



UNITED STATES DEPARTMENT OF COMMERCE
The Inspector General
Washington, D.C. 20230

May 17, 2007

Honorable Scott J. Bloch
Special Counsel
United States Office of Special Counsel
1730 M Street, N.W.
Washington, D.C. 20036-4505

Recd
5/17/07
6:07 pm
Orin

Re: OSC File Nos. MA-07-0679 and MA-07-0680

Dear Special Counsel Bloch:

With all due respect, you are wrong to conclude that I have retaliated against two Commerce Office of Inspector General (OIG) employees—Edward Blansitt and Allison Lerner—for whistleblowing activities involving allegations against me. As an Inspector General (IG), I am certainly aware of the full ramifications of this serious charge. I have spent most of my 37 years in government service protecting the rights of individuals and organizations to present the facts and their honest opinions while shielding them against reprisal when they report fraud, waste, or abuse.

But as an IG, I have seen that some people attempt to abuse the Whistleblower Protection Act in hopes of insulating themselves from remedial actions that might be rightfully taken against them for their own improper actions or deficient performance or behavior. These incidents rarely are simple or isolated, and it is essential that anyone looking into allegations of retaliation also look at the motivations of the alleger as well as the relevant historical facts of the case. In the case of the complaints by Mr. Blansitt and Ms. Lerner, I do not believe that the Office of Special Counsel (OSC) has fully investigated the motivations of the Complainants and the veracity of the information that they provided to OSC investigators.

This is too serious a matter to dispose of with a narrow, hurried investigation as has occurred to date with the OSC primarily focusing only on one specific series of events—the questioning of my travel voucher for the August 6-12, 2006, Boston-New York trip and the referral of my alleged misconduct to the President's Council on Integrity and Efficiency (PCIE)—then my alleged retaliatory action in reassigning both Mr. Blansitt and Ms. Lerner because of that referral.

As you know, the PCIE's Integrity Committee has reviewed the allegations about that Boston-New York travel submitted by Mr. Blansitt and, after assessing the evidence, by letter dated March 26, 2007, concluded that I had sufficiently resolved the allegations and that it planned no further inquiry into those matters. I would hope that any report that you submit to the President will indicate the outcome of the PCIE's review of this matter.



Obviously the Integrity Committee's conclusions occurred many months after Mr. Blansitt's initial charges. But I believe today, as I believed then, that Mr. Blansitt and Ms. Lerner fabricated their charges to try to discredit me because (1) I had lost all faith and confidence in them; (2) I was receiving many complaints from the staff about their perceived romantic relationship, their personal and vicious verbal attacks on me behind my back, and their meanness and disrespect for many OIG staff outside of their tiny circle; (3) I had concluded that Mr. Blansitt could not find another job, despite his efforts to do so and my efforts to assist him to leave; (4) I had concluded that they would not or could not end their romantic relationship between a supervisor and subordinate, and finally, (5) I recognized that with my retirement approaching, I could not leave the organization I served for so many years in the hands of Mr. Blansitt, someone in whom I had lost confidence.

These factors and some of the history surrounding this case must be considered by the Special Counsel because they not only shed light on the motivations of Mr. Blansitt and Ms. Lerner but also on my reasons for moving the Complainants to alternative senior positions in the OIG at no harm to them.

Therefore, I respectfully request that the OSC reexamine key aspects of its investigation, speak with a broader cross-section of key OIG personnel, speak further with those who were initially interviewed, and fairly assess this joint claim of retaliatory action. The OSC report, as it currently stands, has serious flaws or issues that require your attention:

1. The OSC report is wrong to conclude that the problems created by Mr. Blansitt's abrasive management style and his personal relationship with Ms. Lerner were two distinct problems.
2. Mr. Blansitt's and Ms. Lerner's argument that they were "reassigned to lesser positions" has no merit in the SES reassignment process.
3. Ms. Lerner's reassignment was necessary because I could not trust her as my primary legal adviser.
4. Beginning in June 2006, word of my pending retirement became a critical motivating factor—for both the Complainants and me.
5. The complete collapse of Mr. Blansitt's and my relationship and the toxic environment that this created for the OIG are why I chose to reassign Mr. Blansitt and Ms. Lerner.
6. The OSC investigation does not address my critical concerns with Mr. Blansitt's 2006 performance.

