



An Investigation of Alleged Misconduct by
FBI Unit Chief [REDACTED]

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JULY 2021

I. Introduction

This report describes the results of an investigation by the Department of Justice (DOJ or Department) Office of the Inspector General (OIG) into two sets of misconduct allegations concerning former Federal Bureau of Investigation (FBI) Unit Chief [REDACTED]. The first set of allegations were referred to the Inspection Division (INSD) in [REDACTED]. The allegations of possible misconduct arose from [REDACTED] determination that [REDACTED] failed to honor a just debt involving a \$25,000 loan, and that [REDACTED] had failed to report this debt and other financial delinquencies to the FBI, as required by FBI policy. INSD received a second set of allegations in [REDACTED]. One of [REDACTED] subordinates, [REDACTED], submitted a complaint alleging that [REDACTED] had pressured her into loaning [REDACTED] \$12,000 and then refused to repay the loan. INSD referred [REDACTED] and [REDACTED] allegations to the OIG in [REDACTED] and [REDACTED], respectively.

The OIG investigated the allegations and found that [REDACTED] violated federal ethics regulations and FBI policies by: (1) failing to satisfy her financial obligations and honor just debts; (2) misusing her position in requesting and obtaining a loan from a subordinate; (3) improperly accepting a gift from a subordinate; (4) misusing official time and government property to facilitate the loan from a subordinate; and (5) lacking candor in FBI and federal financial disclosure forms.¹

Section II of this report provides background information on [REDACTED] and [REDACTED] and the background investigation process. Section III presents a timeline of key events. Section IV provides an overview of the relevant policies and legal authorities concerning the issues raised in the allegations. Section V presents our factual findings. In Section VI, we provide our analyses. Finally, Section VII summarizes our conclusions.

¹ [REDACTED]

Unless otherwise noted, the OIG applies the preponderance of the evidence standard in determining whether DOJ personnel have committed misconduct. The Merit Systems Protection Board applies this same standard when reviewing a federal agency's decision to take adverse action against an employee based on such misconduct. See 5 U.S.C. § 7701(c)(1)(B); 5 C.F.R. § 1201.56(b)(1)(ii). The OIG has completed its investigation and is providing this report to the FBI for appropriate action.

II. Background

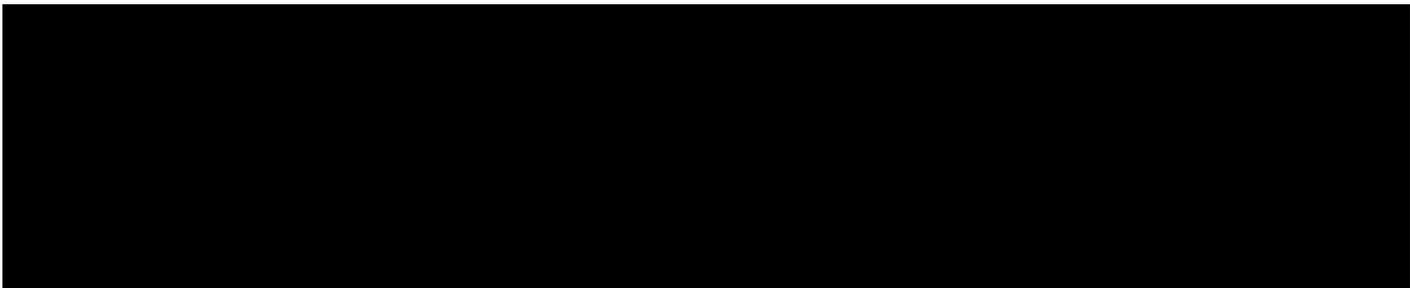


In approximately [REDACTED] became the Unit Chief [REDACTED]

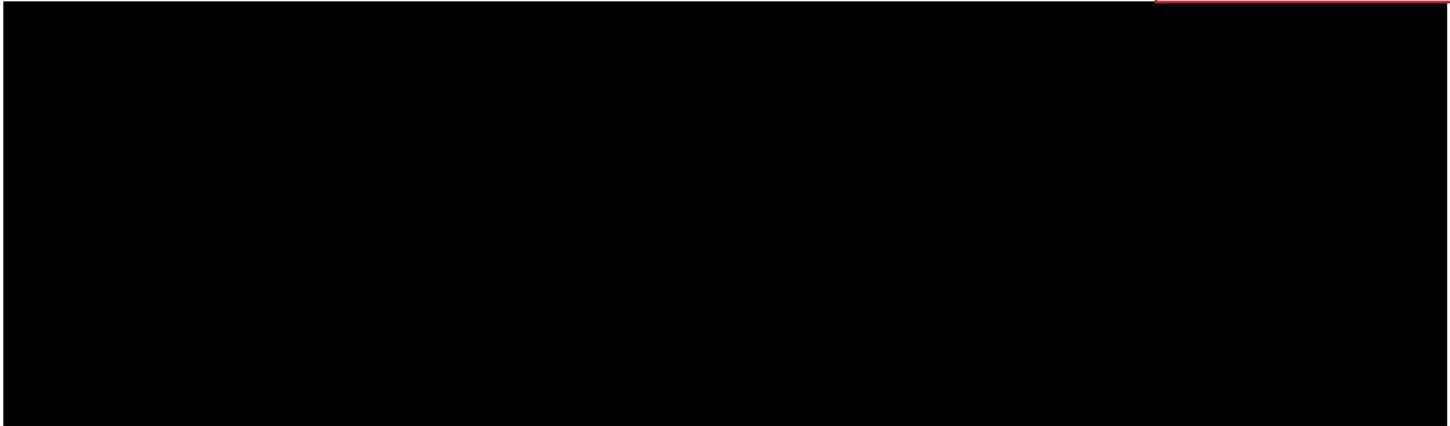


[REDACTED], the FBI suspended [REDACTED] security clearance. [REDACTED] resigned from the FBI on [REDACTED]. On [REDACTED] revoked [REDACTED] security clearance.

[REDACTED] declined to be interviewed by the OIG.⁴

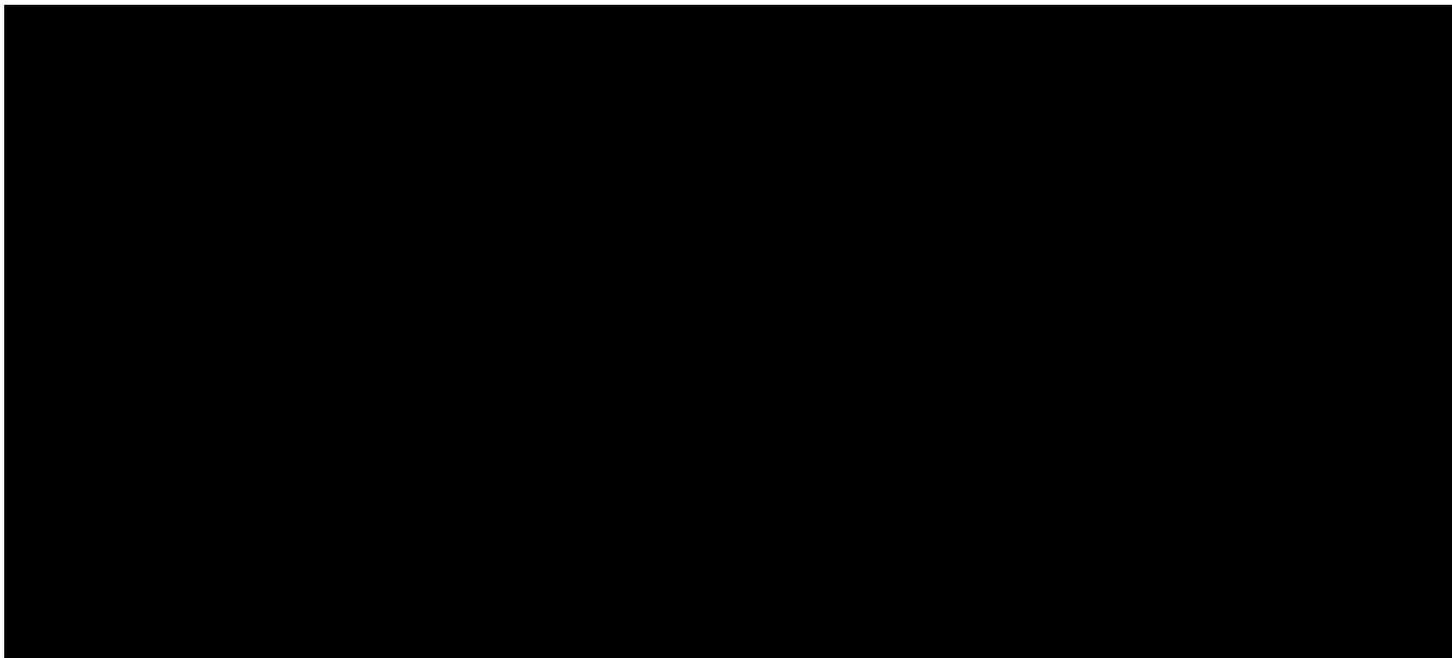
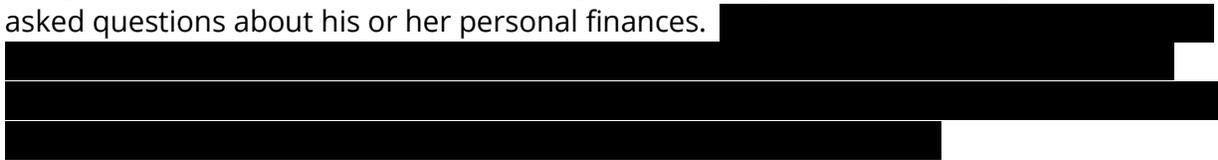


