



Report of Investigation

U.S. Department of Housing
and Urban Development
Office of Inspector General
Office of Investigation

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District/Office:

Special Investigations Division (SID), Washington, DC

Title:

(b) (7)(C)

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

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

Washington, DC

Narrative:

BASIS FOR INVESTIGATION:

On December 16, 2014, SID was notified (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C) HUD (b) (7)(C) Washington, DC, that (b) (7)(C) obtained a Government Travel Card (GTC), even though her position did not require her to have one, and used it for personal expenditures. Additionally, SID was informed that (b) (7)(C) falsely certified Time and Attendance (T&A) records to obtain financial compensation for days on which she did not work (**Exhibit 1**).

POTENTIAL VIOLATIONS:

Potential Criminal Violations –

- Title 18 U.S. Code § 1001 – False Statement.
- Title 18 U.S. Code § 641 – Theft of Public money, property or records

Potential Administrative Violations –

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

- Section 34 – Standards of Conduct violations not listed elsewhere in the table of penalties.
- Section 40 (b) – Misuse of card and delinquency in payment.

(b) (7)(C)

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Date:

April 17, 2015

Special Investigations Division

Special Investigations Division

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OIGM 3000 Appendix 14a

HUD-1408(12-95)

RESULTS OF INVESTIGATION:

This investigation found evidence to substantiate the allegations that (b) (7)(C) misused her GTC, and violated the HUD telework policy, by teleworking from a location that did not meet the defined requirements for telework.

The investigation revealed that between July 25, 2014 and September 16, 2014, (b) (7)(C) used her GTC for three (3) Automated Teller Machine (ATM) withdrawals, and a total of 36 personal purchases for food, gas, travel, and lodging. Additionally, (b) (7)(C) failed to reimburse Citibank for her charges, which resulted in her account being classified as "Delinquent." The total amount charged to (b) (7)(C) GTC, including purchases, fees, and returned check penalties was \$5,912.51. It was determined that (b) (7)(C) misuse of her GTC constituted a violation of HUD Handbook 752.02, REV-3, Section 40 (b) – Misuse of card and delinquency in payment.

Additionally, the investigation determined that (b) (7)(C) did not falsely certify T&A records as alleged, even though (b) (7)(C) incurred a charge from a Las Vegas hotel on a day when T&A records reflect that (b) (7)(C) performed regular work in the office. A charge by the (b) (7)(C)(b) (7)(C) Las Vegas, NV, in the amount of \$1410.35, was posted (b) (7)(C) GTC account on September 16, 2014. However, further investigation identified that even though this charge was posted on September 16, 2014, the hotel invoice confirmed that (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)

Finally, although (b) (7)(C) teleworked on September 12, 2014, apparent by her email and phone records; the location from which (b) (7)(C) teleworked was not authorized, nor was it within commuting distance of her office, as required by HUD Handbook 625.1, Sections 1-3 and 5-1. A review of (b) (7)(C) telework agreement disclosed that (b) (7)(C) approved alternate worksite was (b) (7)(C) home office, located in Washington, DC; subsequently, by working from a hotel room in Las Vegas, NV on September 12, 2014, (b) (7)(C) violated HUD Handbook 625.1, Sections 1-3 and 5-1.

DETAILS OF INVESTIGATION:

On December 16, 2014, (b) (7)(C) was interviewed by SID (Exhibit 2). (b) (7)(C) reported he first became aware of (b) (7)(C) GTC misuse, when (b) (7)(C) GTC account appeared on the monthly delinquency report. (b) (7)(C)(b) (7)(C) applied for the GTC in July 2014, while (b) (7)(C)(b) (7)(C) was in the process of transitioning out of HUD. (b) (7)(C) acknowledged there was little employee oversight during that time, and that GTC applications do not require a supervisor's signature.

(b) (7)(C) he reviewed (b) (7)(C) GTC statements, and determined that all of the charges were personal in nature, and that at no time was (b) (7)(C) approved for official travel. (b) (7)(C) further stated that a review of (b) (7)(C) Time and Attendance (T&A) records revealed numerous expenditures charged to (b) (7)(C) GTC on days that (b) (7)(C) was scheduled for either telework, or regular work (in (b) (7)(C) office). Furthermore, (b) (7)(C) (b) (7)(C)(b) (7)(C) in reference (b) (7)(C) because he (b) (7)(C) committed additional fraudulent acts that (b) (7)(C) (b) (7)(C) (b) (7)(C) was provided with (b) (7)(C)(b) (7)(C) which included copies of her T&A reports and GTC statements.

