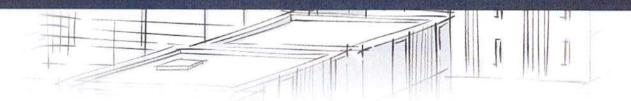


CASE NUMBER: 2015SI000239I

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION



INVESTIGATIVE RECORD REVIEW

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF INSPECTOR GENERAL

REPORT OF INVESTIGATION



CASE NUMBER: 2015510002391

REGION/OFFICE: Special Investigations Division

TITLE

(b) (7)(C)

NARRATIVE:

SUBJECT IDENTIFICATION:

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

U.S. Department of Housing and Urban Development (HUD)

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

Washington, DC

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

HUD, (b) (7)(C) Washington, DC

BASIS FOR INVESTIGATION:

On December 15, 2014, HUD, Office of Inspector General (OIG), Special Investigations Division (SID), Washington, DC, initiated an investigation into an allegation (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(c) (C)(c) (C

(U)	 	

DATE:

Special Investigations Division

Special Investigations Division

January 8, 2016

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POTENTIAL VIOLATIONS:

Potential Criminal Violations -

- Title 18 U.S.C. § 208, Acts Affecting a Personal Financial Interest.
- Title 18 U.S.C. § 1001, False Statements.

Potential Administrative Violations -

HUD Handbook 752.02 REV-3, Appendix 1 – Offenses and Penalties.

- Falsification of official documents.
- Fraud against the Government.

SYNOPSIS:

This investigation determined (b) (7)(C) provided false statements to SID, while under oath, regarding (b) (7)(C)(b) (7)(C)(b) (7)(C) During two separate interviews with SID, (b) (7)(C) tated that completely severed" ties (b) (7)(C) upon his departure from the company, and that decision not to get involved in contracts." A review of (b) (7)(C) HUD email account clearly demonstrated (b) (7)(C) active involvement in the decision making process and/or discussions that pertained to (b) (7)(C)(b) (7)(C)

Additionally, during the course of this investigation it was reported (b) (7)(C) was involved in the misappropriation of HUD funds. It was reported (b) (7)(C) approved the expenditure of Salary and Expenses (S&E) funds to pay for Task Orders (TOs) (b) (7)(C)(b) (7)(C) (c) During an interview with SID, (b) (7)(C) admitted that (accounting codes were later changed from S&E, back to the 0183 account, which was designated to fund contractual obligations. However, SID was not able to determine who made the decision to change the accounting code from S&E to 0183, or why it was changed.

Moreover, the investigation revealed that (b) (7)(C) also provided false statements under oath, regarding (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C) During an interview with SID(b) (7)(C)(b) (7)(C)(b) (7)(C) was not involved in any facet (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)

(b) (7)(C)

However, this investigation revealed evidence that contradicted the statements made by (b) (7)(C)

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

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prosecution, due to lack of prosecutorial merit.

DETAILS OF INVESTIGATION:

On February 11, 2015, SID received and reviewed OGC records related (b) (7)(C)