I. The OSC report is wrong to conclude that the problems created by Mr. Blansitt's abrasive management style and his personal relationship with Ms. Lerner were two distinct problems.

I acknowledge that I was slow to appreciate the gravity of the problems Mr. Blansitt's and Ms. Lerner's close personal relationship was causing for senior OIG managers and staff alike, and that I probably dismissed the rumors and complaints a bit too readily for too long a time. It is not my nature to give credence to what I initially perceived as office gossip.

But over time, from 2005 to 2006, I began to realize that whether or not the precise nature of their relationship was romantic, it was perceived to be so by much of the staff. Several senior staff members told me they were troubled by the appearance that Mr. Blansitt was responsible for Ms. Lerner's elevation to the SES Counsel position and the fact that he continued to rate and reward her as her first-line supervisor. A supervisor having a romantic relationship with a direct subordinate employee flies in the face of merit principles. As veteran U.S. government employees, Mr. Blansitt and Ms. Lerner are well aware of this.

I did not take any action against either Mr. Blansitt or Ms. Lerner for a period of time because I believed it would be more discreet and effective to speak to them privately about the situation (which I did on various occasions in the past two years). I expected that they, as professionals, would take steps to alleviate the situation. I spoke more freely and directly to Mr. Blansitt because he was the senior employee and, until our relationship broke down completely around June 2006, I felt more comfortable broaching this delicate topic with him.

The OSC Report is wrong to conclude (see page 7) that the problems created by Mr. Blansitt's abrasive management style—which the OSC report notes was described as “nasty,” “demeaning,” and “insulting”—and the problems created by his relationship with Ms. Lerner were two separate and distinct problems. The many employees in the OIG who witnessed this firsthand understand that the two issues began to merge as time progressed and Ms. Lerner began to be perceived as Mr. Blansitt's ally and instrument. It is for this reason that I take strong issue with the OSC investigator's conclusion that the three senior OIG managers he interviewed did not corroborate my stated sense of their outrage about the situation. Given the importance that the OSC places on this conclusion, OSC should obtain signed affidavits from a fair cross-section of OIG staff that fully address and clarify these points, which were seen as one and the same due to the Blansitt-Lerner supervisor-subordinate relationship. Mr. Blansitt certainly had the more abrasive style and tried to bully many subordinates because of his supervisory position in the organization. Although Ms. Lerner had no assigned supervisory responsibility while serving as a GS-15 special assistant in the front office, and was subordinate in grade and authority to the SES employees, she was gradually empowered by Mr. Blansitt and became identified as his alter ego such that employees were fearful of taking a position contrary to hers or failing to do her bidding because it would inevitably result in some form of retribution from Mr. Blansitt.

The alliance between Mr. Blansitt and Ms. Lerner became problematic to me, even aside from any concerns regarding an improper perceived romantic relationship, as I began to realize that I

was not receiving independent advice from either of them. I complained to them both that I no longer had the advice and counsel of “two people” but rather the collective voice of one. I believe it also concretely manifested itself when Ms. Lerner was detailed, at Mr. Blansitt’s urging, to the position of Acting Assistant Inspector General for Audits (AIGA) in the summer of 2005. Within a short period, I began to see that she was not actually managing the organization, but simply carrying out Mr. Blansitt’s bidding.

At about the same time, the office issued vacancy announcements for the open positions of Counsel to the Inspector General and AIGA. Ms. Lerner applied for both positions. It was clear to me that she wanted the AIGA position the most. I believed Ms. Lerner to be a bright and capable employee. However, based on her performance in the acting Office of Audits position and the obvious influence that Mr. Blansitt was exerting over her in that role, I realized that she would not be a good selection to head the biggest operation in the OIG. Furthermore, it was at this point, around November 2005, that I had the most frank and candid discussion with Ms. Lerner about the need for her to distance and distinguish herself from Mr. Blansitt and be perceived by staff as her own person. She acknowledged how these perceptions of dependence could exist and assured me that I would see a change.