(b) (7)(C)

On December 17, 2014, (b) (7)(C) (b) (7)(C) (b) (7)(C) HUD (b) (7)(C) Washington, DC, provided a copy of the (b) (7)(C) relative (b) (7)(C) and a copy of (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C)

A review of the (b) (7)(C) was conducted by SID. The proposal, submitted (b) (7)(C) cited Misuse of the Government Travel Card (GTC), GTC Delinquency, and Unacceptable Conduct/Theft, as the grounds (b) (7)(C) (b) (7)(C) (b) (7)(C) In the proposal, (b) (7)(C) determined (b) (7)(C) misused (b) (7)(C) GTC 47 different times, because according (b) (7)(C) since (b) (7)(C) was not approved for any official travel during the reporting period, all of the charges, including fees incurred, to (b) (7)(C) GTC were personal in nature. (b) (7)(C) also noted that as of October 19, 2014, (b) (7)(C) GTC carried a balance of \$5882.56, of which, \$2970.17 was 34 days past due. A review of the Delinquency Report and GTC statements revealed the current past due amount was \$5896.95; however, the current balance of \$5912.51 reflected a returned check fee and payment made on November 12, 2014. (b) (7)(C) further alleged, in the proposal, that (b) (7)(C) applied for and received the GTC under false pretenses, and cited (b) (7)(C) failure to make timely payments as proof (b) (7)(C) intent not to "reimburse the agency," and therefore proof of theft.

A review of the (b) (7)(C) was conducted by SID. The reply, submitted (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) Washington, DC, (b) (7)(C) (b) (7)(C) outlined (b) (7)(C) "recognized (b) (7)(C) error in judgment, and that (b) (7)(C) took full responsibility for (b) (7)(C) actions." (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) misused her GTC, and stated, "Neither the Union nor (b) (7)(C) deny the facts as presented in the Proposal." (b) (7)(C) went on to note that while (b) (7)(C) regretted using the GTC for personal expenditures, (b) (7)(C) intent was to repay the debt. (b) (7)(C) further noted that (b) (7)(C) made a payment to Citibank on November 12, 2014, for "almost \$3000." Additionally, (b) (7)(C) noted that (b) (7)(C) entered into a repayment plan with Citibank to pay \$500 per month until the debt was paid in full.

With regard to the allegation of theft (b) (7)(C) claims that in the proposal submitted (b) (7)(C) HUD failed to present evidence that (b) (7)(C) had no intent to repay the debt (b) (7)(C) incurred through (b) (7)(C) personal use of the GTC, and therefore committed theft. (b) (7)(C) further stated, "The personal debt incurred by (b) (7)(C) (b) (7)(C) through (b) (7)(C) usage of the Citibank Travel charge card did not result in any actionable offense, since there was no nexus between the indebtedness and (b) (7)(C) job function at HUD." (b) (7)(C) cited Article 49 of the HUD-AFGE Contract, which governs the employees' use of the government contractor, issued travel charge card. Specifically (b) (7)(C) cited section 49.22 – Debt Collection, as the reason why HUD could not take disciplinary action against (b) (7)(C) for the misuse of (b) (7)(C) GTC. Additionally, while citing arbitration agreement HUD v. AFGE Local 3972, 108 LRP, 18351 (2008), (b) (7)(C) noted that the arbitrator found that per Section 49.22 of the HUD-AFGE Contract, all GTC debts incurred by employees are characterized "non-work related" and therefore, there could be no nexus between the debts incurred, and the employee's position or duties. Moreover (b) (7)(C) asserted that (b) (7)(C) misuse of the GTC did not result in any diversion of agency funds.

(b) (7)(C) requested the proposal be rescinded, and deemed it to be a "clear violation of the HUD-AFGE Contract, and applicable federal decisional authority."

(b) (7)(C)

On December 18, 2014, (b) (7)(C) was interviewed by SID (Exhibit 4) in the presence (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) Washington, DC. (b) (7)(C) (b) (7)(C) was responsible for all of the charges that appeared on (b) (7)(C) GTC statement. While (b) (7)(C) acknowledged that (b) (7)(C) exercised poor judgment in using the GTC for personal purchases, which included three (3) ATM withdrawals, and a total of 36 charges for food, gas, and travel expenses, (b) (7)(C) ever falsely certifying T&A records. (b) (7)(C) (b) (7)(C) made several purchases, either online or over the telephone, which included airline tickets for (b) (7)(C) (b) (7)(C) (b) (7)(C) stated on September 11, 2014, (b) (7)(C) left work, after (b) (7)(C) completed (b) (7)(C) work day, and flew from Baltimore-Washington International (BWI), Thurgood Marshall Airport, Baltimore, MD to McCarran International Airport (LAS), Las Vegas, NV. (b) (7)(C) teleworked from (b) (7)(C) Las Vegas hotel on September 12, 2014, as certified on (b) (7)(C) T&A records. (b) (7)(C) further stated (b) (7)(C) had several emails between (b) (7)(C) and other staff members dated September 12, 2014, and also participated in a conference call (b) (7)(C) (b) (7)(C) HUD, OCFO, Washington, DC, for which (b) (7)(C) has telephone records.

