

Summary: Investigation of former BLM State Director and Deputy State Director for Natural Resources

Report Date: November 23, 2015

OIG investigated conflict-of-interest allegations involving Larry R. Denny, the Bureau of Land Management (BLM) Eastern States Deputy State Director for Natural Resources. The allegations stated that while Denny worked at the BLM office in Springfield, VA, he also worked for the Chippewa Cree Tribe in Montana. A subsequent referral to OIG from BLM also alleged possible falsification of time and attendance records by Denny's supervisor, John Lyon, BLM State Director for Eastern States.

Our investigation determined that Denny had moved from Virginia to Montana in July 2012 and never returned to his BLM duty office in Springfield, VA. From July 2012 through March 2013, Denny did no work for the Federal Government, but he was compensated during this period for 1,472 hours of time, including regular hours, sick leave, annual leave, and Federal holidays. We found that Lyon knowingly concealed Denny's absence by approving and submitting false time and attendance information, resulting in Denny receiving approximately \$112,000 in Federal wages, benefits, and a performance bonus. Lyon instructed other employees to not discuss or contact Denny and rebuffed any inquiries by subordinates as to Denny's whereabouts.

The investigation also revealed that during the same period, Denny worked for the Chippewa Cree Tribe and received approximately \$79,000 in compensation. Denny did not disclose his employment or compensation earned to BLM.

A Federal grand jury for the U.S. District Court for the District of Montana indicted Denny and Lyon for wire fraud, false claims, and theft of Government property. The grand jury also indicted Denny on one count of providing false statements.

Denny pleaded guilty, without a plea deal, to all charges. He was sentenced to 1 year in prison, followed by 2 years of supervised release, and ordered to pay restitution totaling \$74,385.99, jointly and severally with Lyon. The U.S. Department of the Interior (DOI) Suspension and Debarment Official (SDO) also debarred Denny from conducting business with the Federal Government until June 11, 2018.

Lyon pleaded not guilty, and at the conclusion of his trial, a jury convicted him of all charges. Lyon was sentenced to 6 months in prison, followed by 2 years of supervised release, and ordered to pay \$74,385.99 in restitution, jointly and severally with Denny. The DOI SDO also debarred Lyon from conducting business with the Federal Government until June 11, 2018.

This is a summary of an investigative report that was issued internally to the U.S. Department of the Interior. This summary was posted to the web on January 27, 2016.