Shortly thereafter, in November 2005—at Mr. Blansitt’s strong urging—I selected Ms. Lerner for the Counsel to the Inspector General position. She was previously an outstanding staff attorney in our Office of Counsel. A principal function of the Counsel is to provide legal and policy advice to the Inspector General. I believed Ms. Lerner’s considerable skills as an attorney and our previously close working relationship would compensate for her lack of proven management experience. While I recognized that Mr. Blansitt would remain her first-line supervisor in that position, I was acting on the belief that things would change and that Ms. Lerner, as Counsel, could exhibit an appropriate degree of distance or independence in an area in which Mr. Blansitt had no professional training or experience. I soon realized that this was not to be the case.

Ms. Lerner assumed the Counsel to the IG position in late November 2005. As the months went on, it became increasingly apparent—based on comments from the staff and my own observations—that a personal relationship existed between Ms. Lerner and Mr. Blansitt which had all the hallmarks of a romantic liaison. Of equal concern, it became even more apparent that I could not obtain advice or counsel from either one of them that was independent of the other’s. They were constantly seen together, both in and out of the office, and took an identical and coordinated approach to virtually every issue raised. The OSC report reflects that “They often thought alike,” “that they were often in each other’s company,” and “Blansitt often accompanied Lerner to her car after work.” (See page 4.) I viewed them as orchestrating their comments on OIG reports and in meetings. Any candor and trust of the past dissolved into a broken relationship with me.

The OSC report criticizes me because I “only” complained to Mr. Blansitt three or four times during a 15-month period. (See pages 7 and 9.) This should have been more than enough: Mr. Blansitt was after all the Deputy Inspector General and a man of mature age. And when I did speak with him about this matter, I was very direct and to the point.

Our most heated discussion occurred around the first week of June 2006. I spoke to Mr. Blansitt again about the need for him to discontinue his questionable relationship in the workplace. This occurred when I learned that, without discussing it with me beforehand, Mr. Blansitt had approved Ms. Lerner's travel order for her to accompany him and a few others to Texas. They had previously traveled to Austin, Texas, on August 16, 2005. But in her new Counsel to the IG position, there was no need for Ms. Lerner to go on this trip planned for June 13-15, 2006.

Mr. Blansitt was extremely angry—livid—and told me that he didn't care what people thought about him personally or his perceived relationship with Ms. Lerner. From that point on, our rapport was never the same again. I said on September 18, 2006, to Mr. Blansitt, and I believe it today, that an important part of Mr. Blansitt's motivation for his threatening this Integrity Committee investigation resulted from his resentment that I had forced him to cancel Ms. Lerner's trip with him to their home state—and, at the same time, that I was sending the message that my patience with their relationship had limits.

II. Mr. Blansitt's and Ms. Lerner's argument that they were "demoted to a lesser position" has no real merit in the SES reassignment process.

Before I stopped Mr. Blansitt from being Ms. Lerner's supervisor by reassigning them, I sought and received Office of Personnel Management (OPM) and DOC guidance on Senior Executive Service (SES) reassignments from the Department's Director for Human Resources, Deborah Jefferson, as well as from the OIG's human resources personnel.

OPM guidelines recognize that a deputy serves as an "alter ego" to a director or, in my case, the IG. The OSC report fails to recognize that such relationships require complete confidence and trust between the two. Even Mr. Blansitt would acknowledge that by June 2006 our relationship lacked that confidence and trust that it once had. In instances where that relationship is broken, a reassignment to another position is appropriate since a career appointee may be reassigned to any SES position for which the appointee is qualified. Senior management normally consults with the executive before giving the written notice of reassignment. I did this with Mr. Blansitt around the first week of October 2006.