⁴ The OIG lacks testimonial subpoena authority over non-DOJ employees and therefore was unable to compel [REDACTED] participation in an interview.



C. Background Investigations, Periodic Reinvestigations, and the Post-Adjudication Risk Management Program

All FBI applicants and employees are required to undergo preemployment background investigations and periodic reinvestigations at least once every 5 years in order to maintain their security clearance.⁵ One area of focus during background investigations and periodic reinvestigations is an applicant's or employee's personal finances. As part of this process, an applicant or employee completes a questionnaire addressing, among other things, the individual's finances, and is subject to an FBI personnel security interview and asked questions about his or her personal finances.



⁵ See Executive Orders 10450 and 12968 and 5 CFR Part 732.





III. Timeline of Key Events

The following timeline is based on our review of FBI documents and witness interviews and summarizes facts that are described in greater in detail in Part V of this report.

| | |
|------------|---|
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] first meet when [REDACTED] is promoted to Unit Chief [REDACTED] and becomes [REDACTED] supervisor. |
| [REDACTED] | [REDACTED] opens [REDACTED] second periodic background reinvestigation. |
| [REDACTED] | [REDACTED] |
| [REDACTED] | During [REDACTED] second periodic background reinvestigation [REDACTED] discovers in her credit report that she has a collection account with [REDACTED] for a personal loan and owes \$22,062, with the original loan account opened in [REDACTED] and last activity on the account reported in [REDACTED] [REDACTED] discovers that in [REDACTED] the state of [REDACTED] filed a tax lien against [REDACTED] for \$2,458.74 that [REDACTED] satisfied on [REDACTED]. |
| [REDACTED] | [REDACTED] becomes Unit Chief [REDACTED]. |
| [REDACTED] | FBI interviews [REDACTED] regarding the [REDACTED] collection account [REDACTED] states that she is aware of the account and is working with an attorney to help resolve the matter. |
| [REDACTED] | Despite the financial concerns, [REDACTED] favorably adjudicates [REDACTED] periodic reinvestigation, [REDACTED], as noted below, later decides to refer [REDACTED] for additional monitoring. |
| [REDACTED] | [REDACTED] transfers [REDACTED] at [REDACTED] request. |
| [REDACTED] | [REDACTED] refers [REDACTED] to [REDACTED] for additional monitoring due to financial concerns. |
| [REDACTED] | According to [REDACTED] asks her to loan her \$12,000. [REDACTED] completes an electronic money transfer to [REDACTED], in the amount of \$2,500. That same day, [REDACTED] withdraws \$9,500 from her bank account in the form of a \$5,500 check made payable to [REDACTED] and \$4,000 in cash. |
| [REDACTED] | [REDACTED] |
| [REDACTED] | [REDACTED] obtains [REDACTED] credit report showing that she still owed [REDACTED] \$22,061, with the last activity on the account reported in [REDACTED]. The report also still shows the tax lien that the state [REDACTED] filed against [REDACTED] on [REDACTED], in the amount of \$2,458.74 (and that [REDACTED] satisfied on [REDACTED]). |
| [REDACTED] | FBI interviews [REDACTED] again about the [REDACTED] collection account and other financial-related issues. During the interview, [REDACTED] states that she is still working with a firm to help resolve the [REDACTED] matter. She also states that [REDACTED] delinquent in paying [REDACTED] federal taxes, [REDACTED], and that she owed \$40,061.92 to the IRS as of [REDACTED]. |

| | |
|------------|---|
| [REDACTED] | [REDACTED] refers [REDACTED] to INSD for possible misconduct due to her failure to pay the [REDACTED] debt and her failure to report state and federal tax delinquencies. |
| [REDACTED] | [REDACTED] reports to [REDACTED] that she loaned [REDACTED] \$12,000 and that [REDACTED] had failed to repay the loan. FBI [REDACTED] refers the allegations to INSD. |
| [REDACTED] | INSD refers to [REDACTED] allegations against [REDACTED] concerning a loan of \$12,000 that [REDACTED] alleged [REDACTED] never repaid. |
| [REDACTED] | After reviewing [REDACTED] allegations, [REDACTED] opens a security clearance adjudication case on [REDACTED] |
| [REDACTED] | [REDACTED] obtains [REDACTED] credit report showing that [REDACTED] still owes [REDACTED] \$22,061. |
| [REDACTED] | [REDACTED] interviews [REDACTED] about the [REDACTED] collection account and her federal tax delinquency. During the interview, [REDACTED] states that she is also delinquent with her state taxes for an amount that is less than \$10,000. That same day, the FBI suspends [REDACTED] security clearance. |
| [REDACTED] | [REDACTED] resigns from the FBI. |
| [REDACTED] | FBI revokes [REDACTED] security clearance. |
| [REDACTED] | [REDACTED] |

IV. Relevant Law and Policy

This section describes the applicable statutes, regulations, and policies.

A. Financial Information Reporting Requirements

[REDACTED] based on her position as an FBI supervisor and her access to sensitive compartmented information (SCI), was required to file annual Security Financial Disclosure Forms (SFDFs) and annual confidential financial disclosure reports. We describe these requirements below.

1. Security Financial Disclosure Forms

In addition to providing financial information as part of the initial background investigation and periodic reinvestigation process, FBI employees in national security positions with access to SCI are required to file annual Security Financial Disclosure Forms. Among other requirements, the SFDF requires filers to report all liabilities with a balance of \$500 or more.⁷ The SFDF contains a section entitled “Mortgages and Loans,” which contains the following language:

On December 31 of the preceding calendar year, did you, your spouse, or your dependent children have any mortgages, 2nd mortgages, auto, equity, line of credit, personal, or other loans in which the year-end balance was \$500 or more? Do not report credit cards in this section.

The SFDF also contains a section entitled “Other Liabilities Section,” which contains the following language:

⁷ See Executive Order 12968 and Department of Justice (DOJ) Policy Statement 1700.04.

On December 31 of the preceding calendar year, did you, your spouse, or your dependent children have any other liabilities including credit cards, garnishments, judgments, alimony, child support, or school tuition with a year-end balance of \$500 or more?

In each of these sections, the filer must provide specific information regarding each liability, including the loan or other debt type, the name of the creditor, the address of the creditor, the original balance, the monthly payment, the total dollar amount of payments in the filing year, and the year-end balance. The form instructs filers to, "Please fill this out to the best of your knowledge."

██████████ collects and analyzes SFDFs to identify anomalies and security concerns and to help make personnel security determinations, including whether to grant a security clearance.

2. OGE Form 450

Pursuant to 5 C.F.R. Part 2634, certain executive branch employees "whose Government duties involve the exercise of significant discretion in certain sensitive areas" are required to file annually the Office of Government Ethics (OGE) Form 450 confidential financial disclosure report (the OGE Form 450) to disclose certain assets and liabilities. The purpose of the reporting is "to facilitate the review of possible conflicts of interest." 5 C.F.R. § 2634.901(a).

