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*"Rummaging in the government's attic"*

Description of document: Copy of the Closing Memorandum and first 15 pages of the final report for 18 closed Department of Commerce Office of Inspector General (OIG) investigations, 2005-2006

Requested date: 17-March-2009

Released date: 01-June-2009

Posted date: 08-October-2012

Source of document: FOIA Officer  
Office of Inspector General  
US Department of Commerce  
1401 Constitution Avenue, NW, Room 7892  
Washington, DC 20230  
Fax: 202.501.7335  
Email: [FOIA@oig.doc.gov](mailto:FOIA@oig.doc.gov)  
[Online FOIA Request Form](#)

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**UNITED STATES DEPARTMENT OF COMMERCE**  
**Office of Inspector General**  
Washington, D.C. 20230

June 1, 2009

This responds to your letter dated March 17, 2009, in which you requested access under the Freedom of Information Act (FOIA) to a copy of the closing memorandum and the first 15 pages of the final report for each of 19 Office of Inspector General (OIG) investigations, and the closing memorandum and entirety of the final report for a 20<sup>th</sup> OIG investigation. As communicated in our March 27, 2009, acknowledgement letter, we have assigned FOIA/OIG # 09-027 to your request.

We e-mailed you on April 15, 2009, explaining that we needed more time to obtain archived documents. You agreed to the extension in your April 18 e-mail response. We have now located all but two of the files from which you requested documents. We searched for, but were unable to find: 06PI33-17868, closed 22-Nov-05 (the 5<sup>th</sup> investigation listed in your request) and 05PI3-17102, closed 30-Nov-05 (the 8<sup>th</sup> investigation listed in your request). The following is your list of files from which you requested documents, with a notation showing our FOIA determination for each document that we determined was responsive to your request and an explanation of each FOIA exemption used:

1. 05PI10-17678, closed 11-Oct-05  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
  - Exemption (b)(7)(C) exempts from disclosure information compiled for law enforcement purposes, the disclosure of which could reasonably be expected to constitute an unwarranted invasion of personal privacy, 5 U.S.C. 552(b)(7)(C).
2. 05PI33-17554, closed 14-Oct-05  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
3. 04HM10-16964, closed 27-Oct-05  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
4. 04PI33-16988, closed 15-Nov-05  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTIONS (b)(5) and (b)(7)(C)**
  - Exemption (b)(5) exempts from disclosure inter-agency and intra-agency information that is predecisional and deliberative in nature, 5 U.S.C. 552(b)(5).

5. 06PI33-17868, closed 22-Nov-05  
**SEARCHED FOR, BUT WERE UNABLE TO LOCATE**
6. 03DN3-16207, closed 30-Nov-05  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
7. 05DN27-17382, closed 30-Nov-05  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C) AND  
ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTIONS (b)(5) AND  
(b)(7)(C)**
8. 05PI33-17102, closed 30-Nov-05  
**SEARCHED FOR, BUT WERE UNABLE TO LOCATE**
9. 04DN16-16514, closed 15-Dec-05  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
10. 05PI10-17914, closed 15-Dec-05  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
11. 04WA10-16545, closed 20-Dec-05  
**TWO PAGES PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
12. 04WA33-16925, closed 20-Dec-05  
**TWO PAGES PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
13. 01VA3-14561, closed 21-Feb-06  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
14. 03WA37-16449, closed 22-May-06  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTIONS (b)(5) and  
(b)(7)(C), AND ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTIONS  
(b)(5), (b)(7)(C) AND (b)(7)(E)**
  - Exemption (b)(7)(E) exempts from disclosure all law enforcement information that would disclose techniques and procedures for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, 5 U.S.C. 552(b)(7)(E).
15. 05PI33-17125, closed 21-Feb-06  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
16. 03WA10-15898, closed 31-Jul-06  
**TWO PAGES PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**

17. 03SS27-15932, closed 18-Oct-06  
**TWELVE PAGES PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
18. 02VA16-15076, closed 31-Oct-06  
**ONE PAGE PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
19. 02WA33-15007, closed 12-Dec-06  
**TWO PAGES PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**
20. 03WA10-15803, closed 18-Oct-06  
**SIXTEEN PAGES PARTIALLY WITHHELD UNDER EXEMPTION (b)(7)(C)**

Your administrative appeal rights are explained in Appendix A, should you wish to request a review of this response. If you have any questions, please call Mary Offerdahl of my staff at (202) 482-0242.

Sincerely,

A handwritten signature in black ink, appearing to read 'Terie Schlee', with a large, stylized initial 'T'.

Terie Schlee  
Acting Counsel to the Inspector General

Enclosures

## APPENDIX A

### ADMINISTRATIVE APPEAL RIGHTS

The Freedom of Information Act (FOIA) accords you the right to appeal a denial or partial denial of your FOIA request. An appeal must be received within 30 calendar days of the date of the initial determination letter denying or partially denying your FOIA request.

Your appeal must contain the following information:

- your name and address
- a copy of your initial request to us
- a copy of the letter denying your request
- the reason you believe that such records or information should be made available to you
- the reason you believe that our withholding was in error

You may send your appeal by mail, e-mail, or fax to:

The Assistant General Counsel for Administration  
U.S. Department of Commerce  
1401 Constitution Avenue, NW, Room 5898-C  
Washington, DC 20230  
E-mail: [FOIAAppeals@doc.gov](mailto:FOIAAppeals@doc.gov)  
Fax: (202) 482-2552

Your appeal (including e-mail and fax submissions) is not complete without the required information. The appeal letter, the envelope, the e-mail subject line, or the fax cover sheet should be clearly marked "Freedom of Information Act Appeal."

The e-mail, fax machine, and the Office of the Assistant General Counsel for Administration (Office) are monitored only on working days during normal business hours, 8:30 a.m. to 5:00 p.m., Eastern Time, Monday through Friday. FOIA appeals posted to the e-mail box, fax machine, or Office after normal business hours will be deemed received on the next normal business day.

For your information, the U.S. Department of Commerce's rules implementing the FOIA are published in the Code of Federal Regulations at 15 C.F.R. §§ 4.1 to 4.11.

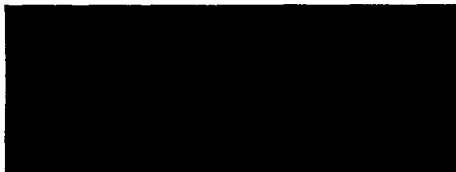
U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## ACTION MEMORANDUM

TO: AIG/DAIGI

FILE NUMBER  
05PI10-17678DATE  
October 7, 2005OFFICE OF ORIGIN  
SSROPREPARING OFFICE  
SSRO

## SUBJECT:

All Redactions Pursuant  
to Exemption (b)(7)(C).National Institute of Science and Technology  
Gaithersburg, Maryland

- C -

This preliminary investigation was initiated on August 29, 2005, based upon receipt of an anonymous hotline complaint alleging that [REDACTED] gave preferential treatment to asbestos abatement companies that employed [REDACTED]. The allegation implied that a possible personal relationship between [REDACTED] and [REDACTED] stifled competition amongst asbestos abatement companies and favored those companies that employed [REDACTED].

This allegation involving [REDACTED] is currently being reviewed under preliminary investigation 05PI27-17527.

Based upon the above, the allegation made in this preliminary investigation will be addressed and resolved within the scope of preliminary 05PI27-17527. No further activity is warranted on this preliminary investigation. It is recommended that this matter closed.

## COPIES MADE:

- 1 - Investigative Services
- 1 - Special Agent

(For Headquarters Use)

05PI10-17678-2

PREPARED BY [REDACTED] Investigator	CLEARED BY Greg Sebben SAC/WFO	CLEARED BY Joan Holland DAIGI	APPROVED BY Lisa Barlow AIGI
Initials & Date [REDACTED] 10/7/05	Initials & Date [REDACTED] 10/7/05	Initials & Date [REDACTED] 10/11/05	Initials & Date [REDACTED] 10/11/05

U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL OFFICE OF INVESTIGATIONS		
OCT 11 2005		
SEARCH	SERIAL	FILE

All Redactions Pursuant to  
Exemption (b)(7)(C)

(6-82)

OFFICE OF THE SECRETARY  
FORM SEC 1000

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## ACTION MEMORANDUM

<b>TO:</b> AIGI	<b>FILE NUMBER</b> 05PI33-17554	<b>DATE</b> October 7, 2005
	<b>OFFICE OF ORIGIN</b> Headquarters	<b>PREPARING OFFICE</b> Seattle, WA

**SUBJECT:** Steven Vaughn

-C-

On June 10, 2005, information was received from the Riverside County Sheriff's Department, Riverside, CA, advising [REDACTED], a [REDACTED] was under investigation. In January 2005, the Riverside County Sheriff's Department executed a search warrant on [REDACTED]'s residence. Among the evidence seized was a computer whose data files contained "tons of government seals", a NOAA identification card blank card stock, and other items. The NOAA identification card on the front showed; "NOAA's logo, U.S. Department of Commerce Fire Access, [REDACTED], The Bullseye Group, Expires 12-31-05." The back of this card contained a magnetic strip.

This preliminary investigation established the United States Department of Commerce (DOC) does not issue any type of identification similar to the aforementioned card. The Office of Security/Anti-Terrorism Division received information from the Riverside County Sheriff's Department that [REDACTED] traveled to Thailand and made contact with a former Los Angeles Police Detective providing personnel security and located computer records showing [REDACTED] through Aslyn Communications, sold cell phones to the "National Weather Bureau" in Utah. The Office of Security/Anti-Terrorism Division checked with the Regional Security Offices, the Overseas Security Program for Thailand, and the National Oceanic and Atmospheric Administration's Office of Security. There was no evidence [REDACTED] used the aforementioned fraudulent identification card to obtain access to any DOC or NOAA facility. The National Weather Service did purchase communications equipment from [REDACTED] Aslyn Communications. However, no one reported contact with [REDACTED] or the fraudulent NOAA identification card. There was no evidence [REDACTED] sold fraudulent identification cards. The Riverside County Sheriff's Department will be filing state charges consisting of embezzlement and unauthorized possession of a Los Angeles Police Department badge in December 2005, of which all are unrelated to this identification card.

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. All investigative activities have been documented in the Case Data System. Based upon the above information, it is recommended that this investigation be closed.

**COPIES MADE:**

1 - Investigative Services  
1 - Special Agent

(For Headquarters Use)

<b>PREPARED BY</b> [REDACTED] Special Agent, <b>Initials &amp; Date</b> [REDACTED] 10/07/2005	<b>CLEARED BY</b> Keith W. Teamer SAC, <b>Initials &amp; Date</b> KWT 10/13/05	<b>CLEARED BY</b> Joan Holland DAIGI <b>Initials &amp; Date</b> [Signature] 10/13/05	<b>APPROVED BY</b> Elizabeth Barlow AIGI <b>Initials &amp; Date</b> [Signature] 10/13/05
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05PI33-17554

U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL OFFICE OF INVESTIGATIONS		
OCT 13 2005		
SEARCH	SERIAL	FILE

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
CASE CLOSURE REPORT

TO: DAIG/AIGI

FILE NUMBER

04HM10-16964

DATE

October 24, 2005

OFFICE OF ORIGIN

WFO

PREPARING OFFICE

WFO

SUBJECT:

[REDACTED]  
Import Administration  
International Trade Administration  
Washington, DC  
EMPLOYEE MISCONDUCTAll Redactions Pursuant to  
Exemption (b)(7)(C)

On August 18, 2004, the OIG received information alleging that [REDACTED] violated the Hatch Act when she sent an email from her Government computer to various ITA employees and requested company names and home states to illustrate ITA trade success stories, including "something the Administration can point to when traveling/campaigning." It was reported that the complaint was also sent directly to the Office of Special Counsel (OSC).

In November 2004 OSC was contacted regarding the status of this case. [REDACTED] OSC Attorney, indicated that the case was under review. [REDACTED] was requested to provide any additional or relevant information pertaining to the case as developments warranted. On October 24, 2005, OSC provided a copy of their letter, dated March 7, 2005, which was sent to both the Subject(s) and Complainant(s) in this case. [REDACTED] indicated that DOC/OIG was not part of the official contact list for this notification and, as a result, a copy of the letter was not provided at that time. (Serials 4 and 5)

The preliminary investigation conducted by OSC disclosed insufficient evidence to conclude that [REDACTED] sought this information to engage in partisan political campaigning for President Bush. According to OSC, [REDACTED] reported that she sent the email to collect information with regards to two ITA initiatives that ITA officials would be featuring as they traveled across the country. She claimed that she inadvertently used "campaigning" to describe the DOC promotion of the two initiatives and noted that the term "administration" in her email referred to ITA officials.

