



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

INVESTIGATIVE REPORT OF VIOLATION OF ETHICS REGULATIONS BY OFFICE OF THE SECRETARY OFFICIAL

This is a revised version of the report prepared for public release.

SYNOPSIS

We investigated an allegation that Jamie K. Reaser, Executive Director, National Invasive Species Council (NISC) Secretariat, may have violated Federal ethics and conflict of interest regulations by directing the award of a sole-source contract to an individual with whom she resided and may have had a personal and/or financial relationship.

We found that in May 2017, Reaser violated Federal regulations when she directed the award of a \$20,000 sole-source contract to her friend, with whom she routinely lived during the week rent-free, for writing a review article. We also found that she provided him with the Government's budget for the contract.

We also found that all the contracts awarded since Reaser became the NISC Secretariat's executive director were awarded through sole-source procedures at her direction, even though some of those could have been openly competed. In some of the cases, Reaser provided sensitive procurement information to contractors prior to award, which was contrary to acquisition procedures.

We are providing our report to the Assistant Secretary for Budget, Finance, Performance, and Acquisition for any action deemed appropriate.

DETAILS OF INVESTIGATION

We initiated this investigation in April 2018 after receiving an allegation that the National Invasive Species Council (NISC) Secretariat's Executive Director, Jamie K. Reaser, violated Federal ethics and contracting regulations when she directed the award of a sole-source contract to her friend in May 2017, with whom she may have had a personal relationship. Specifically, the complainant, who requested confidentiality, alleged that Reaser was residing with the friend.

Executive Order 13112 established NISC to provide national leadership to sustain and expand Federal efforts to prevent, eradicate, and control invasive species, as well as restore ecosystems and other assets impacted by invasive species. The Secretaries of Interior, Agriculture, and Commerce serve as NISC chairs. The NISC Secretariat, under Interior's Office of the Secretary, was established to provide the guidance and support necessary for NISC to undertake its duties. It also established the Invasive Species Advisory Committee (ISAC) to provide information and advice for consideration by NISC on invasive species-related issues. ISAC members include representatives of state, territorial, tribal, and local governments, as well as academic institutions, non-governmental organizations, and the private sector.

Reaser Steered a Contract to a Friend in Violation of Ethics and Contracting Regulations

We found that Reaser violated ethics and contracting regulations when she directed the award of a sole-source contract to her friend with whom she routinely resided with on weekdays, and provided him with sensitive procurement information.

We reviewed the purchase order for a contract dated May 22, 2017, which was awarded to

Reaser's friend for \$20,000. The deliverable for this contract was a review article that assessed the Federal government's capacity to "conduct the risk analyses and horizon scanning necessary to produce timely and well-informed watch lists of potentially harmful non-native species."

We interviewed the Interior Business Center (IBC) contract specialist assigned to this award, who said Reaser told her that the friend was the only vendor who could perform the work on this contract. She said she was suspicious that the friend already knew information about the requirements of the contract and the amount to quote when she first contacted him, and it appeared that Reaser had spoken to him about the contract before she (the contract specialist) called him.

We conducted surveillance of the friend's residence in Washington, D.C., and observed Reaser entering the residence in the evening and leaving in the morning on various occasions in May and June 2018.

Reaser confirmed that she chose her friend as the contractor for this project and prepared the Statement of Work and the Single Source Determination. She was unable to provide a justification for why she sole-sourced the work to him.

Reaser described him as a friend and colleague whom she had known since 2000. She said she spent the night at his residence approximately once or twice a week (excluding times when she traveled, slept in her office, or stayed with someone else) due to having a long commute to her home in Virginia. Reaser said she began staying in his residence on May 2, 2017, which was 20 days before the \$20,000 contract was awarded to him. Reaser said she did not pay rent for staying at her friend's residence and denied there was any quid pro quo for the contract she awarded to him.

Reaser told us that she chose her friend as the vendor for a second contract in April 2018 for \$25,000. This contract was for the creation of a regulated non-native species database. We confirmed that this contract was never issued.

