

REPORT OF INVESTIGATION
USM-10-1887-I

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Office of Inspector General

United States Department of the Treasury



REPORT OF INVESTIGATION

DATE OF REPORT	JUN 25 2010
REPORT STATUS	FINAL
CASE NUMBER	USM-10-1887-I
CASE TITLE	Unites States Mint-Personal Identity Verification Cards
PERTINENT STATUTE(S), REGULATION(S), AND/OR POLICY(IES)	5 USC 1213 - Provisions relating to disclosures of violations of law, gross mismanagement, and certain other matters [UNSUBSTANTIATED]

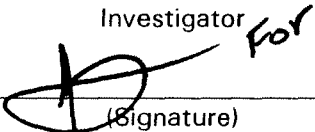
SYNOPSIS

On May 20, 2010, the Office of Inspector General, Office of Investigations (OIG/OI), received a complaint from Treasury General Counsel George W. Madison. This complaint was originally received by the Office of Special Counsel (OSC) from a whistleblower who alleged that management at the United States Mint (USM) improperly issued Personal Identity Verification (PIV) cards to four contractors in November of 2009. (Exhibit 1)

The investigation determined no one at the USM has been issued PIV cards, only USM building badges.

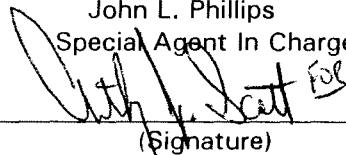
Case Agent:

Sonja Scott,
Investigator


(Signature)

Supervisory Approval:

John L. Phillips
Special Agent In Charge


(Signature)

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DETAILS

A. Allegation: The USM management improperly issued PIV cards to four contractors at the USM.

B. Context / Background: A whistleblower made a complaint that the USM management improperly issued Personal Identity Verification (PIV) cards to four contractors.

INVESTIGATIVE ACTIVITY

On May 20, 2010, the OIG, Office of Investigations (OIG/OI) received a complaint from Treasury General Counsel George W. Madison. This complaint was originally received by the Office of Special Counsel (OSC) from a whistleblower who alleged that management at the United States Mint (USM) improperly issued Personal Identity Verification (PIV) cards to four contractors in November of 2009. (Exhibit 1)

On May 24, 2010, the OIG/OI interviewed Daniel Shaver, Legal Counsel, USM. Shaver stated his office reviews all policies for the USM, and he has not seen a policy for the USM on PIV cards or the Homeland Security Presidential Directive 12 (HSPD12). He does not believe the USM has issued any PIV cards to employees or contractors to date. He believes the complainant may be referring to USM building badges. (Exhibit 2)

On May 26, 2010, the OIG/OI interviewed Dennis O'Connor, Chief of Police, USM. O'Connor stated new employees and contractors complete a PIV Request Form when they are hired. The USM Office of Protection reviews the forms, fingerprints and photographs the applicant, and orders an investigation (National Agency Check and Inquiries) through the Office of Personnel Management (OPM). After this process, the individual is given a USM building badge. The USM has not issued any PIV cards to employees or contractors at the USM Headquarters because the USM does not have the appropriate badge readers for the PIV cards. O'Connor was not certain when the USM would begin issuing the PIV cards. (Exhibit 3)

On May 26, 2010, the OIG/OI interviewed Deborah Smith, Chief of Procurement, Office of Procurement, USM. Smith stated new employees and contractors

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Office of Inspector General – Investigations
Department of the Treasury

complete a PIV Request Form when they are hired. The Office of Procurement has requested the Office of Human Resources, USM, send all contractor PIV Request Forms to the Office of Procurement. They are then reviewed by Coletta Howard, Secretary, Office of Procurement, and a Contracting Officer. The form is then sent to the Office of Protection. Smith stated she is not certain if her office receives all of the requested forms, but does not believe there is a security issue because the Office of Protection does not issue a badge until the background investigation has been completed. Smith stated the USM has not issued any PIV cards to employees or contractors at the USM Headquarters. Smith was not certain when the USM would begin issuing the PIV cards. (Exhibit 4)

On May 26, 2010, the OIG/OI interviewed Gretchen Wilson, Human Resources Support Liaison, USM. Wilson stated she has been employed with the USM for 23 years and has been in the Office of Human Resources since 2004. In the spring of 2009, her supervisor, Cheryl Cato, selected her to take PIV training and serve as a "sponsor" on PIV Request Forms under HSPD 12. She explained a sponsor is someone who reviews and signs the PIV Request Form and enters individuals into the General Services Administration's database "EDS Assured Identity." All new employees, employees who have expired USM badges and contractors must complete the PIV form. She reviews and signs the form, and takes the employee forms directly to the Office of Protection. The staff in the Office of Protection reviews the forms, fingerprints and photographs the applicant, and requests a National Agency Check and Inquiries (NACI) background investigation to be conducted by the OPM. After this process, the individual is given a USM building badge. However, the contractors' forms are sent to the Office of Procurement, before they are sent to the Office of Protection.

Wilson admitted in the fall of 2009, she submitted the PIV forms of four Human Resources' contractors directly to the Office of Protection. She was then contacted by Coletta Howard, Office of Procurement, who informed her that contractor PIV forms should be sent to the Office of Procurement, for additional review and signatures prior to being sent to the Office of Protection. Wilson recalled these specific employees were from the Franklin Marshall Company and she had no relationship with them prior to the fall of 2009. She stated she did not know, or forgot, the requirement to send contractor PIV forms to the Office of Procurement, and has not made that error since. Wilson stated that the aforementioned procedures enable employees and contractors to be issued USM

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Office of Inspector General – Investigations
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building badges. The USM has not issued any PIV cards to her knowledge. (Exhibit 5 & 7)

{Agent's Note: Wilson provided the OIG/OI with documents regarding HSPD 12 and the USM PIV policy. One document entitled "Mint PIV Process (Five -Ten Business Days)" describes a "sponsor" as follows: "The sponsor is the individual who substantiates the need for a PIV card on behalf of an applicant, and requests the issuance of a PIV card for the applicant."}

On May 26, 2010, the OIG/OI, interviewed Lester Leach, Division Director of Security, USM. Leach stated new employees and contractors complete a PIV Request Form when they are hired. For employees, the form is reviewed and signed by a "sponsor" in the Office of Human Resources. For a contractor, the form is reviewed and signed by a Contract Specialist in the Office of Procurement. The Office of Protection, reviews the forms, fingerprints and photographs the applicant. This process takes approximately five days. The employee or contractor is then given a USM building badge that is referred to as a PIV 1. The Office of Protection then requests a background investigation (NACI) to be conducted by the OPM. This process can take up to six months. If derogatory information is found in the NACI, the clearance and badge would be revoked. Leach explained that the USM has not issued actual PIV cards per HSPD 12 to employees or contractors at the USM Headquarters because the USM does not have the appropriate badge readers for the PIV cards. Leach believes that the USM will have the PIV card readers at the USM in October 2010 and all employees will be issued PIV cards. (Exhibit 6)