OSC also contacted several ITA senior management officials involved in the discussions concerning the request for the trade success stories. It was determined that no other individual used the word "campaigning" or was even aware that [REDACTED] had used that particular term in her original email request. In addition, OSC reviewed numerous documents, including those related to the initiatives and states listed in this particular email message, along with other records relating to the trade success stories. They established that the word "campaigning" was never used. Based upon their review, OSC reported that they were unable to conclude that the request made by [REDACTED] was intended by her to be used for improper or unethical purposes. As a result, their case was closed.

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. All investigative activities have been documented in the Case Data System. Based upon the above information, it is recommended that this investigation be closed.

## COPIES MADE:

- 1 - Investigative Services
- 1 - Special Agent

(For Headquarters Use)

PREPARED BY

CLEARED BY

Greg Sebben  
SAC / WFO

APPROVED BY

Joan Holland  
DAIGI

APPROVED BY

Lisa Barlow  
AIGI

Initials &amp; Date

Initials &amp; Date

GDS  
10/24/05

Initials &amp; Date

JDH  
10/24/05

Initials &amp; Date

ETB  
10/26/05

04HM10-16964-6

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

OCT 27 2005

SEARCH SERIAL FILE



U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
**ACTION MEMORANDUM**

All Redactions Pursuant to  
Exemption (b)(7)(C) Unless  
Otherwise Indicated

TO: AIGI	FILE NUMBER 04PI33-16988	DATE 11/14/2005
	OFFICE OF ORIGIN Seattle, WA	PREPARING OFFICE Seattle, WA

**SUBJECT: American Canadian Fisheries**

-C-

Between September 1, 2004, and March 8, 2005, SA [REDACTED] coordinated with [REDACTED] NOAA Fisheries Enforcement, Bellingham, WA, [REDACTED] to discuss and conduct a preliminary investigation into the possible fraud scheme by the firm American Canadian Fisheries (ACF) to obtain hatchery salmon to sell on the open market. ACF has allegedly operated under a contract to process excess hatchery salmon into food products for the U.S. Department of Justice, Bureau of Prisons (BOP). The fish originate in various hatcheries, which receive NOAA funding. It was alleged ACF has augmented its profits by selling some of the salmon on the open market and possibly selling related products such as salmon roe on the foreign Asian market.

All avenues to discover the contract between ACF and the U.S. Government were exhausted. ACF has operated since the mid-1990's under memorandum of understanding between agencies such as U.S. Fish and Wildlife and BOP. A formal contract was never solicited or undertaken by ACF for the removal and processing of the salmon. ACF also conducts extensive business with the local Indian Tribes throughout the Northwest and commonly accepts a portion of the fish as payment for collection, transport, and processing of salmon for the tribe. On December 28, 2004, Assistant U.S. Attorney [REDACTED] Western District of Washington, FOIA Exemption (b)(5) FOIA Exemption (b)(5)

However, this preliminary investigation did establish the salmon and related products received by ACF does carry a substantial market value for which the U.S. Government was not being compensated. Hatchery managers have been approached by other firms similar to ACF inquiring how they can bid on a U.S. Government contract for the removal of the hatchery salmon. ACF has essentially received a "sweetheart deal" for many years where they are allowed to obtain a product with high market value at no cost.

All allegations have been addressed and all logical leads have been investigated. No further investigative activity is contemplated by this office. It is recommended that this investigation be closed and a referral be made to the DOC/OIG Office of Audits to examine the issue regarding ACF's deal to acquire the salmon related products at no cost.

**COPIES MADE:**

1 - Investigative Services  
1 - Special Agent

(For Headquarters Use)

PREPARED BY [REDACTED] Special Agent	CLEARED BY Keith W. Teamer, SAC	CLEARED BY Joan Holland DAIGI	APPROVED BY Elizabeth Barlow AIGI
Initials & Date [REDACTED] 03-23-05	Initials & Date KWT	Initials & Date JDH 11/18/2005	Initials & Date ETB 11/14/2005

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
CASE CLOSURE REPORT

TO: AIGI

FILE NUMBER

03DN3-16207

DATE

October 14, 2005

OFFICE OF ORIGIN

Hotline

PREPARING OFFICE

Denver Resident Office

## SUBJECT:

MISMANAGEMENT & WASTE DALLAS, TX  
Dallas, TexasAll Redactions Pursuant  
to Exemption (b)(7)(C)

This investigation was initiated on July 24, 2003, based on information received from an anonymous source via the GAO FraudNET website. The complainant alleged that two Senior Field Representatives (SFR) working for the U.S. Department of Commerce (DOC), Bureau of the Census (BOC) in San Antonio, Texas had made false claims for reimbursement related to travel expenses and false time and attendance daily reports (Serial 1).

The allegations were not substantiated. Our investigation disclosed that these allegations were [REDACTED]

Two of these BOC employees were identified as SFR [REDACTED] and SFR [REDACTED]. Two other separate investigations, conducted by a BOC supervisor, revealed that proper procedures had been followed and no evidence was found to support [REDACTED]'s allegations.

Information was obtained from [REDACTED] BOC, Dallas Regional Office, regarding the results of two previous investigations conducted by the BOC [REDACTED] had made [REDACTED]

[REDACTED]. Two separate investigations, conducted by BOC Supervisor [REDACTED] during the spring and summer of 2002, into these complaints revealed proper procedures had been followed and no evidence was found to support [REDACTED]'s allegations. No further action was deemed warranted and the case was closed. [REDACTED] was advised by [REDACTED]

[REDACTED] On May 27, 2003, the anonymous complaint was received by DOC/OIG via the GAO FraudNET website alleging the fraud, waste, and abuse at the BOC Dallas Regional Office (Serial 3).

In March 2004, [REDACTED] DOC, BOC, [REDACTED] met with former DOC/OIG-OI Special Agent [REDACTED] at the BOC, Dallas Regional Office. They discussed the complaint against the SRFs. [REDACTED] obtained certified copies of DOC, Time and Attendance Daily Reports, Census Time and Attendance Daily Worksheets, and Field Employee's Reimbursement Expenses for SFRs [REDACTED] for years 2002 and 2003. A complete and thorough review of these records was conducted relative to the allegations contained in the complaint. It was determined that the number of hours of work reported was substantiated by the work performed by both [REDACTED]. The travel expenses claimed for reimbursement were also determined to be appropriate. [REDACTED] and SA [REDACTED] determined that based on their review, the allegations were without merit (Serial 4).

All allegations have been addressed and all logical leads have been investigated. No further investigative activity is contemplated by this office. It is recommended that this investigation be closed.

## COPIES MADE:

1 - Investigative Services  
1 - Special Agent

(For Headquarters Use)

## PREPARED BY

[REDACTED]  
SA, DRO

## CLEARED BY

Keith Teamer  
SAC, AFO

## APPROVED BY

Joan Holland  
DAIG/I

## APPROVED BY

Elizabeth Barlow  
AIG/I

## Initials &amp; Date

[REDACTED]  
10/14/05

## Initials &amp; Date

KWT  
11/4/05

## Initials &amp; Date

## Initials &amp; Date

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
**ACTION MEMORANDUM**

TO: AIGI

FILE NUMBER

04DN16-16514

DATE

December 05, 2005

OFFICE OF ORIGIN

Hotline

PREPARING OFFICE

Denver Resident Office

## SUBJECT:

MISUSE OF GOVERNMENT FUNDS  
Arlington, Texas

All Redactions Pursuant  
to Exemption (b)(7)(C)

This investigation was initiated on October 29, 2003, based upon information received from Special Agent [REDACTED] U.S. Department of State (DOS), Office of Inspector General (OIG), Office of Investigations (OI), Arlington, Virginia, that the University of Texas at Arlington (UTA) had committed grant improprieties. SA [REDACTED] reported that [REDACTED] Center for Economic Development Research & Service (CEDR&S), School of Urban & Public Affairs, alleged that [REDACTED] a [REDACTED] Center for International Research, Education & Development (CIRE&D), worked on a DOS grant but was paid from an Economic Development Administration (EDA) grant. [REDACTED] reportedly worked on the EDA grant [REDACTED] a [REDACTED] and [REDACTED] of the CEDR&S and CIRE&D.

The allegations were not substantiated. Our investigation, conducted jointly with the DOS/OIG-OI, did not disclose that [REDACTED] was paid from an EDA grant for work performed on a DOS grant. We determined that [REDACTED] worked on a DOS grant and also worked on an EDA grant, and was paid appropriately from both grants. The investigation did not uncover any instances of improprieties regarding DOS and EDA grants; however, some deficiencies were disclosed regarding the administration of EDA grants.

An interview of [REDACTED] was conducted during which Personnel Effort Reports were reviewed and discussed. These reports concerned work done on the EDA grant by [REDACTED]. [REDACTED] certified the reports as being accurate. [REDACTED] stated that [REDACTED] worked on the EDA grant as stated on the reports and worked the hours as reported. (Serial 26). A review of records obtained from [REDACTED] Accounting Services at UTA, disclosed Personnel Effort Reports concerning work done on a DOS grant by [REDACTED]. These reports documented the time periods and amounts charged. These reports were certified by [REDACTED].

This case was discussed with AUSA [REDACTED] of the U.S. Attorney's Office, Fort Worth, Texas, who declined prosecution. A Report of Investigation was prepared in October 2004 and forwarded to Office of Audit for review. OA reviewed the report and advised OI in November 2005 that they have decided not to pursue an audit at this time.

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. Based upon the above findings, we recommend that this case be closed.

## COPIES MADE:

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1 - Special Agent

(For Headquarters Use)

<b>PREPARED BY</b> [REDACTED] SA, DRO	<b>CLEARED BY</b> Keith Teamer SAC, AFO	<b>APPROVED BY</b> Joan Holland DAIG/I	<b>APPROVED BY</b> Elizabeth Barlow AIG/I
<b>Initials &amp; Date</b> [REDACTED] 12/05/05	<b>Initials &amp; Date</b> KWT 12/12/05	<b>Initials &amp; Date</b> JDH 12/14/05	<b>Initials &amp; Date</b> ETB 12/15/05

04DN16-16514

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

DEC 14 2005

SEARCH \_\_\_\_\_ SERIAL \_\_\_\_\_ FILE \_\_\_\_\_

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## ACTION MEMORANDUM

TO: AIGI

FILE NUMBER

05PI10-17914

DATE

October 27, 2005

OFFICE OF ORIGIN

Denver Resident Office

PREPARING OFFICE

Denver Resident Office

## SUBJECT:

## AREA XV REGIONAL PLANNING COMMISSION

[REDACTED]  
US Department of Commerce/Economic Development Administration  
Ottumwa, IAAll Redactions Pursuant to  
Exemption (b)(7)(C)

On October 25, 2005, Office of Investigations (Denver) received an e-mail from [REDACTED], forwarding a message he had received from Economic Development Administration (EDA) [REDACTED]. [REDACTED]'s e-mail included a Des Moines Register newspaper article concerning potential fraud by [REDACTED] of the Area XV Regional Planning Commission (Area XV RPC) (see attachments).

[REDACTED] was contacted by OI. [REDACTED] told the reporting agent that, in approximately August 2005, a former employee who had been fired in July 2005 contacted the Chairman of the Board for Area XV RPC, and stated he had falsified his time sheets at the direction of [REDACTED]. The former employee provided documentation that involved billing hours worked to projects he did not actually work on. [REDACTED] said the work related to services provided to cities in Iowa. The Board conducted an investigation, including an audit, and found no Federal monies missing or unaccounted for. [REDACTED] said the majority of the Federal money that was at risk was from Community Development Block Grants from the U.S. Department of Housing & Urban Development. [REDACTED] said, to his knowledge, no Department of Commerce money has been misappropriated.

[REDACTED] reported that the facts of the case have been communicated to the State of Iowa Attorney General's office, and the Board has authorized a special audit to look particularly at the issues identified as problematic. [REDACTED] stated he would send a copy of the audit report when it is completed.

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated.

