

REPORT OF INVESTIGATION

Case Title	Case Number
Hanna, Jeanette, et al.	PI-PI-11-0616-I
Reporting Office	Report Date
Program Integrity Division	August 10, 2012
Report Subject Report of Investigation	
SYN	<u>OPSIS</u>
been detailed to Washington, DC, for an extended During our investigation, other issues came to our the required written justification, requesting to receauthorized for employees on extended detail, and r maintaining lodging in the Washington, DC, area. We found that on October 28, 2010, Michael Smith that Hanna found that Hanna had a relationship with a contractor interest; that Hanna denied certain BIA employees a which interfered with their job performance; and that sent the sent	to act on a for Jeanette Hanna, BIA. We also received information that Hanna had period, allegedly wasting Government funds. attention, including Hanna renting an SUV without eive 100 percent per diem when only 55 percent is eturning to her home in Muskogee, OK, while n, Deputy Director of BIA Field Operations, following a BIA review. The review or, which created the appearance of a conflict of ccess to the Indian trust account management system, t Hanna apparently harassed a BIA employee. Smith ael Black for approval. Black initially attempted to
Robert More, Director of the U.S. Department of the	sat with Black for nearly a year.
Off Fe	Coluary 21, 2012,
As BIA reviewed her alleged misconduct and prepared a decision on her Hanna was detailed to Washington, DC. Her detail lasted 775 days—from January 12, 2010, until February 25, 2012—despite the fact that the Code of Federal Regulations prohibits detailing Senior Executive	
Reporting Official/Title /Investigator	Signature
Approving Official/Title William Gulsby/Acting Director, Program Integrity	Signature
Authentication Number: 136D440CE6D3AC58D3E59	91374F89AFD

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Service employees to unclassified duties (tasks and responsibilities that have not been assigned an occupational series, title, and grade level) for more than 240 days. A review of Hanna's travel by BIA travel specialists showed that the Government paid nearly \$178,000 for expenses associated with her detail.

In addition, it appeared that Paul Tsosie, Chief of Staff to the Assistant Secretary for Indian Affairs and Hanna's supervisor during her detail, tried to influence the EEO process to benefit Hanna. Her EEO complaint was ultimately dismissed as being without merit.

We also found that Tsosie granted Hanna multiple waivers authorizing her to rent an SUV costing more than \$30,000 over the course of her detail. He did not include written justification, as required. Hanna admitted during her interview that she should not have rented the SUV for an extended period. Moreover, Tsosie granted Hanna waivers authorizing her to receive 100 percent per diem while she was on extended detail, again without the required written justification. Hanna never actually received 100 percent per diem, however, because BIA travel employees denied the claims. Tsosie also authorized Hanna to maintain lodging in the Washington, DC, area while returning to her home in Muskogee, OK, for a total of 283 days during her detail, resulting in a loss to the Government of over \$33,000.

Finally, we found that from September 1, 2011, through February 25, 2012, Hanna did not submit her travel vouchers, and Tsosie did not approve them, within the time required by Federal travel regulations.

The U.S. Attorney's Office for the District of Columbia has declined to prosecute this case.

DETAILS OF INVESTIGATION

On August 25, 2011, the Office of Inspector General (OIG) initiated this investigation after receiving
complaints that Bureau of Indian Affairs (BIA) officials did not act on a formula for
Jeanette Hanna, then-Regional Director, Eastern Oklahoma Region, BIA. Hanna had also been detailed
to Washington, DC, for an extended period, allegedly wasting Government funds. We initially focused
our investigation on Hanna's and extended detail. We later began looking into issues
associated with her travel, including her renting, without justification, an SUV instead of a compact
vehicle; requesting to receive 100 percent per diem when only 55 percent is authorized for employees
on extended detail; and returning to her home in Muskogee, OK, while maintaining lodging in the
Washington, DC, area.

Between 2005 and August 2011, OIG received 17 formal complaints involving Jeanette Hanna. Some came from current and former BIA employees with the Eastern Oklahoma Region, which Hanna used to manage, and others from private individuals, some of whom conducted business with BIA (**Attachment 1**). The complaints, which were forwarded to BIA, ranged from mismanagement, discrimination, abuse of authority, retaliation, and creating a hostile work environment to misusing Federal funds and steering contracts.

We interviewed who said that in the summer of 2009, BIA began receiving a lot of complaints about Hanna, some of which were referred by OIG, from the Eastern