On June 3, 2010, the OIG/OI obtained PIV Request Forms from Leach. These forms were for contractors James Dixon, Jan Foster, Loretta Goerlinger, and Lynda McIlwain-White, and had been initiated in the fall of 2009. The forms were not fully completed therefore, the OIG/OI contacted Leach to inquire. He stated the forms had been completed by the requestor or "sponsor" and then reviewed by Della Hargrove, Security Specialist, or another Security Specialist in his office. The completed form is maintained in the Office of Protection which completes additional portions of the form and issues the USM badges. On June 4, 2010, Leach provided the OI with completed PIV Request Forms. (Exhibit 8)

On June 8, 2010, the OIG/OI interviewed Della Hargrove, Personnel Security Specialist, USM. Hargrove stated the USM uses the PIV Request Form to issue USM building badges. In the future, the form will be used to issue PIV cards. All

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Office of Inspector General – Investigations
Department of the Treasury

government employees will eventually have PIV cards per HSPD 12. She explained a "sponsor" in the USM Office of Human Resources reviews and signs the PIV Request Form and enters individuals into the General Services Administration's database "EDS Assured Identity." A Personnel Security Specialist in her office reviews the form, initials and dates the form when National Crime Information Center criminal checks or Special Agreement Checks (fingerprint checks) are performed. A Personnel Security Specialist will also verify if a background investigation has been completed, and will sign and date when applicable. If a contractor is at the USM less than six months, a background investigation is not conducted. If a background investigation is not conducted, a Personnel Security Specialist will not sign the form as the "Registrar." However, a Personnel Security Specialist reviews the forms, and sends them to the Office of Protection where page two of the PIV form is completed. The Office of Protection then issues a temporary and/or permanent USM building badge. Hargrove stated the PIV form identifies the card issued as a "PIV" however; this is not accurate as the USM has not issued PIV cards and has only issued USM badges. (Exhibit 9)

FINDINGS

Based on the evidence and information gathered during this investigation, it was determined that Wilson improperly submitted four PIV Request Forms for contractors to the Office of Protection instead of sending them through the Office of Procurement as required by USM policy. However, these contractors were not issued PIV cards by the USM. To date, PIV cards, required by HSPD 12, have not been issued to anyone at the USM Headquarters.

REFERRALS

Criminal

Not applicable

Civil

Not applicable

Administrative

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Office of Inspector General – Investigations
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The allegation of improper issuance of PIV cards to contractors is unsubstantiated. It was determined that Wilson improperly submitted four PIV Request Forms for contractors to the Office of Protection instead of sending them through the Office of Procurement as required by USM policy. However, these contractors were not issued PIV cards by the USM. It is recommended that this information be provided to the OSC and USM management for any action they deem appropriate.

DISTRIBUTION

Timothy F. Geithner, Secretary of Treasury

EXHIBITS

<u>Number</u>	<u>Description</u>
1.	Letter from the Office of Special Counsel to Secretary Geithner, dated May 4, 2010. Forwarded to OIG/OI on May 20, 2010.
2.	Memorandum of Activity, Interview of Daniel Shaver, Legal Counsel, United States Mint, dated May 24, 2010.
3.	Memorandum of Activity, Interview of Dennis O'Connor, Chief of Police, United States Mint, dated May 26, 2010.
4.	Memorandum of Activity, Interview of Deborah Smith, Chief of Procurement, Office of Procurement, United States Mint, dated May 26, 2010.
5.	Memorandum of Activity, Interview of Gretchen Wilson, Human Resources Support Liaison, United States Mint, dated May 26, 2010.
6.	Memorandum of Activity, Interview of Lester Leach, Division Director of Security, United States Mint, dated May 26, 2010.
7.	Memorandum of Activity, Sworn statement by Gretchen Wilson, dated June 3, 2010.
8.	Memorandum of Activity, PIV Request Forms from Lester Leach, Division

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Office of Inspector General – Investigations
Department of the Treasury

Director of Security, United States Mint, dated June 3, 2010.

9. Memorandum of Activity, Interview of Della Hargrove, Personnel Security Specialist, United States Mint, dated June 8, 2010.

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Department of the Treasury



U.S. OFFICE OF SPECIAL COUNSEL
1733 M Street, N.W., Suite 218
Washington, D.C. 20036-1505
202.754.3600

EXECUTIVE SECRETARIAT

2010 MAY -4 P 1:59

May 4, 2010

DEPARTMENT OF
THE TREASURY

The Honorable Timothy F. Geithner
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Re: OSC File No. DI-10-1483

Dear Mr. Secretary:

Pursuant to my responsibilities as Associate Special Counsel, I am referring to you for investigation a whistleblower disclosure that employees at the Department of the Treasury (Treasury), United States Mint (U.S. Mint), Office of the Chief Financial Officer, Office of Procurement in Washington, D.C., are engaging in conduct which may constitute a violation of law, rule, or regulation. The Office of Special Counsel (OSC) has received these allegations from a whistleblower who has declined to consent to disclosure of his or her name to the agency. The whistleblower alleged that management has improperly issued several Personal Identity Verification (PIV) cards to contract employees.

The whistleblower explained that pursuant to Homeland Security Presidential Directive (HSPD) 12, *Policy for a Common Identification Standard for Federal Employees and Contractors*, the federal government is required to follow a mandatory government-wide standard for the issuance of identification cards to government employees and contractors. In response to HSPD 12, the U.S. Mint implemented conforming procedures for the issuance of PIV Cards, known as the Mint PIV Process. As outlined in *Federal Information Processing Standards Publication Personal Identity Verification (PIV) of Federal Employees and Contractors*, or FIPS PUB 201-1, App. A.1.1.1, in order to properly issue a PIV card, there are several critical roles that must be filled in order to maintain the integrity of the identity proofing and registration process required to issue a PIV card. These roles include PIV Sponsor, Registrar, and Issuer. Each of these roles must be mutually exclusive, meaning that no individual shall hold more than one of these roles during the proofing and registration process. The Mint PIV Process includes each of the three roles as described above, and specifically states that for contractor applicants the Procurement Contract Specialist must collect all relevant forms in the role of PIV Sponsor.

Further, U.S. Mint Office of Procurement Procedure No. C14, *Security Procedures for Contractors*, requires that PIV Sponsors sign the applicant's paperwork before forwarding it to the PIV Registrar for initiation of a background check. Upon receipt of approval from the PIV Registrar, the PIV Issuer is required to confirm both the validity of the applicant's PIV Request

The Honorable Timothy F. Geithner
Page 2

Form and the PIV Registrar's approval notification by checking the PIV Request Form for authorized signatures.

The whistleblower alleged that in November 2009, four U.S. Mint Department of Human Resources contract employees¹ were issued PIV cards without the involvement of the Procurement Contract Specialist as PIV Sponsor or in any other capacity. Rather, each of the four PIV Request Forms were signed by Ms. Gretchen Wilson, a Human Resources Support Liaison acting as PIV Sponsor.