Historically, at the Department of Commerce, the written notice of reassignment is a standardized memorandum documenting the reassignment. The Director of Human Resources advised me that these notices do not go into detail as to the "whys" of the reassignment and that the majority of these discussions and conversations with executives and supervisors are not documented in writing. At the SES level, most managers are sensitive to not jeopardizing an executive's chances of obtaining another position. I was no exception. I did not want to damage Mr. Blansitt's chances of finding a new position in a different organization. It would have been counterproductive for me, or almost any government manager, to document all issues, problems, or concerns with a subordinate while trying to help that person leave. Moreover, as SES rules recognize and most senior managers understand, when the trust and confidence between a principal manager and his or her own deputy are gone, something must change.

I was also advised that in OPM's SES regulations, the concept of SESers being "reassigned to lesser positions within the organization" is moot: the executive has not suffered harm, as the salary stays the same. Many agencies promote the reassignment of career SES members. The Department of Commerce, including the OIG, has periodically reassigned executives as part of SES mobility, and executives are sometimes reassigned to positions that are lesser positions in terms of scope and responsibility.

III. Ms. Lerner's reassignment was necessary because I could not trust her as my primary legal adviser.

Ms. Lerner's SES reassignment in October 2006 was unrelated to any complaint regarding me; rather, it was the direct result of my disappointment with her performance in the Counsel to the IG position and my loss of confidence and trust in her because of her relationship with Mr. Blansitt.

At the time I made the reassignments in October 2006, Ms. Lerner had not yet completed her probationary year in the Senior Executive Service. I had started having serious concerns about certifying her for retention in the SES in the June 2006 timeframe, about the same time that my relationship with Mr. Blansitt hit rock bottom. This was well prior to Mr. Blansitt raising questions about my August 2006 travel. It was becoming more apparent that my ability to trust Ms. Lerner's counsel and advice was diminishing in direct proportion to the increasing intimacy of her relationship with Mr. Blansitt. While I believed Ms. Lerner to be a capable attorney, I came to question her judgment and integrity and did not feel that she could effectively serve me—or the OIG—as Counsel to the IG, a position that demands the complete confidence of the Inspector General. As noted, by the summer of 2006, the rift between me and both Ms. Lerner and Mr. Blansitt was wide and common knowledge in the OIG. I felt that I could not receive legal counsel from Ms. Lerner that was objective and independent of Mr. Blansitt's influence.

At the same time, I knew that Ms. Lerner's relationship with Mr. Blansitt had damaged her reputation in the organization. The record is clear that few people in the OIG have been given the opportunities that Ms. Lerner has been given in the past five to six years. When she had been a staff attorney in the Office of Counsel, and during the early part of her detail to the front office, Ms. Lerner was well respected within the OIG and considered a skilled and valuable employee. And she was well-rewarded for her work. Ms. Lerner consistently received outstanding ratings and generous performance bonuses. Moreover, at the recommendation of her supervisor (Elizabeth Barlow, then Counsel to the IG), I had previously promoted her to a GS-15 senior attorney position, above the journeyman level for lawyers in our Office of Counsel. As her alliance with Mr. Blansitt grew stronger and more public, however, Ms. Lerner alienated herself from former colleagues in the Office of Counsel. Indeed, some employees believed that the previous Counsel, Ms. Barlow, had been reassigned to another SES position in the OIG in order to create an opening for Ms. Lerner. (Ms. Barlow herself believed this.) They attributed her eventual selection to the position over another internal candidate with greater seniority (Carey Croak) as the reward for her involvement with Mr. Blansitt. And the work of the office was being adversely affected. Even senior employees, such as Jessie Rickenbach, Assistant Inspector General for Administration, who is responsible for the OIG's budget, administration, and general

operations, were reluctant to deal openly or disagree with Ms. Lerner for fear that they would suffer retribution from Mr. Blansitt.