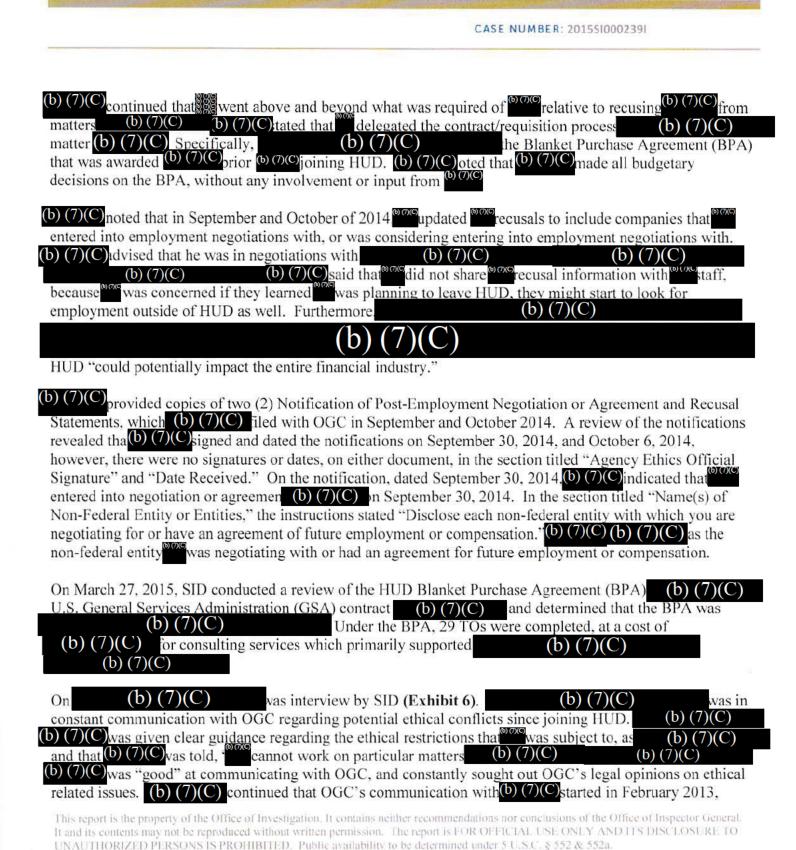
A review of the OGC records revealed (b) (7)(C) had written and oral recusals on file relating (b) (7)(C) In addition, there were numerous correspondences (b) (7)(C) and OGC regarding (b) (7)(C) ecusals.

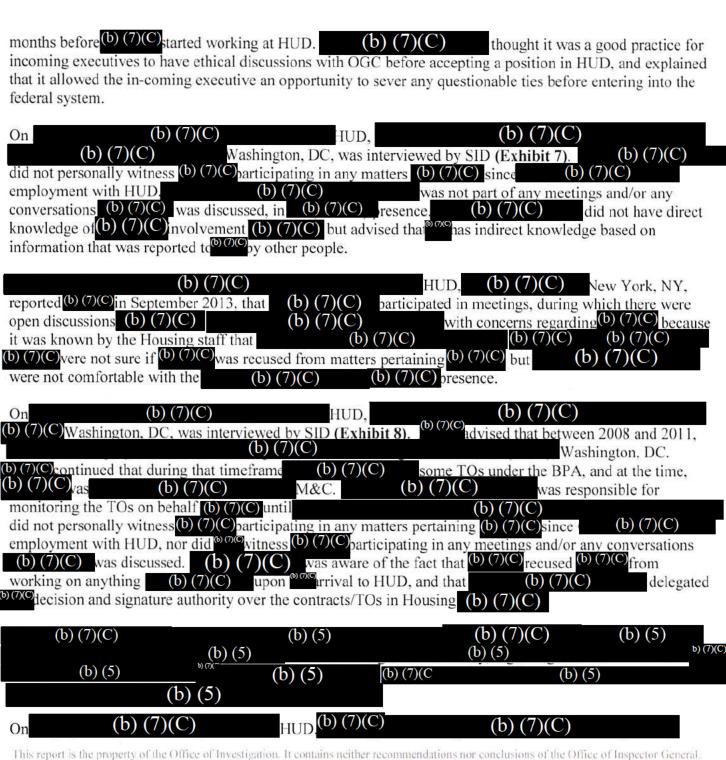
On March 9, 2015, a review of HUD Human Resources (HR) records was completed by SID, which revealed (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(c) (7

On (b) (7)(C) b) (7)(C) was interview by SID (Exhibit 4). During the interview, (b) (7)(C) acknowledged (b) (7)(C)(b) (7)(C) (b) (7)(C) until July 2013, wher (b) (7)(C) employment with HUD. (b) (7)(C) claimed that completely severed ties" (b) (7)(C) departure from the company. According to (b) (7)(C) the split was so evident that anyone who was "looking" at the matter would clearly see that the relationship between (b) (7)(C)(b) (7)(C) was "completely severed."