The whistleblower alleged that in the case of three of the four contract employees, the PIV Request Forms were signed only by Ms. Wilson as PIV Sponsor. Neither the PIV Registrar nor PIV Issuer completed, signed, or dated the forms for Mr. Dixon, Ms. Foster, or Ms. Goerlinger. All three sets of forms have brief notations indicating that FBI criminal checks were undertaken, but do not contain any other information or signatures. Ms. McIlwain-Nesbitt's form was signed by a PIV Registrar, but does not contain a signature or confirmation of identity re-verification by the PIV Issuer. Without signatures verifying that each required step of the PIV Issuance Process has been correctly carried out by the appropriate staff acting in mutually exclusive roles, it cannot be determined that these PIV cards were properly issued pursuant to either FIPS PUB 201-1 or a agency policy. However, the whistleblower has alleged that each of these contract employees has, in fact, been issued a PIV card.

The Office of Special Counsel (OSC) is authorized by law to receive disclosures of information from federal employees alleging violations of law, rule, or regulation, gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety. 5 U.S.C. § 1213(a) and (b). If OSC finds, on the basis of the information disclosed, that there is a substantial likelihood that one of these conditions exists, we are required to advise the appropriate agency head of our findings, and the agency head is required to conduct an investigation of the allegations and prepare a report. 5 U.S.C. § 1213(c) and (g).

We have concluded that there is a substantial likelihood that the information the whistleblower provided to OSC discloses a violation of law, rule, regulation. As previously stated, we are referring this information to you for an investigation of the whistleblower's allegations and a report of your findings within 60 days of your receipt of this letter. Under the applicable law, this report should be reviewed and signed by you personally. Nevertheless, agency heads often delegate the responsibility to investigate and report on disclosures such as those set forth in this letter to the Inspector General or other agency officials. Should you delegate your authority to review and sign the report to the Inspector General, or any other official, the delegation should be specifically stated and should include the authority to take the actions necessary under 5 U.S.C. § 1213(d)(5). The requirements of the report are set forth at 5 U.S.C. § 1213(c) and (d). A summary of § 1213(d) is enclosed.

¹ These contract employees are: James Dixon, Loretta Goerlinger, Jan Foster, and Linda McIlwain-Nesbitt. All four are employees of the Franklin Maxwell Group, LLC (Contract No. 1M-HQ-10-C-0008).

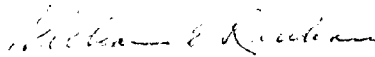
The Honorable Timothy F. Geithner
Page 3

In the event it is not possible to investigate and report on the matter within the 60-day time limit under the statute, you may request in writing an extension of time not to exceed 60 days. Extensions are generally granted when the written request sets forth the basis for the extension and contains a brief summary of the status of the investigation. Extension requests should be addressed to Catherine A. McMullen, Chief, Disclosure Unit at 1730 M Street, NW, Washington, D.C. 20036.

After making the determinations required by 5 U.S.C. § 1213(e)(2), copies of the report, along with any comments on the report from the person making the disclosure and any comments or recommendations by this office, will be sent to the President and the appropriate oversight committees in the Senate and House of Representatives. 5 U.S.C. § 1213(e)(3). Unless classified or prohibited from release by law or by Executive Order requiring that information be kept secret in the interest of the national defense or the conduct of foreign affairs a copy of the report and any comments will be placed in a public file in accordance with 5 U.S.C. § 1219(a).

Please refer to our file number in any correspondence on this matter. If you need further information, please contact Ms. McMullen at (202) 254-3604. I am also available for any questions you may have.

Sincerely,



William E. Reukauf
Associate Special Counsel

Enclosure

Enclosure

Requirements of 5 U.S.C. § 1213(d)

Any report required under subsection (c) shall be reviewed and signed by the head of the agency¹ and shall include:

- (1) a summary of the information with respect to which the investigation was initiated;
- (2) a description of the conduct of the investigation;
- (3) a summary of any evidence obtained from the investigation;
- (4) a listing of any violation or apparent violation of law, rule or regulation; and
- (5) a description of any action taken or planned as a result of the investigation, such as:
 - (A) changes in agency rules, regulations or practices;
 - (B) the restoration of any aggrieved employee;
 - (C) disciplinary action against any employee; and
 - (D) referral to the Attorney General of any evidence of criminal violation.

In addition, we are interested in learning of any dollar savings, or projected savings, and management initiatives that may result from this review.

¹Should you decide to delegate authority to another official to review and sign the report, your delegation must be specifically stated.



U.S. OFFICE OF SPECIAL COUNSEL
 1730 M Street, N.W., Suite 218
 Washington, D.C. 20036-4505

FACSIMILE COVER SHEET

TO:

Name: The Honorable Timothy F. Geithner	
Title: Secretary	
Organization: U.S. Department of the Treasury	
Office / Location: Washington, D.C.	
Telephone: (202) 622-2000	Fax: (202) 622-0073

FROM:

Name: Siobhan M. Smith	
Organization: U.S. Office of Special Counsel	
Office / Location: Washington	
Telephone: (202) 254-3652	Fax: (202) 653-5151

Date: May 4, 2010	Number of pages, including this cover sheet: 5
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Message: Original and enclosure: to follow by UPS delivery.
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If you did not receive the total number of pages shown, please call Siobhan M. Smith at (202) 254-3652.

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MEMORANDUM OF ACTIVITY



Case Number: USM-10-1887-I	Reporting Office: Washington Field Office (WFO)	Type of Activity: Telephonic Interview
Date of Activity: May 24, 2010	Date of Report: May 24, 2010	Location of Activity: US Mint 801 9 th Street NW Washington, DC 20220
Subject of Activity: Daniel Shaver Legal Counsel 801 9 th Street NW Washington, DC 20220 202-354-7934		Activity Conducted By <i>(Name(s) and Title(s))</i> Sonja Scott, Investigator

On May 24, 2010, the Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (OI), telephonically interviewed Daniel Shaver, Legal Counsel, United States Mint (USM) regarding an anonymous complaint that the USM, Office of the Chief Financial Officer, Office of Procurement, has improperly issued Personal Identity Verification (PIV) cards to contract employees.

Shaver stated that his office reviews all policies for the USM, and he has seen no policies for the USM on PIV cards or the Homeland Security Presidential Directive 12. He does not believe the USM has issued any PIV cards to employees or contractors to date. He believes the complainant may be referring to building badges.

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MEMORANDUM OF ACTIVITY



Case Number: USM-10-1887-I	Reporting Office: Washington Field Office (WFO)	Type of Activity: Telephonic Interview
Date of Activity: May 26, 2010	Date of Report: May 26, 2010	Location of Activity: US Mint 801 9 th Street NW Washington, DC 20220
Subject of Activity: Dennis O'Connor Chief of Police USM Police 801 9 th Street NW Washington, DC 20220 202-354-7300		Activity Conducted By <i>(Name(s) and Title(s))</i> Sonja Scott, Investigator

On May 26, 2010, the Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (OI), telephonically interviewed Dennis O'Connor, Chief of Police, United States Mint (USM) Police regarding an allegation that Personal Identity Verification (PIV) cards have been issued to USM contractors improperly.

O'Connor stated that new employees and contractors complete a PIV Request Form when they are hired. The USM Office of Protection reviews the forms, fingerprints and photographs the applicant, and orders an investigation (National Agency Check and Inquiries) through the Office of Personnel Management. After this process, the individual is given a USM building badge. The USM has not issued any PIV cards to employees or contractors at the USM Headquarters because the USM does not have the appropriate badge readers for the PIV cards. O'Connor was not certain when the USM would begin issuing the PIV cards.