## COPIES MADE:

1 - Investigative Services  
1 - Special Agent

(For Headquarters Use)

## PREPARED BY

[REDACTED]  
SA, Denver

## CLEARED BY

Keith Teamer  
SAC

## APPROVED BY

Joan Holland  
DAIGI

## APPROVED BY

Elizabeth Barlow  
AIGI

## Initials &amp; Date

[REDACTED]  
10/27/2005

## Initials &amp; Date

[REDACTED]

## Initials &amp; Date

JDH  
12/8/05

## Initials &amp; Date

ETB  
12/8/05

All Redactions Pursuant to  
Exemption (b)(7)(C)

Case Closure Report - 04WA10-16545

Page 2

██████████ explained that he was the individual who originally ██████████  
██████████ until 2001, when ██████████. He explained that once he ██████████  
██████████ (Serial 6)

On November 20, 2003, ██████████, reported that he had questioned ██████████ about the additional money reported on her Earnings and Leave Statements and W2 forms. He said ██████████'s response was that she does not pay close attention to her financial documents. ██████████ reported that he had no knowledge of ██████████ working overtime hours. ██████████ reported that ██████████'s initial responsibilities were ██████████. However, in 1999 there was a change in her duties and ██████████. ██████████ said he knows ██████████ to be ██████████. According to ██████████, all of ██████████'s work was done in the office and there was no need for her to work overtime. ██████████ also reported that he never observed ██████████ working late; nor did he ever approve overtime for her. (Serial 8 and 9)

The OIG obtained and reviewed T&A records that showed the raw T&A data that was submitted for ██████████ when ██████████, as well as records prepared after ██████████. The records reflected that overtime hours were transmitted for ██████████ during the time ██████████, however, ██████████ overtime hours for ██████████ were not claimed. (Serial 2 and 14)

As a result of discovering the T&A fraud committed by ██████████, the ██████████ made changes to their T&A procedures. Specifically: (1) ██████████; (2) transmission file listings are reviewed by the Division Chiefs and filed with the certified T&A forms; and (3) the Deputy Director has instant access to overtime data and it is reviewed at least monthly. (Serial 15)

On April 14, 2005, ██████████ pleaded guilty to a one-count violation of 18 USC 641 – Theft of Government property. On April 27, 2005, ██████████ submitted a check to the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, for full restitution in the amount of \$105,658.98. Subsequently, on August 3, 2005, ██████████ was sentenced to three years' supervised probation, six months' home detention, and 100 hours of community service per her three-year term of probation. She resigned from her position with NWS, effective ██████████. (See Serials 16, 17, 23, and 24)

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. All *investigative* activities have been documented in the Case Data System. Based upon the above information, it is recommended that this investigation be closed.

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
CASE CLOSURE REPORT

TO: DAIGI/AIGI

FILE NUMBER  
04WA10-16545DATE  
December 15, 2005OFFICE OF ORIGIN  
WFOPREPARING OFFICE  
WFO

## SUBJECT:

[REDACTED]

All Redactions Pursuant to  
Exemption (b)(7)(C)

National Weather Service

## EMPLOYEE MISCONDUCT

On November 3, 2003, the OIG received a complaint alleging that [REDACTED] had been paid over \$30,000 per year for approximately three years for overtime hours that she did not work. Reportedly, time and attendance (T&A) records confirmed this and indicated that [REDACTED] had fraudulently completed and [REDACTED] with overtime hours that she had not worked, for which she was subsequently paid over \$105,000.

[REDACTED] was employed at the NWS [REDACTED] since [REDACTED]. She had been a [REDACTED] since [REDACTED]. For the period of December 1998 until approximately September 20, 2003, [REDACTED] for the [REDACTED]. Her duties included [REDACTED] in her division, including herself, and [REDACTED]. She [REDACTED] From November 2001 until approximately September 20, 2003, [REDACTED] assumed the responsibility of [REDACTED] in addition to her other responsibilities.

On November 3, 2003, [REDACTED] NWS [REDACTED] reported that while conducting a review of the fiscal year 2003 labor-budget for his office, he noticed an exorbitant amount of overtime hours for [REDACTED]. [REDACTED] said he found this to be unusual because her [REDACTED] did not warrant overtime work. After further review, [REDACTED] found that [REDACTED] had been paid and received over \$30,000 per year in overtime for FY 2001, 2002, and 2003 (\$32,326, \$39,013, and \$33,919, respectively). It was determined that supplements or adjustments of an average of 50 to 60 overtime hours had been transmitted for [REDACTED] for each pay period beginning in September 2000. However, the certified T&A records did not disclose that any overtime had been recorded or authorized. (Serial 2)

On November 20, 2003, [REDACTED] provided an affidavit in which she stated that she was the [REDACTED] and that she [REDACTED] admitted that she had never worked overtime hours while working in [REDACTED], yet she was paid for overtime hours. [REDACTED] also admitted that she always [REDACTED]. In her affidavit, [REDACTED] reported that she [REDACTED] since she was [REDACTED] (Serial 4)

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1 - Special Agent

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PREPARED BY [REDACTED] SA / WFO	CLEARED BY Greg Sebben SAC	APPROVED BY Joan Holland DAIGI	APPROVED BY Elizabeth Barlow AIGI
Initials & Date [REDACTED] 12/15/05	Initials & Date GDS 12/15/05	Initials & Date JDH 12/15/05	Initials & Date

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
CASE CLOSURE REPORT

TO: DAIG/AIGI

FILE NUMBER

04WA33-16925

DATE

November 10, 2005

OFFICE OF ORIGIN

WFO

PREPARING OFFICE

WFO

## SUBJECT:

## DEGREES FROM UNACCREDITED SCHOOLS

U.S. Department of Commerce

Washington, DC

SPECIAL INQUIRY

All Redactions Pursuant  
to Exemption (b)(7)(C)

On June 16, 2004, the OIG received information from the Government Accountability Office, Office of Special Investigations, alleging that several Federal employees may have received college degrees from unaccredited schools or universities. Specifically, the allegation named four Department of Commerce employees, [REDACTED], [REDACTED], [REDACTED], and [REDACTED], who appeared to have received college degrees from unaccredited schools. The OIG initiated an investigation to determine whether the degrees were used to obtain positions or promotions within the Government and also if Federal funds were used for payment and/or reimbursement for the courses, or any other expenses, associated with obtaining these degrees.

[REDACTED] GAO/OSI, issued a letter to the DOC IG noting the results of a GAO inquiry conducted for the Senate Committee on Governmental Affairs and the House Committee on Government Reform regarding the use of degrees from unaccredited schools by Federal employees. GAO reviewed personnel files of senior level Federal employees (grade GS-15 and above) at certain Federal agencies to determine whether they contained any unaccredited degrees. GAO also received information directly from several unaccredited schools regarding students who were Federal employees. GAO's review identified the four employees from DOC who appeared to have received degrees from unaccredited schools. There was concern as to whether the degrees were used to obtain positions or promotions within the Government or if Federal funds were used directly or for reimbursement for the expenses associated with obtaining the degrees. (Serial 1)

[REDACTED], NOAA, Silver Spring, Maryland, began her Government career in [REDACTED]. A review of [REDACTED] Official Personnel File (OPF) did not disclose that she had received a degree from [REDACTED]. However, [REDACTED] reported to the OIG that she had enrolled in a degree program at [REDACTED] but never completed any course work. Specifically, [REDACTED] said she was accepted into the Bachelor of Science in Management Degree Program in [REDACTED]. [REDACTED] explained that she was required to take five courses and she could "challenge by examination" nine courses and receive "experiential learning credit" for the remaining five courses. [REDACTED] reported that she first enrolled in [REDACTED] to complete her undergraduate studies to enhance her competitive position within NOAA since they were undergoing a Reduction in Force (RIF) at the time. [REDACTED] noted that she provided her supervisor with the information pertaining to the courses she wanted to take; however, she did not disclose that she intended to complete a Bachelor's Degree in Business Management because she understood that the Government did not pay for employees to receive degrees. NOAA approved the request and paid \$2,675, in advance, for the course work in [REDACTED] without requiring proof of completion. (Serials 4, 7 and 8)

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1 - Special Agent

(For Headquarters Use)

## PREPARED BY

SA / WFO

## CLEARED BY

Greg Sebben  
SAC

## APPROVED BY

Joan Holland  
DAIGI

## APPROVED BY

Elizabeth Barlow  
AIGI

## Initials &amp; Date

11/10/05

## Initials &amp; Date

GDS  
11/16/05

## Initials &amp; Date

JDH  
11/17/05

## Initials &amp; Date

ETB  
12/19/05

04WA33-16925-26

U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL OFFICE OF INVESTIGATIONS		
DEC 9 0 2005		
SEARCH	SERIAL	FILE

██████████ National Weather Service, NOAA, Silver Spring, Maryland, began working for the Government in ██████████. A review of ██████████ OPF did not disclose the he received a degree from ██████████. However, ██████████ reported to the OIG that he began a doctorate program in General Engineering at ██████████ in ██████████ but he never completed the program due to both personal and professional issues. ██████████ stated that he paid approximately \$4,000 in advance for all the required coursework and related expenses using personal funds; he also noted that all coursework was completed on his personal time. ██████████ further stated that the Government neither paid for nor reimbursed any part of his tuition at ██████████. He acknowledged that had he paid for the courses individually, he might have sought reimbursement from the Government. (Serials 3 and 5)

██████████ began his Federal government career in ██████████ and retired in ██████████. His last position was with the Bureau of the Census, Suitland, Maryland, as a ██████████. Although a review of ██████████'s OPF did not disclose he received a degree from ██████████, ██████████ reported that he had enrolled in a Ph.D. program at ██████████, which was four years after he retired from DOC in ██████████. Specifically, ██████████ reported that after he retired from the Bureau of the Census he began coursework at ██████████ and received a Ph.D in Computer Science in June 2004 after the completion and acceptance of his 157-page dissertation. ██████████ stated he used personal funds to pay for all the coursework and related expenses and provided copies of a payment schedule that listed 11 payment installments, beginning ██████████ and ending ██████████, totaling \$5,600. (Serials 9 and 10)

██████████, former ██████████, Northwest Fisheries Science Center (NFSC), NOAA, Seattle, Washington, has been employed as ██████████ with the ██████████ in ██████████, Washington, since ██████████. ██████████'s OPF disclosed that he claimed to have obtained a Master's Degree from ██████████ on a job application with the ██████████; however, no transcripts from ██████████ or other documentation were found in the file. ██████████ reported on an application and Personnel Data Questionnaire for the position at the ██████████ that he had obtained a Master's Degree in Safety Engineering from ██████████ in ██████████. ██████████ was employed as a ██████████ at the Northwest Fisheries Science Center (NFSC), NOAA, from ██████████ until ██████████. (Serial 11)

██████████ stated that he obtained a degree from ██████████ while he worked at ██████████ and that the Government funds were used to pay for the degree. ██████████ said he and his supervisor at the time, ██████████ NFSC/NOAA, discussed his desire to obtain a Master's degree and they both determined that this type of a training program would serve as professional development for ██████████. Therefore, it was approved that NOAA would pay the tuition. ██████████ explained that he paid for the courses at ██████████ with the ██████████ credit card that he was issued since he managed ██████████. (Serials 17 and 18)

██████████ advised that he enrolled in the Master's degree program at ██████████ and completed the program ██████████. He claimed that he completed the coursework on his personal time. ██████████ further advised that he did not receive any benefits due to his degree from ██████████. Although he admitted he had received a promotion to a ██████████ while employed at NFSC, ██████████ contended that it was based solely on increased duties. He understood that his Master's degree did not give him any advantage when he was hired by ██████████. ██████████ also reported that he never received any monetary awards as a result of his Master's degree. (Serial 17 and 18)

██████████ confirmed that he was aware ██████████ attended ██████████. ██████████ said also he proctored exams for ██████████. ██████████ stated that he did not know ██████████ was an unaccredited university. He added that ██████████ attended ██████████ because he could take the classes on his own time while still working at NFSC. (Serial 12)

██████████ said ██████████'s Master's degree was not a basis for employment or used as justification for selection for his position at ██████████. (Serial 20)

All allegations have been addressed and all logical leads have been investigated. No further investigative activity is contemplated at this time. All investigative activities have been documented in the Case Data System. Based upon the above information, it is recommended that this investigation be closed.



