

Summary: Investigation of Alleged Conflict of Interest at the Udall Foundation

Report Date: June 21, 2016

OIG investigated allegations that a former Morris K. Udall and Stewart L. Udall Foundation (Foundation) Environmental Conflict Resolution Senior Program Manager (Program Manager) was involved in preparing statements of work for Foundation contracts that were subsequently awarded to his wife's company. The Foundation requested we initiate an investigation after the potential conflict of interest came to light during an audit conducted by our Office of Audits, Inspections, and Evaluations.

We found that the Program Manager was involved in preparing the statement of work for contracts subsequently awarded to his wife's company, but it did not appear he was involved in awarding or managing the contracts. We did not find any communication or documentation indicating the Program Manager and his wife discussed potential contracts or that the Program Manager was involved after Foundation contracts were awarded to his wife's company.

We also found that Foundation management and personnel knew of the marital relationship and the potential conflict of interest. Although the Foundation continued to award contracts to the wife's company, the Foundation General Counsel conducted an internal investigation and recommended that the Foundation no longer contract with her company so long as the Program Manager was employed by the Foundation. The General Counsel also recommended that the Foundation transfer all of the Program Manager's wife's contracts to someone not on his team, and proposed that the Foundation suspend the Program Manager without pay for 14 days and provide him with additional ethics training. In lieu of disciplinary action, however, the Program Manager signed an agreement with the Foundation, detailing him to a university. The Program Manager also agreed to resign from his position with the Foundation once he had 10 years of Federal service.

This summary is of an investigative report that we referred to the U.S. Attorney for the District of Arizona for a final review and prosecutorial decision. We also provided our report to the Foundation Board of Trustees but did not require a response.