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MEMORANDUM OF ACTIVITY



Case Number: USM-10-1887-P	Reporting Office: Washington Field Office (WFO)	Type of Activity: Telephonic Interview
Date of Activity: May 26, 2010	Date of Report: May 26, 2010	Location of Activity: US Mint 801 9 th Street NW Washington, DC 20220
Subject of Activity: Deborah Smith Chief of Procurement 801 9 th Street NW Washington, DC 20220 202-354-7825		Activity Conducted By (Name(s) and Title(s)) Sonja Scott, Investigator

On May 26, 2010, the Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (OI), telephonically interviewed Deborah Smith, Chief of Procurement, Office of Procurement, United States Mint (USM) Police regarding an allegation that Personal Identity Verification (PIV) cards have been issued to USM contractors improperly.

Smith stated that new employees and contractors complete a PIV Request Form when they are hired. The Office of Procurement, USM, has requested that the Office of Human Resources, USM, send all contractor PIV Request Forms to the Office of Procurement, USM. They are then reviewed by Coletta Howard, Secretary, Office of Procurement, and a Contracting Officer. The form is then sent to the Office of Protection, USM. The USM Office of Protection reviews the forms, fingerprints and photographs the applicant, and orders an investigation (National Agency Check and Inquiries) through the Office of Personnel Management. After this process, the individual is given a USM building badge.

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MEMORANDUM OF ACTIVITY

Case Number: USM-10-1887-P	Subject of Activity (<i>Brief Description</i>): Deborah Smith	Date of Activity: May 26, 2010
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Smith stated that she is not certain if her office receives all of the requested forms, but does not believe there is a security issue because the Office of Protection does not issue a badge until the background investigation has been completed which is a lengthy process. The USM has not issued any PIV cards to employees or contractors at the USM Headquarters to her knowledge. Smith was not certain when the USM would begin issuing the PIV cards.

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MEMORANDUM OF ACTIVITY



Case Number: USM-10-1887-I	Reporting Office: Washington Field Office (WFO)	Type of Activity: Interview
Date of Activity: May 26, 2010	Date of Report: May 26, 2010	Location of Activity: US Mint 801 9 th Street NW Washington, DC 20220
Subject of Activity: Gretchen D. Wilson Human Resources Support Liaison 801 9 th Street NW Washington, DC 20220 202-354-7728		Activity Conducted By (Name(s) and Title(s)) Sonja Scott, Investigator James Howell, Special Agent

On May 26, 2010, the Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (OI), interviewed Gretchen D. Wilson, Human Resources Support Liaison, United States Mint (USM) Police regarding an allegation that Personal Identity Verification (PIV) cards have been issued to USM contractors improperly. Wilson was advised of her rights, via Treasury OIG OI-Form 27, Advice of Rights (Beckwith / Garrity), which is attached to this report. (Attachment 1) Wilson provided substantially the following information:

Wilson stated that she has been employed with the USM for 23 years and has been in the Office of Human Resources since 2004. In the Spring of 2009, her supervisor, Cheryl Cato, selected her to take PIV training and serve as a "sponsor" on PIV Request Forms under the Homeland Security Presidential Directive 12 (HSPD 12). She explained that a sponsor is someone who reviews and signs the PIV Request Form and enters individuals into the General Services Administration's database "EDS Assured Identity." She and other USM Human Resources employees, Regina White and Jackie Farmer are sponsors. All new employees and

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MEMORANDUM OF ACTIVITY

Case Number: USM-10-1887-I	Subject of Activity (<i>Brief Description</i>): Gretchen Wilson	Date of Activity: May 26, 2010
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contractors must complete the form. Also, employees who have expired USM badges must complete the form. She reviews and signs the form. She then takes the employee forms directly to the Office of Protection. The staff in the Office of Protection reviews the forms, fingerprints and photographs the applicant, and orders an investigation (National Agency Check and Inquiries) through the Office of Personnel Management. After this process, the individual is given a USM building badge. However, the contractors' forms are sent to the Office of Procurement, USM, before they are sent to the Office of Protection, USM.

Wilson admitted that in the Fall of 2009, she took the PIV forms of four Human Resources' contractors directly to the Office of Protection, USM. She was then contacted by Coletta Howard from the Office of Procurement, USM, who informed her that contractor PIV forms should be sent to the Office of Procurement, USM, for additional review and signatures prior to being sent to the Office of Protection, USM. Wilson stated that these employees were from the Franklin Marshall Company and she had no relationship with them prior to the Fall of 2009. She was unaware of the requirement to send their forms to the Office of Procurement, USM, and has not made that error with any other contractors. Wilson added that she has followed the USM policy regarding HSPD 12, but did not know, or forgot, that the USM policy required contractor PIV forms to be forwarded to the Office of Procurement, USM. (Attachment 2)

Wilson stated that the aforementioned procedures enable employees and contractors to be issued USM building badges. The USM has not issued any PIV cards to her knowledge.

Attachments:

1. Treasury OIG OI-Form 27, Advice of Rights (Beckwith / Garrity), dated May 26, 2010.
2. USM Policy on Homeland Security Presidential Directive 12.

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ADVICE OF RIGHTS (BECKWITH/GARRITY)



This interview is voluntary.

You have the right to remain silent if your answers may tend to incriminate you.

Anything you say may be used against you as evidence both in an administrative proceeding or any future criminal proceeding involving you.

If you refuse to answer the questions posed to you on the grounds that the answers may tend to incriminate you, you cannot be discharged solely for remaining silent. However, your silence may be considered in an administrative proceeding for its evidentiary value that is warranted by the facts surrounding your case.

I have read the aforementioned and agreed to the terms mentioned therein.

<u>5/26/10 9:00am</u>	<u>US Mail</u>	<u>Gretchen Wilson</u>	<u>Gretchen Wilson</u>
(Date/Time)	(Location)	(Printed Name)	(Signature)

Sonya Scott
(Witness' Printed Name)

James Howell
(Witness' Printed Name)

[Signature]
(Witness' Signature)

[Signature]
(Witness' Signature)

5/26/10 9 AM
(Date/Time)

5/26/10 9:00 AM
(Date/Time)

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Homeland Security Presidential Directive 12 (HSPD-12) Brochure

On August 27, 2004, President Bush signed **Homeland Security Presidential Directive 12 (HSPD-12), *Policy for a Common Identification Standard for Federal Employees and Contractors***. Based upon this directive, the National Institute for Standards and Technology (NIST) developed **Federal Information Processing Standards Publication (FIPS Pub) 201**, including a description of the minimum requirements for a Federal personal identification verification (PIV) system. HSPD-12 directs the implementation of a new standardized badging process, which is designed to enhance security, reduce identity fraud, and protect the personal privacy of those issued government identification. The Department of the Treasury will begin implementing the HSPD-12 program department-wide on October 27, 2005.

This policy will mean major changes in the issuance of Federal ID badges. No longer will a supervisor be able to authorize the issuance of a badge. Only those who have been officially appointed as Sponsors—and have completed the required training—can initiate this process.