U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
**CASE CLOSURE REPORT**

TO: DAIGI/AIGI	FILE NUMBER 01VA3-14561	DATE February 13, 2006
	OFFICE OF ORIGIN AVRO	PREPARING OFFICE AVRO

**SUBJECT:**

(b) (7)(C)

All redactions pursuant to (b)(7)(C)

(b) (7)(C) – Media Direct LLC  
New Orleans, Louisiana  
U.S. Census Bureau

On August 8, 2001, the OIG received information from (b) (7)(C) (b) (7)(C) alleging that (b) (7)(C) Media Direct LLC (Media), used a fictitious Census (CEN) contract to obtain \$6 million in funding from BizCapital and Hibernia Bank. (b) (7)(C) reported that BizCapital and Hibernia Bank each provided (b) (7)(C) \$3 million loans based upon a \$15.5 million CEN contract that (b) (7)(C) provided to them as proof that Media had the financial ability to make loan payments. (b) (7)(C) stated that he contacted CEN to determine if Media had a Government contract with them. According to (b) (7)(C) CEN Acquisition Division advised him that CEN had never entered into a contractual relationship with (b) (7)(C) or Media for any dollar amount.

On August 28, 2001, OIG agents obtained records from Mailboxes Etc., Washington, DC, which confirmed that (b) (7)(C) had been renting a Mailbox Etc. box. The address on the box matched the address indicated on the apparently fictitious CEN documents. (b) (7)(C) CEN Contracting Officer, then informed the OIG that based upon the information maintained in the CEN contracting databases, CEN had never awarded any contracts to either (b) (7)(C) or Media. (b) (7)(C) then verified that all of the documents obtained from (b) (7)(C) as well as the individuals listed as CEN employees, were fictitious. In addition, (b) (7)(C) confirmed that the address "2122 Massachusetts Avenue, Washington, DC," had never been the address of a CEN office, as indicated on the fictitious CEN documents. (Serials 1, 2, 3, 4 and 5)

In September 2001, the FBI initiated a joint investigation with the OIG involving (b) (7)(C). At that time, the case was accepted for prosecution by the U.S. Attorney's Office in both the Eastern and Middle Districts of Louisiana. In addition, all relevant documentation obtained and collected by the OIG was forwarded to the FBI and the case was monitored by the OIG in the event any additional investigative leads were necessary or requested by the U.S. Department of Justice. (b) (7)(C) entered into discussions of potential plea negotiations which continued for an extensive period of time. (Serials 6, 7, and 8)

On February 2, 2005, the Eastern District of Louisiana filed a criminal information (felony) against (b) (7)(C) for violation of 18 USC 1344 "Bank Fraud" and 18 USC 371 "Conspiracy to Commit Bank Fraud." On April 21, 2005, (b) (7)(C) pleaded guilty to all charges. On November 29, 2005, he was sentenced to 12 months and one day of incarceration and was ordered to pay restitution in the amount of \$6,775,344 (\$3,300,820 to BizCapital and \$3,474,524 to Hibernia Bank). (Serials 10, 11, 12, and 13)

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. All investigative activities have been documented in the Case Data System. Based upon the above information, it is recommended that this investigation be closed.

<b>COPIES MADE:</b>				(For Headquarters Use)
1 - Investigative Services				<div align="center"> <p>01VA3-14561-17</p> <p>U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL OFFICE OF INVESTIGATIONS</p> <p><b>FEB 21 2006</b></p> <p>SEARCH SERIAL FILE</p> </div>
1 - Special Agent				
<b>PREPARED BY</b>	<b>CLEARED BY</b>	<b>APPROVED BY</b>	<b>APPROVED BY</b>	
(b) (7)(C) (b) (7) AVRO	Greg Gebben SAC / WFO	Jean Holland DAIGI	Lisa Barlow AIGI	
<b>Initials &amp; Date</b>	<b>Initials &amp; Date</b>	<b>Initials &amp; Date</b>	<b>Initials &amp; Date</b>	
(b) (7)(C) 02/13/06	QDS 02/14/06	IDH 2/15/2006	ETB 2/15/06	

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
CASE CLOSURE REPORT

TO: AIGI

FILE NUMBER  
03 WA37-16449DATE  
May 9, 2006OFFICE OF ORIGIN  
HeadquartersPREPARING OFFICE  
Headquarters

## SUBJECT:

[REDACTED]  
National Oceanic & Atmospheric Administration  
National Ocean Service  
[REDACTED]

Silver Spring, MD

All Redactions  
Pursuant to  
Exemption (b)(7)(C)  
Unless Otherwise  
Indicated

On July 24, 2003, the OIG received an allegation that [REDACTED] had misused his Government computer to access the Internet and search for, view, and download adult pornography. The allegation also stated that some of the files contained possible child pornographic images. [REDACTED] admitted downloading adult pornography to his supervisors, [REDACTED] and [REDACTED]. NOAA Information Technology security incident reporting form for incident #3369 identified 40 MP3 files; Kazza was detected and some of the activity included what appeared to be pornographic videos. (Serial 1)

An investigation was initiated to determine if [REDACTED] knowingly possessed files containing visual depictions of pre-pubescent children as defined in Title 18, U.S.C. §2256(2).

[REDACTED] was employed by the NOAA [REDACTED] Silver Spring, MD, as [REDACTED] until his resignation in [REDACTED].

[REDACTED] was assigned one government computer. The hard drive contained within the computer was seized as evidence and secured pending computer forensic media analysis. The computer contained one Seagate hard drive Model ST340810A, Serial Number: 5FBOBLPM. The hard drive was removed from [REDACTED]'s computer by the IT helpdesk and provided to [REDACTED], who provided it to Special Agents [REDACTED] and [REDACTED].

In a sworn statement provided to SA [REDACTED] and SA [REDACTED] on October 30, 2003, [REDACTED] admitted to downloading adult pornography on his government computer approximately two times per day since 1999. [REDACTED] stated that he enjoyed viewing a variety of pornographic sites and was not trying to target any specific pornographic area. [REDACTED] admitted in a sworn statement that some of the material he viewed included child pornography but that was not the focus of his interest. [REDACTED] stated that the child pornography was viewed merely out of curiosity. (Serial 2)

On March 16, 2004, [REDACTED] was issued a letter of proposed indefinite suspension without pay and provided a right to reply. [REDACTED] hired an attorney, and NOAA and [REDACTED] agreed to a settlement. **FOIA Exemption (b) (5)**

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PREPARED BY [REDACTED]	CLEARED BY David Heil SAC	APPROVED BY DAIGI	APPROVED BY Elizabeth Barlow AIGI
Initials & Date [REDACTED] 05/11/06	Initials & Date dmh 05/11/06	Initials & Date	Initials & Date ETB 5/18/06

FOIA Exemption (b) (5)

(Serial 5)

Computer forensic analysis was delegated to the Treasury Inspector General for Tax Administration Computer Forensic Lab (TIGTA-CFU) due to a shortage of computer forensic examiners at Commerce OIG. The computer forensic report provided by TIGTA-CFU did not disclose whether a full forensic review was conducted of the subject hard drive; it merely displayed a list containing titles of files that contained adult pornography and two teen nudity sites. Since the forensic review was incomplete, Computer Forensic Investigator [REDACTED] performed a second forensic analysis.

During the period April 17-26, 2006, a second computer forensic media analysis of the hard drive was performed. The analysis disclosed that a user of the computer with the user ID of [REDACTED] did view and/or download various forms of pornography on his government computer, as follows:

- 1). Adult pornographic images and movies;
- 2). Teen pictures (the user ID of [REDACTED] did view what appears to be older teens nude, but they were not in sexually explicit positions and did not meet the guidelines of Title 18 §2256(2));
- 3). The (b) (7)(C) and (E) [REDACTED] did contain links to various types of pornography, but not child pornography;
- 4). (b) (7)(C) and (E) [REDACTED] did not contain child pornography, only adult pornography and work related files;
- 5). (b) (7)(C) and (E) [REDACTED] contained a listing of adult porn, sports, news, yahoo, music, showgirls, etc., but no child-porn.

The user of [REDACTED] did not have any wiping software installed on his computer to erase his internet activity files. In addition, there were other users that used the computer, to wit, [REDACTED] and [REDACTED]. Review of the other four user profiles disclosed a standard install with no additional activity.

While [REDACTED] stated in his affidavit that he did view child pornography, based on the review of the hard drive, it is obvious that [REDACTED] considered depictions of older teen girls to be child pornography. However, the images found on [REDACTED]'s hard drive do not meet the statutory guidelines for child pornography, as defined in Title 18 USC §2256(2).

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. All investigative activities have been documented in the Case Data System. Based upon the above information, it is recommended that this investigation be closed.

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
**ACTION MEMORANDUM**

TO: AIGI Elizabeth Barlow

FILE NUMBER  
05PI33-17125

DATE  
January 13, 2006

OFFICE OF ORIGIN  
Seattle Resident Office

PREPARING OFFICE  
Seattle Resident Office

**SUBJECT:**

State of Oregon  
Oregon Watershed Enhancement Board (OWEB)  
Salem, Oregon

All Redactions Pursuant  
to Exemption (b)(7)(C)

-C-

On October 18, 2004, SAC Teamer received information from [REDACTED] [REDACTED], Seattle, WA, suggesting that NOAA's appropriation may have been illegally augmented by using grant proceeds to fund a position at the agency. An audit conducted by DOC/OA resulted in the questioning of \$669,269 of a total of \$671,463 claimed in administrative costs, \$568,726 of which was questioned as unsupported. The unsupported costs included personnel costs, fringe benefits, and travel expenses, as well as expenses related to expendable property and other administrative costs. In addition, approximately \$240,000 in unbudgeted costs had not been approved by the grants officer. Of particular note was the possible funding of an administrative support personnel position with grant funds.

This file was maintained in an open status in order to assist OA with a preliminary inquiry into this matter. On January 10, 2006, OA completed its inquiry and concluded the matter did not warrant further action.

It is recommended that this preliminary investigation be closed.

**COPIES MADE:**

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1 - Special Agent

(For Headquarters Use)

PREPARED BY  
[REDACTED]  
Special Agent

CLEARED BY  
Keith W. Teamer  
SAC

CLEARED BY  
Joan Holland  
DAIGI

APPROVED BY  
Elizabeth T. Barlow  
AIGI

Initials & Date  
[REDACTED]  
01/13/06

Initials & Date  
KWT  
1/18/06

Initials & Date  
JDH  
1/20/06

Initials & Date  
ETB  
2/15/06

05PI33-17125-2

U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL OFFICE OF INVESTIGATIONS		
FEB 21 2006		
SEARCH	SERIAL	FILE

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
**CASE CLOSURE REPORT**

TO: DAIG/AIGI

FILE NUMBER  
03WA10-15898DATE  
July 18, 2006OFFICE OF ORIGIN  
WFOPREPARING OFFICE  
WFO**SUBJECT:**National Oceanic and Atmospheric Administration (NOAA)  
Silver Spring, Maryland  
GOVERNMENT PROPERTYAll Redactions  
Pursuant to  
Exemption (b)(7)(C)

On March 4, 2003, the OIG received information from management at the National Ocean Service (NOS), NOAA, regarding possible time and attendance (T&A) fraud. NOS officials advised that internal oversight had disclosed [REDACTED]'s involvement in T&A fraud totaling \$7,500 over a two-year period. It was reported that [REDACTED] had altered the office's hard copy sign-in and sign-out log and its automated computer database in order to receive pay for hours he did not work. [REDACTED] reportedly confessed to NOAA management that he altered the time and defrauded the Government.

[REDACTED] was employed by NOAA for over [REDACTED] years, beginning in [REDACTED], and had worked in [REDACTED] for approximately [REDACTED] years. His responsibilities included preparing source data for [REDACTED] purposes, training new employees, and reviewing the work of other [REDACTED] and contractors. (Serials 2, 3 and 4)

The [REDACTED] used an automated web-based computer system and a manual sign-in/sign-out log for employees to track their time and attendance by entering the time they arrived at and departed from work each day. According to NOAA management, the office maintained both methods so that in the event the automated system malfunctioned, the manual log could serve as a backup. The automated system is maintained on a dedicated workstation, centrally located, where each employee can access it. Time cards are generated from the information in the database and given to the timekeeper for payment. Prior to September 2003, the office used a DOS-Based program. The sign-in/sign-out logbook is also centrally located within the office and easily accessible to all employees. (Serials 2 and 4)

During an unrelated review of the manual logs in August 2002, [REDACTED] s [REDACTED] noticed that [REDACTED]'s sign-in and sign-out times were out of sequence with the rest of the employees. As a result, he began to review the automated database to determine if the times in the database matched the times in the logs. He discovered that the times recorded in the database were different from the times recorded in the manual log, and were different from the times certified by the timekeeper for payment.

