

Investigative Summary

Investigation into Alleged Misconduct by a Former HUD Director for Intervening in HUD Matters Involving a Lender While Negotiating with that Lender for Post-Government Employment; Removing Confidential, Proprietary Documents from HUD Before Leaving the Federal Government; and Related Misconduct

The Department of Housing and Urban Development's Office of Inspector General (OIG) initiated this investigation upon receipt of information from several complainants alleging that a former Director at HUD failed to recuse themselves from any HUD matters while negotiating future employment with a private-sector firm that conducts business with HUD and that the former Director, after leaving HUD, represented back to HUD on matters they had worked on while a HUD employee.

The OIG investigated the matter and found that the Director had engaged in misconduct during their tenure as well as after departing HUD. Specifically, the OIG investigation found that the former HUD Director had: (1) while still a HUD employee, failed to recuse from and inappropriately intervened in a HUD matter involving a lender with which the former Director was negotiating post-government employment; (2) removed from HUD and brought to a new private-sector employer numerous HUD documents and reports about financial institutions that contained confidential, non-public, proprietary information; and (3) made numerous communications with and appearances before HUD on behalf of private-sector clients regarding matters on which the former Director worked or supervised while employed at HUD, in violation of federal ethics regulations.

The OIG completed its investigation and referred this matter to the U.S. Attorney's Office for the Eastern District of Virginia and HUD's Office of Program Enforcement for any action they deemed appropriate. On April 21, 2020, the U.S. Attorney's Office for the Eastern District of Virginia announced that the former Director agreed to pay \$25,000 to settle allegations that the former Director had an improper conflict of interest with a company while serving as a Director at HUD. On November 16, 2020, HUD entered into a settlement with the Director, resolving potential administrative allegations.

Unless otherwise noted, the OIG applies the preponderance of the evidence standard in determining whether HUD personnel have committed misconduct.