Along with this new process are new requirements:

- Everyone issued an ID badge must have a favorable background investigation, including a FBI fingerprint check; for most people, this will mean a National Agency Check with Inquiries (NACI).
- All personnel must be “identity-proofed,” that is, they must present two forms of identification, one of which must be a state or federally issued photo ID.
- No one person can be the sole official that requests, authorizes, and issues a badge.

There are also new terms associated with this process. ID badges will now be called Personal Identity Verification (PIV) cards. Those applying for a PIV card will be referred to as Applicants; Registrars, mainly located in the Bureau Security Offices, will authorize the issuance of the cards. Those facilities that create the new PIV cards will be called PIV Card Issuing Facilities, or PCIFs.

Although this new program will mean significant changes throughout the Department of the Treasury and the Federal Government, it will mean a safer and more secure work environment for us all.

Undergoing the PIV Process for New Employees and Contractors

On or before your first day of employment, you will be asked to go to a PIV registration center to begin the PIV process. You must bring two forms of ID which will be reviewed for authenticity. One form of ID must be a valid state or federally issued picture identification. You may not utilize a current government issued employee identification badge as your picture ID. You will also be asked to complete the appropriate paperwork in order for the Department of the Treasury to initiate a background investigation.

At the registration center your identity forms will be authenticated by trained security professionals. You will also be fingerprinted and have your photograph taken. It is vital

that you bring all forms and paperwork with you as requested. Each PIV applicant will be afforded three opportunities to provide the required paperwork. Failure to comply could result in the withdrawal of an offer of employment.

The PIV Process for Existing Employees and Contractors

The Department of the Treasury will begin transitioning to the new PIV badge beginning in October 2006. All current Treasury employees and contractors will be required to present two forms of identification, one of which must be a valid picture ID, for authentication. Departmental officials will also verify that the employee has a valid background investigation on file. Employees and contractor employees will be required to undergo a background investigation if the officials are unable to verify the existence of a background investigation.

All current Treasury employees and contractors will be required to undergo the PIV process if they require the issuance of a new badge for any reason, between October 2005 and October 2006.

**Documents Utilized in Identity Proofing
(documents may not be expired)**

Valid US Passport	Valid Federal, State or outlying possession issued Driver's license or ID card provided it contains a photograph
Certificate of US Citizenship	Certificate of Naturalization
U.S Social Security card issued by the Social Security Administration	Certificate of Birth Abroad issued by the Department of State (<i>Form FS-545 or Form DS-1350</i>)
Original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States bearing an official seal	School ID card with a photograph
Voter registration card	U.S. military Card or draft record
Military dependent's ID Card	Native American tribal document
U.S. Coast Guard Merchant Mariner Card	U.S. Citizen ID Card (<i>Form I-197</i>)
Driver's license issued by a Canadian government authority	ID Card for use of Resident Citizen in the United States (<i>Form I-179</i>)
Current foreign passport with <i>I-551</i> stamp or attached <i>Form I-94</i> indicating unexpired employment authorization	Permanent Resident Card or Alien Registration Receipt Card with Photograph (<i>I-151 or I-551</i>)
Current Temporary Resident Card (<i>Form I-688</i>)	Current Employment Authorization Card (<i>Form I-688A</i>)
Current Reentry Permit (<i>Form I-327</i>)	Current Refugee Travel Document (<i>I-571</i>)
For Persons Under Age 18 Who are Unable to Present a Document Listed Above:	
School record or report card	Unexpired Employment Authorization Document issued by DHS that contains a photograph (<i>Form I-688B</i>)
Clinic, doctor or hospital record	Day-care or nursery school record

Responsibilities of a PIV Badge Holder

Individuals issued a PIV card must:

1. Not attempt to copy, modify or obtain data from any PIV Credential
2. Not assist others in gaining unauthorized access to Federal facilities or information; and
3. Report the loss or theft of an issued PIV Credential within 24 hours of noticing its disappearance

Rights of Individuals Denied a PIV Badge Personal Identity Verification (PIV-1)

Appeals Process

In the event that initial PIV Application is denied, or your PIV badge is revoked after issuance you have the option to appeal. Appeals must be filed within fifteen days of the decision or it becomes final. In the event of a timely appeal:

- You will be informed of the basis for your denial/ disqualification.
- You have the option to submit a letter of appeal along with any information supporting your claim.
- After the appeal is reviewed, you will be informed of a decision reversal or decision affirmation.

PIV Credential Applicant Representative

An applicant may contact the PIV Credential Applicant Representative (**insert name and number**) for concerns about the fairness, consistency in the PIV process and protection of the integrity or confidentiality of the PIV process.

Major Roles

Applicant

The individual that applies for a PIV card.

Sponsor

Validates an Applicant's requirement for a PIV card.

Registrar

Person who conducts identity proofing, ensures background checks have taken place and has final approval authority for issuance of a PIV card.

Issuer

Issues the PIV card following the positive completion of all identity-proofing, background checks, and related approvals.

Privacy Notice

On or about your first day of employment you will be asked to provide certain personal information to your Sponsor, who will record the information on a PIV Request Form.

5 U.S.C. § 301 and 31 U.S.C. § 321 provide the authority for collecting the requested information. Executive Order 9397 (November 22, 1943) provides the authority for requesting your social security number. The purpose for collecting the requested

information is to enable the Bureaus and Offices within the Department of The Treasury to produce and distribute identification cards to allow entry into their facilities.

This information may only be disclosed in accordance with The Department of The Treasury's published routine uses and as otherwise permitted under the Privacy Act of 1974 (5 U.S.C. § 552a., including disclosure: to the Office of Personnel Management, the Merit Systems Protection Board, the equal Employment Opportunity Commission, and the Federal Labor relations Board upon an authorized request; to agencies, contractors, and others to administer personnel and payroll systems, for debt collection and for employment or security investigations; to law enforcement agency if the Department of The Treasury becomes aware of a possible violation of a law or regulation; to a Congressional office in response to requests made on your behalf; to the Department of Justice, courts, and counsel during litigation; to unions if needed to perform their authorized duties; to other agencies under approved computer matches; and as otherwise authorized by law or regulations.

The PIV Request Form complies with the Privacy Act of 1974 and is needed to meet the policy requirements of The Department of The Treasury. The information on this form will be used to satisfy the requirements of HSPD 12, FIPS 201-PIV (Personal Identity Verification of Federal Employees and Contractors.)

While you have the option to refuse to provide any of the information failure to do so may result in non-issuance of an identification card, thereby preventing you from accessing the Department of the Treasury's facilities.

HSPD-12 PIV-1 Frequently Asked Questions (FAQs)

1. What is HSPD-12?

- Presidential requirement to have a Government-wide standard for secure and reliable identification for Federal employees and contractors.

2. What is required by implementing policies?

- Have accredited and certified **procedures** in place no later than October 27, 2005 (Personal Identity Verification – 1).
- Begin **issuance** of the new Personal Identity Verification (PIV-2) card no later than October 27, 2006.
- Verify or, as necessary, complete background investigation for **all** Federal employees, contractors and long-term visitors no later than October 27, 2007.