Oklahoma Region (Attachments 2 and 3). said that because so many of the complaints alleged retaliation by Hanna, he asked her supervisor, Deputy Director for Field Operations Michael Smith, to look into the matter. said he also spoke with Hanna by telephone about the issues, and she "vehemently denied" the allegations.
According to Smith finished his inquiry and told him: "It looks like there's something going on. We need to do more." said that he then asked Michael Oliva, Director of the Office of Internal Evaluation and Assessment, Office of the Assistant Secretary for Indian Affairs (AS-IA), to conduct a formal review. said that in November 2009, he placed Hanna on to ensure employees felt comfortable talking to Oliva's team (Attachment 4). He said that because he also detailed her to Washington, DC, for 120 days
starting the week after Thanksgiving in 2009.
Sometime before Hanna went to Washington, said, AS-IA Chief of Staff Paul Tsosie told him that Hanna had contacted Assistant Secretary for Indian Affairs Larry Echo Hawk saying she did not want to work for said that Tsosie told him Echo Hawk wanted Hanna to work for AS-IA.
warned Tsosie not to place her there because she was under review for ethical violations. He said Sharon Eller, Director for the U.S. Department of the Interior's Office of Civil Rights, also told Tsosie not to place Hanna in AS-IA, but their advice was disregarded and Hanna began reporting to that office. We interviewed Eller about this issue, and she confirmed that she advised Tsosie not to place Hanna in such a highly visible position, but he responded that Hanna had "good administrative skills" and he "needed help" (Attachments 5 and 6).
told us that sometime in the winter of 2010, he received Oliva's report on Hanna, which outlined that she had poor management practices and interfered with the EEO process in her region. It also stated that Hanna ordered 40 extra security cameras for her office, with live feeds, to monitor employees. said, however, that the report was not as detailed as he had hoped it would be. He said Tsosie also received the report and met with him and Oliva about the findings, but Tsosie did not seem to care and had clearly already "embraced" Hanna in AS-IA.
In our interview with Smith, he discussed the preliminary inquiry he conducted into the complaints against Hanna (Attachments 7 and 8). He told us he spoke with five or six managers at the regional office by telephone. All of them, he said, essentially told him the same thing: "There is a good list and a bad list when it comes to dealing with Jeanette Hanna. If you're on the bad list, bad things happen. If you're on the good list, good things happen."
Smith said that he received a copy of Oliva's report in March 2010, around the same time Michael Black became the BIA Director (see Attachments 7 and 8). Like Smith felt that while the report highlighted Hanna's conduct and behavioral problems, it was not complete. He explained that the team did not obtain sworn statements from interviewees, which he felt was important, and the report did not have much supporting documentation other than the team members' notes. When asked why Hanna was never interviewed by Oliva's team, Smith said he remembered that Oliva had previously interviewed her regarding a misappropriation of funds issue, and may have decided that interviewing her again would not be productive. Smith admitted, however, that in retrospect, Hanna should have been interviewed.

We interviewed Michael Oliva, who reviewed the allegations that Hanna was creating a hostile work environment (**Attachments 9 and 10**). According to Oliva, his team interviewed approximately 50 current and former BIA employees of the Eastern Oklahoma Region in November 2009, and many of them felt discriminated or retaliated against by Hanna. Some of the individuals were physically shaking during their interviews, he said, and feared retribution by Hanna.

Oliva said his review confirmed that Hanna fostered a hostile work environment and engaged in retaliation, harassment, and mismanagement. The team's final report was issued on March 16, 2010 (Attachment 11). When asked why the team did not interview Hanna, Oliva said decided to Hanna from the Eastern Oklahoma Region during the review, and he (Oliva) understood that he would not be interviewing her. He said he believed management was responsible for deciding whether to interview Hanna after his work was finished. Oliva later stated that when he briefed Tsosie on his findings, Tsosie classified them as "minor personnel issues." He said Tsosie admitted that Hanna could be abrasive but said: "All I know is she gets my work done."
, told us she received Oliva's report in June 2010 to review (Attachments 12 and 13). After reviewing the report, said, she realized that "a lot of emotion" was in the document, but it did not contain specific information about where and when alleged actions occurred. She also found it odd that Hanna was never interviewed about the allegations against her.
Around July 2010, said, she and her supervisor, BIA Human Resources Director Jim Burckman, met with Oliva to discuss the report. Based on the information available, said that when she compiled the she focused on the three issues that could best be substantiated: first, Hanna has a relationship with a contractor, which created the appearance of a conflict of interest; second, Hanna denied certain BIA employees access to the Indian trust account management system, which interfered with their job performance; and third, Hanna apparently harassed a BIA employee.
said she brought the final proposal to Burckman, who agreed with the recommendation (see Attachments 12 and 13). At the end of August 2010, provided a to of the Branch of Personnel Litigation in Civil Rights, Office of the Solicitor (SOL), who referred the matter to stated that in October 2010, the was finalized, and made three complete packages—one for Hanna; one for Smith, the proposing official; and one for Michael Black, who would make a final decision on the matter based on Hanna's response (Attachment 14).
said that she and Black emailed each other throughout November 2010 because Hanna's attorney had questions about the proposal and requested an extension to respond to it. After these issues were resolved, she said, all Black would have to do was sign a letter drafted to Hanna's attorney. When did not hear from Black for 2 months, she sent him an email, but he never responded. After that, said, Hanna's She could not explain why this occurred. (We also interviewed Jim Burckman, whose comments mirrored 's [Attachments 15 and 16]).
Michael Smith also told us that after he had been peers when they were regional directors. Michael Smith also told us that after he had been peers when they were regional directors.

Smith said he never talked about Oliva's findings with Tsosie, but Tsosie did ask for a copy of the report once he knew it had been issued. Smith initially refused but eventually gave it to him after conferring with SOL. According to Smith, Tsosie told him that Hanna was "the greatest thing" he had "ever come across," and he wanted her to be his chief of staff. When asked if Tsosie and Echo Hawk were interfering with the deliberative process for Hanna, Smith replied: "I hate to say it that way, but it appears that way."

When we asked if Hanna being placed in AS-IA appeared to be a promotion, Smith said: "I'll tell you, the regional directors and the deputy regional directors are all watching this. They are all saying: 'Okay. If you get in trouble, all you've got to do is run to the front office and you'll get saved.""