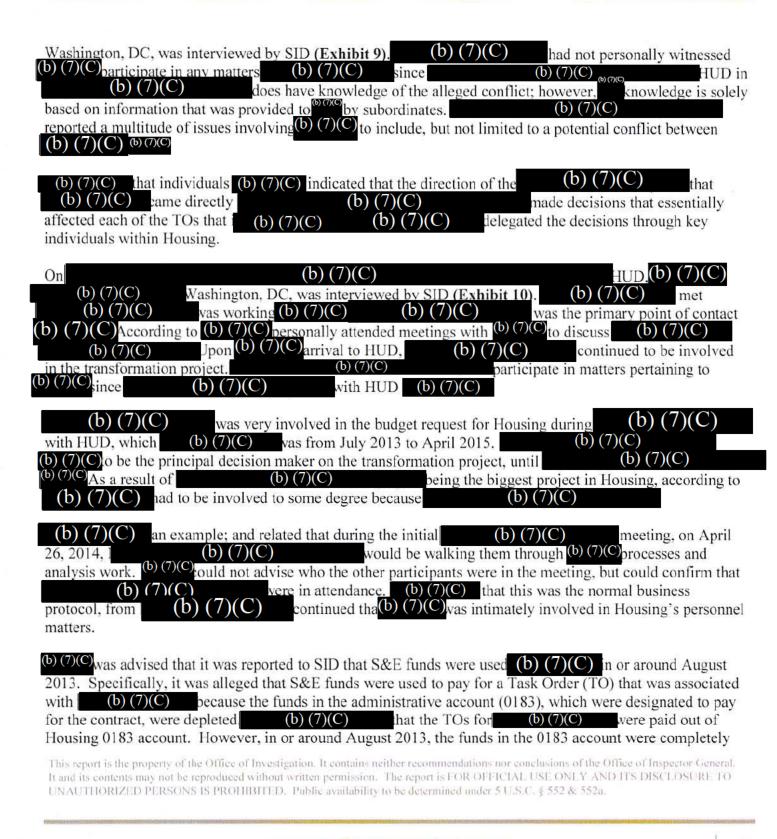
(b) (7)(C)(b) (7)(C)(b) (7)(C) worked on (b) (7)(C)(b) (7)(C) and HUD for approximately two years. (b) (7)(C) in December 2012, (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)

(b) (7)(C)(b) (7)(C) HUD,(b) (7)(C) Washington, DC, approached asked about future professional plans. (b) (7)(C)(b) (7)(C)(b) (7)(C) that would be interested in pursuing other professional opportunities, at which point (b) (7)(C) sked him if would be interested in coming to HUD. (b) (7)(C) that after giving it thoughtful consideration, he decided to sacrifice his earning potential, for a period of time, in order to work at HUD.