With respect to reportable liabilities, Section 2634.907(d) requires employees to report "liabilities in excess of \$10,000" and provides only six exceptions: 1) personal liabilities owed to a spouse or other close family member; 2) a mortgage secured by the employee's or the employee's spouse's personal residence; 3) any loan secured by a motor vehicle, furniture or appliances provided that the loan does not exceed the purchase price; 4) any revolving charge account; 5) any student loan; and 6) any loan from a bank or other financial institution on terms generally available to the public. The version of the OGE Form 450 used during the time period relevant to this review (2014-2018) states that an employee must report "[a] liability over \$10,000 owed at any time during the reporting period, other than a loan from a financial institution or business entity granted on terms made available to the general public." In addition, it states that an employee must report for herself, spouse, and dependent child "a loan over \$10,000 from an individual, such as a friend or a business associate." According to an OGE guide to the Form 450, tax delinquencies over \$10,000 must also be reported.⁸

The OGE Form 450 contains a certification block in which filers must certify that the statements are "true, complete, and correct to the best of my knowledge." FBI Headquarters personnel who serve as GS-15 supervisors and FBI Unit Chiefs are among the FBI personnel who must file an OGE Form 450 report. ██████████ was required to file an

⁸ This language was contained in both the 2016 and the 2018 versions of the OGE guide.

OGE Form 450 for each calendar year [REDACTED]
[REDACTED]

In addition to completing the OGE Form 450 itself, the FBI requires all OGE Form 450 filers to complete and submit an accompanying “No Known Conflicts of Interest with Federal Duties Certification” form, in which filers must “certify that the statements I have made on this form and all attached statements are true, complete, and correct to the best of my knowledge.” On the separate certification, FBI employees must certify, among other things, that they do not have “a financial interest in any government matter to which I am currently, or reasonably expect to be, assigned,” and acknowledge their “responsibility to disclose the acquisition of any financial or personal interest that conflicts with” their federal duties. The certification warns FBI employees that “falsely certifying...may subject me to criminal penalties under 18 U.S.C. § 1001, disciplinary measures up to and including dismissal, or both.”

OGE Form 450s are not reviewed by [REDACTED] as part of the security clearance process. OGE Form 450s are reviewed by supervisors to determine whether conflicts of interest exist or may exist.

B. Lack of Candor—False or Misleading Information in Employment/Security Documents

The FBI Offense Code contains provisions that subject FBI employees to potential administrative consequences for lack of candor. Pursuant to FBI Offense Code 2.1, False/Misleading Information—Employment/Security Document(s), FBI employees and applicants for employment must not “knowingly” provide “false or misleading information” in employment and security documents, including employment applications and security clearance forms. In addition, FBI employees and applicants must not sign or attest “to the truthfulness of the information provided” in such forms “in reckless disregard of the accuracy or completeness of pertinent information contained therein.” Employment and security documents include, but are not limited to, security clearance forms and documents or forms which “impact hiring, retention, transfer, promotion, and award decisions.”

C. OGE Standards of Ethical Conduct for Executive Branch Employees

The Standards of Ethical Conduct for Employees of the Executive Branch (Standards of Conduct), promulgated by OGE and found at 5 C.F.R. Part 2635, set forth 14 general principles of ethical conduct in Subpart A and specific standards in Subparts B through I that apply to executive branch employees. Subpart A instructs employees to apply the general principles when considering situations not specifically addressed by the subsequent standards. Subparts B through I address the standards governing conduct such as gifts between employees, conflicts of interest, and misuse of position. See 5 C.F.R. §§ 2635.201—902. Below we describe the principles and standards that are applicable here.

The FBI has incorporated the Standards of Conduct into the FBI Ethics and Integrity Program Directive and Policy Guide (Ethics Guide) and has provided additional FBI-specific guidance in certain areas.⁹

1. Subpart A—Failure to Satisfy Just Debts

One of the 14 general principles concerns satisfying financial obligations. Pursuant to 5 C.F.R. § 2635.101(b)(12), “Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those—such as Federal, State, or local taxes—that are imposed by law.” An employee’s obligation to satisfy financial obligations is not addressed in the specific standards.¹⁰

2. Subpart G—Misuse of Position

Subpart G of the Standards of Conduct is labeled “Misuse of Position” and contains several regulations applicable here.

First, 5 C.F.R. § 2635.702 addresses use of public office for private gain. Section 702 begins with a general statement of the rule against using one’s public office for private gain and then identifies specific prohibitions in paragraphs (a) thorough (d). Relevant here is Section 702(a), which states that “an employee shall not use or permit the use of his Government position or title or any authority associated with his public office in a manner that is intended to coerce or induce another person, including a subordinate, to provide any benefit, financial or otherwise, to himself or to friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity.”

Subpart G also has two regulations concerning the use of government property and official time. Section 704(a) states that “an employee has a duty to protect and conserve Government property and shall not use such property, or allow its use, for other than authorized purposes.” The definition of “Government property” includes “telephone and other telecommunications equipment and services.”¹¹ Section 705 concerns use of official time, both use of an employee’s own time and use of a subordinate’s time. Section 705(a) requires an employee to use official time “in an honest effort to perform official duties.” Section 705(b) prohibits a supervisor from “encourag[ing], direct[ing], coerc[ing], or request[ing] a subordinate to use official time to perform activities other than those required in the performance of official duties or authorized in accordance with law or

⁹ FBI Office of Integrity and Compliance, FBI Ethics and Integrity Program Policy Directive and Policy Guide (Feb. 2, 2015; rev. Feb. 19, 2016) (FBI Ethics Guide).

¹⁰ In addition, FBI Offense Code 5.5 prohibits an FBI employee from, “[w]ithout valid justification, failing to satisfy an uncontested, lawful debt or to fulfill a legal or regulatory obligation.” For an FBI employee to be found to have violated this provision, “[t]he failure to satisfy the debt or fulfill the obligation must be characterized by deceit, evasion, false promises or other indicators of a deliberate nonpayment or gross indifference towards the just debt/obligation.”

¹¹ 5 C.F.R. § 2635.704(b)(1).

regulation.” Although the Ethics Guide permits “de minimis” personal use of FBI property and official time, the Ethics Guide specifically states that FBI property and official time may not be used for “personal profit making” or “for purposes that are prohibited or reflect adversely on the FBI.”

3. Subpart C—Gifts Between Employees.

Subpart C of the Standards of Conduct concerns gifts between employees, and the standards are set forth in 5 C.F.R. § 2635.302. Section 302(a) prohibits an employee from giving a gift or making a donation toward a gift for an “official superior” or soliciting a contribution from another employee for a gift for his own, or the other employee’s, official superior.¹² Section 302(b) prohibits an employee from directly or indirectly accepting a gift from an employee receiving less pay than herself, unless “(1) [t]he two employees are not in a subordinate-official superior relationship; and (2) [t]here is a personal relationship between the two employees that would justify the gift.”¹³ Pursuant to 5 C.F.R. § 2635.303(a), a gift has the meaning set forth in 5 C.F.R. § 2635.203(b) and that provision includes a loan as a gift.¹⁴

V. Factual Findings

In this section, we present our factual findings regarding the alleged misconduct by ██████. First, we set forth the facts related to ██████ referral of ██████ to INSD for possible misconduct after determining that ██████ failed to honor a just debt involving a \$25,000 loan and that ██████ had failed to report this debt and other financial delinquencies to the FBI, as required by FBI policy. We then set forth the facts relating to ██████ allegations that ██████ asked her for a \$12,000 loan and that, after ██████ loaned ██████ the money, ██████ did not repay her.