We interviewed who confirmed that on October 18, 2010, she approved the legality of Hanna's (Attachments 17 and 18). "At the end of the day, we felt comfortable that there was enough to support it," she said.
told us that on February 9, 2011, she met with Tsosie, Black, and a couple of other people whom she could not recall to discuss several personnel matters. Hanna's name came up, and said Tsosie told her that he and Black wanted to talk to Hanna and try to settle both the and the EEO claim she had filed against Smith and informed Tsosie that he and Black could not settle these issues without SOL approval, but that he could talk with Hanna simply to gather more information from her.
said Hanna's EEO complaint listed seven claims, including discrimination based on her sex and tribal affiliation. One issue outlined in the complaint, Another issue was that she had been while BIA was reviewing allegations against her. She also claimed that she had been wrongfully placed on detail to Washington, DC.
According to in June 2011, she received an order from the EEO Commission stating that Hanna had filed her discrimination claims there (Attachment 19). During the summer, she said, Black informed her that Hanna submitted a binder to him detailing what she wanted to resolve her EEO complaints. Her list included hundreds of thousands of dollars and letters of apology from employees; she also wanted her described the demands as "extreme," and she told Black they could not be met. Black replied that he would tell Hanna.
said that Tsosie also visited her office several times that summer, stating that he believed he had the authority to negotiate with Hanna. He also said the Executive Resources Board (ERB), which oversaw issues related to Hanna's Senior Executive Service (SES) appointment, wanted to settle everything, as did Echo Hawk. Tsosie said that although other employees seemed to have problems with Hanna's management style, he thought she was a great employee. At one point, according to he also said he thought Hanna could be given a "six-figure" EEO settlement because another employee had recently received that amount. She said she told Tsosie that Hanna's EEO case had no merit, and that type of settlement was not possible. She also told him
said she kept her supervisor, apprised of her conversations with Tsosie, and they became concerned about whether he should be involved in any actions regarding Hanna. She said Black also told her that he was friends with Hanna and felt uncomfortable about being involved in her

We spoke with who agreed with that Hanna's EEO complaint had no merit (Attachment 20). She became concerned when she found out from that Tsosie wanted to settle Hanna's EEO complaint for six figures. She said SOL had a sense that BIA and AS-IA were not handling Hanna's issues properly and that Tsosie was not being objective in his involvement.
and expressed their concerns to supervisor, General Law, SOL, as well as other Interior officials, including Deputy Assistant Secretary for Budget, Finance, Performance, and Acquisition Pamela Haze; Deputy Assistant Secretary for Human Capital and Diversity Pamela Malam; Chief of Staff Laura Davis; and Assistant Secretary for Policy, Management and Budget Rhea Suh. The group ultimately agreed that someone who could be more objective and who did not have a personal relationship with Hanna should be the deciding official for the In September 2011, at secretary for Policy, Robert More, the Director of Interior's Office of Hearings and Appeals, became the deciding official for both the EEO complaint and the
told us he agreed with and that Hanna's was legally sufficient and that her EEO complaint was without merit (Attachments 21 and 22). In August 2011, he said, he learned from that Tsosie had told her he wanted to get involved with Hanna's EEO complaint. At this point, said, he felt that something "was not quite right," stating: "Given the fact that the attorneys who reviewed this had a pretty strong and uniform view that the EEO complaints were without merit, starting negotiations in the six figures struck me as odd and inappropriate."
said also told him that Tsosie claimed the ERB wanted him to resolve Hanna's EEO complaint. explained that during his time working for the General Law Division, ERB had never directly engaged in an EEO issue. He said he asked ERB members Davis and Haze (and possibly ERB advisor Malam) about Tsosie's statement, and they denied ever telling Tsosie that he needed to resolve Hanna's complaint. "It was at that point that it really came to crystallize in my mind that [Hanna's EEO complaint which are essentially linked, needed a different approach," said. This was why he suggested that the decisions for both the EEO issue and the taken out of the AS-IA/BIA chain of command and placed with More.
We interviewed Pamela Malam, who said she got involved in the issues surrounding Hanna due to Hanna's status as an SES employee, which ERB oversees (Attachments 23 and 24). Malam said she talked to Tsosie about Hanna's at least six times during the spring and summer of 2011, and he told her Hanna was "doing such a great job" working for him and he wanted to "stay out of it." She said that because Tsosie was above Black, the deciding official on the and Tsosie liked Hanna, Black was in a difficult position.
In July or August 2011, Malam said, Tsosie came to her and said: "We're sort of running out of time in this administration. Jeanette is doing such a great job, and we need to find her a permanent home." She said Tsosie told her he wanted to speak with ERB members, who had to approve any transfers for SES employees, to see what position he could propose for her. Malam said she told Tsosie that Hanna's needed to be resolved before the ERB could approve a transfer. Tsosie informed her that Hanna would probably settle the EEO complaint she had filed and then BIA could drop the Malam told him, however, that the EEO complaint and "on separate tracks." She advised him to have BIA make a decision on Hanna, as her performance issues had nothing to do with the EEO case. Once the had been approved, the EEO case could be negotiated "further down the line" she said

Malam told us that around this time, she found out that Tsosie was telling SOL that ERB had tasked him with "tak[ing] care of the Hanna issue" and resolving and the EEO complaint. Malam checked with Davis, who said she had never informed Tsosie of this. Malam confirmed that she and met in September 2011 with SOL officials and as well as Davis, Suh, and Haze, and that they all agreed that Tsosie being involved in the decision-making process for either the or the EEO complaint could be a conflict of interest. On the decision to let More act as the deciding official, Malam said she had never heard of another instance in which Interior officials stepped in and took a away from a bureau because of inaction.
We also interviewed Pamela Haze (Attachments 25 and 26). She said she spoke with Tsosie about Hanna, and he wanted to get her thoughts on Hanna being placed permanently in certain positions within AS-IA. Haze stated that Hanna's name also came up during a review that her office performed of BIA's budget, finance, and acquisition functions. It was interesting, she said, that a "constant thread" in all three teams' findings was that Hanna was directing all of the day-to-day work in these areas, which were outside her purview. Haze said that around the time she received her teams' results, she also received Oliva's report on Hanna. The report had findings similar to those of her teams, including claims from employees that Hanna treated them poorly and claims of reprisal and favoritism by her.
When we interviewed Michael Black, he said that in March 2010, he assumed the responsibilities related to Hanna's (Attachments 27 and 28). He was not involved in the BIA review of her behavior by or in to Washington, DC. He said he did his best to "stay out of" the issues involving Hanna when he arrived in Washington because he was going to be the deciding official, and he wanted to look at everything independently.
Black said he was involved in early discussions with Echo Hawk and Tsosie about where she could be placed while on detail in Washington, DC. He said that all three of them had concerns about Hanna's but they also wanted to make the best use of her skills. Black said he did not have any positions available for her at BIA headquarters and did not see anything available in the Bureau of Indian Education, so he recommended that Hanna work for AS-IA under Tsosie. One of the reasons why Black felt this was a good move for Hanna, he said, was that she would not have decision-making authority over her regional office, where allegations against her originated, nor would she be supervising anyone.
When asked about the perception by other BIA employees that working for Tsosie was a promotion for Hanna, Black said he did not intend this and felt that a regional director had more authority than someone working for the chief of staff did. He admitted that he had received complaints about Hanna since she moved to AS-IA, but he felt they dealt mostly with Hanna's "approach," explaining that she was "very direct."
Black said that when he finally received Oliva's report on Hanna, it portrayed her as being "mean" and treating people poorly. Like others who reviewed the report, however, he felt that Hanna not being interviewed made the report seem "one-sided." When he received Hanna's in the fall of 2010 from Smith, he said, he knew Black said he initially had to work with Hanna's attorneys, who were requesting more documents. Then due to Hanna's EEO complaint. He said he was hoping to settle both issues with Hanna, rather than go through the EEO process. In the past, he said, BIA had not done well with EEO cases, and the Department had had to pay complainants "a lot of money."