3. What will be the difference between the current and new procedures?

- Standardized identity proofing and registration procedures will be required throughout the Department of the Treasury. (HSPD-12 mandates a Government-wide standard.)
- All procedures will be certified and accredited and subject to audit.
- Only trained persons may perform identity proofing and submit completed background check forms and applications for the PIV card.

- Only trained persons designated as Registrars may authorize the issuance of the PIV card. The Registrar must verify identify proofing, ensure initial background check is favorable, and direct the issuance of the PIV card.
- Only trained personnel designated as Issuers may issue the credential.
- A Privacy Act certification must be completed for the storage of personal information.

4. What will be the difference between the current badge and new card?

- The card will be standardized and represent a minimum background check has been completed to permit use in other agencies.
- The card will have “smart” features that will include Public Key Infrastructure and biometrics.
- The card will enable access to computers (prioritized requirements based on risk).

5. When will personnel receive the new card?

- New personnel and those with expiring badges will continue to be issued the current badge until the fall of 2006 when the new card is expected to be manufactured.
- A timetable for conversion from the current badge to the new card will be established to make the conversion over a two year period. Those without a record of an appropriate background check will have one initiated.
- The new Department of the Treasury card will include name, photo, bureau, a “smart chip,” expiration date.
- After October 27, 2007, only the new card will be recognized by all agencies.

6. Where are the places that will likely be authorized to issue Department of the Treasury cards?

- Check with your Bureau for locations of issuance stations

7. What if an employee is located in an area without an ID card facility nearby?

- Check with your specific Bureau for details.
- When other Departments have certified procedures, we expect to arrange to use those approved facilities nearest to the employee.

MINT PIV PROCESS (FIVE – TEN BUSINESS DAYS)

I. Homeland Security Presidential Directive 12 (HSPD-12) Policy for a Common Identification Standard for Federal Employees and Contractors

President Bush on August 27, 2004 signed Homeland Security Presidential Directive 12 (HSPD-12), Policy for a Common Identification Standard for Federal Employees and Contractors. The Department of Treasury implemented the HSPD-12 program department wide on October 27, 2005. The U.S. Mint as directed implemented the program in October on 25, 2007.

The purpose of HSPD-12 is to enhance security, increase Government efficiency, reduce identity fraud and protect personal privacy by establishing a mandatory, government-wide standard for secure and reliable forms of identification issued by the Government to employees and contractors.

Phase I of HSPD-12

The first Phase of HSPD-12 is the Personal Identity Verification (PIV) Card Operations. The following are the established roles, responsibilities and standard procedures for the PIV Card. The following outlines the roles:

Applicant: The applicant is the Federal employee or Contractor for whom a PIV Card request is made.

PIV Sponsor: The Sponsor is the individual who substantiates the need for a PIV Card on behalf of the applicant, and requests the issuance of a PIV Card for the Applicant. Treasury working group on PIV process set up the sponsors for Federal employees and contractors as follows:

- PIV Sponsor for Federal Applicants: The Office of Human Resource's Personnel Specialist will collect all forms (i.e. Security Questionnaire package and PIV Request Form).
- PIV Sponsor for Contractors: The Office of Procurement's Contract Specialist will collect all forms (i.e. Security Questionnaire package and PIV Request Form).

PIV Registrar: The Registrar is the entity responsible for ensuring successful completion of the background investigation and giving the final approval for issuance of the PIV Card to the Applicant. The PIV Registrar is also the entity who will collect the Applicant's fingerprints, facial image identity source documents, investigation paperwork, and initiate a background investigation. The Office of Protection/Personnel Security Staff is responsible for this portion of the process.

PIV Issuer: The Issuer is the entity that performs PIV Card personalization, and issues the PIV Card to the applicant after all identity proofing, background investigations, and related approvals have been completed. The Office of Protection/Security Staff is responsible for this role as well.

The issuer cannot perform the registrar's roles nor can the registrar the issuer's role. All roles must be separate; No single individual in a PIV Card Issuer role is authorized or technically capable of issuing a PIV Card.

II. Mint PIV Process

The Sponsor forwards the PIV Request Form along with Security documents to the Registrar (Protection/Personnel Security Staff).

Once the security package is received in Protection, the Registrar (Personnel security) notifies the Sponsor by email with an appointed time and date for the Applicant to begin the PIV process.

In accordance with HSPD-12, the applicant must appear at least once in person before issuance of the PIV Card. The Sponsor must escort the applicant to the PIV processing station. The applicant is required to provide two authentic forms of identification in original form. The identification documents must come from a list of acceptable documents as stated in the Form I-9, Employment Eligibility Verification. At least one document shall be a valid State or Government issued picture ID.

The PIV process begins with the applicant escorted in to get fingerprints for the initiation of a FBI/Special Agreement Check. Fingerprints are submitted to the Office Personnel Management (OPM) Investigation Center for processing via electronically or by mail. The applicant shall not begin work until the completion of the fingerprint check.

Once the fingerprint check is completed with no derogatory or questionable issues, the sponsor is notified for an appointed date and time for the applicant to receive the PIV card, either permanent or a temporary PIV card.

This process takes normally five to ten business days to process.

III. Personnel Security Adjudication and Suitability.

As a federal employee or contractor it is a requirement that a subject investigation be initiated for adjudication and suitability to the promote efficiency of service in accordance with E.O. 10450.

Once the applicant is on duty, the security package is submitted by Personnel Security to OPM-USIS for initiation of the full background. The only exception to this is if the appointee has a completed current background investigation or an investigation that has been initiated by another federal agency and is pending completion. In the case a new investigation may be initiated if the position the appointee is hired into has more responsibilities, impact on the agency mission for which a public trust investigation or if the position requires access to national security information.

When a position is developed at the agency, the position is coded with a sensitivity level. Position sensitivity is determined by the impact a position has to the agency. The levels are from Non-Sensitive, Non-Critical and Critical. These position levels determine what type of background is conducted on an individual in these positions.

The table below outlines the position sensitivity, type of investigation for that position and the risk level. Listed also is the timeframe for the investigation to be conducted.

**Documents Utilized in Identity Proofing
(documents may not be expired)**

Valid US Passport	Valid Federal, State or outlying possession issued Driver's license or ID card provided it contains a photograph
Certificate of US Citizenship	Certificate of Naturalization
U.S Social Security card issued by the Social Security Administration	Certificate of Birth Abroad issued by the Department of State (<i>Form FS-545 or Form DS-1350</i>)
Original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States bearing an official seal	School ID card with a photograph
Voter registration card	U.S. military Card or draft record
Military dependent's ID Card	Native American tribal document
U.S. Coast Guard Merchant Mariner Card	U.S. Citizen ID Card (<i>Form I-197</i>)
Driver's license issued by a Canadian government authority	ID Card for use of Resident Citizen in the United States (<i>Form I-179</i>)
Current foreign passport with <i>I-551</i> stamp or attached <i>Form I-94</i> indicating unexpired employment authorization	Permanent Resident Card or Alien Registration Receipt Card with Photograph (<i>I-151 or I-551</i>)
Current Temporary Resident Card (<i>Form I-688</i>)	Current Employment Authorization Card (<i>Form I-688A</i>)
Current Reentry Permit (<i>Form I-327</i>)	Current Refugee Travel Document (<i>I-571</i>)
For Persons Under Age 18 Who are Unable to Present a Document Listed Above:	
School record or report card	Unexpired Employment Authorization Document issued by DHS that contains a photograph (<i>Form I-688B</i>)
Clinic, doctor or hospital record	Day-care or nursery school record



