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August 30, 2010

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

Re: OSC File No. DI-10-1483

Dear Mr. President:

Pursuant to 5 U.S.C. § 1213(e)(3), the Office of Special Counsel is forwarding to you agency reports concerning disclosures from a whistleblower at the Department of the Treasury, United States Mint (U.S. Mint), Office of the Chief Financial Officer, Office of Procurement, in Washington, D.C. The whistleblower, who requested anonymity, alleged that U.S. Mint employees improperly issued several Personal Identity Verification (PIV) cards to contract employees.

These disclosures were referred to the Honorable Timothy F. Geithner, Secretary of the Treasury, to conduct an investigation pursuant to 5 U.S.C. § 1213(c) and (d). Secretary Geithner tasked the Office of the Inspector General (OIG) with conducting the investigation. We received a report of that investigation dated July 6, 2010, and a supplemental report dated July 22, 2010. As required by law, 5 U.S.C. § 1213(e)(3), we are now transmitting the reports to you.

The whistleblower explained that pursuant to Homeland Security Presidential Directive 12, *Policy for a Common Identification Standard for Federal Employees and Contractors*, and agency procedure, the U.S. Mint is required to follow a mandatory government-wide process for the issuance of identification cards to employees and contractors. In order to properly issue a PIV card, a PIV Sponsor, Registrar, and Issuer must each be involved. These three roles must be mutually exclusive, meaning that no individual can 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.

U.S. Mint Office of Procurement Procedure No. C14, *Security Procedures for Contractors*, also 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 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 employees 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 was signed by a Human Resources Support Liaison acting as PIV Sponsor. Without signatures verifying that each required step of the PIV Issuance Process was correctly carried out by the appropriate staff acting in mutually exclusive roles, it could not be determined that the PIV cards were properly issued pursuant to federal requirements or agency policy.

In its report, the agency substantiated the allegation that the Human Resources Support Liaison improperly submitted the PIV Request Forms by failing to send them through the Procurement Contract Specialist. However, the investigation also found that the contractors were not issued PIV cards based on those PIV Request Forms. Rather, the contractors received U.S. Mint identification badges. The report noted that no employees at the U.S. Mint have yet been issued PIV cards. The agency clarified in its supplemental report that when it does begin issuing official PIV cards, it will review all PIV Request Forms that have been issued over the last two years, and will correct any incorrect applications it identifies. The agency also stated that it will restate the existing federal protocol for PIV card issuance, in order to reiterate that the agency may not modify the PIV issuance process, and to remind stakeholders of the requirements and procedures involved.

The whistleblower declined to comment on the reports. OSC has reviewed the original disclosures and the agency's report and supplemental report. Based on that review, we have determined that the reports contain all of the information required by statute and that the agency's findings appear to be reasonable.

As required by law, 5 U.S.C. § 1213(e)(3), we have sent copies of the agency report and supplemental report to the Chairmen and Ranking Members of the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services. We have also filed a copy of the reports in our public file, which is available online at [www.osc.gov](http://www.osc.gov), and closed the matter.

Respectfully,



William E. Reukauf  
Associate Special Counsel

Enclosures