Despite the OSC's conclusion in its report (see page 9), my reassignment of Mr. Blansitt out of the Deputy IG position only addressed the obvious conflict of interest posed by Mr. Blansitt and Ms. Lerner's direct supervisor-subordinate relationship. My difficulties regarding Ms. Lerner were not addressed by simply moving Mr. Blansitt. Leaving Ms. Lerner as the Counsel to the IG did not resolve my loss of confidence in her ability to serve me and the OIG as chief legal officer. This is why I reassigned Ms. Lerner as well as Mr. Blansitt. At the time I made the decision to execute the reassignments, I was still grappling with the question of whether Ms. Lerner should be retained in the SES. For the reasons discussed, I was not prepared to certify her in the Counsel position.

We did, however, have the position of Deputy Assistant Inspector General for Audits that I kept vacant, and I decided to place her there to give her the opportunity to retain her SES. Moreover, Ms. Lerner had in the past done excellent work on several audit projects and has good analytical skills. In fact, when the OSC report notes that Ms. Lerner hyperbolically says that I "raved" about her performance (see page 6), she failed to mention that my praise was focused on her work with Judy Gordon, Assistant Inspector General for Systems Evaluation, and an award-winning team that completed our OIG audit/evaluation work on NOAA's NPOESS satellite system activities. Moreover, based on her work on that project, and after discussing it with John Seeba, AIG for Audits, I was convinced that Ms. Lerner could make a valuable contribution in the audit deputy capacity. As Deputy AIGA, she could operate under a seasoned manager and without the direct interference of Mr. Blansitt, who would no longer be her first-line supervisor, and she would be assigned to an operating unit that had only limited interaction with his – unlike the Office of Counsel, which services all OIG line organizations. I judged this solution would be in the OIG's overall best interest.

It is also important to note that when SES performance appraisals were being prepared in October 2006, I acquiesced in Mr. Blansitt's "outstanding" rating for Ms. Lerner, but initially rejected his proposal to recommend her for a pay adjustment and a bonus. She was still in her one-year SES probationary period. Moreover, she had received—at Mr. Blansitt's urging—a hefty pay adjustment when entering the SES in November 2005. And, consistent with my past practice for probationary SES employees, I did not think that she should automatically receive a bonus or salary adjustment. Although he had not taken an affirmative position with respect to rewarding any other SES employees, Mr. Blansitt argued vociferously for Ms. Lerner. I eventually agreed to a \$7,000 pay increase only because he pointed out that Ron Lieberman, a GS-15 subordinate of Ms. Lerner, would be earning more than her.

Hence, Ms. Lerner is disingenuous at best and at worst speaking in bad faith when she claims, according to the OSC report (see page 8) that I "gave them diminished bonuses and pay increases...." To the contrary, when Ms. Lerner was appointed to the SES, her \$117,809 salary was raised, at Mr. Blansitt's urging, more than 17 percent—over \$20,000—to \$138,100. In October 2006, shortly after reassignment to the DAIGA position and after this OSC complaint was filed, her new salary was again adjusted upward to \$145,005. Ms. Lerner has been

compensated far better than most—if not all—of her OIG peers in their first year of the SES. (See Exhibit A.) Ms. Lerner was ultimately retained in the SES when I allowed her probationary period to expire at the end of November 2006, without my personal affirmative certification.

IV. Beginning in June 2006, word of my pending retirement became a critical motivating factor—for both the Complainants and me.

During the OIG's first all-hands conference, held in Philadelphia from May 30 to June 2, 2006, and subsequently at a 60th birthday celebration for me on June 28, 2006 in the OIG conference room, the most frequently asked question by both OIG staff and other Commerce personnel alike was, "when do you expect to retire?" I intentionally did not give a date other than to say that I thought that it would be around the time of my 61st birthday, i.e., June 2007. But the word was out.