The Department of the Treasury

PIV REQUEST FORM



Request for: New Hire: _____ Employee: _____ OGA Tenant _____ Contractor: _____ (Length of Contract): _____

Section 1: Applicant Information (To be filled out by the Sponsor)

Last Name, First Name, M.I.: _____ SSN: _____

DOB: _____ POB: _____ Contact Phone #: _____ Email: _____

(At agency discretion the following optional information may be requested)

Eye Color: _____ Hair Color: _____ Height: _____ Weight _____

Former Employee/Contractor: Yes _____ No _____ Office/Company Name _____

Mailing Address: _____

Applicant: *I agree to participate in the PIV process.*

(Applicant Signature & Date) _____

Sponsor: *I agree to sponsor the above applicant for a PIV credential.*

(Sponsor Name, Title, Signature, Date) _____

Section 2: Registrar

A. Identity Verification

ID #1	ID #2	
ID Type/Title: _____	ID Type/Title: _____	
ID Number: _____	ID Number: _____	
ID Exp. Date: _____	ID Exp. Date: _____	

(At least one ID must be a valid State or Federal Issued photo ID. Note: Current Federal ID badges will not be accepted)

I certify that the information is accurate to the best of my knowledge.

(Registrar Name, Title, Signature, Date) _____

B. Background Investigation

(If Applicable)

FBI Criminal Check (NCIC and SAC): Initiated: _____ Completed: _____

(If Applicable)

Initial Suitability Adjudicated: Favorably: _____ Unfavorably: _____

Background Investigation Initiated Date: _____ (If applicable for Registrar section)
Card Stock Control Number: _____

(If applicable for Registrar section)

Date Background Investigation Completed: _____

(If applicable for Registrar section)

Suitability Adjudicated: Favorably: _____ Unfavorably: _____

I certify that the above information is accurate to the best of my knowledge.

(Registrar Name, Title, Signature, Date) _____

Section 3: Issuer

Part A.

Applicant identity re-verified: _____ (If Applicable) Interim (NC) Credential Issued Date: _____

I acknowledge issuance of a credential to the applicant identified above based on verification of the applicant's identity and verification of the above Registrar's issuance approval. I certify that the above information is accurate to the best of my knowledge.

(Issuer Name, Title, Signature, Date) _____

The Department of the Treasury

PIV REQUEST FORM

Part B.

(If applicable for Issuer section)

(If applicable for Issuer section)

Date Background Investigation Completed: _____ Suitability Adjudicated: Favorably: _____ Unfavorably: _____

Permanent PIV Card Issued Date: _____

(If applicable for Issuer section)

Card Stock Control Number: _____

Permanent PIV Card Expiration Date: _____

I acknowledge issuance of a credential to the applicant identified above based on a favorably adjudicated background investigation.

(Issuer Name, Title, Signature, Date) _____

Section 4: Applicant Acknowledgement

Part A (When applicable this is to be signed by applicant after issuance of interim credential)

I, the Applicant, confirm receipt of the PIV credential and that the information is accurate to the best of my knowledge, and agree to abide by all rules and responsibilities associated with this credential and the PIV process to include the following:

May not attempt to copy, modify or obtain data from any PIV Card, may not assist others in gaining unauthorized access to Federal facilities or information, and must report the loss or theft of an issued PIV Card within 24 hours.

Applicant Signature _____ Date _____

Part B (This is to be signed by applicant after issuance of permanent credential)

I, the Applicant, confirm receipt of the PIV credential and that the information is accurate to the best of my knowledge, and agree to abide by all rules and responsibilities associated with this credential and the PIV process to include the following:

May not attempt to copy, modify or obtain data from any PIV Card, may not assist others in gaining unauthorized access to Federal facilities or information, and must report the loss or theft of an issued PIV Card within 24 hours.

Applicant Signature _____ Date _____

Process to return Substandard or Incorrectly shipped PIV Credentials to the Treasury PMO

Issue:

- Substandard or Defective PIV Credential
 - Poor print quality
 - Delamination or external physical defect before Activation
 - Card does not read during Activation
 - Card does not read in Field after Activation

- Shipping Error
 - Packing slip does not match shipment – cards missing
 - Packing slip does not match shipment – extra cards
 - Packing slip does not match shipment - wrong agency

Solution:

- Open GSA/EDS Help Desk ticket for cards which do not read during or after Activation. Be sure to note EDS Helpdesk trouble ticket number and date opened.
- Contact Kim Buckler (Kimberley.A.Buckler@irs.gov) for questions and further instructions



MEMORANDUM OF ACTIVITY



Case Number: USM-10-1887-I	Reporting Office: Washington Field Office (WFO)	Type of Activity: Interview
Date of Activity: May 26, 2010	Date of Report: May 27, 2010	Location of Activity: US Mint 801 9 th Street NW Washington, DC 20220
Subject of Activity: Lester Leach Division Director of Security 801 9 th Street NW Washington, DC 20220 202-354-7319		Activity Conducted By <i>(Name(s) and Title(s))</i> Sonja Scott, Investigator

On May 26, 2010, the Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (OIG/OI), interviewed Lester Leach, Division Director of Security, United States Mint (USM) Police regarding an allegation that Personal Identity Verification (PIV) cards have been issued to USM contractors improperly.

Leach stated that new employees and contractors complete a PIV Request Form when they are hired. For employees, the form is reviewed and signed by a "sponsor" in the Office of Human Resources, USM. For a contractor, the form is reviewed and signed by a Contract Specialist in the Office of Procurement, USM. The Office of Protection, USM, reviews the forms, fingerprints and photographs the applicant. This process takes approximately five days. The employee or contractor is then given a USM building badge that is referred to as a PIV 1. The Office of Protection then orders an investigation (National Agency Check and Inquiries) through the Office of Personnel Management. This process can take up to six months. If derogatory information is found in the NACI, the clearance and badge would be revoked. Leach explained that the USM has not issued actual PIV cards

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MEMORANDUM OF ACTIVITY

Case Number: USM-10-1887-I	Subject of Activity (<i>Brief Description</i>): Lester Leach	Date of Activity: May 26, 2010
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to employees or contractors at the USM Headquarters because the USM does not have the appropriate badge readers for the PIV cards. The PIV cards are also very expensive because of the technology involved in the cards. A PIV card will cost the USM approximately \$50 while a PIV 1 building badge costs approximately \$5. Leach believes that the USM will have the PIV card readers at the USM in October 2010, and all employees will be issued PIV cards.