Reaser's friend said he first met Reaser in 1998 or 1999 while she was working at the U.S. Department of State, and they remained close personal friends over the years. He said that while he was the executive vice president/general counsel for a trade association, he hired Reaser as a consultant in late 2005 or early 2006 until approximately 2012, where they worked very closely and published papers together (Reaser was not working at Interior at the time).

The friend said Reaser had stayed at his personal residence on and off for years, including the time when Reaser was consulting with the trade association. Most recently, he said, Reaser often stayed with him on Mondays and Wednesdays, but this did not happen every week. He said Reaser did not pay or compensate him to stay at his residence and he also allowed other people to stay in his home without paying him. He said Reaser never indicated that she issued him the May 2017 contract as payment or compensation for staying at his residence.

We interviewed a senior advisor for the Office of the Secretary, who reviewed the Single Source Determination for the contract and concluded that although the "Rationale" section of this

document was accurate, there were other individuals and entities that could have performed the work described in this document.

We also reviewed Reaser's Government email correspondence with her friend related to the contract and found two emails showing that Reaser provided sensitive procurement information to her friend prior to his receipt of the contract. The first email from Reaser to her friend, dated November 30, 2016, stated, "I have the go-ahead from the Solicitor's office to contract you for the risk analysis/horizon scanning EDRR assessment. The amount is \$20K still interested? Are you registered in the SAM.gov system?" The second email from Reaser to her friend, dated February 3, 2017, stated, "As soon as you have a moment, please sent [sic] [the contract specialist] a \$20K quote for the risk analysis/horizon scanning project." We found that the friend emailed a quote to the IBC, dated April 24, 2017, for \$20,000.

We showed these emails to the contract specialist, who said this interaction between Reaser and her friend should have disqualified the friend from being awarded this contract. She said it was "inappropriate" for Reaser to interfere with the contract awarding process, and if she had known about the email ahead of time, she would have reported it to the contracting officer.

We also found emails showing that Reaser spoke with a departmental ethics office attorney in October 2016 regarding whether it was allowable to contract with the friend, and another individual, given that they were ISAC members. The attorney provided guidance that ethics regulations would not prevent her from hiring either individual but to contact her if the situation changed in any way. During her interview, the attorney recalled these emails and the meeting discussed and said she did not provide any other guidance to Reaser. When asked if Reaser mentioned having a personal relationship with one of those individuals, the attorney said no. The attorney told us that had Reaser reporting having a personal relationship with the friend, she would have raised that as an issue of concern.

We reviewed Reaser's training records and found that Reaser completed the Departmental Ethics Office's 2017 Annual Ethics Training on December 20, 2017.

According to 5 C.F.R. § 2635.101(b)(8), employees shall act impartially and not give preferential treatment to any private organization or individual. Additionally, 5 C.F.R. § 2635.702 states that employees shall not use their public office for their own private gain, for the endorsement of any product, service or enterprise, or for the private gain of friends, relatives, or persons with whom the employees are affiliated in a nongovernmental capacity. Further, FAR Subpart 1.601 states that contracts may be entered into and signed on behalf of the Government only by contracting officers.

Reaser Directed All NISC Contracts to be Sole-Sourced and Provided Procurement Information

We found that all contracts awarded by the NISC Secretariat while Reaser was the executive director were sole-source, even though most should have been openly competed, and that Reaser provided sensitive procurement information to some of these vendors as well.

Reaser Directed Sole-Source Contracting When Open-Competition Should Have Been Used

We found eight NISC Secretariat sole-source contracts awarded while Reaser held the position of executive director. Figure 1 shows the award amount, award date, and purpose of the award for these eight sole-source contracts.