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03WA10-15898-19

**PREPARED BY**

SA / WFO

**CLEARED BY**Greg Sebben  
SAC**APPROVED BY**

DAIGI

**APPROVED BY**Elizabeth Barlow  
AIGI**Initials & Date**

7/18/06

**Initials & Date**GDS  
07/27/06**Initials & Date****Initials & Date**ETB  
7/27/06

U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL OFFICE OF INVESTIGATIONS		
JUL 31 2006		
SEARCH	SERIAL	FILE

The [REDACTED] stated that he confronted [REDACTED], who confessed that he had altered his T&A during 2002. However, he did not admit to altering his time for any other years. A review of previous years disclosed that [REDACTED] had also altered his T&A in 1998, 1999, 2000, and 2001, which caused a total loss to the government of \$11,388.27.

(Serial 2)

During the investigation, on two separate occasions, [REDACTED] provided sworn affidavits and admitted that he had altered his T&A records in the computer system to reflect hours that he did not work. In his first affidavit, dated March 24, 2003, [REDACTED] stated that he began making the changes in November 2001. He explained that he altered his T&A forms approximately once or twice per pay period by redirecting the commands and changing his time since it was a "simple d-Based program." (Serial 3)

In his second affidavit, [REDACTED] reiterated that he altered his time once or twice per pay period, beginning in November 2001. However, he said he had only done it for six or seven months, and he limited it to only a half hour in the morning or afternoon. When advised that the fraud value was over \$11,000, [REDACTED] said he did not feel he changed his time to that extent but, whatever the outcome, he was ready to make restitution. [REDACTED] also admitted that he knew what he had done was wrong, apologized, and again offered to make restitution. He said he altered his T&A records because he had not received any promotions or training and he had been removed from the Alternate Work Schedule Program. (Serial 4)

On April 20, 2006, an arrest warrant for [REDACTED] was obtained from the District Court of Maryland for Montgomery County. He was charged with Theft of \$500 or more from January 2001 through September 2002. The arrest warrant was issued based on consultation with the Montgomery County State's Attorney's Office and the Montgomery County Police (Fraud and Computer Crimes Division) in February 2006. Montgomery County officials advised that they would process a theft offense which occurred in Montgomery County provided that it was at least \$500 and OIG agents coordinated with the Montgomery County Police to obtain the warrant. (Serial 7)

On April 21, 2006, [REDACTED] was arrested for theft at his residence in [REDACTED] and later released on his own recognizance. [REDACTED]'s trial was scheduled for June 19, 2006. However, on that day he agreed to plead guilty to Theft of \$500 or more, and was sentenced to 12 months' supervised probation, ordered to pay court costs of \$457.50, and to make full restitution in the amount of \$11,388.27 by January 15, 2007. [REDACTED] had retired from NOAA effective [REDACTED]. (Serials 10, 11, 14, 15, and 16)

[REDACTED] submitted a check to the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, for full restitution in the amount of \$11,388.27, on July 12, 2006. (Serial 17)

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. All investigative activities have been documented in the Case Data System. Based upon the above information, it is recommended that this investigation be closed.

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS  
CASE CLOSURE REPORT

TO: DAIGI/AIGI

FILE NUMBER

03SS27-15932

DATE

September 28, 2006

OFFICE OF ORIGIN

SSRO

PREPARING OFFICE

SSRO

## SUBJECT:

## CONFLICT OF INTEREST ALLEGATIONS

Office of the Secretary

Washington, DC

PROCUREMENT MATTERS

All redactions pursuant to (b)(7)(C)

## ALLEGATIONS

On March 4, 2003, the OIG received an anonymous complaint forwarded from the Government Accountability Office (GAO), which detailed allegations of misconduct on the part of various individuals, particularly former DOC employees of the Office of Acquisition Management (OAM). The complaint alleged that (b)(7)(C) former (b)(7)(C) of OAM (retired), had directed contract awards to Acquisition Solutions Inc. (ASI), Oakton, Virginia, and subsequently received a position with that company after his retirement from DOC. The complaint also made unspecific allegations that the following former DOC employees had conflicts of interest with respect to ASI: (b)(7)(C) (b)(7)(C) (b)(7)(C) (retired), U.S. Patent and Trademark Office, and (b)(7)(C) aka (b)(7)(C), (b)(7)(C) (b)(7)(C) OAM (resigned).

During the course of the investigation, other former DOC procurement and program officials were identified as having obtained employment with ASI after leaving DOC. The following former DOC employees were identified: (b)(7)(C) (b)(7)(C) (b)(7)(C) (retired), National Institute of Standards and Technology; (b)(7)(C) (aka (b)(7)(C)), (b)(7)(C) (retired), Bureau of Export Administration (BEA); and (b)(7)(C) (b)(7)(C) (resigned), OAM.

## SUMMARY

The OIG investigation did not substantiate the allegations that (b)(7)(C) directed contracts to ASI while employed with DOC and then later obtained a position with ASI shortly after his retirement. It was determined that OAM subscribed to an Advisory Service offered by ASI while (b)(7)(C) was OAM. The subscription was purchased through a Blanket Purchase Agreement (BPA) for approximately \$24,500 in July 1998. In addition, OAM awarded a contract to ASI for professional support services, for one year with four option years, in September 2003. The total amount of the contract was approximately \$3,000,000; the first year was valued at approximately \$425,000, and as of September 2006, a total of approximately \$2,400,000 had been spent on the contract. Lastly, OAM awarded a contract to ASI for assistance to develop a business case for the Commerce Information Technologies Solutions (COMMITTS) Program, which was valued at approximately \$40,000; however, OAM reported that the contract file for this award was no longer available for review.

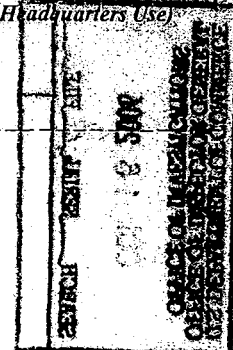
## COPIES MADE:

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PREPARED BY	CLEARED BY	APPROVED BY	APPROVED BY
(b)(7)(C) (b)(7) SSRO	Greg Sebben SAC / WFO	DAIGI	Lisa Barlow AIGI
Initials & Date	Initials & Date	Initials & Date	Initials & Date
(b)(7)(C) 09/28/06	GDS 09/29/06		ETB 10/18/06



There was no evidence that (b)(7)(C) to give preferential treatment to ASI while he was employed as OAM. Furthermore, approximately two months prior to his retirement, (b)(7)(C) submitted a memo that recused himself from any involvement with ASI, along with several other companies with whom he was considering post-government employment. There was also no evidence developed that (b)(7)(C) had any contact in which he represented ASI to DOC/OAM for at least two years after he retired. In addition, there was no evidence established that any of the other former DOC employees had any conflicts of interest with ASI and DOC at any time.

It should be noted that information on recusals and legal advice sought or provided by OGC concerning these individuals was requested from OGC/Ethics Division. In response, OGC provided no information relevant to the allegations and claimed that they did not have any records, with the exception of financial disclosure reports, concerning any of these individuals. However, (b)(7)(C) later provided the OIG with copies of correspondence, legal advice and a recusal, all of which was coordinated with OGC.

### BACKGROUND

ASI is a private company founded by former federal acquisition and procurement professionals to provide research, training, and consulting services to federal agencies. ASI does not contract work with the private sector and only provides its services to the government. It has contracts with many agencies throughout the executive branch, including DOC. The primary service provided is a subscription to an Advisory Service which consists of a Research Institute Helpdesk, Online Library, and Daily Acquisition News.

(b)(7)(C)

In July 2003, the DOC Commerce Acquisition Systems Division (CASD) provided a list from their electronic database regarding DOC contracts awarded to ASI. The list identified a total of two contracts awarded to ASI. One with OAM in the amount of \$15,000, award number SA130101NC0075, which listed (b)(7)(C) as the vendor point of contact; the second with the National Oceanic and Atmospheric Administration (NOAA) in the amount of \$20,000, award number DG133W03NC0370. (Serial 2)

The Office of Business Solutions/OAM was then contacted and they ultimately provided one contract file for review pertaining to ASI. Analysis disclosed that the contract file, number GS35F4952G, was associated with Order for Supplies or Services No. SA130101NC0075. The contract was signed by (b)(7)(C) (b)(7)(C) OAM, in the amount of \$139,000, and was dated September 25, 2001. It was authorized by (b)(7)(C) (b)(7)(C) and provided services for website intellectual maintenance, updates and electronic acquisition systems. (Serial 4)

An additional and subsequent request was made to OAM in order to review any other available contract files and documents concerning to ASI. That review disclosed two different awards under one GSA schedule contract, No. GS35F4952. The first was for a one-year subscription to Acquisition Directions for expert acquisition support. The Delivery Order, No. 43SAAA8A0213, was dated July 14, 1998, in the amount of \$24,500 and signed by (b)(7)(C). The second was for professional support services to OAM. The contract, Order No. SA1301-03-NC-0071, was signed by (b)(7)(C) and dated September 8, 2003, for one year with four follow-on option years. The total value of the contract was \$3,096,432, with the first year valued at \$425,716; to date, the contract has paid out approximately \$2,431,480. (b)(7)(C) was not listed on any of these records. The records for the COMMITS Program contract were requested; however, (b)(7)(C) OAM (b)(7)(C) advised that they were no longer available. (Serials 39 and 40)

(b)(7)(C) retired from his position on (b)(7)(C). He was a re-employed annuitant and was appointed as OAM (b)(7)(C) on (b)(7)(C). (b)(7)(C) had previously retired on (b)(7)(C) as (b)(7)(C) U.S. Department of Treasury. Prior to his employment with Treasury, he was employed as (b)(7)(C) at DOC from (b)(7)(C). (Serial 13)



(b) (7)(C) reported that after his retirement he immediately accepted a position with ASI. He said that while he was employed with OAM, he was contacted by (b) (7)(C) ASI, sometime during 1998 and was sold a subscription to Acquisition Directions, for approximately \$24,000. That subscription was purchased off a GSA Schedule and (b) (7)(C) to make the purchase. (b) (7)(C) also stated that in early 1999 he was tasked by the Deputy Secretary to (b) (7)(C) the COMMITS Program. According to (b) (7)(C) COMMITS would set up a Government Wide Acquisition Contract (GWAC) to assist small information technologies companies in obtaining streamlined government contracts. Government agencies would then pay DOC a fee to purchase through GWAC. In order to accomplish this goal (b) (7)(C) presented a business case to the Office of Management and Budget (OMB) for their approval. (b) (7)(C) knew OAM did not have the staff and expertise to prepare this business plan in a timely fashion so he contacted three outside contractors regarding preparation of the business plan: Jefferson Solutions, ASI, and Kelly Anderson & Associates. (b) (7)(C) noted that ASI was determined to be the most able to provide the product and again he (b) (7)(C) to enter into a contract with ASI for a business plan. (b) (7)(C) believed that the contract was valued at approximately \$40,000. (Serial 34)

(b) (7)(C) explained that he began to research post-retirement employment opportunities in the fall of 1999. He sent an e-mail to OGC/Ethics Division on September 15, 1999, and asked for guidance in the matter. He advised OGC that the firms of interest included Andersen Consulting, Jefferson Solutions, Booze-Allen, and ASI, and that each of these companies had contractual relationships with DOC. (b) (7)(C) claimed that all the decisions made for the award of these contracts were made (b) (7)(C) (b) (7)(C) OGC/Ethics Division, advised (b) (7)(C) on September 17, 1999 (via e-mail), that he would need to stay out of any participation that involved any of these firms. (b) (7)(C) said he provided a copy of his Recusal Memorandum, which he wrote for (b) (7)(C) former (b) (7)(C) on October 12, 1999. (b) (7)(C) indicated in the memorandum that he was seeking employment with the following firms: Andersen Consulting, Computer Sciences Corporation, Booze-Allen, TRW, IBM, ASI, Jefferson Solutions and Kelley-Anderson, and that he would need to recuse himself from any participation with these companies. (Serial 34)