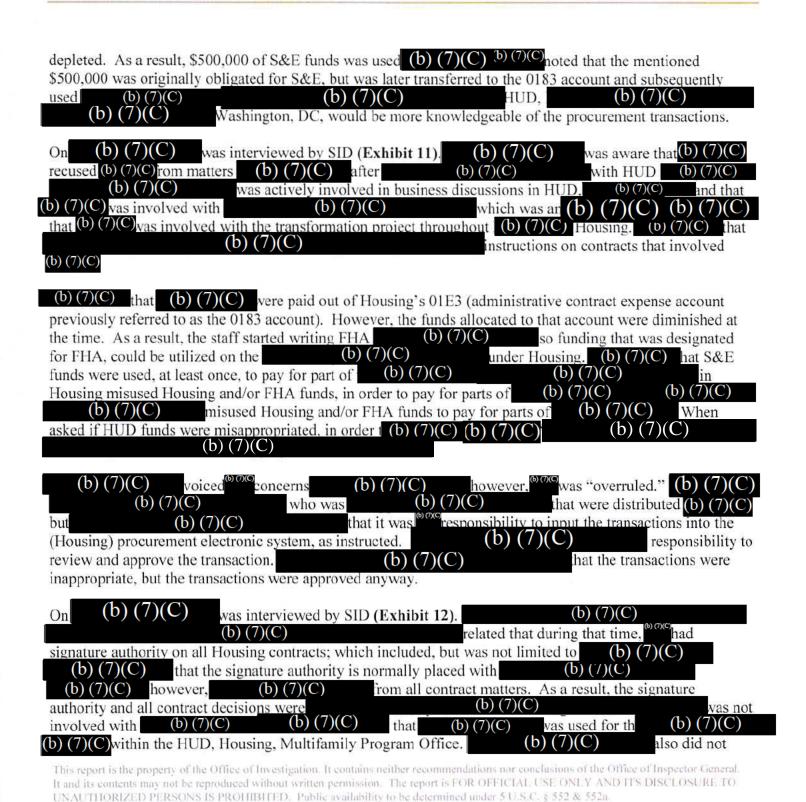




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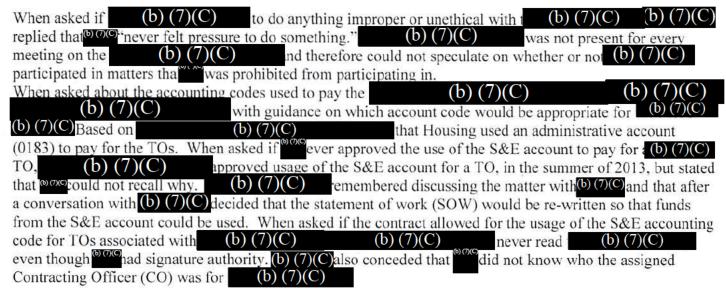
have any involvement with the

where

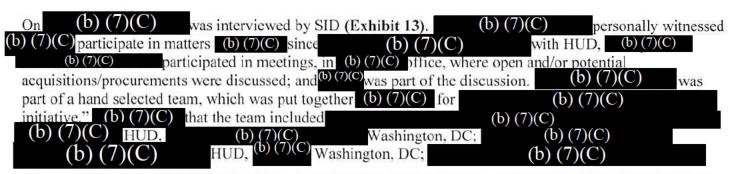
was brief."

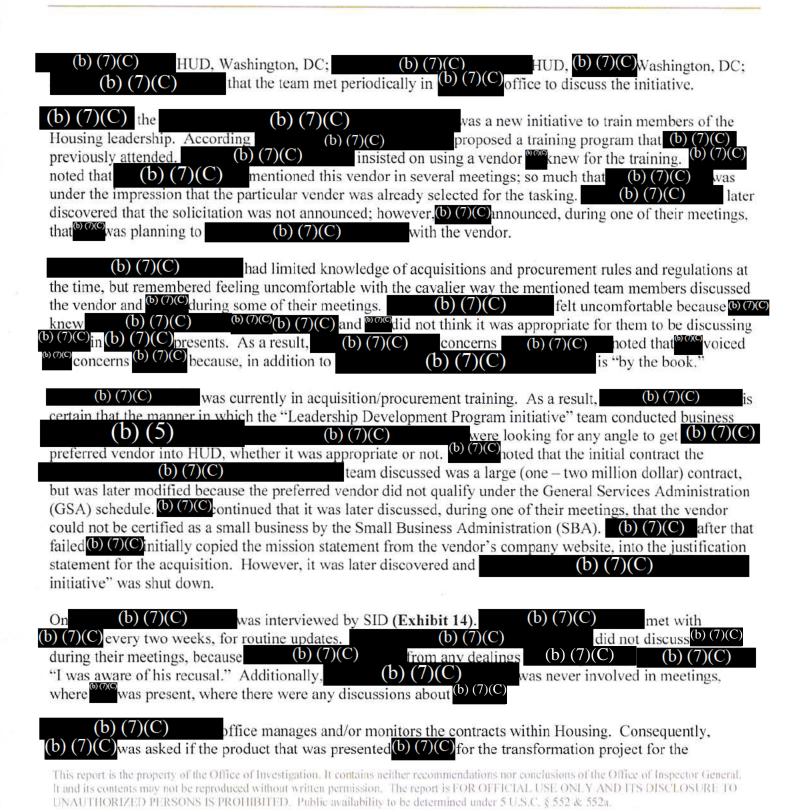
(b) (7)(C) When asked if (b) (7)(C) participated in any meetings (b) (7)(C) "I can't say (b) (7)(C) stated. "I would admit that there would be a fragment of a conversation, so I can't say that we never (b)