(b) (7)(C) (b) (7)(C) returned to BWI the afternoon of September 14, 2014, and that (b) (7)(C) was present and working in (b) (7)(C) office September 15-18, 2014. (b) (7)(C) further stated that on Monday, September 15, 2014, (b) (7)(C) was relocated from (b) (7)(C) previous work space to where (b) (7)(C) currently sits, and therefore had assistance from HUD, Office Information Technology (IT) employees in moving (b) (7)(C) computer. (b) (7)(C) further stated that (b) (7)(C) presence and move was witnessed by the following employees:

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

(b) (7)(C) explained that many of the purchases (b) (7)(C) made using (b) (7)(C) GTC were made on days when (b) (7)(C) was scheduled for either a regular work day, or for telework; however, (b) (7)(C) insisted that all of the point of sale purchases occurred either before or after (b) (7)(C) work hours, or during (b) (7)(C) lunch break. (b) (7)(C) further stated (b) (7)(C) intended to repay the entire balance on the GTC, and entered into an agreement with Citibank in which they (Citibank) auto draft \$500 per month from (b) (7)(C) bank account.

On December 19, 2014, (b) (7)(C) provided a copy of the Telework Application & Agreement, signed by (b) (7)(C) effective February 21, 2014 (Exhibit 5). The agreement stipulated that (b) (7)(C) would Telework every Friday 8:00am-4:30pm from her Alternative Worksite (Home Office), located (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C) (b) (7)(C)

Research, by SID, of pertinent HUD Handbooks determined HUD Handbook 625.1, Telework Policy, dated May 2010, did not identify any rules or guidelines that specifically prohibited employees from completing telework at a location other than that identified in the Telework Application & Agreement. However, HUD Handbook 625.1, Section 1-3, defines an Alternative Worksite as, "An approved worksite other than the official worksite, at which the employee performs his/her official duties. Alternative worksites may include the employee's residence, GSA telework center, and/or another location (within the normal commuting area) where there is connectivity to the primary office site, and

(b) (7)(C)

On January 22, 2015, (b) (7)(C) (b) (7)(C) (b) (7)(C) HUD, (b) (7)(C) Washington, DC, was interviewed by SID (Exhibit 10). (b) (7)(C) (b) (7)(C) recalled (b) (7)(C) moving to (b) (7)(C) current

(b) (7)(C)

On January 23, 2015, a review of the Union Agreement between HUD and AFGE was completed by SID (Exhibit 11). The review revealed that Section 49.22 – Debt Collection (previously cited by (b) (7)(C) in Exhibit 3), specified “Management shall provide no more “assistance” with the collection of Government charge card debts than what is currently available regarding the collection of privately owed debts. Unpaid card debts will be treated as any non-work related debt.”

It was also determined that the GTC administered by Citibank is an individually billed system, and therefore a contractual agreement between (b) (7)(C) (b) (7)(C) and Citibank. As a result, there is no monetary loss to the Government. While (b) (7)(C) may hold an outstanding balance on (b) (7)(C) GTC, HUD is not responsible or liable for that debt.

On February 3, 2015, (b) (7)(C) provided a copy of the Decision regarding (b) (7)(C) (b) (7)(C) pertaining (b) (7)(C) Exhibit 12). In the memorandum, (b) (7)(C) (b) (7)(C) in violation of HUD Handbook 752.02 REV-3, Section 40 (b): Misuse of card and delinquent in payment, and Section 42: Criminal infamous, dishonest, immoral, or notoriously disgraceful conduct or conduct prejudicial to the Federal Government. (b) (7)(C) cited the offenses as, “Charge 1 - Misuse of the Government Travel Card; (2) Delinquency in Paying Government Issued Travel Card; and (3) Unacceptable Conduct/Theft,” (b) (7)(C)

Due to the lack of GTC supervisory oversight and the lack of approval procedures pertaining to the GTC application process, identified during the course of this investigation (b) (7)(C) (b) (7)(C)

PROSECUTORIAL COORDINATION:

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