



National Credit Union Administration

Office of Inspector General

TO: Executive Director Mark A. Treichel
Regional Director L. J. Blankenberger, Region I

FROM: Inspector General James W. Hagen

A handwritten signature in black ink, appearing to read "Jim W. Hagen".

SUBJ: Report of Investigation (Case #17-CI-R1-04)

DATE: May 24, 2017

Attached for your review and appropriate action is the Office of Inspector General (OIG) Report of Investigation concerning (b)(6);(b)(7)(C), (Region I), National Credit Union Administration, Albany, NY. No portion of this report may be photocopied, duplicated, or disseminated without the express permission of the Inspector General or Director of Investigations.

Please return this report and notify (b)(6);(b)(7)(C), Director of Investigations, within 60 days, of any action you intend to take against (b)(6);(b)(7). If you have any questions or we may be of assistance, please contact me or (b)(6);(b)(7)(C). (b)(6);(b)(7)(C) can be reached directly at 703-518-(b)(6).



National Credit Union Administration

Office of Inspector General

REPORT OF INVESTIGATION

(b)(6);(b)(7)(C)

Case Number 17-CI-R1-04





**NATIONAL CREDIT UNION ADMINISTRATION
Office of Inspector General
Office of Investigations**

REPORT OF INVESTIGATION

CASE NUMBER: 17-CI-R1-04
DATE: May 24, 2017
CASE TITLE: (b)(6);(b)(7)(C)
CASE STATUS: Closed – pending
VIOLATIONS: Unprofessional Conduct

PREDICATION

On March 14, 2017, the National Credit Union Administration (NCUA), Office of Inspector General (OIG), Alexandria, VA received information from (b)(6);(b)(7)(C), NCUA, Supervisory Examiner, Region (b)(6);(b)(7)(C), that (b)(6);(b)(7)(C), NCUA (b)(6);(b)(7)(C) (b)(6);(b)(7)(C) ((b)(6);(b)(7)(C)) made inappropriate comments during an examination at the (b)(6);(b)(7)(C).

SUBJECT INFORMATION

(b)(6);(b)(7)(C), (Region (b)(6);(b)(7)(C) (b)(6);(b)(7)(C)) is a current NCUA employee.

DISTRIBUTION:

Mark A. Treichel
Executive Director

CASE AGENT:

(b)(6);(b)(7)(C)
Director of Investigations

APPROVED:

Sharon Separ
Asst. Inspector General for
Investigations

(b)(6);(b)(7)(C)

(Signature)

(Signature)

This report is furnished on an official need to know basis and must be protected from dissemination which may compromise the best interests of the National Credit Union Administration Office of Inspector General. This report shall not be released or disseminated to other parties without prior consultation with the Office of Inspector General. UNAUTHORIZED RELEASE MAY RESULT IN CRIMINAL PROSECUTION.

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DETAILS

A. (b)(6);(b)(7)(C)

On March 30, 2017, the Reporting Agent (RA) interviewed (b)(6);(b)(7)(C) (b)(6);(b)(7)(C) NCUA Examiner in connection with this investigation. (Exhibit 1)

(b)(6);(b)(7)(C) was the (b)(6);(b)(7)(C) for an NCUA examination at the (b)(6);(b)(7)(C) (b)(6);(b)(7)(C) in early March 2017. (b)(6);(b)(7)(C) related that working with (b)(6);(b)(7)(C) at the credit union were (b)(6);(b)(7)(C) NCUA examiners, and State of (b)(6);(b)(7)(C) examiners. (b)(6);(b)(7)(C) related two incidents involving (b)(6);(b)(7)(C) during the examination period.

The first incident involving (b)(6);(b)(7)(C) occurred after work hours on March 7, 2017, at a local restaurant. According to (b)(6);(b)(7)(C) (b)(6);(b)(7)(C) made derogatory comments in (b)(6);(b)(7)(C) presence as well as in the presence of NCUA (b)(6);(b)(7)(C) (b)(6);(b)(7)(C), about Native Americans and their reliance on public assistance.

(b)(6);(b)(7)(C) related a second incident that occurred on March 8, 2017. (b)(6);(b)(7)(C) said that several individuals were sitting at a conference room table at the credit union when (b)(6);(b)(7)(C) randomly asked something to the effect of "at what point should a spouse lose their job if they beat the crap out of their spouse?" (b)(6);(b)(7)(C) said that (b)(6);(b)(7)(C) (b)(6);(b)(7)(C), told (b)(6);(b)(7)(C) to stop with those comments. (b)(6);(b)(7)(C) complied. (b)(6);(b)(7)(C) stated that (b)(6);(b)(7)(C) later told (b)(6);(b)(7)(C).