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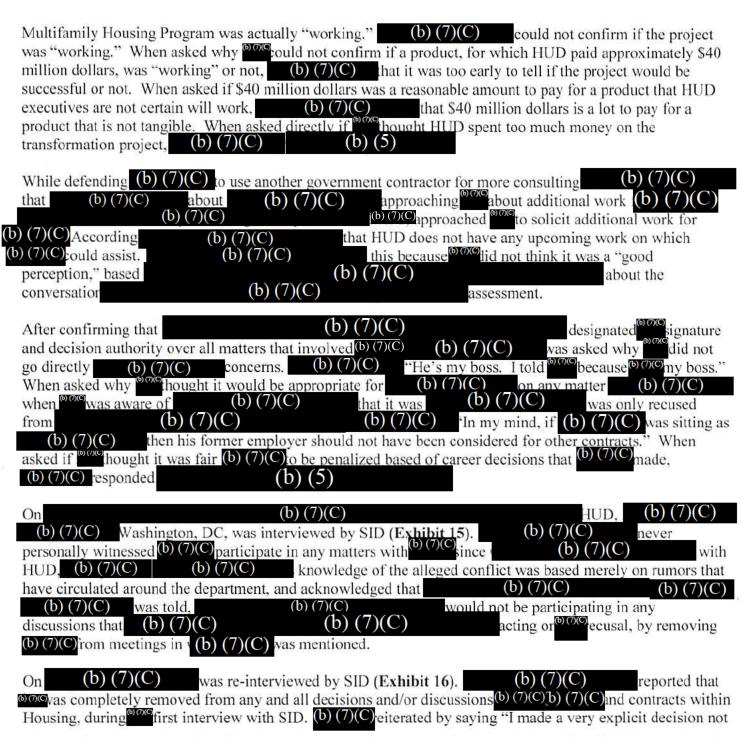


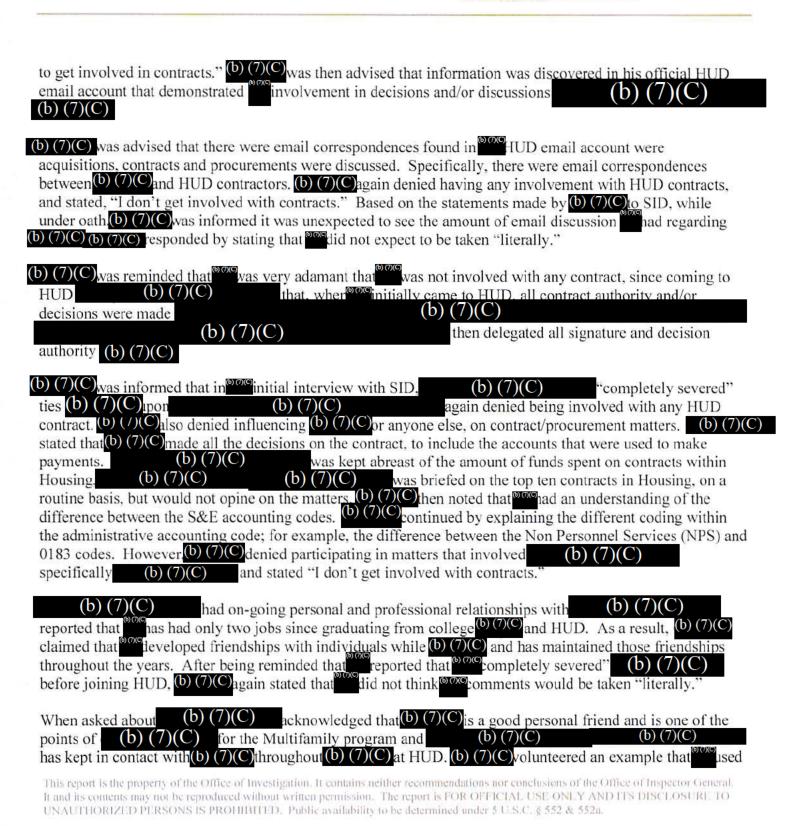
(b) (7)(C) that it was decided to change the accounting code from S&E, back to the 0183 account, but could not recall who decided to change the accounting code from S&E to 0183, or why it was changed. (b) (7)(C) that Housing continued to use the 0183 account for all future TOs on the transaction took place towards the end of the fiscal year, the RAs (b) (7)(C) if they used the S&E account because the funds in the 0183 account were depleted. (b) (7)(C) did not recall why they decided to use the S&E account. When referring to the verbiage used in the SOW, for (b) (7)(C) (b) (7)(C) stated "If there were things [within the SOW] that mentioned S&E, we took the wording out," in order to utilize the 0183 account.



