U.S. OFFICE OF SPECIAL COUNSEL
1730 M Street, N.W., Suite 300
Washington, D.C. 20036-4505

The Special Counsel

March 26, 2009

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

Re: OSC File No. DI-07-2160

Dear Mr. President:

The Office of Special Counsel received a whistleblower disclosure from Mr. John R. Marti, Assistant United States Attorney (AUSA), Department of Justice, Office of the United States Attorney, District of Minnesota (USAO MN), Minneapolis, Minnesota. Mr. Marti, who consented to the release of his name, disclosed that the Honorable Rachel K. Paulose, United States Attorney (USA) for the District of Minnesota, engaged in conduct, comments, and actions that constituted a violation of law, rule, or regulation, gross mismanagement and an abuse of authority.

On November 19, 2007, Mr. Marti's allegations were referred to the Honorable Michael Mukasey, former Attorney General, to conduct an investigation into these disclosures pursuant to 5 U.S.C. § 1213(c) and (d). Attorney General Mukasey tasked Mr. David Margolis, then Associate Deputy Attorney General, with conducting the investigation and writing the report. On August 26, 2008, Mr. Margolis submitted the agency's report, which substantiated Mr. Marti's allegations that USA Paulose mishandled classified information, but did not substantiate allegations that USA Paulose was responsible for gross mismanagement or an abuse of authority.

The agency's report found that USA Paulose improperly stored classified information in her office. USA Paulose admitted that classified information was mishandled, and immediate action was undertaken to secure the information properly. Those responsible for mishandling classified information, including USA Paulose, accepted responsibility for their actions and were briefed as to the proper procedures for handling such information. Thus, the report reflected that USAO MN took immediate remedial action to ensure the proper handling and storing of classified information. The agency's report added that although classified information was mishandled, the likelihood of improper dissemination of that material was extremely low and there was no deliberate disregard of security requirements.

Furthermore, the agency's report did not substantiate the remaining allegations of gross mismanagement and an abuse of authority, namely that USA Paulose was responsible for the resignations of several USAO MN senior officials due to a heavy-handed management style; that she delayed the implementation of the Project Safe Childhood in favor of planning and executing her investiture; that she directed staff not to communicate directly with the media and DOJ,

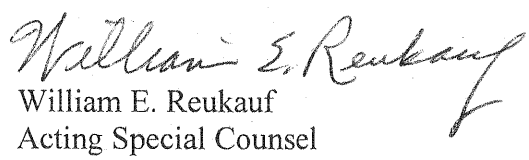
thereby hampering the operations of the office; and that she routinely requested the use of unauthorized agency funds to pay for services and products.

Mr. Marti, together with three USAO MN colleagues, Mr. Timothy Anderson, then Acting Administrative Officer, Mr. James E. Lackner, AUSA, and Ms. Erika R. Mozangue, AUSA, collectively provided comments on the agency's report.[1] Mr. Marti said that because the management of the Department of Justice has changed since the date of the report, and because Ms. Paulose was no longer a DOJ employee, the report's findings had little present day significance. However, he emphasized that the DOJ investigation was inaccurate and inadequate for several reasons, and that the report reflected DOJ's institutional unwillingness in 2007 through 2008 to respond to the problems created by Ms. Paulose's tenure. He found that the report was incomplete and gave specific examples in two general areas: (1) the report ignored material evidence directly contrary to its conclusion, namely that Ms. Paulose's mismanagement resulted in repeated management turnovers throughout her brief tenure, and (2) investigators failed to interview significant witnesses and review material information, despite repeated requests by Mr. Marti and others to do so. Pursuant to 5 U.S.C. § 1213(e)(3), I am now transmitting the agency's report along with Mr. Marti's comments to you.

I have reviewed the original disclosure, the agency's report, and Mr. Marti's comments. Based on that review, I have determined that the agency's report contains 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 agency's report and Mr. Marti's comments to the Chairman of the Senate Committee on the Judiciary, to the Chairman of the House Committee on the Judiciary, and to the respective Committees' Ranking Members. I have also filed copies of the agency's report and Mr. Marti's comments in our public file and closed the matter.

Respectfully,



William E. Reukauf
Acting Special Counsel

Enclosures

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1 While I note that Mr. Marti chose to submit comments with his three colleagues, who also consented to the release of their names, they are considered Mr. Marti's comments.