

Summary: Former Interior Senior Official Did Not Violate the Financial Conflict of Interest or Ethics Laws

Report Date: September 23, 2021

Report Number: 20-0492

The OIG investigated allegations that a now-former U.S. Department of the Interior senior official may have violated Federal ethics laws and the Federal ethics pledge under Executive Order 13770. The claims were based on the senior official's involvement in determining eligibility for Coronavirus Aid, Relief, and Economic Security (CARES) Act funds. These allegations were raised given the senior official's former employment and stock ownership. We did not substantiate the allegations. The senior official left Federal service in 2021.

We concluded that the senior official did not violate the Federal financial conflict of interest statute, 18 U.S.C. § 208. This criminal statute provides that an executive branch employee is prohibited from participating personally and substantially in any particular matter in which the employee knows that they, or someone whose financial interest is imputed to them, have a financial interest, if the particular matter will have a direct and predictable effect on that financial interest, unless the employee obtains a written waiver or qualifies for an exemption.

We found that the senior official participated personally and substantially in determining the methodology for allocating CARES Act relief to a discrete and identifiable class of persons, which is considered a "particular matter" under 18 U.S.C. § 208. We also concluded that the senior official knew of two personal financial interests that would potentially benefit from disbursement of CARES Act funds—personal stock and a family member's client. We found, however, that the senior official did not violate 18 U.S.C. § 208 with respect to the personal stock because the senior official qualified for a statutory exemption and had a written waiver with respect to this stock. Regarding the family member's client, we found that the senior official's participation in the particular matter did not have a direct and predictable effect on the senior official's imputed financial interest in the family member's client under governing law.

We also found that the senior official did not violate the Standards of Ethical Conduct for Employees of the Executive Branch—specifically, the extraordinary payments or impartiality regulation—or paragraph 6 of the Federal ethics pledge. For a violation to have occurred, the senior official must have participated in a specific party matter, as that term is construed under the relevant guidance, involving the senior official's former employer or the family member's client, which we concluded the senior official did not.

This is a summary of an investigative report we issued to the Secretary of the Interior.