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MEMORANDUM OF ACTIVITY



Case Number: USM-10-1887-I	Reporting Office: Washington Field Office (WFO)	Type of Activity: Interview
Date of Activity: June 3, 2010	Date of Report: June 3, 2010	Location of Activity: US Mint 801 9 th Street NW Washington, DC 20220
Subject of Activity: Gretchen D. Wilson Human Resources Support Liaison 801 9 th Street NW Washington, DC 20220 202-354-7728		Activity Conducted By <i>(Name(s) and Title(s))</i> Sonja Scott, Investigator Thomas Kim, Special Agent

On June 3, 2010, the US Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (OIG/OI), met with and received a signed sworn statement from Gretchen D. Wilson, Human Resources Support Liaison, US Mint. Wilson was previously interviewed on May 26, 2010, and agreed to provide a signed, sworn statement which is attached.

Attachments:

1. Sworn statement dated June 3, 2010.

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OIG Form-09 (07/2009)

Office of Inspector General - Investigations
Department of the Treasury



STATEMENT



Date/Time: 6/3/10 10:05 AM Location: US Mail
County of: Washington State of: DC

STATEMENT OF: Cretchen D Wilson

I, Cretchen D Wilson, hereby make the following free and voluntary sworn statement to Senya Scott, who has identified himself/herself to me as a Special Agent with the Office of Inspector General, United States Department of the Treasury: Investigator

I state that I have read this statement of 1 pages. It is true, accurate, and complete to the best of my knowledge and belief. I have initialed each page, where necessary, and have been given an opportunity to make any corrections or additions. I have also initialed each line where a correction has been made.

Cretchen D. Wilson (Signature)

Subscribed and sworn (or affirmed) to before me this 3rd day of June, 2010, at Wash, DC.

Special Agent Investigator Department of the Treasury Office of Inspector General Office of Investigations (Witness's Signature)

Francis Kim #588 6/3/10 10:15

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I, Gretchen D. Wilson declare as follows:

I am a Human Resources Support Liaison; grade GS-8 working in the HQ Support Branch of the Office of Human Resources at the United States Mint Washington, DC. I have been working for the Mint for 23 years. I have been in my current position for 6 years. Prior to my current position I worked in the Mint's Office of Sales and Marketing in Washington, DC.

In my current position I have been appointed as one of the PIV Sponsors for the Office of Human Resources and have completed the require training. I have utilized the USAccess EDS Assured Identity System to sponsor Federal Employees, update and verify information. The PIV process for the Sponsor is to have the Applicant a Federal or Contractor to fill out the PIV Request form to obtain a Mint badge. The sponsor reviews, signs and dates the form.

On May 26, 2010, I was interviewed at the United States Mint Headquarters in Washington, DC by Sonja Scott (Special Agent) and another Special Agent from the U. S. Department of the Treasury Office of Inspector General. The interview concerns a complaint about the PIV Cards and my name was bought up in the complaint.

The interviewers asked me what is the PIV process and if I knew the four contractors who work in the Office of Human Resources.

There is a PIV Sponsor for Contractor which I was not aware of prior to sponsoring the Human Resources contractors. The Office of Protection is responsible for security paperwork, fingerprints, background investigation and the issuing of the Mint badge. No employees at the Mint in Washington, DC that I am aware of have a PIV Card at this time.

I did not know the contractors prior to employment with the United States Mint.

In the fall of 2009, I took four PIV forms to the Office of Protection for processing. I did not know the PIV form should have been forwarded to the Office of Procurement as the first process. I later learned the PIV form should have gone to the Office of Procurement. *GW*

Gretchen D. Wilson

Gretchen D. Wilson

6/3/2010



MEMORANDUM OF ACTIVITY



Case Number: USM-10-1887-I	Reporting Office: Washington Field Office (WFO)	Type of Activity: Record Review
Date of Activity: June 3, 2010	Date of Report: June 9, 2010	Location of Activity: US Mint 801 9 th Street NW Washington, DC 20220
Subject of Activity: Lester Leach Division Director of Security 801 9 th Street NW Washington, DC 20220 202-354-7319		Activity Conducted By (Name(s) and Title(s)) Sonja Scott, Investigator

On June 3, 2010, the Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (OIG/OI), obtained Personal Identity Verification (PIV) Request Forms from Lester Leach, Division Director of Security, US Mint (USM.) (Attachment 1) These forms were for contractors James Dixon, Jan Foster, Loretta Goerlinger, and Lynda McIlwain-White, and had been initiated in the Fall of 2009. The forms were not completed fully so the OI contacted Leach to inquire. He stated that the forms had been completed by the requestor or "sponsor" and then reviewed by Della Hargrove, Security Specialist, or someone else in his office. The completed form is maintained in the USM Office of Protection who issues the USM badges.

On June 4, 2010, Leach provided the OI with completed PIV Request Forms. (Attachment 2)

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MEMORANDUM OF ACTIVITY

Case Number: USM-10-1887-I	Subject of Activity (<i>Brief Description</i>): Lester Leach	Date of Activity: June 3, 2010
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Attachments:

1. PIV Request Forms provided by Lester Leach, Division Director of Security, US Mint, on June 3, 2010.
2. Completed PIV Request Forms provided by Lester Leach, Division Director of Security, US Mint, on June 4, 2010.

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The completed PIV forms have been redacted from this report to protect personally identifiable information. Please contact the Department of the Treasury, Office of Inspector General, Office of Investigations if you have any questions.



MEMORANDUM OF ACTIVITY



Case Number: USM-10-1887-I	Reporting Office: Washington Field Office (WFO)	Type of Activity: Interview
Date of Activity: June 8, 2010	Date of Report: June 9, 2010	Location of Activity: US Mint 801 9 th Street NW Washington, DC 20220
Subject of Activity: Della Hargrove Personnel Security Specialist 801 9 th Street NW Washington, DC 20220 202-354-7309		Activity Conducted By <i>(Name(s) and Title(s))</i> Sonja Scott, Investigator

On June 8, 2010, the Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (OIG/OI) interviewed Della Hargrove, Personnel Security Specialist, US Mint (USM) regarding an allegation that Personal Identity Verification (PIV) cards have been issued to USM contractors improperly.

Hargrove stated that the USM uses the PIV Request Form to issue USM building badges. In the future, the form will be used to issue PIV cards. All government employees will eventually have PIV cards per Homeland Security Presidential Directive 12 (HSPD 12). She explained that a "sponsor" in the USM Office of Human Resources reviews and signs the PIV Request Form and enters individuals into the General Services Administration's database "EDS Assured Identity." She, or another Personnel Security Specialist in her office reviews the form, and initials and dates when National Crime Information Center criminal checks or Special Agreement Checks (fingerprint checks) are performed. She or another Personnel Security Specialist will also verify if a background investigation has been completed, and will sign and date where applicable. If a contractor is at the USM less than six months, no background investigation will be conducted. If no

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MEMORANDUM OF ACTIVITY

Case Number: USM-10-1887-I	Subject of Activity (<i>Brief Description</i>): Della Hargrove	Date of Activity: June 8, 2010
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background investigation has been completed, she will not sign the form as the "Registrar." She or another Personnel Security Specialist reviews the forms, and the forms are sent to the USM Office of Protection where page two for the PIV form is completed. The Office of Security then issues a temporary and/or permanent PIV card. Currently the PIV form identifies the card issued as a "PIV" however, this is not accurate as the USM currently is not issuing PIV cards, only USM building badges.

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Office of Inspector General – Investigations
Department of the Treasury