

UNITED STATES DEPARTMENT OF EDUCATION OFFICE OF INSPECTOR GENERAL



CLOSING REPORT OF INVESTIGATION

(b) (6), (b) (7)(C)

I18EAS03180

AUGUST 1, 2019

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Report by:	Approved by:

(b) (6), (b) Special Agent

Geoffrey D. Wood Special Agent in Charge

Distribution:

HQ

File

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CLOSING

REPORT OF INVESTIGATION

(b) (6), (b) (7)(C)

SUMMARY

This case was predicated on information received from a Congressional hearing during which members of Congress questioned Department of Education officials about possible conflicts of interest involving (b) (6), (b) (7)(C) . The conflict of interest query emails and calendar entries (b) (6), (b) (7)(C) involved (b) The investigation focused on disclosed recusals pertaining to Gainful Employment (GE), Borrower Defense (BD) and other potential conflicts of interests. Several interviews, email queries, and other investigative measures were conducted in this matter. After several attempts were made to interview bar at OIG offices regarding his recusals, the Acting Inspector General notified the Deputy Secretary of failure to cooperate with the OIG. Subsequently, appeared for an interview. No evidence proving a violation of were uncovered. These matters were also discussed with (b) (6), (b) (7)(C) , the Department's who also concluded that no conflict of interest was presented in this case.

VIOLATIONS

The activities identified in this report are potential violations of:

- 18 U.S.C. § 209 Conflict of Interest
- 18 U.S.C. § 208 Acts Affecting a Personal Financial Interest
- 5 C.F.R § 2635.502 Violation of Personal and Business relationships
- E.O. 13770 Violation of Ethics Pledge Executive Branch Employees
- ACS Departmental Directive OIG: 1-102 Failure to Cooperate with the Office of Inspector General

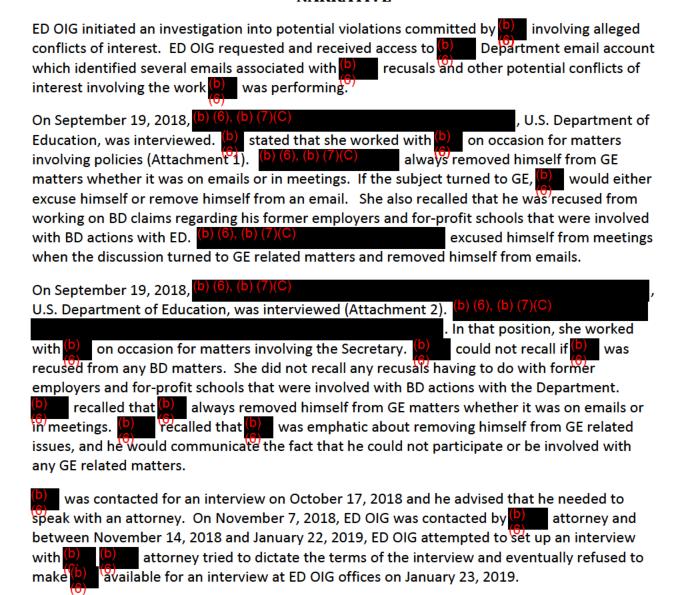
PREDICATION

This case was predicated on information that arose during a Congressional hearing regarding possible conflicts of interest involving (b). The conflict of interest query involved (c) emails and calendar entries (b) (6), (b) (7)(C)

ED OIG initiated an investigation into potential violations committed by (b)



NARRATIVE

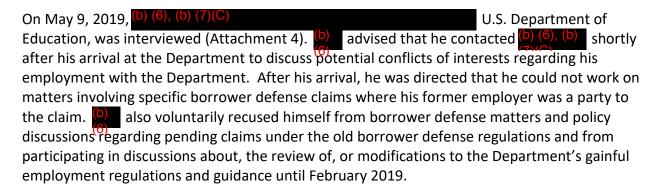


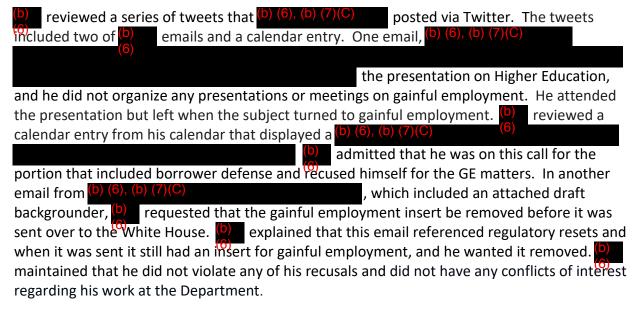
On March 29, 2019, Acting Inspector General (IG) Sandra Bruce sent a letter to Deputy Secretary Mitchell Zais regarding failure to cooperate with the OIG (Attachment 3). In this letter, Acting IG Bruce advised the Deputy Secretary that the OIG cannot allow employees, no matter their seniority within the Department, to dictate how and where an interview is to be conducted. Acting IG Bruce also advised that refusal to submit to an interview prevents the OIG from completing their mission to investigate fraud, waste and abuse within Departmental programs. Acting IG Bruce advised Deputy Secretary Zais that Department for potential discipline if he continued to refuse to cooperate.

On April 15, 2019, ED OIG was contacted by new attorney who advised that would agree to be interviewed.

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On June 19, 2019, ED OIG discussed the results of this investigation with (b) (c), (b) (7)(C) who in turn consulted with the Office of Government Ethics (OGE). (b) (c), (b) concluded, in consultation with OGE, that (b) did not appear to be in violation of a statutory, regulatory and/or an ethics pledge disqualification. (c) was not barred from working on specific legal matters other than those he was already recused from involving GE and pending BD claims against the Department.

PROSECUTIVE/ADMINISTRATIVE STATUS

On October 9, 2018, this investigation was presented to the USAO for the District of Columbia and on October 10, 2018, was declined for prosecution.

On March 29, 2019, Acting Inspector General Bruce referred failure to cooperate with the OIG to Deputy Secretary Mitchell.

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SUBJECT OF INVESTIGATION

Name: Title:

 $(\vec{b}) (\vec{6}), (\vec{b}) (\vec{6}), (\vec{b}) (\vec{7}) (\vec{C})$

Address:

400 Maryland Avenue SW, Washington D.C. 20202

Phone: (b) (6), (b) (7)(0)

EXHIBITS

1. Interview of (b) (6), (b) , dated September 19, 2018

2. Interview of (b) (6), (b) (7)(C), dated September 19, 2018

3. Acting Inspector General letter to Deputy Zais, dated March 29, 2019

4. Interview of (b) (6), (b) , dated May 9, 2019

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