(b) (7)(C) provided a copy of the memorandum that he submitted to (b) (7)(C) on November 3, 1999, requesting post-employment guidance. On December 27, 1999 (b) (7)(C) received a memo from (b) (7)(C) (b) (7)(C), which provided him legal guidance, including that he was permanently barred from representing others before a federal agency in particular matters involving specific parties in which he had participated personally and substantially. He was also advised that for two years he could not make contact with his former agency in matters that were under his responsibility during the last year of his government service. As a former senior official he was also barred for one year from attempting to influence government action with the Office of the Secretary (DOC) and the Economics and Statistics Administration. He also could not accept compensation from a winning contractor within a period of one year after serving as the procurement official for a contract in excess of \$10 million. (Serial 34)

In January 2000, (b) (7)(C) accepted a position with ASI as (b) (7)(C). He asserted that that he stayed away from OAM and had no official contact with employees in that office. However, he acknowledged that he did attempt to sell ASI products to other DOC Bureaus, such as NOAA. (b) (7)(C) also stated that sometime during 2003, ASI entered into a contract with OAM, valued at approximately \$700,000, to assist DOC in purchasing for all DOC Bureaus. He claimed that he did not have any involvement with this contract and stated, "You won't find my fingerprints anywhere on that one." He added that throughout the entire process of considering post-retirement employment opportunities, and his current position with ASI, he has attempted to follow the rules and guidance given to him and he also believed that he has not violated any rules. (Serial 34)

(b) (7)(C) stated that she was not aware (b) (7)(C) had considered employment with ASI before he retired. At that time, ASI had served as a consultant on the COMMITS Program. To the best of her knowledge (b) (7)(C) said that (b) (7)(C) did not work on any of the ASI contracts with DOC. (Serials 12 and 40)

(b) (7)(C) subsequently confirmed that the \$24,500 subscription purchase order from ASI was required to help OAM conduct business. She also confirmed that a competitive contract, valued at approximately \$3,000,000 was used to obtain acquisition support for a total of five years from ASI. She also referenced a third contract, for which she said she no longer had any available documentation, that was a 1999 competitive contract with ASI for a business case development in support of the COMMITTS and GWAC programs. According to (b) (7)(C) OAM was short staffed at the time and lacked the expertise to do the work. (b) (7)(C) added that OAM staff members had in fact seen (b) (7)(C) since his retirement but only in a social sense not related to business. (Serial 40)

(b) (7)(C) OAM (b) (7)(C) confirmed the information provided by (b) (7)(C) and stated that he had both seen and spoken with (b) (7)(C) often after (b) (7)(C) retirement; however, (b) (7)(C) claimed those contacts were social in nature and business was not discussed. He added that (b) (7)(C) was well aware of the post-employment restrictions on representation of ASI to OAM, and noted that (b) (7)(C) was always careful to not even give the appearance of violating any regulations. (Serial 41)

(b) (7)(C) (b) (7)(C) Animal and Plant Health Inspection Service, U.S. Department of Agriculture, was formerly employed as (b) (7)(C) with OAM from (b) (7)(C) (b) (7)(C) stated that he worked for (b) (7)(C) but noted that his immediate supervisor was (b) (7)(C). He said he actually worked for (b) (7)(C) since approximately 1990. He recalled that while he was employed with OAM that office had a subscription to ASI's advisory service, a contract for the development of the COMMITTS program, and a business case for OMB. (b) (7)(C) reported that he was not aware of any improper activity or behavior involving any of those contracts. (b) (7)(C) added that after (b) (7)(C) retired and went to work for ASI, he never saw or heard of him returning to OAM, or DOC, in attempt to generate any business. (Serial 37)

(b) (7)(C) (b) (7)(C) Veterans Administration, explained that from (b) (7)(C) he was employed as (b) (7)(C) at OAM and worked for (b) (7)(C). (b) (7)(C) also confirmed the information provided by (b) (7)(C) concerning the subscription to ASI for advisory services and the two contracts for the COMMITTS program and business case for OMB. (b) (7)(C) said he was not aware of any questionable conduct regarding those contracts. He also noted that after (b) (7)(C) retired and started to work with ASI, he had no knowledge of (b) (7)(C) doing anything illegal or improper. (Serial 38)

Additional interviews were completed with (b) (7)(C) (b) (7)(C) Commerce Acquisition Solutions (CAS), OAM, and (b) (7)(C) (b) (7)(C) CAS/OAM, along with (b) (7)(C) and (b) (7)(C). Each individual reported that they did not have any knowledge or information of any inappropriate or improper activity involving (b) (7)(C). (b) (7)(C) noted that during 2001, (b) (7)(C) came to NIST to market ASI. According to (b) (7)(C) he was selling a consulting services package that dealt with procurement analysis. The package was \$25,000 per year and provided research on specific separate issues. Due to limited funding and staffing levels, it was deemed that the procurement was a good deal for NIST at the time; however, based on (b) (7)(C) recommendation, the service was not renewed the following year. (Serials 17, 29, 30, 31, and 36)

(b) (7)(C)

(b) (7)(C) retired as (b) (7)(C) Office of Procurement, USPTO, on (b) (7)(C). He stated that during November 2000 he began to consider other potential employment options and had initiated his post-employment job search. During that time, he met with either (b) (7)(C) ((b) (7)(C) of ASI) or (b) (7)(C) but could not recall specifically. (b) (7)(C) said he asked if they knew about a company called PEC and was told the company was ASI's primary competitor; they also suggested that if he was interested in that line of work, he should contact (b) (7)(C) (b) (7)(C) of ASI. (b) (7)(C) explained that he contacted (b) (7)(C) and was offered a job and also asked if he could start immediately. Apparently, there was a new contract starting up and ASI was staffing the positions. (Serial 31)

(b) (7)(C) said he immediately tendered his retirement papers and left the government on "Terminal Leave." He claimed he coordinated the entire process with OGC to prevent any potential problems. (b) (7)(C) believed he started terminal leave on approximately the first Friday in December 2000, and then started working for ASI the following Monday. Review of records from his Official Personnel File disclosed an SF-50, Notification of Personnel Action, for voluntary retirement with an approval date of December 26, 2000, and an effective date of (b) (7)(C). The form was signed by (b) (7)(C) (b) (7)(C) as the approving official. (Serials 19 and 31)

It should be noted that a review of the on-line Internet site for the DOC Office of Human Resources Management (OHRM), disclosed the Terminal Leave policy for the department. Specifically, Terminal Leave for the purpose of leaving early for separation or retirement is prohibited. Regardless, based upon his position at PTO, (b)(7)(C) had a two-year post employment restriction. While employed with ASI, (b)(7)(C) said he has completed work with the Department of Education and more recently the Department of Labor. (Serials 19, 31 and 42)

(b)(7)(C) reported that he had worked for (b)(7)(C) at PTO, beginning in 1990. (b)(7)(C) stated that he did not have any knowledge of any improper or questionable behavior on the part of (b)(7)(C). He added that (b)(7)(C) has never promoted ASI products at any time. (Serial 36)

(b)(7)(C), (b)(7)(C) and (b)(7)(C) also reported that they were not aware of any incidents involving (b)(7)(C) that could have been perceived as either improper or unethical. (Serials 12, 17 and 30)

(b)(7)(C)

(b)(7)(C) aka (b)(7)(C) resigned from (b)(7)(C) position as (b)(7)(C) OAM, on (b)(7)(C) stated that (b)(7)(C) began DOC tenure in (b)(7)(C) as a (b)(7)(C) at NIST. In 1999 (b)(7)(C) moved to OAM where (b)(7)(C) remained as (b)(7)(C) until (b)(7)(C) resignation. At the time of (b)(7)(C) resignation (b)(7)(C) had served 20 years with the federal government. (Serials 14 and 30)

(b)(7)(C) explained that (b)(7)(C) had known about ASI through (b)(7)(C) work at OAM and NIST. (b)(7)(C) also knew of ASI through (b)(7)(C) and (b)(7)(C) (aka (b)(7)(C)), both of whom left DOC for positions with ASI. (b)(7)(C) reported that in September 2000, (b)(7)(C) identified a requirement and conceptualized a new course involving ASI. (b)(7)(C) said (b)(7)(C) contacted OGC/Ethics Division and was advised that (b)(7)(C) must remove herself from any dealings with ASI before (b)(7)(C) could approach them with (b)(7)(C) idea and seek part-time employment. (b)(7)(C) stated that (b)(7)(C) did that in the form of a memorandum addressed to (b)(7)(C) boss (b)(7)(C). (b)(7)(C) then worked part time for ASI until (b)(7)(C) resignation, when (b)(7)(C) began to work full time with ASI. Upon (b)(7)(C) resignation (b)(7)(C) was prohibited from working with DOC for one year. (b)(7)(C) said (b)(7)(C) took the job with ASI because (b)(7)(C) lived in Maryland and (b)(7)(C) commute to DC was bad; since ASI was a virtual company, (b)(7)(C) would be able to telecommute. (Serial 30)

(b)(7)(C), (b)(7)(C) and (b)(7)(C) were interviewed and each of them reported that they were not aware of any improper or questionable behavior by (b)(7)(C) at any time, involving ASI. (Serials 12, 17 and 31)

(b)(7)(C)

(b)(7)(C) retired as a (b)(7)(C) with the Acquisition and Logistics Division, NIST, on (b)(7)(C) after over 36 years of Government service. (b)(7)(C) explained that after he retired (b)(7)(C) so he did not work for over a year. When he started back to work he began consulting in the area of procurement; however, (b)(7)(C) stated he never sought or worked for ASI. He currently works on two consulting jobs with the U.S. Government; one with the National Institutes of Health (since March 2004) and a second with the Department of Health and Human Services (since August 2004). (Serials 28 and 29)

(b)(7)(C)

(b)(7)(C) (formerly (b)(7)(C)) retired as (b)(7)(C) BEA, on (b)(7)(C). During all 26 years of (b)(7)(C) federal service (b)(7)(C) served as an (b)(7)(C). From (b)(7)(C) (b)(7)(C) served as (b)(7)(C). In 1996 (b)(7)(C) became (b)(7)(C) National Telecommunications and Information Administration. Finally, in 1999 (b)(7)(C) obtained the last position (b)(7)(C) held with DOC in BEA. (Serial 26)

Upon [redacted] retirement, (b) (7)(C) immediately accepted a position with ASI, where [redacted] is currently employed. (b) (7)(C) stated that [redacted] personally knew all of the (b) (7)(C) of ASI, including (b) (7)(C) and (b) (7)(C) and [redacted] was recruited for ASI by them. [redacted] noted that ASI was the only employment option that [redacted] had prior to retiring and the attraction to [redacted] was the fact that ASI was a virtual company which would have allowed [redacted] to work from home. (Serial 35)

(b) (7)(C) reported that while [redacted] was employed at DOC, [redacted] had no official dealings with ASI and [redacted] was not involved in awarding any contracts while [redacted] served as (b) (7)(C) with the exception of the renewal of an annual subscription service in 1999 for ASI'S Advisory and Publication Service. According to (b) (7)(C) (b) (7)(C) the DOC (b) (7)(C) requested the renewal. The subscription was not "sold" to [redacted] by anyone at ASI because it cost less than \$25,000 and was listed on the GSA schedule. (b) (7)(C) did not request that [redacted] be removed from any dealings with ASI when [redacted] decided to look for employment opportunities because [redacted] did not feel that she had any conflicts and was, essentially, already recused. (Serial 35)

(b) (7)(C) explained that [redacted] started working at ASI as (b) (7)(C) of the Subscription Service. [redacted] said [redacted] had no dealings with DOC employees until two years ago when [redacted] became involved in a DOC "policy project." (b) (7)(C) is currently in charge of that project as the (b) (7)(C) but [redacted] was not involved in marketing it to DOC. (b) (7)(C) provided a copy of the Standard Form 30, which reflected that the contract was worth approximately \$39,000. (Serial 35)

(b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) and (b) (7)(C) reported that they were not aware of any improper or questionable behavior involving (b) (7)(C) and [redacted] employment with ASI. (Serials 12, 17, 29, 30, 31, and 36)

(b) (7)(C)

(b) (7)(C) reported that [redacted] resigned from DOC in December of 2000 after completing 9 years of government service. [redacted] was employed as a (b) (7)(C) with OAM and worked for (b) (7)(C) (b) (7)(C) stated [redacted] left DOC for a position with ASI because they were a virtual company which provided [redacted] the ability to work from [redacted] home and (b) (7)(C) (b) (7)(C) said (b) (7)(C) recruited [redacted] for the position. [redacted] spoke with him several times during 2000 before [redacted] agreed to take the position. (b) (7)(C) started with ASI as the (b) (7)(C) of the Inquiry Service. (Serial 33)

(b) (7)(C) explained that [redacted] only contact with ASI while [redacted] was employed at DOC was to utilize their subscription service. While with OAM, [redacted] said [redacted] had no dealings with ASI employees, products, or any acquisitions or procurements. As a result, (b) (7)(C) said [redacted] did not ask for guidance regarding ethics issues when considering a position with ASI. In addition, since [redacted] employment with ASI, (b) (7)(C) has not had any dealings with DOC concerning the acquisition or procurement of ASI products or services. (Serial 33)

(b) (7)(C) (b) (7)(C) (b) (7)(C) and (b) (7)(C) reported that they were not aware of any improper or questionable activities involving [redacted] and [redacted] employment with ASI. (Serials 17, 29, 30, and 31)

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. All investigative activities have been documented in the Case Data System. Based upon the above information, it is recommended that this investigation be closed.