A. Factual Findings Related to ██████ Financial Problems Resulting in Revocation of Security Clearance

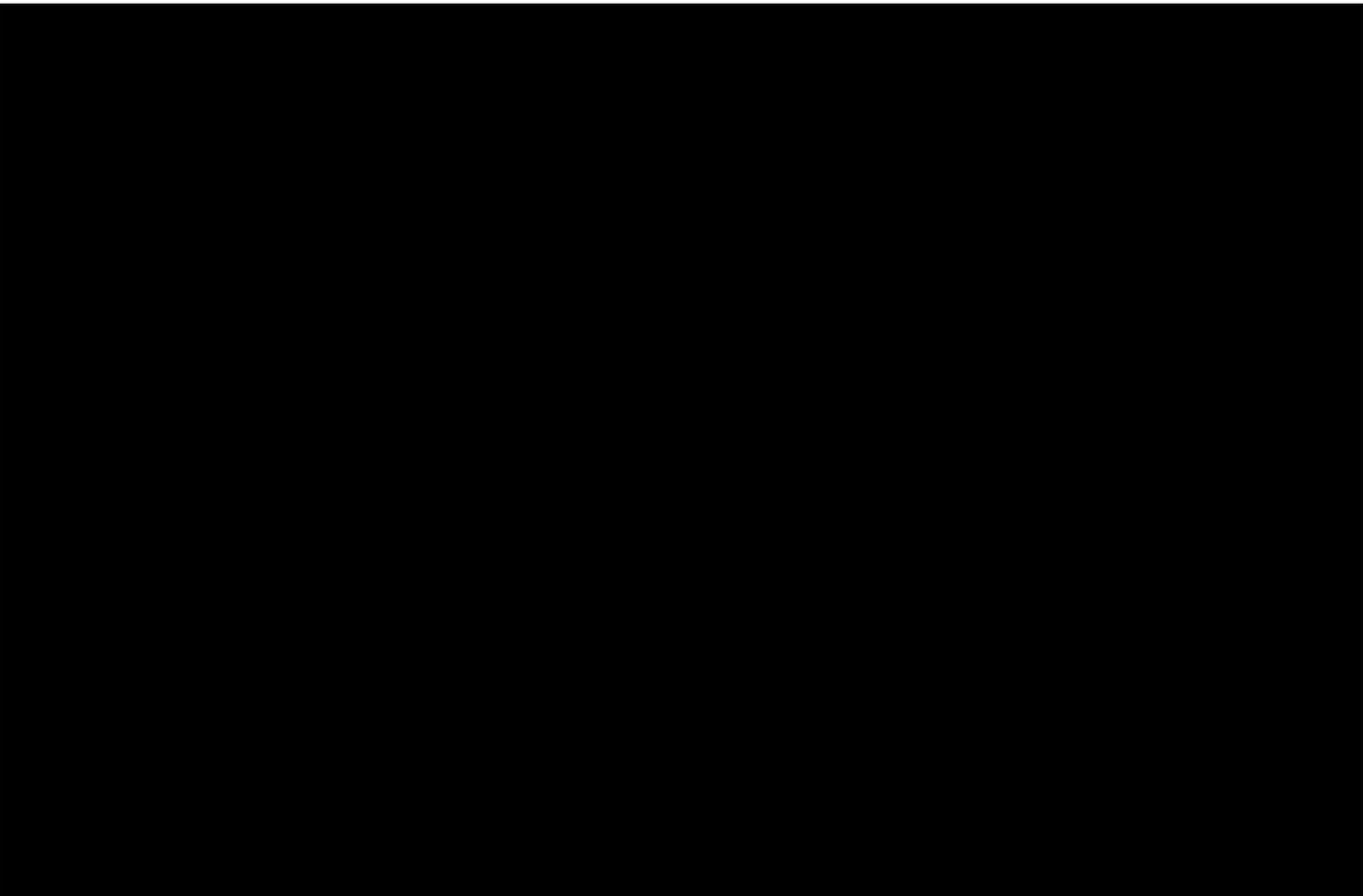
During ██████ FBI pre-employment background investigation, the FBI discovered derogatory information in ██████ credit history, but the FBI still hired her. ██████ first periodic background reinvestigation that was completed in ██████ did not reveal any derogatory information. However, during her second periodic background reinvestigation that took place between ██████, the FBI discovered financial problems that ██████ had failed to report. These discoveries and other information obtained during the

¹² “Official superior” includes an “immediate supervisor.” See 5 C.F.R. § 2635.303(d). The regulations provide for some exceptions for small gifts between subordinates and supervisor that are not applicable here. See 5 C.F.R. § 2635.304.

¹³ See also 5 U.S.C. § 7351(a)(1).

¹⁴ See 5 C.F.R. § 2635.203(b) (“Gift includes any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value.”)

reinvestigation process led to [REDACTED] referral of [REDACTED] to INSD for possible misconduct and the revocation of her security clearance.



2. [REDACTED] Background Reinvestigation

[REDACTED] began [REDACTED] second periodic reinvestigation.¹⁶ [REDACTED]

The credit report revealed the following: 1) a collection account with [REDACTED] was opened in [REDACTED] and was past due in the amount of \$22,062; and 2) a tax lien was filed by the state [REDACTED] in [REDACTED]. According to the credit report, [REDACTED] collection account originated from a [REDACTED] loan [REDACTED] obtained from [REDACTED] in the amount of \$25,000, and the last

¹⁵ [REDACTED]

¹⁶ The FBI completed [REDACTED] first periodic reinvestigation in [REDACTED]. The FBI did not identify any issues that could potentially disqualify [REDACTED] from eligibility for a security clearance at that time and on [REDACTED], favorably adjudicated her clearance.



3. Facts Leading to [REDACTED] Referral of [REDACTED] to INSD for Possible Misconduct

[REDACTED]
[REDACTED]
[REDACTED]¹⁹ [REDACTED] pulled another credit report for [REDACTED] which showed that the [REDACTED] account was still in a collection status with a balance of \$22,061. The credit report also still noted that the [REDACTED] account was in dispute with the consumer. The credit report did not identify any other derogatory financial information.

Based on this credit report information, [REDACTED] was interviewed on [REDACTED]. Prior to the interview, an [REDACTED] emailed [REDACTED] and asked [REDACTED] to bring to the interview a copy of her driver's license and documentation stating what actions she had taken to address the [REDACTED] account. [REDACTED] also requested that she bring documentation showing any past due federal or state taxes. According to the interview report, [REDACTED] made the following statements and provided certain documents described below:

- [REDACTED] stated that she had taken out the [REDACTED] loan in the amount of \$25,000 [REDACTED].
- [REDACTED] repeated the assertions she made earlier during her [REDACTED] interview regarding the [REDACTED] loan, including that she was not aware that the loan had been transferred to [REDACTED] until she was notified by [REDACTED] that the account was past due and that she had hired an attorney.
- [REDACTED] acknowledged that the loan "remains outstanding."
- [REDACTED] stated that she was currently "able to pay back the loan."

¹⁹ [REDACTED]
[REDACTED].

- [REDACTED]
- When asked why she did not list the [REDACTED] debt on her most recent Security Financial Disclosure Form (SFDF) for calendar year [REDACTED] "indicated that she wrote a comment on her financial disclosure form that detailed the issue and that she [was] working with an attorney to address it."²⁰
- [REDACTED]

At the end of the interview, [REDACTED] was read the following warning:

I want to remind you that failure to pay debts can result in the loss or suspension of your security clearance. If you are having trouble addressing your debt, please do not hesitate to visit the FBI's Employee Assistance Program office and request assistance.

[REDACTED] emailed [REDACTED] as a follow up to her [REDACTED] interview and asked [REDACTED] (1) if she had paid a tax lien that [REDACTED] had filed against her [REDACTED], in the amount of \$2,458; (2) if there was any reason why she should not immediately contact [REDACTED] to arrange payment for the debt; and (3) why she did not report the [REDACTED] liability

²⁰ We reviewed [REDACTED] SFDFs for calendar years [REDACTED] [REDACTED] also failed to report this debt on her [REDACTED] and [REDACTED] SFDFs. We discuss these SFDFs in detail below.

²¹ [REDACTED] nor had she reported the federal tax debt on her [REDACTED] or [REDACTED] SFDFs. The FBI was not previously aware of this debt.

on her SFDFs for [REDACTED].²² In the email, the [REDACTED] also provided contact information for [REDACTED]

On [REDACTED] replied to the [REDACTED] email stating that she had paid the [REDACTED] tax lien, which as noted above, was confirmed by [REDACTED] during [REDACTED] background reinvestigation. Regarding the second and third questions, [REDACTED] wrote:

2. I have been trying since [REDACTED] to verify the debt and account owner, and attempts at communication (both via certified mail to [REDACTED] [REDACTED] and over the phone) with [REDACTED] were not successful. I engaged an attorney to figure out (1) who actually owns the debt and (2) what is the actual amount owed. [REDACTED] twice or three times changed the address to where the payments should be sent, and even returned payments to me due to the payments "not being sent to the right address." I was never notified that the loan was transferred or sold, and the first time I heard anything about [REDACTED] was when it hit my credit report. [REDACTED]
[REDACTED]

3. See above; given the experience with what I understood the original lender to be, and on the advice of my attorney, I will honor my obligations once we have verified who owns it. We have identified through this saga as many as five different companies' names associated with this "account".

[REDACTED] closed the email by stating that she would be willing to provide a letter from her attorney to help explain the matter.

[REDACTED] stated to the OIG that [REDACTED] did not consider contacting [REDACTED] attorney to discuss the [REDACTED] loan because "on its face" [REDACTED] claim that she could not verify who owned the loan account and therefore did not have an obligation to pay the debt was "ridiculous." He stated that although [REDACTED] did not ask [REDACTED] for copies of returned mail or canceled checks that would have evidenced the attempts that she said she had made to pay the loan, [REDACTED] did not proactively provide [REDACTED] with documentation showing that [REDACTED] had returned her payments or that she had made any attempts to contact [REDACTED] to resolve the debt.

