



## REPORT OF INVESTIGATION

**CASE NUMBER: 2015SI000290I**

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OFFICE OF INVESTIGATION



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

## REPORT OF INVESTIGATION



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



CASE NUMBER: 2015SI0002901

REGION/OFFICE: Special Investigations Division

TITLE: (b) (7)(C)(b) (7)(C)

**NARRATIVE:**

**SUBJECT IDENTIFICATION:**

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

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

(b) (7)(C)

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

HUD, (b) (7)(C)  
451 7<sup>th</sup> Street, SW, Washington, DC

**BASIS FOR INVESTIGATION:**

On December 31, 2014, (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)  
(b) (7)(C)(b) (7)(C)(b) (7)(C) HUD, Office of Chief Human Capital Officer (OCHCO), Washington,  
DC, reported to HUD, Office of Inspector General (OIG), Special Investigations Division (SID) that (b) (7)(C)  
potentially abused and/or misused her (b) (7)(C) issued Government Purchase Card (GPC). Specifically, it  
was alleged that (b) (7)(C) used her GPC to purchase personal items.

(b) (7)(C)

Special Investigations Division

(b) (7)(C)

Special Investigations Division

DATE:

June 9, 2015

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### POTENTIAL VIOLATIONS:

- Title 18 U.S. Code § 641 – Theft of public money, property or records

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

- Section 9 – Theft, actual or attempted.
- Section 34 – Standards of Conduct violations not listed elsewhere in the table of penalties.

This investigation found evidence to substantiate the allegation that (b) (7)(C) misused (b) (7)(C) assigned GPC. Additionally, during an interview with SID, (b) (7)(C) admitted to using (b) (7)(C) GPC for unauthorized purchases and subsequently provided a written confession relating the same.

(b) (7)(C) stated that (b) (7)(C) began using (b) (7)(C) issued GPC, for unauthorized purchases, in September 2014 and continued through November of the same year. Upon reviewing a Microsoft Excel spreadsheet, titled "Purchase Charge Card Transactions per Level 3 Data (line items) for (b) (7)(C)(b) (7)(C)(b) (7)(C) (b) (7)(C) provided by SID, (b) (7)(C) identified 53 unauthorized purchases, by placing (b) (7)(C) initials beside each item. (b) (7)(C) identified \$11,229.57 worth of unauthorized merchandise she purchased with (b) (7)(C) issued GPC.

In addition, this investigation revealed that (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C) (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C) Consequently, it was determined that (b) (7)(C)(b) (7)(C) (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C) (b) (7)(C) the opportunity to make unauthorized purchases with the GPC assigned to (b) (7)(C) and to continue to do so undetected.

On December 31, 2014, (b) (7)(C) (b) (7)(C) were interviewed by SID (Exhibit 1). (b) (7)(C) (b) (7)(C) stated that (b) (7)(C) potentially abused and/or misused (b) (7)(C) issued GPC by purchasing personal items. (b) (7)(C) advised that the Agency Program Coordinator (APC) for the GPC Program

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conducts reviews and monitoring of cardholder purchasing activity on a monthly basis. (b) (7)(C) continued that a review of the cardholder's purchase card transactions identified questionable purchases, by (b) (7)(C) for the period September – November 2014 (Billing statements October 5, 2014, November 5, 2014 and December 5, 2014). Subsequently, they (b) (7)(C)(b) (7)(C) determined a full audit was necessary and on November 26, 2014 (b) (7)(C) GPC was suspended. At which time (b) (7)(C)(b) (7)(C) (b) (7)(C)(b) (7)(C) that the account had been suspended.

(b) (7)(C)(b) (7)(C) stated that their office requested and received supporting documentation, directly from (b) (7)(C) for all transactions for the period of (September – November 2014). Further, based on a review of the supporting documentation, provided by (b) (7)(C) it was determined that the (b) (7)(C) documentation (i.e. Signed Requisition for Supplies, Equipment, Forms, Publications and Procurement Services (HUD - 10.4) to purchase mission related items, purchase logs, monthly bank statements) did not match the documentation reported through Citibank's custom reporting system and card management system. (b) (7)(C)(b) (7)(C) related that the information available through Citibank's custom reporting system provides line item description(s) of the purchases as reported by the merchant.

On January 21, 2015, (b) (7)(C)(b) (7)(C) by SID (Exhibit 2) (b) (7)(C)(b) (7)(C)(b) (7)(C) (b) (7)(C)(b) (7)(C) GPC misuse during (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C) on December 23, 2014. (b) (7)(C) explained that two years ago, when the decision was made (b) (7)(C) would receive a GPC (b) (7)(C) made the decision to have the GPC issued to (b) (7)(C) because (b) (7)(C) was the most "unlikely to abuse it [the GPC]." (b) (7)(C) continued that (b) (7)(C)(b) (7)(C)(b) (7)(C) at the time the GPC was issued to (b) (7)(C) had a great work ethic and reputation. As a result (b) (7)(C) said that, at the time (b) (7)(C) felt very strongly that (b) (7)(C) was the best option.