According to Black, starting in late spring of 2011 he and Hanna had numerous informal discussions in which he tried to see if they could come to an agreement, but this did not occur. She wanted the
and she also wanted a six-figure settlement, he said. "We were very far apart," he explained. or the EEO case, and he never felt that making a decision against Hanna would cause him any problems "up front." He said he knew Tsosie had a high opinion of Hanna, but this did not affect his judgment.
We asked Black why the sat with him for nearly a year. He admitted that he was uncomfortable being the deciding official because he did not agree with 's initial review of Hanna, and he also had a good working relationship with her: "You know, if I've got issues with the Regional Director, or the Deputy Director, or one of my staff, I want to sit down with them and reason with them, and explain it to them and say here's what's going to happen if you don't change [your] behavior, or activity, prior to just all of a sudden, boom, off-shooting into this big investigation." Black said he might have started the process by
When asked why he Black said: "We've got employees out here that are watching this, and some of them may have been treated unfairly." He said that in retrospect, he should have made and let the EEO process work itself out. He said he would have Black believed this should have been his decision, however, and he regretted the Department taking it away from him.
We also interviewed Tsosie, who said that around January 2010, he and Echo Hawk held a conference call with Hanna, and they discussed her coming to work for AS-IA rather than BIA (Attachments 29 and 30). Tsosie said Echo Hawk wanted to take advantage of Hanna's skills as an SES employee. Tsosie also had a lot of work to do and needed the help, he said. According to Tsosie, he later learned that Hanna and Echo Hawk met face to face around the time of this conference call, but he did not know what they discussed.
Tsosie said he did not believe that he knew about the drafted for Hanna at the time of the conference call, but he knew she had been under review. He said he had talked with and Smith about the allegations, and they indicated that she was allegedly using video cameras to watch her employees in the Eastern Oklahoma Region and that she had a relationship with a BIA contractor. Tsosie did not recall any allegations that Hanna retaliated against or harassed her employees.
When asked if warned him about placing Hanna in such a prominent position while she was under review, Tsosie responded that he thought he recalled this and someone telling him it appeared that Hanna had been promoted. Tsosie said he did initially share this concern, but he felt Hanna's work product overcame this issue.

Tsosie told us that since Hanna started working for him, she helped put together an emergency preparedness plan for the office and assisted with AS-IA/BIA's budget process, among other projects. He said he heard rumors that BIA employees working on the budget did not want to report to Hanna, but he did not know why they would make that complaint since no one reported to her. When asked about Hanna's level of authority, he said he informed employees that they should treat any request from her as a request from Echo Hawk.

Tsosie said that at some point, Smith gave him Oliva's report on Hanna, but he never read the document

the the the was busy and he was told that he did not have the authority to act on it. He later found out that
We asked Tsosie sat with Black from the fall of 2010 until the summer of 2011, and he said he did not know. He said he followed up with Smith and Black multiple times and told them to make a "I didn't want to get involved in the merits," he said. "I was like, 'Just make a decision." He said that if Black he would not have interceded. When asked what position he wanted for Hanna, he said he wanted her to be the special counselor to Echo Hawk.
According to Tsosie, in the summer or fall of 2010, he went to ERB members and told them he was going to submit a proposal to make Hanna a permanent AS-IA employee. He said they consistently informed him that ERB could not approve a permanent position for Hanna until both the and Hanna's EEO complaint were decided. When we informed him that Malam said only the needed to be resolved, Tsosie said he specifically remembered her telling him that the EEO issue also needed to be decided. He admitted that it did not make sense to him that the EEO issue would have any bearing on Hanna becoming permanent, but this is what he remembered being told.
Tsosie said that in August 2011, he attempted to intercede in both the EEO matter and the because a decision had not been made. He said he wanted the opportunity to "try and resolve it" because "nobody else was doing it." When asked what his decision would have been on the he said he did not know because he had not read the report. When asked if he ever indicated to anyone that he wanted to "settle" with Hanna, he said he did, but he did not mean that he wanted to pay her a sum of money. He meant that he wanted to resolve the matters and negotiate with her. He said that when he asked what his financial parameters were for resolving the issues with Hanna, she told him \$5,000. He said that at that point, even without knowing Oliva's findings, he did not feel he had room to negotiate.
When asked if he wanted to settle Hanna's EEO case for six figures, as SOL believed after his conversation with Tsosie said he was just trying to figure out his parameters for negotiations but was not even close to coming up with a figure. He wanted to know how much Interior had settled for in the past and how those cases were different from Hanna's. When asked how he could have been involved at this level—speaking to SOL and ERB and trying to get involved in negotiations—without having read Oliva's report, Tsosie said he had worked "day in and day out" with Hanna and thought highly of her work.
We asked Tsosie to characterize his relationship with Hanna, and he said he did have a personal relationship with her and considered her a friend. They ate lunch together and had dinner once. He did not think Hanna had any sort of social relationship with Echo Hawk.
We also interviewed Hanna, who confirmed that in October 2009, she received a telephone call from Smith telling her that employees from her region had complained about her (Attachments 31 and 32). According to Hanna, Smith said he was placing her on until a review could be conducted, and she was not allowed to return to her office. Hanna said she asked Smith to tell her the specifics concerning the complaints against her, but he never did.
Hanna told us that when directed her to be detailed to Washington, DC, she called Echo Hawk and requested a meeting. He agreed, and they met for breakfast at a restaurant in Alexandria, VA, where she explained that she did not want to work for Echo Hawk later agreed to assign