(b)(6);(b)(7)(C) provided (b)(6);(b)(7)(C) a written summary of events surrounding the incidents involving (b)(6);(b)(7)(C) (Exhibit 2)

On April 18, 2017, the RA interviewed (b)(6);(b)(7)(C) (Exhibit 3)

(b)(6);(b)(7)(C) stated that (b)(6);(b)(7)(C) was part of a group that was working in a conference room when (b)(6);(b)(7)(C) made comments about men abusing women. (b)(6);(b)(7)(C) said (b)(6);(b)(7)(C) comments were unsolicited and (b)(6);(b)(7)(C) does not know why (b)(6);(b)(7)(C) made them. (b)(6);(b)(7)(C) added that (b)(6);(b)(7)(C) was interrupting (b)(6);(b)(7)(C) work and (b)(6);(b)(7)(C) told (b)(6);(b)(7)(C) to stop making those comments, which (b)(6);(b)(7)(C) did. (b)(6);(b)(7)(C) said that the comments were offensive to (b)(6);(b)(7)(C) because (b)(6);(b)(7)(C) (b)(6);(b)(7)(C) related that (b)(6);(b)(7)(C) apologized to (b)(6);(b)(7)(C) because of (b)(6);(b)(7)(C) comments.

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B. NCUA Examiners

On April 14, 2017, the RA interviewed [REDACTED], NCUA Examiner. **(Exhibit 4)**

[REDACTED] related that [REDACTED] recalled doing an examination at [REDACTED] in early March 2017 where [REDACTED] was present. The RA asked [REDACTED] if [REDACTED] recalled any comments from [REDACTED] about Native Americans, women, or anyone else. [REDACTED] stated that [REDACTED] did not hear [REDACTED] make any such comments.

On April 18, 2017, the RA interviewed [REDACTED], NCUA Examiner. **(Exhibit 5)**

[REDACTED] stated that [REDACTED] recalls eating dinner at a local restaurant with [REDACTED], [REDACTED], [REDACTED], [REDACTED] and one other person whose name [REDACTED] cannot remember. [REDACTED] related that tensions were high because of the political discussions going on within the group at dinner. [REDACTED] said that [REDACTED] stayed out of those discussions because they were political in nature. [REDACTED] did not recall any of [REDACTED] specific statements or comments.

On April 18, 2017, the RA interviewed [REDACTED], NCUA [REDACTED]. **(Exhibit 6)**

[REDACTED] related that [REDACTED] recalls doing an examination in [REDACTED], in early March 2017. The RA asked [REDACTED] if [REDACTED] recalled any comments from [REDACTED] regarding Native Americans, women, or anyone else. [REDACTED] stated that [REDACTED] did not hear any comments regarding those groups or any other groups of people from [REDACTED].

On April 18, 2017, the RA interviewed [REDACTED], NCUA Examiner in connection with this investigation. **(Exhibit 7)**

[REDACTED] related that [REDACTED] recalls doing an examination in [REDACTED], in early March 2017. The RA asked [REDACTED] if [REDACTED] recalled any comments [REDACTED] made regarding Native Americans, women, or anyone else. [REDACTED] stated that [REDACTED] did not hear any comments about those groups or any other group of people from [REDACTED].

C. [REDACTED]

On May 9, 2017, the RA interviewed [REDACTED]. Prior to the interview, the RA gave [REDACTED] a Garrity Advisement. The RA explained the Garrity Advisement and [REDACTED] understood it. [REDACTED] then signed and dated the Garrity Advisement as indicated on the form. **(Exhibit 8)** At [REDACTED] request, also present at the interview was [REDACTED], NCUA Examiner, who served as [REDACTED] union representative.

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The RA asked (b)(6) if (b) worked on an examination of the (b)(6);(b)(7)(C) in (b)(6);(b)(6) (b) in early March 2017. (b)(6) stated that (b) worked on an examination at this credit union from March 6 – 9, with both NCUA examiners and State of (b)(6) examiners. (b)(6) said that the NCUA Examiners working on (b)(6);(b)(7)(C) were (b)(6);(b)(7)(C) (b)(6);(b)(7)(C).