All redactions pursuant to (b)(7)(C)



OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

REPORT OF INVESTIGATION

CASE TITLE:

CONFLICT OF INTEREST ALLEGATIONS  
Office of Acquisition Management  
Office of the Secretary  
Washington, DC

FILE NUMBER:

03SS16-15932

TYPE OF REPORT

X Interim ☐ Final

BASIS FOR INVESTIGATION

On March 4, 2003, the Office of Inspector General (OIG) received an anonymous complaint, forwarded from the Government Accountability Office (GAO), which set forth allegations of misconduct on the part of various past and present employees of the Department's Office of Acquisition Management (OAM). Among other charges, the complaint alleged that (b)(7)(C) had directed a contract to SAS Institute Inc., Cary, North Carolina, and attributed this action to a purported personal relationship between (b)(7)(C) and an executive with Executive Information Systems, Inc. (EIS), Bethesda, Maryland, an SAS-affiliated company.

SUMMARY OF INVESTIGATION

This is an interim report of investigative findings pertaining to the allegations made against (b)(7)(C). Our investigation disclosed that (b)(7)(C) and (b)(7)(C) an executive of EIS (a GSA-scheduled contract provider of SAS software and services), were involved in a personal relationship during a period of time in which EIS served as a DOC contractor.

(b)(7)(C) stated that he first met (b)(7)(C) in March 2002 and acknowledged that he began dating her sometime before May 2003. After that point, he said he dated her exclusively. (b)(7)(C) reported that she and (b)(7)(C) began dating in the fall of 2003.

Distribution: <input checked="" type="checkbox"/> Bureau/Organization/Agency Management <input checked="" type="checkbox"/> DOJ:    Other (specify):			
Signature of Case Agent: (b)(7)(C)		Date: May 2, 2005	Signature of Approving Official: (b)(7)(C) <i>Gregory D. Sebben</i>
Name/Title: (b)(7)(C) / SSRO		Date: 5/2/05	
		Name/Title: Gregory D. Sebben / Special Agent in Charge / WFO	

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OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

On September 30, 2002, DOC awarded SAS (c/o EIS) a one-year contract, with four one-year options, for SAS software in the amount of \$424,222. [REDACTED] was involved in the pre-award phase of the contract and (b)(7)(C) [REDACTED]

Subsequent modifications increased the total amount of the award to \$938,215. On modifications 0005 and 0008, (b)(7)(C) [REDACTED] on September 29, 2003, and December 31, 2003, respectively; the DOC Contracting Officers were (b)(7)(C) [REDACTED] and (b)(7)(C) [REDACTED]. In addition, between October 2003 and December 2004, EIS received twelve awards from DOC in the total amount of \$737,634.

[REDACTED] admitted that he had not sought advice from the Office of General Counsel (OGC) or filed a formal recusal with respect to EIS, although he had previously done so in another unrelated matter. Instead, [REDACTED] informally advised his immediate staff that he was recusing himself from matters involving EIS. He failed, however, to inform (b)(7)(C) [REDACTED], the DOC Chief Financial Officer, of either his relationship with the EIS official or the informal recusal communicated to his staff.

No information was developed to establish that [REDACTED] relationship with [REDACTED] had a direct effect on the award of the DOC contracts to EIS or SAS. Consequently, since no evidence was developed to substantiate any criminal violations, a referral for prosecutorial consideration was not made to the U.S. Department of Justice. Recommendations for administrative action appear at the conclusion of this report.

## BACKGROUND

EIS is engaged in a six-year partnership agreement with SAS to act as the contractor for SAS customers in the public sector. EIS is a primary reseller of SAS products and services to the government, and offers SAS software licensing, annual maintenance, and professional services for SAS on the GSA schedule. On September 30, 2002, DOC awarded contract number GS35F0175K to EIS to purchase SAS software and accompanying services in the amount of \$424,222 for a one-year period (September 30, 2002, through October 1, 2003). As of May 2004, the contract had undergone 10 contract modifications, which increased the total amount of the award to \$958,215.

## DETAILS OF INVESTIGATION

(b)(7)(C) [REDACTED] has been (b)(7)(C) [REDACTED] since December 2002. In that capacity, he is responsible for (b)(7)(C) [REDACTED] acquisition activity within the Department. (See Exhibit A)

(b)(7)(C) [REDACTED] is a (b)(7)(C) [REDACTED] with EIS, where she has been employed since [REDACTED] (b)(7)(C) [REDACTED] then (b)(7)(C) [REDACTED] OAM, identified [REDACTED] as EIS's representative at DOC. (See Exhibits B and C)

(b)(7)(C) [REDACTED] stated that she met [REDACTED] at an Industry Advisory Council (IAC) meeting in March 2002, and they began dating in the fall of 2003. Although [REDACTED] was directly involved in at least one EIS/DOC contract during 2002 and one contract proposal during 2003, she said that she and [REDACTED] never

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OFFICE OF INVESTIGATIONS

discussed DOC contracts. According to [REDACTED] she dealt with (b)(7)(C) OAM Contracting Officer, on the EIS contract with DOC. (See Exhibit B)

(b)(7)(C) acknowledged that he and [REDACTED] had a personal relationship. [REDACTED] also stated that he and (b)(7)(C) met at an IAC meeting in March 2002. According to [REDACTED] IAC is a non-profit entity that is designed to bring industry and government employees together to increase communication and interaction to help deal with Information Technology issues in the federal government. When [REDACTED] met [REDACTED] in March 2002, he was serving as (b)(7)(C) for IAC's Partners Program. [REDACTED] stated that after their initial meeting, he and [REDACTED] met numerous times through IAC and at other professional events. He reported that he occasionally had breakfast, lunch or drinks after work with [REDACTED] to conduct liaison and discuss items of professional interest, just as he did with many other industry professionals. [REDACTED] stated that he began to date [REDACTED] "sometime before May 2003," but was also dating other women at the time. According to [REDACTED] he personally paid for all of these dates with [REDACTED]. In May 2003, he began seeing [REDACTED] exclusively. Sade did not know why [REDACTED] would have said that their relationship began in the fall of 2003. (See Exhibits A, D and E)

[REDACTED] stated that at the time he entered into an exclusive relationship with [REDACTED] he made (b)(7)(C) (b)(7)(C) (b)(7)(C) OAM, (b)(7)(C) and other (b)(7)(C) employees aware of his relationship with [REDACTED] and [REDACTED] to exclude him from matters dealing with EIS. According to (b)(7)(C) once his relationship with [REDACTED] became serious, he was not involved in specific situations that dealt with the commitment of funds to either SAS or EIS. However, [REDACTED] staff continued to brief him on the program status of EIS and all of the other contractors so that he could brief his superiors on "how the programs were progressing and affected the strategic picture." He admitted that he did not advise (b)(7)(C) [REDACTED] of his relationship with [REDACTED] or of his need to be excluded from official dealings with EIS. In (b)(7)(C) opinion, his relationship with [REDACTED] did not meet the requirements for a "covered relationship" under the Standards of Conduct. (See Exhibits A and D)

A review of records maintained by the Office of General Counsel, including Financial Disclosure Statements, disclosed one recusal by [REDACTED] which reflected his disqualification from dealings with RMS Integrated Services, a corporation (b)(7)(C). In addition to the formal notice of recusal, the OGC files contained copies of official notices to [REDACTED] first and second line supervisors notifying them of his disqualification from official dealings with RMS. There was no record of any recusal with respect to EIS or of any request for advice regarding possible ethical implications arising from his relationship with [REDACTED]. (See Exhibit F)

When asked why he did not formally recuse himself in writing from business dealings with EIS or SAS, [REDACTED] stated that he was not directly involved with funding decisions, and that "by the nature of my job I am typically not involved in any contractual decisions involving the commitment of funds (b)(7)(C) [REDACTED]" In that respect, [REDACTED] cited an instance in which he was contacted by the Department's Director of Human Resources regarding an EIS/SAS contract award for OHRM. According to [REDACTED] he advised the Director that he could not be involved with the procurement and that she would have to work with (b)(7)(C) or [REDACTED] to resolve any questions about it. He stated that he responded similarly to an attorney in the OGC Contract Division in response to an e-mail regarding the same procurement. (See Exhibit D)

OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

(b)(7)(C) stated that she was aware that [REDACTED] had a personal relationship with [REDACTED] and that [REDACTED] was an EIS employee. She said that [REDACTED] had told her and others in the office of his relationship with (b)(7)(C) and consequently they kept him out of the process on issues relating to EIS. (b)(7)(C) recalled that when EIS was bidding on a DOC OHR contract, [REDACTED] specifically directed her to act in his place. She acknowledged, however, that [REDACTED] was briefed on the status of all contractual issues within OAM so that he could, in turn, brief [REDACTED] (See Exhibit G)

(b)(7)(C) stated that DOC and many of its agencies used SAS software, and that EIS was a company that provided training for SAS products. She said that she, as well as everyone in her office, was aware that [REDACTED] had an on-again/off-again personal relationship with [REDACTED]. Because of the relationship, she made sure that her staff was aware that [REDACTED] should be kept out of any matters involving EIS. According to (b)(7)(C), [REDACTED] was (b)(7)(C) [REDACTED] that he had no dealings with contracting processes. She did not know whether [REDACTED] had gone to OGC and formally recused himself from dealings with EIS. (b)(7)(C) noted, however, that [REDACTED] was open about his relationship with [REDACTED] and that the OAM staff made certain that the work of the office was done properly. (See Exhibit C)

[REDACTED] acknowledged that he was involved in the pre-award phase of the EIS/SAS software contract (Contract No. GS35F0175K), [REDACTED]

[REDACTED] In addition, a review of the contract file for the procurement confirmed his personal involvement [REDACTED]. Specifically, a series of e-mails dated during September 2002 document that, after being advised of the response to EIS's briefing questions on life cycle costs, [REDACTED] notified (b)(7)(C) [REDACTED] OAM, as follows: "Thanks for the explanation [REDACTED]. Assuming all concur, based on this information my vote is for SAS." Finally, [REDACTED] admitted that he [REDACTED] (See Exhibits A and H)

Review of contract files also disclosed that [REDACTED] signed two modifications of Contract No. GS35F0175K on behalf of EIS, and drafted a proposal for another contract. Modification 0005, which exercised certain options and increased funding for the award, was signed by [REDACTED] on September 29, 2003, and by (b)(7)(C) [REDACTED] DOC Contracting Officer, on September 30, 2003. As a result of this modification, the total obligated funds for the award increased from \$604,677 to \$745,206. Modification 0008, which increased the total obligated funds from \$874,215 to \$938,215, was signed by [REDACTED] on December 31, 2003, and by [REDACTED] on December 31, 2003. Additionally, [REDACTED] was identified as one of three preparers of an EIS/SAS proposal, dated September 30, 2003, which was submitted to OAM and OHRM in connection with the procurement of a human capital and management tool. According to (b)(7)(C) this solicitation was eventually cancelled by OHRM in favor of procuring a different software methodology. As stated previously, [REDACTED] recalled that [REDACTED] asked her to act in his place for this procurement. (See Exhibits G and I)

A subsequent updated OAM database search identified an additional 11 DOC contracts awarded to EIS between October 2003 and December 2004, for a total amount of \$313,634. The contracts in



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question were awarded by NIST (2), NOAA (5), and PTO (4). Reviews of these contract files disclosed no documented involvement by [REDACTED] or [REDACTED] (See Exhibits I, J, K, L, and M)

RECOMMENDATION

Subpart E of the Standards of Ethical Conduct for Employees of the Executive Branch contains provisions intended to ensure that an employee takes appropriate steps to avoid the appearance of loss of impartiality in the performance of his official duties. 5 CFR §2635.501 *et seq.* An employee who knows that an appearance problem exists with respect to a particular matter involving a member of his household or a person with whom he has a covered relationship may not participate in that matter unless he has informed the agency designee of the problem and received the agency designee's authorization to do so. In addition, as set forth in §2635.502(a)(1), "[a]n employee who is concerned that circumstances other than those specifically described in this section would raise a question regarding his impartiality should use the process described in this section to determine whether he should or should not participate in a particular matter."

