

# Summary: Former BOR Employee Violated Ethics Laws by Accepting Loans from a Government Contractor

**Report Date: July 9, 2024**

**Report Number: 23-0164**

The OIG investigated allegations that a former Contract Specialist with the U.S. Bureau of Reclamation (BOR), profited from a personal relationship they developed with a Government contractor. The contractor alleged that between 2019 and 2022, the employee accepted gifts in the form of “loans” in order to administer the contractor’s active BOR contracts.

Our investigation substantiated these allegations. We found the employee violated Office of Government Ethics “Standards of Ethical Conduct for Employees of the Executive Branch” and the Federal Acquisition Regulation § 3.101 “Standards of conduct” when they developed a personal relationship with the contractor, who was a prohibited source. Between 2019 and 2022, the employee received nearly \$5,000 from the contractor in the form of loans to pay the employee’s mortgage, court fees, utility bills and automotive repairs. The employee did not report these loans as gifts to BOR ethics officials or on mandatory financial disclosures as required in 5 C.F.R. § 2634, Subpart I. We also confirmed that per the requirements in 5 C.F.R. § 2638.307 for confidential filers, the employee received annual contracting and ethics training that addressed financial conflicts of interest, impartiality, misuse of position, and gifts.

We also found that in September 2019, the employee was tasked with providing BOR’s contract selecting official an evaluation of bids received for a BOR contract. Unbeknownst to the contractor, the employee used their position to manipulate the bid evaluation process in favor of the contractor. Moreover, a BOR official’s assessment of the bids evaluation noted the employee used a less stringent set of factors to rate the contractor, compared to other competitors. The contractor admitted to having no experience or equipment related to the contract in question.

After the BOR contract was awarded, the employee requested the contractor pay the employee and their spouse to perform work on the contract. The employee failed to obtain prior written approval for outside employment with a prohibited source for this work in violation of 5 C.F.R. § 3501.105(b)(1)(i), and subsequently failed to list the outside employment/sources of income on mandatory financial disclosures associated with their position.

Lastly, we found that in September 2021, the employee helped the contractor draft and submit a proposal to BOR for work outside the scope of an ongoing BOR contract. While the contractor was in the employee’s home, they drafted the proposal together and submitted the proposal to the BOR approving official from the employee’s BOR computer and email account.

The U.S. Attorney’s Office for the District of Wyoming declined to prosecute this matter. The BOR employee was removed from Federal service.

This is a summary of an investigative report we issued to the Commissioner of BOR.