- One OIG SESer, Jill Gross, said she expected that she would probably have to leave shortly thereafter because she was not going to work for Mr. Blansitt, someone she did not respect and who did not have the stature, temperament, or capabilities to effectively lead a strong OIG, and who could not maintain the respect of Commerce agency heads, other senior officials, and the IG community.
- Another SES office director, Jessie Rickenbach, speculated that the mental abuse would become intolerable if Mr. Blansitt and Ms. Lerner were left in charge. She further speculated that their ally Susan Carnohan, the OIG Congressional Liaison, would be given her AIG job since Mr. Blansitt had increasingly involved Ms. Carnohan in OIG budget and administrative matters.
- One senior auditor said that she was going out right behind me. "I do not trust those two [Mr. Blansitt and Ms. Lerner]!"
- One audit director said that he would probably be gone soon after me since he knew of Ed's [Mr. Blansitt's] disrespect for him.
- One of our most experienced regional managers, David Sheppard, probably said it best—"Johnnie, you can't leave this office in Ed's [Mr. Blansitt's] control as hard as you have worked to get it to where it is now."
- One of our most talented staffers said that Ed [Mr. Blansitt] would be very bad for the office.
- Several other senior and mid-level staffers said, "Please don't leave Ed and Allison [Mr. Blansitt and Ms. Lerner] in charge". They frequently referred to them as "ED-ISON" or, alternately, as Mr. and Mrs. Blansitt, believing that they had to fight them as "one" when they reviewed their reports and when dealing with them on major issues.

Also around this same time frame, early summer 2006, some of our best former employees whose counsel I still seek and value—including Michael Sears (the former AIGA), Larry Gross (former Deputy AIGA), and Chuck Tegeler (former Audit Division Director)—called or met with me. Invariably, when the conversation turned to my retirement, they all were adamant that I could not leave Mr. Blansitt in charge—even in an acting IG role. These former employees were also vocal that Mr. Blansitt was the number one factor in their decisions to leave the DOC OIG. And yes, they were critical that I had not been more aggressive in dealing with Mr. Blansitt earlier. I resolved that if Mr. Blansitt did not have a new job by the end of 2006, I would reassign him.

My best available option at the time was to move Mr. Blansitt to the vacant Deputy AIG for Audits SES slot under John Seeba that I had intentionally left vacant since 2004, as an option. I understood but could not help that this would not be ideal for Mr. Blansitt since he was not a fan of John Seeba because I had chosen Mr. Seeba over Ms. Lerner for the AIG for Audits position.

During the summer of 2006, many in the OIG, including I am sure Mr. Blansitt and Ms. Lerner, knew of or heard the talk about my retirement plans. Such talk circulates quickly in the OIG.

V. The complete collapse of Mr. Blansitt's and my relationship and the toxic environment that this created for the OIG are why I chose to reassign Mr. Blansitt and Ms. Lerner.

By the time Mr. Blansitt fabricated (not “reasonably believed” as the OSC report states on page 8), his bad faith accusation about my August 6-12, 2006, trip to Boston and New York City and refused to sign my travel voucher, I had long before reached a point where I had little faith or confidence that he was operating in the best interests of the OIG or actually supporting me as my deputy. Sadly, many OIG staff, including Mr. Blansitt and Ms. Lerner, could see this. I believe that Mr. Blansitt's vicious attacks on my integrity, via the Boston-New York travel voucher and then other issues, were a preemptive strike because he realized that I had lost all trust and confidence in him and that I did not want to leave him in charge when I retired.

As I told Mr. Blansitt when I responded to his September 12, 2006, e-mail questioning my Boston-New York trip, I have always expected that he would thoroughly analyze, review, and question anything that he signed that involved me. I have always been clear that I looked to him as the internal control and safeguard against even the appearance of any impropriety involving me. To my knowledge, he had done just that. Not once in the five years that Mr. Blansitt was reviewing and approving all of my travel documents did he ever bring anything to my attention that suggested that he had a problem with my travel or that he had a concern that was not addressed. Furthermore, I did not understand the sense of urgency now since Mr. Blansitt had my Boston-New York travel voucher, and I knew that it would not go forward until he was completely satisfied that his issues had been addressed.