While [REDACTED] may have correctly opined that his relationship with [REDACTED] was not a "covered relationship" under the Standards of Conduct, in view of his senior position, duties, and responsibilities, he should have disclosed the nature of the relationship with [REDACTED] to his supervisor, and consulted with OGC to obtain a definitive determination regarding the propriety of his personal involvement in any aspect of the award or administration of the EIS contract.

Under the circumstances, we recommend that appropriate administrative action be taken against [REDACTED] for his failure to take appropriate steps to avoid the appearance of loss of impartiality in the performance of his official duties.

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This document is provided for official use only. Any request for disclosure or further dissemination of this document or information contained herein should be referred to the Assistant Inspector General for Investigations, DOC OIG.

**All redactions pursuant to (b)(7)(C)**  
**OFFICE OF INSPECTOR GENERAL**  
**OFFICE OF INVESTIGATIONS**

**TABLE OF EXHIBITS**

- A. Affidavit of (b) (7)(C) dated December 3, 2004.
- B. Interview of (b) (7)(C) dated June 25, 2004.
- C. Investigative Record Form (IRF) Interview of (b) (7)(C) dated May 24, 2004.
- D. Affidavit of (b) (7)(C) dated April 12, 2004.
- E. Interview of (b) (7)(C) dated December 3, 2004.
- F. Record Review, financial disclosure statements dated July 22, 2003.
- G. Interview of (b) (7)(C) dated May 26, 2004.
- H. Record Review, OAM contract emails dated May 26, 2004.
- I. Record Review, OAM contract files dated May 26, 2004.
- J. Record Review, list of contract awards dated March 17, 2005.
- K. Record Review, NIST contract files dated March 18, 2005.
- L. Record Review, USPTO contract files dated March 18, 2005.
- M. Record Review, NOAA contract files dated March 18, 2005.

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## ACTION MEMORANDUM

TO: DAIGI/AIGI

FILE NUMBER  
02VA16-15076DATE  
October 27, 2006OFFICE OF ORIGIN  
AVROPREPARING OFFICE  
WFO

## SUBJECT:

(b) (7)(C)

All redactions pursuant to (b)(7)(C)

(b) (7)(C) - Office of Public Affairs  
Office of the Secretary  
Washington, DC  
PROGRAM FRAUD

- C -

On March 18, 2002, the OIG received information alleging that (b) (7)(C) was engaging in transactions where a conflict of interest existed. Specifically, it was alleged that (b) (7)(C) had recommended (b) (7)(C) Man Machine Interfacing, for the OPA web-streaming contract in exchange for free web-hosting for his (b) (7)(C) Internet-based radio station.

As a (b) (7)(C) for OPA, (b) (7)(C) was (b) (7)(C) (b) (7)(C) Because of (b) (7)(C) expertise in the media industry, he was heavily relied upon to conduct market research and recommend potential contractors for OPA media productions.

Our investigation established that in Spring 2001, (b) (7)(C) falsified procurement market research in order to ensure that (b) (7)(C) received the contract for OPA web-streaming services. (b) (7)(C) received (b) (7)(C) assistance in obtaining the contract in exchange for providing free web-hosting to (b) (7)(C) and his personal company, (b) (7)(C). (b) (7)(C) received compensation for web-hosting services from at least two of the companies that (b) (7)(C) was hosting for (b) (7)(C). Additionally, (b) (7)(C) employed (b) (7)(C) as a website designer during the OPA web-hosting contract. Further investigation indicated that (b) (7)(C) used his influence over DOC media services contracts to obtain work for (b) (7)(C) a media production company owned by (b) (7)(C) and his wife (b) (7)(C). Between December 1998 and January 2001, (b) (7)(C) received 19 DOC contracts, totaling approximately \$22,000.

In March 2004, (b) (7)(C) entered into a plea agreement whereby he pleaded guilty in U.S. District Court for the District of Columbia to one felony count of conflict of interest, in violation of 18 USC § 208. A condition of the plea agreement required (b) (7)(C) to resign his position with DOC. (b) (7)(C) was subsequently sentenced to one-year probation and 100 hours of community service, fined \$1000, and ordered to pay a \$100 special assessment.

In December 2004, a Report of Investigation was drafted with recommendations for appropriate administrative action, specifically, debarment of (b) (7)(C) his wife, and (b) (7)(C). The ROI has not been cleared by the Office of Counsel to date. Given the passage of time and the circumstances of the case, it is unlikely that a debarment action would be successful.

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. All investigative activities have been documented in the Case Data System. Based upon the above information, it is recommended that this case be closed.

## COPIES MADE:

1 - Investigative Services  
1 - Special Agent

(For Headquarters Use)

<b>PREPARED BY</b> (b) (7)(C) RAC / (b) (7)(C)	<b>CLEARED BY</b> Greg Sebben SAC / WFO	<b>CLEARED BY</b> Joan Holland DAIGI	<b>APPROVED BY</b> Elizabeth Barlow AIGI
<b>Initials &amp; Date</b> for (b) (7)(C) 10/27/06	<b>Initials &amp; Date</b> GDS 10/27/06	<b>Initials &amp; Date</b> For Holland (b) (7)(C) 10/27/06	<b>Initials &amp; Date</b> ETB 10/31/06

U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL OFFICE OF INVESTIGATIONS		
OCT 31 2006		
SEARCH	SERIAL	FILE

U.S. DEPARTMENT OF COMMERCE  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

**ACTION MEMORANDUM**

TO: DAIG/AIGI	FILE NUMBER 02WA33-15007	DATE December 6, 2006
	OFFICE OF ORIGIN WFO	PREPARING OFFICE WFO

**SUBJECT:**

(b) (7)(C)

All redactions pursuant to (b)(7)

Former (b) (7)(C)

Bureau of the Census

Suitland, Maryland

- C -

On November 26, 2001, the DOC OIG received correspondence from GAO indicating that (b) (7)(C) former (b) (7)(C) Bureau of the Census (CEN), had prepared a Statement of Work and the Independent Government Estimate for a CEN contract to support the Contract Usage Profile Management System (CPUMS). The \$1.5 million sole source contract was awarded to Computer Resources Management, Inc. (CRM), also known as Natek, Inc. (b) (7)(C) reportedly left Federal service to work for Natek as the (b) (7)(C) for the CPUMS contract after the contract was awarded.

The OIG investigation determined that during September 2000, (b) (7)(C) (b) (7)(C) for the CPUMS Redevelopment and Support Services contract. The contract was awarded on a sole source basis to CRM, a Virginia-based, minority-owned company that specialized in providing technology solutions, database management and support services. CRM submitted a proposal dated September 25, 2000, which listed (b) (7)(C) as a (b) (7)(C) on behalf of CRM. On November 17, 2000, (b) (7)(C) resigned from CEN and went to work for Natek, Inc., as the (b) (7)(C) on the Census CPUMS project, because he believed he was scheduled for termination from CEN at the end of the Decennial Census. (b) (7)(C) was subsequently terminated from Natek on June 8, 2001, because the contract he supported was eliminated. This case was worked jointly with the Federal Bureau of Investigation and initially accepted for prosecution in August 2002 by the U.S. Attorney's Office for the Eastern District of Virginia. However, AUSA (b) (7)(C) subsequently declined prosecution in May 2004. As a result, the FBI subsequently closed their investigation.

(b) (7)(C) was employed as a (b) (7)(C) (b) (7)(C) at CEN. He was (b) (7)(C) for the redesign and implementation of the CEN's National Database. His duties included (b) (7)(C) and (b) (7)(C) with various departments. (b) (7)(C) for the project and (b) (7)(C) concerning CPUMS. He also (b) (7)(C) (b) (7)(C) and (b) (7)(C) was also tasked to (b) (7)(C) and work on special projects.

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- 1 - Investigative Services
- 1 - Special Agent

(For Headquarters Use)

02WA33-15007 15

PREPARED BY (b) (7)(C) SA / WFO	CLEARED BY Greg Sebben SAC / WFO	CLEARED BY DAIGI	APPROVED BY Edward Blansitt AIGI
Initials & Date (b) (7)(C) 12/06/07	Initials & Date GDS 12/07/06	Initials & Date	Initials & Date ELB 12/08/06

U.S. DEPARTMENT OF COMMERCE OFFICE OF INSPECTOR GENERAL OFFICE OF INVESTIGATIONS		
DEC 12 2006		
SEARCH	SERIAL	FILE

(b) (7)(C) (b) (7)(C) CEN, explained that in late September 2000, CEN allocated funds to the CPUMS project. CEN contacted Sykes Communications, a vendor with whom CEN had an existing contractual relationship, to inquire if they could provide the required services for CEN. Sykes Communications indicated that they could not provide the services but recommended CRM, as a company that provided similar services. (b) (7)(C) also explained that a sole source justification was prepared for CRM since it was the end of the fiscal year and CRM was listed on the GSA schedule. (Serials 5 and 9)

(b) (7)(C) (b) (7)(C) CEN, stated that (b) (7)(C) that (b) (7)(C) for CEN to be performed pursuant to the terms of the contract. (b) (7)(C) explained that (b) (7)(C) was given the task because he was in the best position to know which tasks would be necessary to achieve an efficient system. (b) (7)(C) also (b) (7)(C) The Statement of Work was submitted to CRM and a request for proposal was made. CRM submitted a proposal, dated September 25, 2000, for \$1.49 million that outlined the technical and business services CRM could provide CEN pursuant to the terms of the contract within the Government's estimated cost. (Serials 3, 4, 7, and 10)

CRM (b) (7)(C) and (b) (7)(C) submitted the contract proposal to CEN. The proposal was offered to help CEN redevelop and support CPUMS. The contract proposal Section 1.1.5, subtitled "CRM Staffing Plan," named (b) (7)(C) as the (b) (7)(C) for the CPUMS contract. Specifically, (b) (7)(C) was (b) (7)(C) (b) (7)(C) (Serials 3 and 4)

In October 2000, an offer for full time employment with NATEK Incorporated (a.k.a. CRM) was extended to (b) (7)(C). His initial responsibilities were listed as (b) (7)(C) on the CEN CPUMS project and his immediate supervisor was identified as (b) (7)(C). The letter requested (b) (7)(C) to assume his responsibilities in November 2000. (b) (7)(C) was subsequently terminated from Natek during June 2001 because the CEN PRISMS contract he supported had been eliminated and Natek had no further need for his skills. (Serials 3, 4 and 13)

On March 24, 2004, (b) (7)(C) former (b) (7)(C) Sykes Communications, reported that she recommended CRM for the CPUMS contract. Specifically, she provided (b) (7)(C) name and contact telephone number to CEN officials. (b) (7)(C) also said that she was aware of employees at CEN who were scheduled to leave the organization due to downsizing and added that she would occasionally and informally recommend CEN employees who were scheduled for downsizing to CRM for employment opportunities. (b) (7)(C) noted that she requested a list of employees scheduled to leave CEN and provided this list to other companies upon request. (b) (7)(C) name was on the list. (Serial 12)

According to (b) (7)(C) knew he was scheduled to be terminated at the end of the Decennial Census. (b) (7)(C) said she advised (b) (7)(C) that he should check job opportunities available at CRM. (b) (7)(C) claimed that she did not write a formal letter of recommendation for (b) (7)(C) but she would have verbally recommended (b) (7)(C) to (b) (7)(C) had she been asked to do so. (b) (7)(C) stated that she did not believe that (b) (7)(C) was in employment negotiations with CRM before the award of the contract. (Serial 12)

The case was worked jointly with the FBI and was initially accepted for prosecution on August 8, 2002, by the U.S. Attorney's Office for the Eastern District of Virginia. The case was subsequently declined for prosecution by AUSA (b) (7)(C) on May 25, 2004. The FBI then closed their investigation based upon the declination of criminal prosecution. (Serial 14)

All allegations have been addressed, all logical leads have been investigated, and no further investigative activity is contemplated. All investigative activities have been documented in the Case Data System. Based upon the above information, it is recommended that this case be closed.