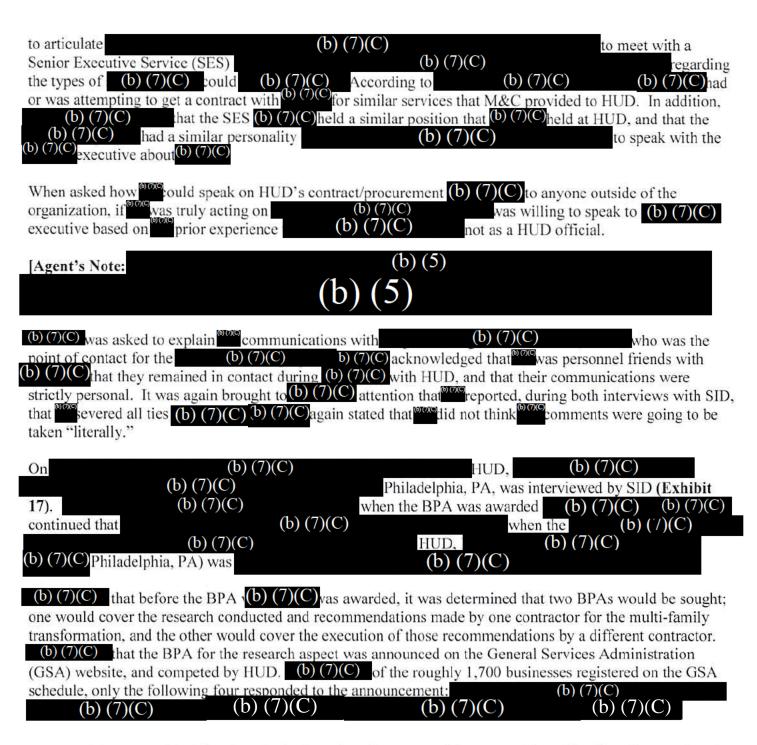


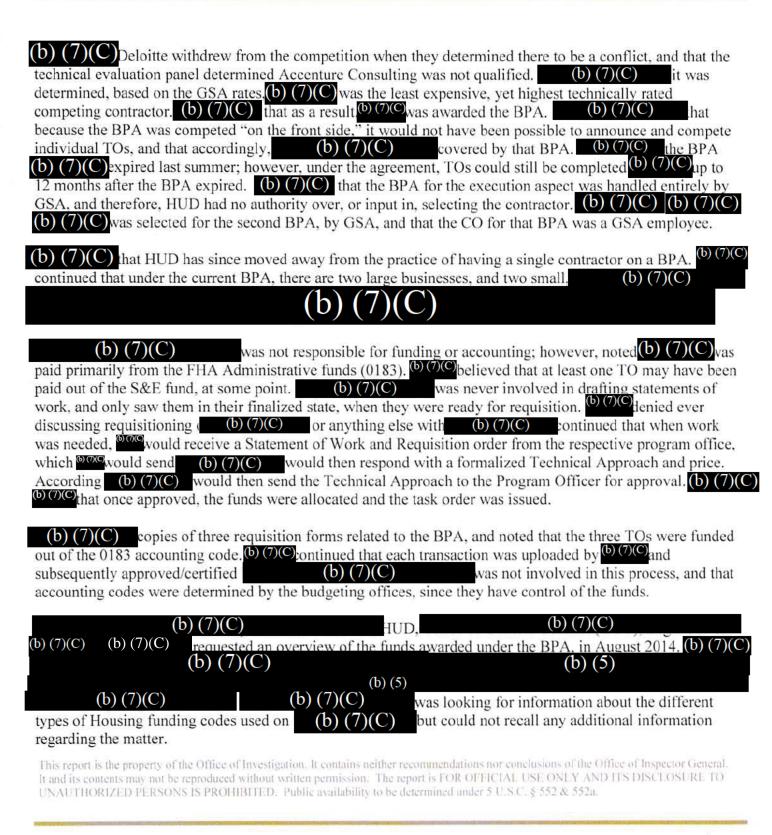
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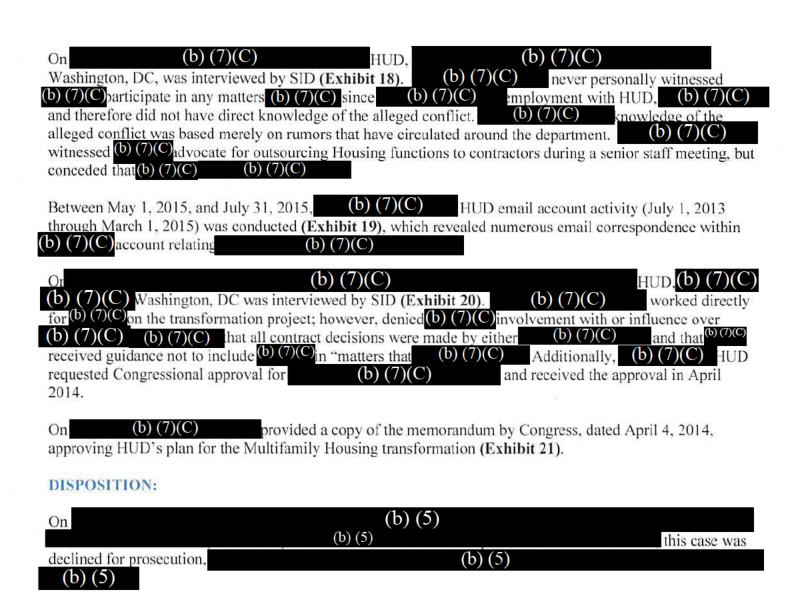


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EXHIBITS:

- 1. Advise of Investigation, dated December 15, 2015
- 2. Memorandum of Activity, Office of General Counsel Records Review, dated February 27, 2015
- 3. Memorandum of Activity, Human Resources Records Review, dated March 9, 2015
- 4. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
- 5. Memorandum of Activity, Contract Review, dated March 27, 2015
- 6. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
- 7. Memorandum of Interview, (b) (7)(C) (b) (7)(C)

 8. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
- 9. Memorandum of Interview (b) (7)(C) (b) (7)(C)
- 10. Memorandum of Interview, (b) (7)(C) (b) (7)(C)

 11. Memorandum of Interview (b) (7)(C) (b) (7)(C)
- 11. Memorandum of Interview, (b) (7)(C) (b) (7)(C)

 12. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
- 13. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
- 14. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
- 15. Memorandum of Interview, (b) (7)(C) (b) (7)(C)

 16. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
- 17. Memorandum of Interview, (b) (7)(C) (b) (7)(C)

 18. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
- 18. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
- 19. Memorandum of Activity, Email Review, dated May 1, 2015-July 31, 2015
- 20. Memorandum of Interview (b) (7)(C) (b) (7)(C)
- 21. Memorandum of Activity, Congressional Approval, dated September 18-October 5, 2015
- 22. Memorandum of Activity, Prosecution Declination, dated July 29, 2015