her directly to Tsosie. She flew to Washington, DC, on January 12, 2010, and began working for him the next day. We asked Hanna to comment on her She stated: "I think I should have had some due process, and somebody should have talked to me, heard my voice, at least given me a chance to at least, you know, find out what they were hearing and allow me a voice at the table. I never got that. I never knew anything until I got that On February 21, 2012, Robert More Hanna Hanna Attachment 33). On February 22, 2012, Interior's Office of Civil Rights issued a final agency decision that Hanna had not been subjected to discrimination (Attachment 34). Hanna's Detail and Associated Travel Costs From January 12, 2010, until February 25, 2012—a total of 775 days—Hanna was on detail in Washington, DC. Title 5 of the Code of Federal Regulations (CFR), § 317.903, "Employment in the Senior Executive Service: Reassignments, Transfers, and Details," states that an agency may not detail an SES employee to unclassified duties (tasks and responsibilities that have not been assigned an occupational series, title, and grade level) for more than 240 days (Attachment 35). We asked Pamela Malam about Hanna's extended detail to Washington, DC. She said the detail was never approved by ERB as required for details over 120 days (see Attachments 23 and 24). She said that although Michael Smith was technically Hanna's supervisor, AS-IA employees would have been responsible for bringing the issue of Hanna's detail to ERB. Regarding the cost of Hanna's extended detail and travel, Malam said: "I think it's a waste." During our interview of Michael Black, he said he did not know about the CFR section on extended details for SES employees (see Attachments 27 and 28). We asked him how the public would view the cost of Hanna's extended detail and travel to Washington, DC he replied, "Probably not favorably." When asked about how BIA employees, especially those in Hanna's region, might view the matter, he admitted: "I can see where the perception would put that to be pretty unfair." We obtained an analysis of Hanna's travel performed by BIA travel employees and Attachment 36). They found that from January 12, 2010, through February 25, 2012, Hanna incurred \$177,977 in expenses associated with her detail. and also found that Hanna rented an SUV without justification. Hanna's travel files contained three memoranda from Tsosie, documented in all of her travel vouchers, authorizing her to upgrade her rental vehicle to an SUV, but these documents contained no required explanation (Attachment 37). According to Interior's "Travel Guide for the Smart Traveler," attached to an Office of the Assistant Secretary for Policy, Management and Budget memorandum dated August 3, 2004, Interior employees are normally expected to rent a compact vehicle while on official travel, unless transporting equipment or traveling with two or more people (Attachment 38). An August 23, 2011 memorandum from the Office of Financial Management further instructs that "Interior policy limits vehicle size to compact vehicles only," unless a traveler will be driving through rough terrain, traveling

with others, or transporting equipment, or if the traveler has a medical condition or physical size that

would require a larger car (Attachment 39).

According to the review, Hanna's vehicle rentals totaled \$30,157 (see Attachment 36). Had she rented a compact car, the review stated, the Government would have saved an estimated \$10,495.

Investigator's Note: We sent a management advisory to AS-IA in December 2011 addressing Hanna's SUV rental, and her monthly vehicle charges later decreased from approximately \$1,500 a month to \$1,000 a month.

and also found that Hanna continued to request full per diem for meals and incidentals when only 55 percent was authorized. According to an Interior financial management memorandum dated April 29, 2009, when travel assignments last over 30 days, the per diem rate will be reduced to 55 percent of the full rate, including lodging, meals, and incidentals, unless a higher rate is fully justified (Attachment 40). Similar to the SUV waivers, Tsosie wrote 16 memoranda authorizing Hanna to receive full per diem with no justification (Attachment 41). BIA travel employees, however, continued to reduce Hanna's per diem to the required 55 percent, so she never received the full amount requested.

In December 2011, we interviewed who confirmed that in mid-September 2011, she was assigned to review Hanna's travel vouchers from January 12, 2010, through August 31, 2011 (Attachments 42 and 43). Could not recall how she received this assignment. According to Internal Revenue Service rules and regulations, explained, employees on detail for over a year had to claim their travel payments as taxable income. Although Hanna was on detail for almost 2 years, said, she did not pay any taxes on this money.

Investigator's Note: We interviewed again in July 2012, and found that Hanna had submitted additional travel vouchers related to her extended detail (Attachment 44). confirmed that she and also analyzed these travel vouchers, which covered September 1, 2011, through February 25, 2012. According to as of July 2012 Hanna still had not paid any taxes on her travel payments.

