modified ██████████ answer and claimed that ██████████ took all the trips "during lunchtime." OIG investigators told ██████████ that WMATA records showed that not all of ██████████ trips were during lunchtime, and many exceeded the allotted 30 minutes for lunch. For example, WMATA data from January 13, 2020 showed that ██████████ exited the McPherson Square Metro station at 0553, then entered McPherson Square at 0824, traveled to the Courthouse station, then to the Pentagon City station, and finally exited the McPherson Square station again at 1041. ██████████ responded that ██████████ had "no explanation" for why ██████████ used PBGC mass transit benefits for those destinations and at those times. When OIG investigators asked if it was possible that ██████████ used PBGC mass transit funds for personal trips, ██████████ replied, "Yes." ██████████ then claimed that ██████████ did not know the policies of the PBGC EMTB program and thought that ██████████ could use Metro benefits for personal travel.

Ultimately, ██████████ conceded that it was ██████████ practice to leave PBGC headquarters during the workday to travel on the Metro using PBGC-issued Metro transit benefits to conduct personal business, i.e., manufactured spending activities. ██████████ said that ██████████ "always tried to make up" the time by reading work reports and procedures on the Metro. ██████████ said ██████████ thought that if ██████████ did this, the trips "would be okay." ██████████ said ██████████ "didn't know that (taking these trips) would cause an issue."

- ██████████ claimed ██████████ did not know using government time and transit benefits for personal business was wrong

██████████ said ██████████ never received a warning from anyone at PBGC about leaving PBGC headquarters for hours at a time during the workday and using PBGC-issued mass transit funds for personal business. Because ██████████ never received a warning, ██████████ said ██████████ thought "it was okay[.]" ██████████ told investigators, I "was completely unaware that this could cause a real issue" and "completely didn't know the implications of this." ██████████ also said that none of ██████████ supervisors were aware that ██████████ left work and used ██████████ Metro benefits to conduct ██████████ manufactured spending activities. ██████████ also assumed that since

work performance was not affected and completed assigned tasks on time, personal trips would be acceptable to supervisors.

Investigators again presented with the WMATA data that revealed from January 2019 to February 2020, made 303 personal trips, on 153 workdays, during duty hours, that ranged from 30 minutes to 4 hours, to Metro stations where had no official PBGC business. In response, said did not wish to dispute this data; believed it was accurate.

Investigators explained to that signature on 2019 and 2020 EMTB applications constituted certification that understood the policies that encompassed the program, including that benefits were not to be used for personal Metro travel. In response, said that "a lot of times I don't read [the documents]. I just certify." And again contended was not aware could not use PBGC mass transit benefits for personal travel.

also said did not understand the PBGC policy regarding time and attendance and thought could conduct personal activities on government time. explained that was "naïve" and believed that as long as completed work, could use official PBGC time for personal activities.

- claimed is willing to reimburse PBGC for misuse of time and transit benefits

Again, we found that took 303 personal Metro trips from January 2019 to February 2020, at a cost of \$999.15 in PBGC-issued transit benefits. did not contest this amount and stated that would reimburse PBGC for personal Metro travel.

Investigators also explained to that, from January 2019 to February 2020, took 303 personal Metro trips to conduct personal business during 106 hours of official duty; the 106 hours equaled approximately \$6,122 in lost salary to PBGC. said would reimburse PBGC \$6,122.

concluded by saying, "I am willing to make reparations on the mistakes, but I was unaware that those sort of things were going to get me in trouble because, in my mind, I always convinced myself that you're doing your job and it's fine."

- There may be misused time and transit benefits unaccounted for in this report.

All Redactions IAW (b)(6)

█████ initially said █████ misuse of mass transit benefits and government time began around October 2019. However, █████ later told us █████ may have started using █████ PBGC-issued Metro benefits for personal reasons in 2017 when █████ lost █████ own personal Metro card. █████ insisted, █████ made up for some of the duty hours █████ missed by working other times but conceded █████ could not account for them all.

Criminal Referral and Disposition

PBGC-OIG had reasonable grounds to believe █████ violated federal criminal law; specifically, 18 U.S.C. Section 641 (embezzlement of government funds) and 18 U.S.C. Section 1001 (making false statements). On April 27, 2020, we presented this case to the Department of Justice Public Integrity Section and the Fraud Section for criminal prosecution. DOJ declined to prosecute █████.

Conclusion

In sum, █████ conceded █████ has misused government time and transit benefits since at least January 2019. The evidence shows that during that time, █████ spent \$999.15 in federal transit benefits for █████ personal use. The evidence also shows █████ used 106 hours of official PBGC time for personal business. The salary lost to PBGC for the 106 hours totals \$6,122.55. And █████ 66 hours of absences without leave during █████ telework days represents an additional salary loss of \$3,812.15 to PBGC. Finally, because █████ said █████ misuse of mass transit benefits and government time may have begun in 2017, there may be additional hours and transit benefits █████ misused.

APPENDIX

Applicable Directives and Statutes

- PBGC Directive Number: PM 10-01, PBGC Hours of Work and Work Schedules:
 - 8.f.(2) Verifies the accuracy of the time and attendance inputted into the electronic time and attendance system;
 - 8.f.(3) Be present for work or in an approved absence status during applicable core hours;
- PBGC Directive Number: GA 10-10, Transportation Benefit Program
 - 7.a.(6) The transit benefit must not be obtained for the employee's personal use. Employees may not give, sell, or otherwise transfer any benefits derived from the EMTB Program to any other individual.
 - 7.a.(8) Employees must request a benefit amount on the PBGC Form 535, Employee Mass Transit Benefit Application, that reflects only what they will actually use to commute to and from work.
 - 8.a.(2) Employees are responsible for: (a) Following the SmartBenefits® program guidelines and truthfully completing the PBGC Forms 535 and 132 for all subsidies received.
- 5 U.S.C. § 2635.101 Basic obligation of public service.
 - (b)(5) Employees shall put forth honest effort in the performance of their duties.
- 5 U.S.C. § 2635.705 Use of official time.
 - (a) Use of an employee's own time. Unless authorized in accordance with law or regulations to use such time for other purposes, an employee shall use official time in an honest effort to perform official duties.

According to PBGC Directive PM 30-1, Disciplinary and Adverse Actions, Table of Penalties, disciplinary action is recommended for the following administrative offenses:

31. Conduct of Private Business while on duty.

45. Falsification of official documents such as travel reimbursement vouchers, time and attendance forms, etc.

51. Conduct reflecting untrustworthiness or unreliability.

ATTACHMENTS

1. Memorandum of Activity - Surveillance Operation: February 5, 2020
2. WebTA Records – [REDACTED]: December 23, 2018 to March 14, 2020
3. Memorandum of Activity - Surveillance Operation: February 19, 2020
4. ITIOD Report, Logon and Logoff Time - [REDACTED]: January 2, 2019 to March 26, 2020
5. 2019 EMTB Application – [REDACTED]: December 13, 2018
6. 2020 EMTB Application – [REDACTED]: December 5, 2019
7. WMATA data – [REDACTED]: January 22, 2019 to February 24, 2020
8. Memorandum of Interview - [REDACTED]: July 20, 2020