On [REDACTED] referred [REDACTED] to INSD "due to her failure to honor a just debt and failure to report state and federal tax delinquencies." According to the referral, [REDACTED] questioned the veracity of [REDACTED] claim that she had been trying to communicate with [REDACTED] in an effort to repay the loan, given [REDACTED] "apparent refusal" to contact [REDACTED] despite being provided [REDACTED] phone number by the [REDACTED]

²² [REDACTED] did not ask [REDACTED] to explain the omission of her federal tax debt from her SFDFs, although, as discussed further below, [REDACTED] cited [REDACTED] failure to include the federal tax debt on her [REDACTED] SFDF as a reason for referring her to INSD for misconduct.

██████████. The referral summarized ██████████ concerns by listing various aggravating factors, including:

- “Despite being interviewed about the ██████████ delinquency on ██████████ ██████████ ██████████ has personally taken no steps to resolve the ██████████ debt.”
- “Despite being told ██████████ ██████████ ██████████ has continued to experience financial delinquencies.”
- “On ██████████, a \$2,458 ██████████ state tax lien was filed against ██████████ in a ██████████ state court, and as of ██████████ owed \$40,061.92 in delinquent taxes to the IRS.”
- “During her ██████████ interview, ██████████ provided no information that her financial problems were due to ██████████ or other extraordinary circumstances that would tend to mitigate her financial delinquencies.”
- ██████████ had not reported her federal or state tax delinquencies in the FBI’s ██████████ and she had not reported her federal tax delinquency in her SFDF for calendar year ██████████.²³

According to the ██████████ was “manufacturing false justifications” for why she did not have to pay a lawful \$25,000 debt she had incurred ██████████. He said that ██████████ refusal to honor a just debt, coupled with the fact that she failed to report to the FBI her federal and state tax delinquencies and had a history of financial problems, influenced ██████████ decision to send its referral of the matter to INSD. He also said that he believed ██████████ lacked candor in her responses as to why she did not have to pay the ██████████ loan, which was another aggravating circumstance in ██████████ decision to refer the matter to INSD. Once ██████████ referred the matter to INSD, ██████████ placed ██████████ case in a pending and active status and ended its involvement with ██████████ for the time being.

²³ FBI policy in effect at the time that ██████████ incurred the federal tax delinquency required employees to contemporaneously self-report via the FD-1078 form certain “security concerns” within 5 days of “reportable events.” The policy contained a section heading labeled “Financial indebtedness.” However, the policy did not define “financial indebtedness” and the only type of financial indebtedness listed under the heading was “filing/petition for bankruptcy due to outstanding personal debts.” In November 2018, the FBI issued a new policy governing self-reporting security concerns that defines “financial indebtedness” to include delinquencies of 120 days or greater, garnishments, and failure to pay federal or state taxes. Although the November 2018 policy was not in effect at the time ██████████ referred ██████████ to INSD in ██████████ for, among other things, failing to self-report her tax delinquency, according to the ██████████ should have contemporaneously reported her federal tax delinquency. We note that Department policy has, since 2004, required Department employees, including FBI employees, with access to national security information to self-report in writing any on or off-duty allegations of misconduct, including the failure to pay federal or state taxes.

4. █████ Security Clearance Adjudication

As we detail below, in █████ submitted a written complaint to FBI █████ alleging that she loaned █████ \$12,000 in █████ and that █████ had failed to repay the loan. As part of her complaint, █████ submitted bank records supporting her allegations and a promissory note from █████ to █████ . █████ referred the complaint to INSD, and INSD referred the complaint to █████ and the OIG. On █████ initiated an adjudication of █████ security clearance under Adjudicative Guideline F: Financial Considerations, and Adjudicative Guideline E: Personal Conduct.

█████ told the OIG that she made the decision to open a security clearance adjudication case because █████ allegations “seemed to rise to the level of extortion...in the sense that █████ was pressuring █████ to loan her the money.” In addition, █████ said that her decision was influenced by the facts that █████ and █████ had referred █████ to INSD for misconduct in █████

On █████ obtained █████ credit report, which showed that the last activity and amount owed on the █████ collection account had not changed. In addition, on █████ and another █████ employee interviewed █████ to discuss her financial situation, and █████ provided the same explanations concerning the █████ account that she had in the past and stated that she was still paying her past due federal taxes. █████ also stated that she recently discovered she owed the state of █████ approximately \$10,000 in back taxes.²⁴ █████ minimized the importance of the security concerns presented by her financial issues. █████ said that at the conclusion of the interview she asked █████ if she had received any other sources of income she had not yet disclosed to the FBI to see if █████ would mention the loan from █████ . She said that █████ failed to mention the loan from █████ , and that made █████ appear less credible.

After these steps were completed, █████ recommended suspension of █████ security clearance. █████ identified as security concerns the █████ account and the federal tax delinquency. █████ noted that █████ “has shown a consistent pattern of not meeting her financial obligations,” █████ also found that █████ admission of her federal tax delinquency during her █████ interview did not mitigate the fact that she was responsible for understanding the tax implications █████ . █████ concluded that █████ “failure to meet her financial and tax obligations indicates an ongoing unwillingness to abide by rules and

²⁴ █████

regulations, which raises concerns about her ability to protect classified information.” On [REDACTED] suspended [REDACTED] security clearance based on concerns related to Adjudicative Guideline F: Financial Considerations. In a letter to [REDACTED] informing her of this decision, [REDACTED] wrote that [REDACTED] had “demonstrated a history of poor fiscal responsibility,” which raised “sufficient concerns about [her] judgment, trustworthiness, and reliability.”²⁵

After suspending [REDACTED] security clearance, [REDACTED] continued its investigation, and on [REDACTED] and another [REDACTED] employee interviewed [REDACTED]. [REDACTED] told the OIG that during the interview [REDACTED] stated that she felt pressured to loan [REDACTED] money because [REDACTED] was her boss. [REDACTED] recommended revoking [REDACTED] security clearance, and on [REDACTED] revoked [REDACTED] security clearance, citing Adjudicative Guideline E: Personal Conduct, based on the loan from [REDACTED], and Adjudicative Guideline F: Financial Considerations, based on [REDACTED] “consistent pattern of not meeting [her] financial obligations.”

B. OIG Review of [REDACTED], and [REDACTED] SFDFs

As described above, FBI policy required [REDACTED] to file annual SFDFs and report for herself, her spouse, and her dependent children any mortgage, loan, or other liability with a year-end balance of \$500 or more. We reviewed [REDACTED] SFDFs for [REDACTED], and [REDACTED] to determine whether she complied with her reporting obligations. The SFDF for a particular calendar year is generally filed in the spring of the following year.

In her SFDF for calendar year [REDACTED] under “Mortgages and Loans,” [REDACTED] reported a [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] However, [REDACTED] did not report the [REDACTED] loan from the [REDACTED]
[REDACTED] which had an outstanding balance of approximately \$22,062 at the end of [REDACTED]

In her SFDF for calendar year [REDACTED] under the category “Mortgages and Loans,” [REDACTED] reported [REDACTED]
[REDACTED]

²⁵ On [REDACTED], the FBI’s [REDACTED] provided [REDACTED] with a letter notifying her of the FBI’s proposal to indefinitely suspend her employment based on the suspension of her clearance. The letter stated that [REDACTED] no longer met an essential condition of employment due to the fact that she was no longer allowed to access FBI space as a result of the suspension of her clearance. As previously noted, [REDACTED] resigned on [REDACTED].

²⁶ As discussed above, [REDACTED] credit report showed that the last activity on the [REDACTED] account was reported in [REDACTED]. [REDACTED] submitted her SFDF for calendar year [REDACTED] approximately 2 months later, on [REDACTED].