But this time, Mr. Blansitt calculated he could exploit accusations about my travel voucher to further his own efforts to hold on to power in the OIG. As I was preparing to head out the door on September 5th for a vacation after an over-scheduled “let's-get-everything-done-before-the-

IG-leaves” day, Mr. Blansitt came to me and (for the first time during our five-year collaboration) said that he could not approve my travel voucher for my August 6-12, 2006 trip until I explained to him in detail all that I did in Boston and New York. I am sure he was well aware of what I had accomplished during that trip. If not, why hadn’t he asked any questions about my planned travel in the weeks before the trip or when he approved the travel order. Plus, I had been back from that trip for weeks, and Mr. Blansitt had never once uttered a single word of any concern or question to me about my travel or the voucher, which he had for some time before he confronted me. I, nonetheless, told him that I would give him a written summary of the trip. Mr. Blansitt simply lied to OSC investigators when he reportedly said I kept “dancing around the issues”. (See OSC report page 2.) For me, it was a trip in the best interest of the OIG; there was no need to dance around anything.

From my vantage point, it was straightforward to recount what I accomplished in Boston and New York while on official business and to discuss precisely all that happened. I had worked more than 40 hours that week. I had nothing to hide. I could see this was a ruse, a fabricated attack on my integrity that directly resulted from the complete breakdown in our relationship.

When I returned to the office from vacation on Wednesday, September 13th, and checked my e-mail as usual late in the day, I read Mr. Blansitt’s e-mail detailing his expectations for my travel documentation. Mr. Blansitt was well aware of the significant amount of catch-up work and other tasks that I was involved with just after returning from vacation. I started to draft a response to Mr. Blansitt’s e-mail at the end of the week and came into the office on Sunday to finish it so that Mr. Blansitt would have it Monday when he arrived. But, as I learned from another SES staff member in the office on Sunday, September 17, 2006, the OIG e-mail server was down. Mr. Blansitt had apparently prepared his e-mail at home the day before.

Despite Mr. Blansitt’s September e-mails, it was not until November 28, 2006—well after I had reassigned Mr. Blansitt and Ms. Lerner—that I actually received notice that the PCIE’s Integrity Committee had in fact received several allegations and that it was investigating my August 2006 Boston-New York trip plus two other allegations that Mr. Blansitt had never raised orally with me or in his e-mails. On December 10, 2006, I subsequently provided the Integrity Committee with a lengthy explanation and substantial documents, vouchers, and other evidence to address all of the issues raised in its inquiry. (See Exhibit B.)

The PCIE Integrity Committee subsequently notified me by letter, dated March 26, 2007, that I had sufficiently resolved Mr. Blansitt’s Boston-New York voucher allegations and that it planned no further inquiry on the matter. This further suggests that Mr. Blansitt fabricated rather than “reasonably believed” his charges about my August 2006 Boston-New York travel. It is troubling that your OSC report does not take into account the PCIE Integrity Committee’s decision on this voucher matter.

I emphasize that I, like other IGs, am often vulnerable to criticism, allegations, and sometimes unfair attacks—at times from our own staff. Hence, we learn over time the importance of moving forward, especially if we believe that such attacks have no merit. I did what I knew would be best for the OIG contrary to the statement in the OSC report (see page 9) that I “had tolerated the

situation for one-and-a-half years and, contrary to his testimony, there was little evidence of a sudden aggravation in September-October 2006.” At this point, Mr. Blansitt and I could no longer hide our disdain for each other. My front office became polarized beyond repair, and I feared that what for too long had not been addressed had now become toxic for the entire office. I moved Mr. Blansitt and Ms. Lerner to other senior positions in the OIG for the good of the OIG—a move that OIG managers and staff have overwhelmingly supported.

