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The Special Counsel

October 15, 2008

The President
The White House
Washington, D.C. 20500

Re: OSC File No. DI-08-0680

Dear Mr. President:

I received disclosures from Michelle Genovese, a whistleblower at the U.S. Small Business Administration (SBA), Disaster Assistance Customer Service Center (CSC), Buffalo, New York. Ms. Genovese, who consented to the release of her name, alleged that CSC employees have engaged in gambling pools for both lottery tickets and National Football League games involving the Buffalo Bills.

I required the SBA Administrator to conduct an investigation into these disclosures pursuant to 5 U.S.C. § 1213(c) and (d). Former Administrator Steven C. Preston tasked the Office of Inspector General (OIG) with conducting the investigation and writing the report. OSC received a report dated August 4, 2008, signed by Acting Administrator Jovita Carranza.

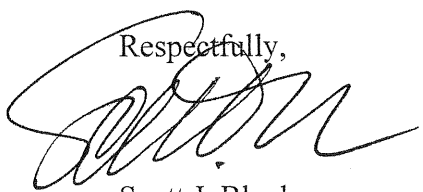
As discussed in the attached Analysis of Disclosures, the agency investigation substantiated the allegation that football gambling pools took place on SBA premises in violation of 5 C.F.R. § 735.201. The agency interpreted the regulation so as to exclude state lottery pools from what it considers gambling. Fourteen employees, including CSC Director William Leggiero, were interviewed, and each admitted to participating in football pools at least occasionally. Ms. Genovese was not interviewed, because she had not yet consented to the release of her name. Mr. Leggiero was issued a letter of reprimand, and the other involved employees were issued letters of admonishment. An Information Notice was also sent to all SBA employees informing them of the prohibition of gambling while on duty or on government-owned or leased property.

Ms. Genovese provided comments on the report. As required by law, 5 U.S.C. § 1213(e)(3), I am now transmitting to you the report and the whistleblower's comments.

I have reviewed the original disclosure, the agency's report, and Ms. Genovese's comments. Based on that review, I have determined that the agency's report contain all of the information required by statute and that its findings appear to be reasonable.

As required by law, 5 U.S.C. § 1213(e)(3), I have sent a copy of the report and Ms. Genovese's comments to the Chairwoman and Ranking Member of the House Committee on Small Business and the Chairman and Ranking Member of the Senate Committee on Small Business & Entrepreneurship. I have also filed copies of the agency report and Ms. Genovese's comments in our public file and closed the matter.

Respectfully,



Scott J. Bloch

Enclosures