[REDACTED]
[REDACTED] However, for a second year, [REDACTED] did not report the [REDACTED] loan from the [REDACTED]. [REDACTED]

In her SFDF for calendar year [REDACTED] under "Mortgages and Loans," [REDACTED] reported a [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] However, for now a third year, [REDACTED] did not report the [REDACTED] loan from [REDACTED], which at this point had been transferred [REDACTED]
[REDACTED] opened as a collection account with a balance of \$22,062. [REDACTED] also failed to report her federal tax debt of over \$40,000, which, according to her, the IRS had made her aware of in [REDACTED]

In her SFDF for calendar year [REDACTED] under "Mortgages and Loans," [REDACTED] reported a [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] However, for now a fourth year, [REDACTED] did not report the still outstanding [REDACTED] debt with a balance of \$22,062. At the end of the form under "Comments," [REDACTED] wrote, "currently utilizing an attorney and a monitoring service to assist with inaccuracies on my credit report."²⁷ [REDACTED] also failed again to report her federal tax debt and failed to report a \$12,000 loan she had received from her subordinate, [REDACTED] in [REDACTED], as described below.²⁸

C. Factual Findings Concerning [REDACTED] Loan to [REDACTED]

1. Relationship between [REDACTED] and [REDACTED]

[REDACTED] and [REDACTED] met when [REDACTED] became the Unit Chief [REDACTED]
[REDACTED]. [REDACTED], reported to [REDACTED]
through a [REDACTED]. During the several years that [REDACTED]
background reinvestigation unfolded and her financial issues came to light, [REDACTED]
[REDACTED]. [REDACTED] told us that during this time, [REDACTED] continued to perform [REDACTED] for [REDACTED] at [REDACTED]

²⁷ According to the [REDACTED] statement that she was using an attorney to assist with inaccuracies on her credit report was not sufficient for the purpose of reporting the [REDACTED] debt because the SFDF requires filers to specify all liabilities over \$500.

²⁸ While the record does not indicate the amount of this federal tax debt as of the end of [REDACTED] it would have been approximately \$37,500 [REDACTED] t.

request, such as [REDACTED] even though she was no longer [REDACTED] subordinate. In approximately [REDACTED] became the Unit Chief [REDACTED]. According to [REDACTED], in [REDACTED] contacted [REDACTED] and told [REDACTED] that she wanted [REDACTED] to work for her in the [REDACTED] and [REDACTED] agreed. By the end of [REDACTED] was working in the [REDACTED].

The OIG interviewed two FBI employees whom [REDACTED] considered friends, [REDACTED] and [REDACTED], neither of whom worked in [REDACTED]. Both [REDACTED] and [REDACTED] conveyed to us that they believed [REDACTED] and [REDACTED] had an unusually close relationship for a supervisor and subordinate.²⁹ Both [REDACTED] and [REDACTED] described [REDACTED] and [REDACTED] as "friends." In addition, [REDACTED] described the relationship between [REDACTED] and [REDACTED] as "strange." [REDACTED] said that she interacted with [REDACTED] while the FBI [REDACTED] because at the time [REDACTED]. She stated that [REDACTED] often performed [REDACTED] for [REDACTED], [REDACTED] which [REDACTED] thought was "weird" because [REDACTED] was not [REDACTED]. [REDACTED] told the OIG that [REDACTED] told her sometime in [REDACTED] that she was excited to begin working for [REDACTED] again because "[REDACTED] has my back...and really gives me a lot of top cover."

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] According to [REDACTED] [REDACTED] told him that she told [REDACTED], "Without [REDACTED] I would not have a job right now."

[REDACTED] told the OIG and documentation we reviewed showed that, [REDACTED] and other factors, [REDACTED] took advantage of various workplace flexibilities as an FBI employee. [REDACTED] As [REDACTED] supervisor, [REDACTED] was one of the FBI employees that approved these workplace flexibilities.

29 [REDACTED]
[REDACTED]

2. Circumstances Surrounding the Loan

██████ told the OIG that in early ████████ ████████ asked her for a loan while they were working together ████████ when only ████████ and ████████ were present. According to ████████ complaint to FBI ████████—after overhearing a phone conversation in which ████████ was discussing loaning money to a close personal friend—approached ████████ and asked ████████ if she heard correctly that ████████ was loaning money to a friend and asked ████████ the amount of the loan. ████████ wrote in her complaint that when she told ████████ how much money she was loaning a friend, ████████ asked ████████ how she was able to loan such an amount of money, to which ████████ answered ████████ ████████. ████████ then asked ████████ if she could loan her \$12,000.³⁰

██████ told the OIG that she was “stunned” and “caught off guard” when ████████ asked her if she could borrow \$12,000, and that she believed her response to ████████ was “I don’t know,” though she did not remember exactly what she said. ████████ stated that ████████ did not explain why she needed the money, and she described ████████ demeanor during the encounter as “determined” and “aggressive.” ████████ further stated that she felt “intimidated” by the request and hoped that ████████ would “leave it alone.” ████████ said that she believed ████████ should have known that it was improper to ask for the loan, but stated that she did not consider raising any ethics-related concerns with ████████ or consulting with an ethics official about the matter.

During her OIG interview, ████████ stated, consistent with what she wrote in her complaint, that thereafter ████████ approached her repeatedly about the loan. She told us that she did not remember how many times ████████ approached her to discuss the loan or how many days elapsed from their initial conversation about the loan until the date ████████ loaned ████████ the money.

██████ stated that on the day she made the loan to ████████, ████████ had called ████████ into her office to discuss the loan, at which point ████████ told ████████ that she did not have a check. ████████ stated that ████████ responded that ████████ could electronically transfer the money and that ████████ could show her how to complete the electronic transfer if ████████ logged into her bank account. ████████ said that she logged into her bank account on ████████ work computer and, at the instruction of ████████, typed in the information needed to set up the money transfer. According to ████████ she learned at that time that her bank only allowed a maximum online transfer of \$2,500. ████████ said that ████████ directed her to transfer the money to ████████. ████████ said that she did not know why ████████ asked her to transfer the money to ████████ and that she had no recollection of ever meeting him. According to ████████ bank statement dated ████████ ████████ a withdrawal in the amount of \$2,500 ████████ ████████ was posted on ████████

³⁰ ████████

an investment in [REDACTED]. [REDACTED] said that she asked [REDACTED] "What am I investing in?", and told [REDACTED] "I'm not investing...I'm loaning you [money]," and in response [REDACTED] "just kind of blew it off." [REDACTED] also told us that, at the time the promissory note was written, she did not know anything about [REDACTED] or what was meant by the term "short term, hard money lender."³³ According to [REDACTED], [REDACTED] came up with the repayment terms included in the note, and [REDACTED] never discussed them with [REDACTED].

4. [REDACTED] Seeks Repayment

According to [REDACTED], although the promissory note indicated that [REDACTED] would begin repaying the loan "monthly" and pay off the loan in 90 days, [REDACTED] did not do that. In addition, according to [REDACTED], she did not discuss the loan with [REDACTED] until [REDACTED] [REDACTED] when [REDACTED] brought up the topic and told [REDACTED] that she would be able to repay the loan soon.

[REDACTED] told the OIG that the first time she asked [REDACTED] for repayment of the loan was sometime in [REDACTED]. She said that she asked [REDACTED] at least a couple of times to repay the loan while she was in [REDACTED] office, and each time [REDACTED] "looked at [her] with a blank stare." She said that the last time she asked [REDACTED] for repayment of the loan was on [REDACTED]. On this date, [REDACTED] sent an email to [REDACTED] stating:

I need for you to either repay in full or begin to make scheduled payments concerning the twelve thousand dollars you borrowed back in early [REDACTED]
[REDACTED]

[REDACTED] said that [REDACTED] never responded to this email and that she never received any payments from [REDACTED] for the loan.

5. [REDACTED] Conversations with Co-Workers Regarding the Loan

a. [REDACTED] conversations

[REDACTED] told the OIG that [REDACTED] told her about the loan shortly after [REDACTED] made the loan to [REDACTED] in [REDACTED] or [REDACTED] [REDACTED]. According to [REDACTED] told her that [REDACTED] asked for a \$12,000 loan while [REDACTED] and [REDACTED] were together at work when no one else was present. [REDACTED]

³³ [REDACTED]
[REDACTED].
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Because [REDACTED] refused our request for an interview, we were unable to ask her what she meant when she used the term hard-money lender in the promissory note she wrote.

[REDACTED]
[REDACTED] When we asked [REDACTED] whether [REDACTED] expected anything in return for the loan, she told us it was her impression [REDACTED] only expected to be repaid, and that [REDACTED] said something like “you know how [REDACTED] and I are. Like, we’re buddies.” [REDACTED] said that when she expressed her surprise about the loan and told [REDACTED] it was inappropriate to lend [REDACTED] the money, [REDACTED] did not seem bothered by it and said something like “don’t worry about it. I got it covered.” [REDACTED] also said that [REDACTED] did not state that she felt like she had to give [REDACTED] the money because [REDACTED] was her supervisor.