During her initial review of Hanna's vouchers, said, she found "quite a few inconsistencies" and "a lot of disregard for the rules and regulations" in addition to the tax issues (see Attachments 42 and 43). She also said that in November 2011, BIA Chief Financial Officer Vicki Forrest ordered her to "cease and desist" her review of Hanna's travel. said she had written to Acting Division Chief requesting more time to review the vouchers.

also wrote an email, which was forwarded to Forrest on November 1, 2011, stating that Hanna's vouchers might be "a misuse of government funds" (Attachment 45):

After printing and reviewing all of Jeanette Hanna's Travel vouchers, and [sic] has found that Ms. Hanna is significantly out of compliance. It is not simply the Tax issue . . . that was originally being investigated. Ms. Hanna will most likely owe BIA money for misuse of government funds, failure to comply with the prudent traveler rule, or other regulation non-compliance. When the audit and research is complete, [sic] will provide the totals and results.

told us that Forrest became upset over this characterization and told them to stop their review of Hanna's records. also said she heard a rumor that Forrest and Hanna were friends. Forrest sent the following email to on November 1 (see Attachment 45):

■ I don't want any more of this "investigation" as you termed it to continue until after we meet tomorrow morning. I also did not call for an "audit" as you termed it. I want the efforts below by multiple staff members to cease and desist. I appreciate your attention to detail. However, using words like "misuse of government funds" before you know all the facts is quite disturbing. At Forrest's request, the National Business Center (NBC) conducted a second, limited analysis of Hanna's travel. a supervisor with the NBC Travel Payments Section, found that from January 12, 2010, through August 31, 2011, the Government paid \$131,229 in travel costs associated with Hanna's detail (Attachments 46 and 47). According to "'s analysis, Hanna claimed that she was on official travel in the Washington, DC area for 597 days from January 12, 2010, through August 31, 2011. During that time, however, she returned to her home in Muskogee, OK, for 227 days, while still maintaining a hotel room and receiving lodging per diem in Washington. According to Federal travel regulations, Hanna was not in official travel status while in Oklahoma and was not authorized to receive lodging per diem during her return trips to Muskogee. found that these unauthorized claims resulted in a loss of \$30,333 to the Government. also identified overpayments and underpayments to Hanna concerning her airfare, baggage, and rental cars, resulting in an additional overpayment of \$2,178. In addition to BIA's and NBC's reviews, we found that Hanna's travel vouchers for the period September 1, 2011, through January 31, 2012, were not submitted in a timely manner in accordance with Federal travel regulations (Attachment 48). According to the regulations (41 CFR §301-52.7), travel vouchers must be submitted within 5 working days after an employee completes a trip, or period of travel, or every 30 days if in a continuous travel status. On December 29, 2011, Hanna submitted a voucher for travel occurring from September 1 through 30, 2011. Tsosie approved the voucher on April 2, 2012. Likewise, on March 27, 2012, Hanna submitted a voucher for travel occurring from October 1 through 31, 2011. Tsosie approved this voucher on April 2, 2012. Hanna did the same thing on April 5, 2012, submitting a voucher for travel occurring from November 1, 2011, through January 31, 2012. Tsosie approved it the same day. We interviewed , a BIA with the Division of Fiscal Services, who at one point served as acting chief of the division (Attachments 49 and 50). At the end of March 2011, he said, Vicki Forrest instructed employees in the travel section of his office, including to pay Hanna for past travel in which she did not receive 100 percent per diem for expenses. and expressed concern to him that they were being told to violate the regulations, he said. According to he wrote an email to Forrest in response, attaching the travel regulations and stating that his office could not pay Hanna the full per diem. He said he believed that even Tsosie did not have the authority to authorize Hanna to receive these funds. did not want to be insubordinate to her instructions, and if she sent him an email authorizing him to make the payment to Hanna, he would do it. Forrest subsequently stopped asking him to issue the payment. He said Forrest never explained why Hanna needed to receive the full per diem, but he said the two women were "good friends." did not believe Hanna received the full per diem reimbursement, and that this was because the travel employees refused to violate the regulations.

We also interviewed who said that on May 23, 2011, she received an email from Forrest directing her to "reimburse" Hanna for 100 percent per diem incurred during Hanna's extended detail (Attachments 51 and 52). explained the 55 percent policy to Forrest and also met with her in September 2011 to explain that Hanna was not authorized to receive 100 percent per diem. We obtained copies of emails from Forrest to the BIA employees reviewing Hanna's travel. Forrest's May 23, 2011 email to and and (copying stated the following (Attachment 53): Since January 2010, Ms. Jeanette Hanna had an approved waiver for her official travel while on detail to receive full MI&E per diem costs. This has not occurred as the OCFO did not recognize the authority of the waiver(s) submitted. Ms. Hanna has only received 55% of the MI&E per diem for her detail; this totally ignores the approved waiver(s) for such costs. Therefore, please do what is necessary to remedy the situation by processing the payment(s) to reimburse Ms. Hanna for the remaining 45% of the approved MI&E per diem as quickly as possible for the period January 2010 to now, and please complete these transactions no later than June 15, 2011. On June 7, 2011, informed Forrest by email that Hanna could not be reimbursed the full per diem (see Attachment 53). Forrest responded: "Thanks is it the regs or the departmental policy that says this documentation is needed? She has a signed waiver from the Assistant Secretary's office. That isn't sufficient?" said he believed that Forrest retaliated against him after he refused to pay Hanna's per diem (see Attachments 49 and 50). Forrest removed him from his acting role, and he went back to being a whom said was took over the acting role. with years of Government experience. In light of this, he said, he filed an EEO complaint against Forrest. We interviewed Forrest twice on this matter (Attachments 54, 55, 56, and 57). She admitted that she and Hanna were friends but said Hanna was not in her chain of command and she did not interact with her daily. Forrest said Hanna came to her, possibly in the summer of 2011, and told her that Tsosie had signed waivers approving her to receive 100 percent per diem, but she was not getting this and wanted a refund. Forrest initially said she asked her staff to look into whether Hanna should receive the full amount, and she denied that she told her staff to pay Hanna. When we showed Forrest her May 23, 2011 email to and however, she admitted that it appeared as if she had directed them to pay her. Forrest said that when informed her that Hanna could not receive the money and cited the regulation, Forrest pressed him to answer specifically why the waiver was not sufficient. When asked why 's first explanation was not good enough, Forrest said she wanted him to give her a copy of the rules so she could read them herself. When asked about a sallegation that he told her over the phone that if she wanted Hanna's per diem paid, she would have to send him an email telling him to do it, Forrest said this never occurred. She characterized as a "disgruntled" employee. She said that if any of her employees felt pressured by her to pay Hanna's full per diem, this was "perceived" pressure. We asked Forrest if she removed as acting chief of the division because he refused to pay Hanna's per diem, and she denied it; she said she removed him because of his lack of knowledge and management ability.