VI. The OSC investigation does not address my critical concerns with Mr. Blansitt’s 2006 performance.

During my interview with the OSC investigators, I attempted to discuss certain specific performance issues regarding Mr. Blansitt to demonstrate that there were valid reasons why I believed Mr. Blansitt should not receive his traditional high bonus and the maximum pay adjustment in 2006. The OSC investigator, Mr. McClelland, said that we would get to that discussion “later.” Unfortunately, we never did, even though our interview lasted over five hours. Nonetheless, my concerns about Mr. Blansitt’s performance remain valid and clarify why he did not get the bonus and maximum salary adjustment (approximately \$2,000) that he wanted. (See page 8 of the OSC report where Mr. Blansitt complains of his diminished bonus and pay increase.)

- In October 2006, Mr. Blansitt, like all the OIG SESers, prepared his own list of top accomplishments, his most important outreach efforts, and other key things that he believed he should be recognized for in support of his performance plan. I immediately noted several troubling problems with his list. Most notably, he claimed credit for things that he had little, if any, role in initiating or contributing to in a major way. I confronted him on two noteworthy examples and he subsequently deleted them. (See Exhibit C.)
- When Mr. Blansitt discussed his accomplishments with me in October 2006, they were disproportionately reliant on his claimed activities and association with Ms. Lerner’s work. Two points are worth noting here: (1) It would be more difficult for me to challenge the validity of work that they corroborate for each other and (2) As the first-line supervisor for five other senior executives, could Mr. Blansitt have possibly provided a fair amount of his time and attention to their work and efforts? (See Exhibit C.)
- Mr. Blansitt’s claimed accomplishments contained few examples of instances where he took the “lead,” was “solely” responsible for something, or could point to things that, but for him, would not have happened. Instead, his major accomplishments reflected supportive efforts only, such as “...worked closely with...; strongly participated in ...; recognized the importance of...; was a strong participant in...” etc. (See Exhibit C.)
- Mr. Blansitt is a part-time real estate agent. His real estate work was taking time from his OIG work.

In the past, I may have given Mr. Blansitt the benefit of any doubt on his claimed accomplishments. But, with virtually no trust between us, I was increasingly skeptical. In reviewing his stated accomplishments more carefully, the weaknesses were more apparent.

The most important element in a relationship between a principal official and his or her deputy is the knowledge that they are in sync with each other and that they have real trust and confidence between them. Absent that—as was our case—little else really matters.

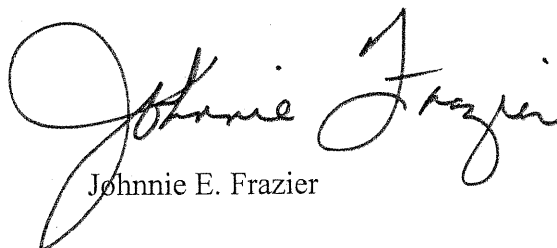
Conclusion

My deteriorated trust and confidence in my deputy (Mr. Blansitt) and the lack of independence between my deputy and Counsel (Ms. Lerner), coupled with what seemed to many to be an inappropriate romantic relationship, became more disruptive and intolerable by mid 2006. Rather than begin a long process to document the problems with Mr. Blansitt and Ms. Lerner—as perhaps I should have done earlier—I hoped that Mr. Blansitt would find another job and move on. I knew that the turmoil that he had caused within the OIG could not continue, and I did not want it to be my legacy when I retired.

A fabricated travel voucher allegation—which was investigated by the PCIE's Integrity Committee and subsequently closed—did not deter me from exercising my authority to reassign these OIG senior executives to positions where I felt that they could best make valuable contributions to the OIG and Mr. Blansitt would not be Ms. Lerner's supervisor. By October 2006, the office environment was toxic. I could no longer operate with a deputy that was out for my destruction, watch as my front office became polarized beyond repair, and see the increasing detrimental impact on the OIG and its people. There has been overwhelming support for my actions by the OIG staff, who clearly understand that these reassignments were in the best interest of the OIG.

I believe that a full OSC investigation of all the circumstances of this case will show that I did not violate the Whistleblower Protection Act and that Mr. Blansitt's and Ms. Lerner's motives in fabricating charges and attacking my integrity were to take preemptive actions against me in order to strengthen their positions and hold on to power.

Sincerely,



Johnnie E. Frazier

Enclosures