The RA asked (b)(6) if, during the March 8 (b)(6);(b)(7)(C) made a comment to the effect of “[a]t what point should a spouse lose their job if they beat the crap of their spouse?” (b)(6) replied that (b) had. As background, (b)(6) explained (b)(6);(b)(7)(C) (b)(6);(b)(6). (b) related that (b) told (b)(6);(b)(7)(C) (b)(6);(b)(7)(C), and asked them not tell anyone else. (b)(6) added that (b) told (b)(6);(b)(7)(C) that (b) could complete the work and wanted to finish the job.

Throughout the day, (b)(6) stated that (b)(6);(b)(7)(C) r. (b)(6);(b)(7)(C) (b)(6);(b)(7)(C) (b)(6);(b)(7)(C). (b)(6) stated that (b) raised this issue to the examiners on March 8 during the examination. (b)(6) said they were all sitting around a conference room table when (b) asked the question. (b)(6);(b)(7)(C), both (b)(6);(b)(6) (b) was unsure of their names], asked (b)(6) to stop this discussion because they were offended. (b)(6) said (b) stopped and stated that it was not (b) intention to upset anyone and (b) apologized. (b)(6) added that there appeared to be a cultural difference between east and west (b)(6);(b)(7)(C).

The RA asked (b)(6) if (b) made another statement during the examination to the effect of: “did you read about an old law which permitted men to strike their wives, as long as the object or weapon was under certain measurements?” (b)(6) stated that (b) was trying to start a conversation when (b) raised this issue. (b)(6) said someone, although (b) is unsure who, asked (b)(6) to stop, which (b) did. (b)(6) related that (b) brought up a few other items such as the following: “where did the saying ‘none of your beeswax’ come from?” and “where did the baseball saying ‘can of corn’ come from?” (b)(6) stated (b) asked these questions and (b)(6);(b)(6) looked up the answers on the internet.

The RA asked (b)(6) if (b) made comments, derogatory or otherwise, about Native Americans and/or women. (b)(6) stated that the day before, on March 7, (b) was at dinner at a restaurant with (b)(6);(b)(7)(C) whose name (b) could not recall, as well as a (b)(6);(b)(7)(C). (b)(6) said (b) cannot remember how this topic came up but (b) made a comment about the “American Indian” stating that “we as a society, government, have put these people on reservations and we subsidize them.” (b)(6) added that this does not work and they have alcohol problems and live in poverty. (b)(6) stated that these actions have taken their pride away. (b)(6) said anyone who is subsidized loses their pride and we should help them. (b)(6) said that other people chimed in with their opinions as well and some countered his statements. (b)(6)

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stated that (b) believed this simply was a conversation they were having together. (b)(6) added that the next night they all had dinner together again.

(b)(6) provided a typed, written statement (**Exhibit 9**).

CONCLUSION

This investigation developed evidence that (b)(6) made an unsolicited comment to other NCUA examiners and State of (b)(6) examiners concerning Native Americans. (b)(6) admitted that (b) made a comment during dinner on March 7, stating that “we as a society, government, have put these people on reservations and we subsidize them.” (b)(6) added that this does not work and they have alcohol problems and live in poverty. (b)(6) stated that these actions have taken their pride away.

(b)(6) admitted that on March 8 at the credit union (b) made a comment to the effect of “[a]t what point should a spouse lose their job if they beat the crap of their spouse?” (b)(6);(b)(7)(C) (b)(6);(b)(7)(C), (b)(6);(b)(7)(C) asked (b)(6) to stop this discussion because they were offended, which (b) did.

(b)(6) admitted to making a statement during the examination to the effect of “did you read about an old law which permitted men to strike their wives, as long as the object was under certain measurements?” (b)(6) said someone, although (b) is unsure who, asked (b)(6) to stop, which (b) did.

The OIG plans no further action in this matter at this time. In reviewing the circumstances surrounding (b)(6);(b) conduct and determining whether disciplinary action is warranted, due consideration should be given to the “Douglas” factors.¹ The “Douglas” factors are the pertinent mitigating and aggravating factors that responsible agency official(s) must consider before proposing or deciding on a particular disciplinary measure or penalty.

¹ See Douglas v. Veteran’s Administration, 5 MSPR 280, 5 MSPB 313 (1981).