Forrest said that after seeing the regulations, she did not believe Hanna should receive the full per diem based on Tsosie's waiver. She said she never received pressure from Hanna or Tsosie to reimburse Hanna the full amount. We asked Forrest if she would normally get involved in a matter such as this for a lower-level employee. She said she would not, but Hanna had asked for her help and she had intervened on other occasions where people requested her assistance.

We questioned Forrest about the email she sent to in which she told him to stop his review, and she said she did not like his use of the phrase "misuse of funds" when characterizing Hanna's travel. "I didn't want an investigation," she said. "My staff doesn't do investigations. My staff doesn't do audits."

After reviewing the issues pertaining to Hanna's travel, Forrest said, she did not believe anything illegal occurred, but she felt BIA officials needed to be aware of the length of Hanna's detail and the amount of money that had been spent on her travel. She said that when her new supervisor, arrived in October 2011, she informed him of Hanna's extended detail and travel expenses.

We asked Forrest why she continued to email her staff and involve herself in the issues surrounding Hanna's travel when she originally stated that she wanted to stay out if it because they were friends. Forrest replied: "I'm taking as much of an independent approach as I can."

During his interview, Tsosie acknowledged that Hanna's travel costs associated with her extended detail were a potential waste of Government money (see Attachments 29 and 30). He said he knew that ERB had to approve details over 120 days, but he did not know that SES employees could not be detailed for over 240 days. He reiterated that he tried to push Smith and Black to make a decision on the which would have allowed him to give Hanna permanency and reduce her travel.

Tsosie also said he authorized Hanna to rent an SUV rather than a compact car during her detail. When asked why he did this, he said: "She asked for one . . . I signed the waivers." He said that initially Hanna needed the SUV because of heavy snow in the Washington area, and that after the winter "it just continued." He explained: "When she would come in with the waivers, she'd come in and say, 'Here [are] waivers for the SUV,' and I was like, 'Okay, Jeanette, are we good here on this one?' And at the time when this was starting, I didn't know that rule. Honestly." Tsosie admitted that he knew an SUV cost more to rent than a compact car most of the time, and this increased the cost of her travel. He said Hanna had told him: "We've got to have this paperwork to cover ourselves. Here, sign." Tsosie said he signed the documents trusting that Hanna knew the regulations.

When asked why he signed waivers for Hanna to receive 100 percent per diem when only 55 percent is authorized for employees on detail for over 30 days, Tsosie responded: "I did the paperwork, again, relying on her to know the rules." He said Hanna never indicated to him why she felt she needed 100 percent per diem.

We asked Tsosie if he knew that while she was on detail, Hanna made regular trips home to Muskogee, OK, while maintaining her hotel room in Washington, DC. He responded: "I am aware of that," saying he learned of this "maybe 4 [or] 5 months ago." Tsosie acknowledged the additional cost and said that he had reviewed Hanna's travel vouchers, but he stated: "I trusted in her to follow the rules and make sure that . . . everything was above board."

During a subsequent interview, Tsosie acknowledged that he did not review and process Hanna's travel vouchers from September 1, 2011, through January 31, 2012, in accordance with the timeframes noted in

Department policy and Federal regulations (Attachments 58 and 59).

During our interview of Hanna, we asked her if she knew of the regulations regarding time limitations for SES personnel on detail (see Attachments 31 and 32). She responded: "I know there was a regulation, and I raised that as part of my EEO. . . . I don't know which [citation] it is, and I thought it was like 540 days or something like that."

Hanna admitted she prepared and submitted requests for waivers that would allow her to drive an SUV rather than a compact car. When asked why she requested a waiver, Hanna replied, "Because of snow." When asked why she continued to submit requests for waivers throughout the remainder of her detail, Hanna replied: "I think it [was] just by default. Quite honestly, that was my fault . . . I probably should have caught it . . . I probably should have stopped it." We also asked Hanna if she was aware that an SUV cost more to rent than a compact car, and she replied: "I don't think that it was an excessive cost." According to Hanna, Tsosie asked her "if we're still within policies and procedures and management discretion," and she told him they were.

We asked Hanna why she submitted a request for a waiver to receive 100 percent per diem. She responded: "Well, when I got here I heard they were making exceptions for law enforcement on some of their details, too, and I wanted to be treated equally." We asked her if there was a reason why she required 100 percent per diem, other than her belief that other AS-IA employees were receiving it. She did not provide a specific justification for her request for waivers.

We also asked Hanna if she maintained lodging in the Washington, DC, area when she returned to her home in Muskogee, OK. (Her trips back to Muskogee eventually totaled 283 days over the course of her 775-day detail [see Attachment 44]). She acknowledged that she did because the facility where she stayed in Virginia, Oakwood Executive Lodging, could not guarantee her a room if she checked out and returned 1 to 2 weeks later, nor could it guarantee that she would keep her rate of \$117 per night.

After our interviews with Hanna and Tsosie, Hanna submitted travel vouchers for September 1, 2011, through January 31, 2012, requesting reimbursement for her SUV rental and Washington hotel while in Oklahoma. Tsosie approved them.