[REDACTED] told the OIG that she had a second conversation with [REDACTED] about the loan sometime in the [REDACTED]. She said that [REDACTED] had requested to meet with her because [REDACTED] needed help drafting an email she wanted to send to [REDACTED] about the loan. [REDACTED] said that [REDACTED] told her [REDACTED] was refusing to repay the loan. [REDACTED]

[REDACTED] further stated that [REDACTED] told her that she intended to file a complaint against [REDACTED]. [REDACTED] said that she recommended to [REDACTED] that she report the incident and that she helped [REDACTED] draft a complaint to FBI [REDACTED] and prepare a timeline of events associated with the loan.

b. [REDACTED] conversations

[REDACTED] told the OIG that she learned of the loan during a conversation with [REDACTED] in approximately [REDACTED], shortly after [REDACTED] had met with [REDACTED] to discuss her mid-year performance review. According to [REDACTED], [REDACTED] said that [REDACTED] “was really mean to her” during her mid-year performance review, and [REDACTED] attributed this behavior to the fact that she had loaned [REDACTED] money and was now asking [REDACTED] to repay the loan. [REDACTED] said that when she told [REDACTED] it was improper for a subordinate to loan money to a supervisor, [REDACTED] responded that she had hoped [REDACTED] would pay her back because they were friends. [REDACTED] told the OIG that during this conversation [REDACTED] did not state that she felt pressured to loan [REDACTED] the money.

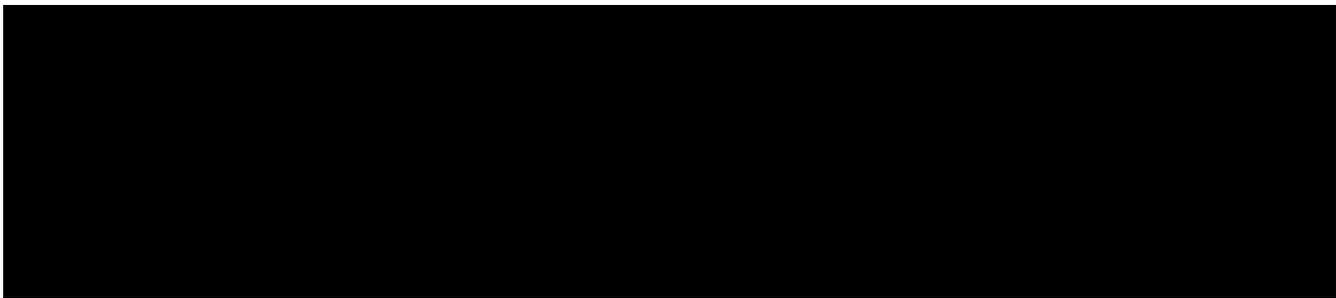
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] told the OIG that she had a second conversation with [REDACTED] about the loan sometime in [REDACTED], during which [REDACTED] provided additional details about the circumstances of the loan and stated that she felt pressured by [REDACTED] to loan her the money. [REDACTED] stated that [REDACTED] said she was in the office in the evening talking to [REDACTED] on the phone about refinancing her house and lending money to [REDACTED] when [REDACTED] overheard the phone conversation and asked [REDACTED] if she could borrow money. [REDACTED] said that [REDACTED] told her only she and [REDACTED] were in the office when [REDACTED] approached her. According to [REDACTED], [REDACTED] said that she initially tried to transfer the money online, using both [REDACTED] and [REDACTED] work computers, but when they realized that this would not work, they drove to the bank in [REDACTED] personal vehicle during lunch

so that ██████ could get the remainder of the money in a check made payable to ██████ ██████ said ██████ told her that ██████ requested the check be addressed to ██████ but did not explain why. She said that ██████ showed her a promissory note and told her that ██████ had written it. She said that ██████ told her that ██████ had ignored ██████ recent attempts to contact her by phone, email, or text message, and ██████ was concerned that ██████ was not going to repay the loan. ██████ said that she recognized the matter was serious when she learned that ██████ had not yet repaid the loan, and she therefore encouraged ██████ to report the matter to the FBI.

6. ██████ Submits a Complaint to FBI ██████

As discussed above, in ██████ submitted a complaint to FBI ██████ alleging that ██████ pressured her into making a \$12,000 loan and refused to repay the loan. ██████ submitted bank records and a promissory note in support of her complaint.



D. OIG Review of ██████ OGE Form 450

As an FBI supervisor, ██████ was also required to file annual confidential financial disclosure reports (OGE Form 450) so that the FBI could identify any conflicts between her personal financial interests and her official duties. ██████ timely filed her OGE Form 450 for calendar year ██████ in ██████ approximately a year after she received the \$12,000 loan from ██████. On the first page, she checked the box “No” in answer to the question of whether she had any reportable liabilities. In the “liabilities” section of the form, she wrote “N/A.” ██████ did not report the ██████ loan or the federal tax debt of approximately \$40,000, described above. In addition, on the same day she filed her OGE Form 450, ██████ signed the FBI’s “No Known Conflicts of Interest with Federal Duties Certification” form that accompanied the OGE Form 450, representing that she did not have any conflicts of interest.³⁴

██████ also certified that she completed annual ethics training for calendar years ██████, and ██████

³⁴ ██████ did not file an OGE Form 450 for ██████ that would have been due ██████. Her security clearance was suspended ██████, and she did not return to work.

VI. Analysis

In this section, we provide our analysis of the allegations. As an initial matter, we found that [REDACTED] failed to repay the \$25,000 loan [REDACTED] and that she failed to satisfy her state and federal tax obligations. In addition, we substantiated the allegation that [REDACTED] requested and received a loan from [REDACTED] in the amount of \$12,000 and that she failed to repay it. Although the promissory note that [REDACTED] wrote indicated that [REDACTED] was “investing” in [REDACTED] company, we found, based on other language in the promissory note, [REDACTED] testimony, and the consistent statements [REDACTED] made to her colleagues, that the \$12,000 transaction was a loan. We found that [REDACTED] failed to repay the loan based on [REDACTED] testimony [REDACTED]

Below, we analyze [REDACTED] conduct involving her financial delinquencies as well as the loan from [REDACTED] under the OGE Standards of Conduct. Then we analyze this conduct with respect to her financial reporting obligations.

A. Failure to Satisfy Financial Obligations and Honor Just Debts

Pursuant to the OGE Standards of Conduct general principle number 12, found at 5 C.F.R. § 2635.101(b)(12), “Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those—such as Federal, State, or local taxes—that are imposed by law.” We found that [REDACTED] violated 5 C.F.R. § 2635.101(b)(12) by failing to satisfy her federal and state tax obligations, by failing to repay the \$25,000 loan [REDACTED], and by failing to repay [REDACTED] the loan. We determined that these were “just financial obligations,” in that two were tax obligations and the other two were valid loans.

Given that [REDACTED] failure to satisfy her debts occurred repeatedly over several years, we concluded that she did not act in good faith to satisfy her financial obligations. With respect to her federal tax obligations, according to [REDACTED], the IRS notified her in [REDACTED] that she had failed to pay over \$40,000 in taxes, and in [REDACTED]—when she had failed to begin paying that debt—[REDACTED]. With respect to her state tax obligations, the state [REDACTED] filed a lien against [REDACTED] in [REDACTED] that [REDACTED] satisfied in [REDACTED], and in [REDACTED], [REDACTED] told the FBI that she again owed the state of [REDACTED] in back taxes. With respect to the [REDACTED] loan, the loan was turned over to a collection agency in [REDACTED], and the debt remained unresolved 3 years later in [REDACTED] when [REDACTED] interviewed [REDACTED] in connection with her security clearance adjudication. Finally, with respect to the loan from

Conduct define a gift to include a loan. *See* 5 C.F.R. § 2635.203(b). [REDACTED] was [REDACTED] supervisor and therefore was prohibited from accepting a loan from [REDACTED]. Therefore, we concluded that [REDACTED] violated 5 C.F.R. § 2635.302(b).³⁹

C. Lack of Candor

We found that [REDACTED] lacked candor by knowingly omitting financial liabilities from her [REDACTED], and [REDACTED] SFDFs and from her [REDACTED] OGE Form 450 or by omitting these liabilities with reckless disregard for the accuracy and completeness of the forms and that, by doing so, [REDACTED] violated FBI Offense Code 2.1, False/Misleading Information—Employment/Security Document(s).