(b) (7)(C) related that after (b) (7)(C) informed him about the GPC issue (b) (7)(C) immediately met with (b) (7)(C) continued that during his meeting with (b) (7)(C)(b) (7)(C) advised (b) (7)(C) that it was brought to his attention that (b) (7)(C) may have made some unauthorized purchases with (b) (7)(C) GPC, at which time (b) (7)(C) made several admissions that (b) (7)(C) had misused (b) (7)(C) assigned GPC. (b) (7)(C) stated that (b) (7)(C) immediately apologized (b) (7)(C) and stated (b) (7)(C) "I'm sorry". (b) (7)(C) continued that he asked (b) (7)(C) why (b) (7)(C) "did it", to which (b) (7)(C) answered, "What are they going to do, fire me?" (b) (7)(C) advised SID that (b) (7)(C) asked (b) (7)(C) specifically how (b) (7)(C) made the unauthorized purchases, without an approved Requisition for Supplies, Equipment, Forms, Publications and Procurement Services (HUD - 10.4). According to (b) (7)(C) said, "I knew I couldn't get it, if I put it on the 10 [referring to a HUD form 10.4 –

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Requisition for Supplies, Equipment, Forms, Publications and Procurement Services]". (b) (7)(C) advised that (b) (7)(C) did not explain the methods (b) (7)(C) used to make the unauthorized purchases. (b) (7)(C) said (b) (7)(C) was apologetic, and appeared to be remorseful about the situation.

(b) (7)(C) reported that (b) (7)(C) contacted (b) (7)(C) the weekend of December 27<sup>th</sup>/28<sup>th</sup>, 2014 to advise (b) (7)(C) that (b) (7)(C)(b) (7)(C)(b) (7)(C) advised that (b) (7)(C) said, (b) (7)(C) "I'm done. I'm leaving. I'm submitting my paperwork." (b) (7)(C) claimed that (b) (7)(C) because (b) (7)(C) activities were discovered.

On March 31, 2015, (b) (7)(C) was re-interviewed by SID (Exhibit 3). During the interview, (b) (7)(C) (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C) for the GPC AO. (b) (7)(C) acknowledged that (b) (7)(C) for the GPC assigned (b) (7)(C)(b) (7)(C) confirmed that he took the required U.S. General Services Administration (GSA) SmartPay Purchase Card Training. After reviewing the (b) (7)(C) responsibilities and procedures (b) (7)(C) identified 11 of the 18 procedures, under the (b) (7)(C) (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C)

On March 4, 2015, several (b) (7)(C) were interviewed by SID (Exhibit 4). None of the (b) (7)(C) reported having any knowledge or evidence of fraud relating to the abuse and/or misuse of the GPC assigned to (b) (7)(C). Furthermore, the (b) (7)(C) denied having specific knowledge of the office's procurement procedures. The (b) (7)(C) reported that (b) (7)(C) made purchases for the office, but (b) (7)(C) were not aware of how the purchases were made.

On March 11, 2015, (b) (7)(C) was interviewed by SID (Exhibit 6). During the interview, (b) (7)(C) admitted that (b) (7)(C) started misusing (b) (7)(C) issued GPC in September 2014 and that the misuse continued through November 2014. After reviewing a Microsoft Excel spreadsheet, titled Purchase Charge Card Transactions per Level 3 Data (line items) for (b) (7)(C)(b) (7)(C)(b) (7)(C) provided by SID, (b) (7)(C) identified 53 unauthorized purchases, by placing (b) (7)(C) initials beside each item. (b) (7)(C) identified \$11,229.57 worth of unauthorized merchandise she purchased with (b) (7)(C) issued GPC.

On March 12, 2015, SID conducted a consent search of (b) (7)(C) (Exhibit 7). This search was as a result of (b) (7)(C) confession that (b) (7)(C) used (b) (7)(C) issued GPC to purchase over \$11,000.00 of property for (b) (7)(C) personal benefit. A total of 14 items were seized, from (b) (7)(C) as evidence relating to the 53 unauthorized purchases.

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**DISPOSITION:**

## EXHIBITS:

1. Memorandum of Interview, (b) (7)(C)(b) (7)(C) (b) (7)(C)
2. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
3. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
4. Memorandum of Interviews, (b) (7)(C) (b) (7)(C)
5. Memorandum of Activity, (b) (7)(C)(b) (7)(C)(b) (7)(C)(b) (7)(C) (b) (7)(C)
6. Memorandum of Interview, (b) (7)(C) (b) (7)(C)
7. Memorandum of Activity, Consent to Search, dated March 12, 2015.
8. Memorandum of Activity, (b) (7)(C), (b) (5) (b) (7)(C)

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