SUBJECT(S)

- 1. Jeanette Hanna, former Regional Director, Eastern Oklahoma Region, BIA, and Special Assistant to the Assistant Secretary, Indian Affairs
- 2. Paul Tsosie, former Chief of Staff, AS-IA
- 3. Michael Black, Director, BIA
- 4. Vicki Forrest, Chief Financial Officer, BIA

DISPOSITION

The U.S. Attorney's Office for the District of Columbia has declined to prosecute this case. We are referring this report to Laura Davis, Chief of Staff for the Secretary of the Interior, for any action deemed appropriate.

ATTACHMENTS

- 1. IAR Review of OIG cases and complaints concerning Jeanette Hanna on September 19, 2011. 2. IAR – Interview of on November 4, 2011. Transcript of interview of ■ on November 4, 2011. 4. Memorandum from Mike Smith, Deputy Bureau Director, Field Operations, to Jeanette Hanna, Director, BIA Eastern Oklahoma Region, dated October 30, 2009. 5. IAR – Interview of Sharon Eller on November 16, 2011. 6. Transcript of interview of Sharon Eller on November 16, 2011. 7. IAR – Interview of Michael Smith on December 8, 2011. 8. Transcript of interview of Michael Smith on December 8, 2011. 9. IAR – Interview of Michael Oliva on November 28, 2011. 10. Transcript of interview of Michael Oliva on November 28, 2011. 11. Memorandum of Investigation of Allegations Concerning Jeanette Hanna from Michael Oliva, Director, Office of Internal Evaluation and Assessment, to Deputy Director Operations, Bureau of Indian Affairs, dated March 16, 2010. 12. IAR – Interview of ■ on September 30, 2011. 13. Transcript of interview of on September 30, 2011. 14. Memorandum of from Michael R. Smith, Deputy Bureau Director, Field Operations, to Jeanette Hanna, Regional Director, Eastern Oklahoma Region. 15. IAR – Interview of Jim Burckman on September 28, 2011. 16. Transcript of interview of Jim Burckman on September 28, 2011. 17. IAR – Interview of on October 3, 2011. on October 3, 2011. 18. Transcript of interview of 19. U.S. Equal Opportunity Commission, Washington Field Office, Acknowledgement and Order No. 570-2011-00046X, dated June 17, 2011. 20. IAR – Interview of ■ on November 9, 2011. 21. IAR – Interview of on November 15, 2011. 22. Transcript of interview of on November 15, 2011. 23. IAR – Interview of Pamela Malam on October 21, 2011. 24. Transcript of interview of Pamela Malam on October 21, 2011. 25. IAR – Interview of Pamela Haze on October 19, 2011. 26. Transcript of interview of Pamela Haze on October 19, 2011. 27. IAR – Interview of Michael Black on December 14, 2011. 28. Transcript of interview of Michael Black on December 14, 2011. 29. IAR – Interview of Paul Tsosie on January 9, 2012. 30. Transcript of interview of Paul Tsosie on January 9, 2012. 31. IAR – Interview of Jeanette Hanna on January 9, 2012. 32. Transcript of interview of Jeanette Hanna on January 9, 2012. 33. Memorandum of from Robert S. More, Director, Office of Hearings and Appeals, to Jeanette Hanna, Regional Director, Eastern Oklahoma Region, Bureau of Indian Affairs, dated February 21, 2012.
- 34. Department of the Interior, Office of Civil Rights, Final Agency Decision concerning Jeanette Hanna, Agency Complaint No: BIA-10-0074, dated February 22, 2012.
- 35. Title 5 CFR § 317.903, "Employment in the Senior Executive Service: Reassignments, Transfers, and Details."
- 36. Hanna travel voucher report prepared by

- 37. Memoranda signed by Paul Tsosie authorizing Jeanette Hanna to rent an SUV, dated March 9, 2010; March 31, 2010; and September 29, 2010.
- 38. Memorandum of Travel and Transportation Cost Savings Initiative from P. Lynn Scarlett, Assistant Secretary for Policy, Management and Budget, Department of the Interior, dated August 3, 2004.
- 39. Memorandum of Clarification on Approving Rental Car Upgrades for Official Travel from Department, Deputy Chief Financial Officer and Director, Office of Financial Management, Department of the Interior, August 23, 2011.
- 40. Memorandum of Reduced Per Diem for Temporary Duty and Training Travel for Periods 30 or More Days from Daniel L. Fletcher, Director, Office of Financial Management, Department of the Interior, dated April 29, 2009.
- 41. Memoranda signed by Paul Tsosie authorizing Jeanette Hanna to receive 100 percent per diem, dated February 28, 2010, through July 25, 2011.
- 42. IAR Interview of on December 2, 2011.
- 43. Transcript of interview of on December 2, 2011.
- 44. IAR Interview of on July 23, 2012.
- 45. Email chain between Forrest, and others, dated October 28, 2011, through November 1, 2011.
- 46. IAR Interview of on April 11, 2012.
- 47. Evaluation of Hanna's travel, January 12, 2010, through August 31, 2011, conducted by the National Business Center, Department of the Interior.
- 48. IAR Review of Travel Vouchers on April 30, 2012.
- 49. IAR Interview of on November 29, 2011.
- 50. Transcript of Interview of November 29, 2011.
- 51. IAR Interview of on January 31, 2012.
- 52. Transcript of interview of on January 31, 2012.
- 53. Email chain between Forrest, and others, dated May 23, 2011, through June 10, 2011.
- 54. IAR Interview of Vicki Forrest on December 15, 2011.
- 55. Transcript of interview of Vicki Forrest on December 15, 2011.
- 56. IAR Interview of Vicki Forrest on March 26, 2012.
- 57. Transcript of interview of Vicki Forrest on March 26, 2012.
- 58. IAR Interview of Paul Tsosie on April 24, 2012.
- 59. Transcript of interview of Paul Tsosie on April 24, 2012.