1. Omissions in Security Financial Disclosure Forms

[REDACTED] was required by FBI policy to file annual SFDFs with the FBI and report all liabilities in which the balance was \$500 or more as of December 31 of the preceding calendar year. The form makes clear that *any* liability over \$500 must be reported and provides specific examples, including loans, garnishments, and judgments. We found that [REDACTED] failed to disclose the following liabilities: (1) the \$25,000 [REDACTED] loan in her SFDFs for calendar years [REDACTED]; (2) the [REDACTED] collection account (for the [REDACTED] loan) in her SFDFs for calendar years [REDACTED]; (3) her federal tax debt in her SFDFs for calendar years [REDACTED]; and (4) the \$12,000 loan from [REDACTED] in her [REDACTED] SFDF. We found that [REDACTED] lacked candor because she knowingly failed to disclose these liabilities or, at a minimum, attested to the truthfulness of the information provided in the forms in reckless disregard of the accuracy or completeness of them in violation of FBI Offense Code 2.1.

[REDACTED] was required to report the \$25,000 [REDACTED] loan on her [REDACTED] and [REDACTED] SFDFs, because [REDACTED] took out the loan in [REDACTED] and still owed \$22,062 on the loan by the end of calendar year [REDACTED]. At the time [REDACTED] filed her [REDACTED] and [REDACTED] SFDFs, the [REDACTED] loan was in collection with [REDACTED], and the balance was still over \$22,000, yet [REDACTED] omitted this liability on both forms.

[REDACTED] failed to report the [REDACTED] loan on her [REDACTED] SFDFs, [REDACTED] [REDACTED]. We found that [REDACTED] had a motivation to hide the [REDACTED] loan on her [REDACTED] SFDFs, because, according to records we reviewed, she stopped making payments on it in [REDACTED] and, thus, was delinquent on it by the time she filed her [REDACTED] SFDF in [REDACTED] and remained delinquent on it when she filed her [REDACTED] SFDF in the [REDACTED]. The fact that [REDACTED] reported other loans that were not delinquent but

³⁹ [REDACTED]
[REDACTED]
[REDACTED]

failed to report the [REDACTED] loan that was delinquent supports an inference that her omission of the [REDACTED] loan on her [REDACTED] SFDFs was not accidental.

In addition, when [REDACTED] was asked why she omitted this liability, first in a [REDACTED] interview and a month later in an email, she gave misleading and non-responsive answers. When the FBI questioned [REDACTED] in a [REDACTED] interview about why she failed to report the [REDACTED] liability on her [REDACTED] SFDF, [REDACTED] suggested that she had reported it by saying she had included a comment on the form “that detailed the issue” and had included in the comment that she “[was] working with an attorney to address it.” However, the comment on her SFDF for calendar year [REDACTED] stated only that [REDACTED] was “currently utilizing an attorney and a monitoring service to assist with inaccuracies on [her] credit report,” and disclosed nothing about a liability to [REDACTED] or a collection account. Based on this misleading response to this interview question, we believe that [REDACTED] knew that she was required to report the [REDACTED] liability on her [REDACTED] SFDF, yet made a conscious decision to omit it.

When the [REDACTED] asked [REDACTED] in a [REDACTED] email why she did not report the [REDACTED] loan” on her SFDFs for [REDACTED] response was evasive and did not directly answer his question. [REDACTED] responded that she had had difficulties “since [REDACTED] verifying who owned the loan and the amount owed and said that she had not been notified that the loan had been sold or transferred from the [REDACTED] to [REDACTED] until it “hit” her credit report. In addition, [REDACTED] wrote that she had hired an attorney and was disputing the [REDACTED] liability, because she had been making payments before the [REDACTED] sold the loan and there was a mix-up in crediting those payments once [REDACTED] owned it, and that she would satisfy her obligations once she confirmed who owned the loan and the amount owed. This response about what she knew or did not know about who owned the loan in [REDACTED]—even assuming it were true—was non-responsive because it did not address her failure to report the *existence* of the loan on her SFDFs since [REDACTED].⁴⁰ Moreover, even if [REDACTED] honestly believed that some of the payments were not credited properly, [REDACTED] knew or should have known that she owed well over \$500 on the loan and was therefore obligated to report it. Finally, in the [REDACTED] interview and the [REDACTED] email [REDACTED] did not claim that she did not know she should have reported the [REDACTED] loan or the [REDACTED] debt, nor did she claim that her failure to report the loan was an honest mistake. Based upon the foregoing, we concluded that [REDACTED] knowingly omitted the [REDACTED] loan from her [REDACTED] SFDFs and the [REDACTED] debt from her [REDACTED] SFDFs, or at a minimum, signed the forms attesting to their truthfulness in reckless disregard for the completeness of those forms, in violation of FBI Offense Code 2.1.

⁴⁰ In this email, [REDACTED] referred to the loan as the [REDACTED] loan” not the [REDACTED] loan, but specifically asked why [REDACTED] did not report the loan in [REDACTED]. Based on the wording of the [REDACTED] email, we found that [REDACTED] should have understood that she was being asked to explain why she did not report both the [REDACTED] loan in her SFDFs for calendar years [REDACTED] and the [REDACTED] collection account in her SFDF for calendar year [REDACTED].

With respect to [REDACTED] failure to report the federal tax delinquency, [REDACTED] told the FBI that the IRS notified her sometime in [REDACTED] of her approximately \$40,000 federal tax delinquency [REDACTED]. [REDACTED] did not, however, report the delinquency on her SFDFs for calendar years [REDACTED]. Based on [REDACTED] seniority [REDACTED] and reminded by the FBI that it was her responsibility “to strictly adhere to all the requirements of the FBI’s Personnel Security Program” just 1 month before she filed her SFDF for calendar year [REDACTED] we found that [REDACTED] should have been scrupulous about her reporting requirements. Moreover, [REDACTED] [REDACTED] [REDACTED] had even more reason to know that she was required to disclose her federal tax debt by calendar year [REDACTED]. Therefore, we concluded that [REDACTED] knowingly omitted her federal tax delinquency from her [REDACTED] SFDFs or signed the forms attesting to their truthfulness with reckless disregard for the accuracy or completeness of those forms, in violation of FBI Offense Code 2.1.

Similarly, we found that [REDACTED] knowingly failed to disclose the loan from [REDACTED] in her [REDACTED] SFDF. We found that [REDACTED] had a motivation to hide the loan, because by the time she filed her [REDACTED] SFDF in [REDACTED], it had been over a year since she had accepted the money and she had not made any effort to repay it. We also believe that, as a senior manager who had completed ethics training every year, she was aware that she should not have solicited or accepted a loan from a subordinate and that she failed to disclose the loan in order to avoid disclosing her own misconduct. Moreover, by not reporting the loan [REDACTED] would be able to deny its existence and therefore her responsibility to repay it. For these reasons, we concluded that [REDACTED] lacked candor when she omitted the [REDACTED] loan from her [REDACTED] SFDF.⁴¹

2. Omissions in OGE Form 450

We also found that [REDACTED] failed to comply with her financial disclosure reporting obligations under 5 C.F.R. Part 2634 when she omitted the \$12,000 loan from [REDACTED] and her federal tax debt of approximately \$40,000 from her confidential financial disclosure report (OGE Form 450) for calendar year [REDACTED]. The version of the OGE Form 450 used during the time period relevant to this review states that an employee must report “[a] liability over \$10,000 owed at any time during the reporting period, other than a loan from a financial institution or business entity granted on terms made available to the general public.” In addition, it states that an employee must report “a loan over \$10,000 from an individual, such as a friend or a business associate.” [REDACTED] checked the box on the first page indicating that she did not have any reportable liabilities, and she wrote “N/A” in the

⁴¹ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

section for reporting details about liabilities. We found that, for the same reasons discussed above, [REDACTED] had reasons to hide the [REDACTED] loan and the federal tax debt and that she knowingly omitted this information from her [REDACTED] OGE Form 450 or, at a minimum, attested to the truthfulness of the form in reckless disregard of its accuracy or completeness.⁴²

VII. Conclusions

For the reasons stated above, we concluded by a preponderance of the evidence that [REDACTED] committed misconduct by failing to in good faith satisfy her financial obligations and honor just debts in violation of 5 C.F.R. § 2635.101(b)(12); misusing her public office for private gain in violation of 5 C.F.R. § 2635.702(a); misusing official time and government property in violation of 5 C.F.R. § 2635.705 and 704; receiving a gift from a subordinate in the form of a loan, in violation of 5 C.F.R. § 2635.302(b); and lacking candor in employment and security documents in violation of FBI Offense Code 2.1.

⁴² We note that a loan from a subordinate presents the type of conflict of interest the OGE Form 450 is intended to identify. Indeed, some undesired consequences of the conflict of interest came to fruition in this case. [REDACTED]