Award Amount	Award Date	Services Contracted
\$36,999.97	05/18/16	A documentary titled <i>Protecting What Matters</i> on invasive species and their impacts, a trailer for this documentary, and “shorts” for the NISC website.
\$32,000	09/20/16	A review article that assessed the capacity of current tools and technologies to enable the early detection of, and rapid response to, potentially harmful non-native species.
\$24,600.27	01/12/17	A review article that assessed information systems to provide the data necessary for risk analyses/horizon scanning in the context of the early detection and rapid response to invasive species.
\$60,000	03/16/17	A review article that assessed the capacity of current tools and technologies to enable the early detection of and rapid response to mussels at the Tiber Reservoir/Lake Elwell in Montana.
\$20,000	05/22/17	A review article that assessed the Government’s capacity to conduct the risk analyses and horizon scanning necessary to produce watch lists of potentially harmful non-native species.
\$145,000	07/27/17	A data strategy and implementation plans for the North American Island and Arctic Islands Ecosystems, strategy and action plans for the eradication of invasive vertebrates from the North American and Arctic islands, a regulators toolkit for gene technology advancement, and a report summarizing the outcome of a workshop on gene technology advancement.
\$24,350	06/13/17	A narrative of compelling stories that highlighted the successes Federal agencies and their partners had made in the prevention, eradication, and control of invasive species.
\$50,000	09/18/17	Host Open Technology Innovation Challenges on Conservation X Labs' Digital Maker Space.

Figure 1. Table showing NISC Secretariat Sole-Source Contracts

Regarding Reaser’s role in the contracting process, the contract specialist said Reaser requested the majority of the contracts be sole-sourced, indicating there were no other vendors that could perform the work.

When asked why she sole-sourced all contracts at NISC, Reaser said the contract specialist and IBC contracting officer conducted a contracting workshop where they directed her to “use the sole-source procedure for all of these.” Reaser said she would have competed the contracts if the IBC told her to do so.

Both the contract specialist and the contracting officer denied telling Reaser to sole-source her office’s contracts and denied ever providing any contracting training to Reaser. The contract specialist said IBC primarily used competitive contracting and they tried to avoid sole-source contracting. She told us that Reaser requested sole-sourcing on all NISC contracts, indicating that no one else could conduct the specialized work. According to the contract specialist, she did not have the technical background to assess whether other vendors could conduct the requested work.

We asked the senior advisor for the Office of the Secretary, to review the Single Source Determination and the Purchase Order for the eight contracts listed in Figure 1. Of these eight contracts, the Senior Advisor said other individuals or entities could have completed the work for five of them.

We also interviewed an ISAC member, who confirmed that he worked on a contract. He said Reaser initially called him about this contract because of his background in information technology and she told him she made sure there were no ethical issues with issuing a contract to him since he was on the ISAC. The ISAC member said he was not friends with Reaser, and their relationship was based on work. He said he never provided any compensation to Reaser in exchange for this contract.

Reaser Provided Sensitive Procurement Information to Potential Contractors

We reviewed Reaser’s Government emails related to the sole-source contracts listed in Figure 1. We found that Reaser provided the amount the Government allocated to the project, which was sensitive procurement information, to the potential contractor on five occasions. We found four occasions where Reaser shared a draft of the Statement of Work to the potential contractor. We also found that Reaser provided the draft Statement of Work for a contract to the eventual vendor, for input and edit.

The contract specialist said she suspected that Reaser had spoken to other contractors before contracts were awarded because they knew too much about the contracts and/or appeared too prepared for the contract details to have never discussed them before. The contract specialist also said she suspected that Reaser had provided potential contractors with the amount of money that was available for the proposed work prior to the award, which was not allowed. She believed the quotes the contractors provided were too close to the amount of funds allocated to the contract for it to be a coincidence.

Reaser confirmed to us that she spoke with contractors about how much money was available for each contract before it was awarded, but she said the contract specialist and the contracting officer told her to do this. Reaser said she always contacted potential contractors to see who was

interested and to let them know about the timelines and resources of the project, to include how much money was available. She said most of the contractors were underpaid compared to how much they could be paid for equivalent work from other entities.

The contract specialist and contracting officer did not recall ever telling Reaser to contact vendors ahead of any award, other than for market research. The contracting officer reviewed several emails Reaser exchanged with protentional contractors and said it was wrong given she was not a contracting officer's representative and that she interfered with the contracting process in doing so.

SUBJECT(S)

Jamie K. Reaser, GS-15, Executive Director, National Invasive Species Council Secretariat

DISPOSITION

We are referring this case to the Assistant Secretary for Budget, Finance, Performance, and Acquisition for any action deemed appropriate.

Report Fraud, Waste, and Mismanagement



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