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United States Senate
COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

April 23, 2015

VIA ELECTRONIC TRANSMISSION

The Honorable Sally Quillian Yates
Acting Deputy Attorney General
United States Department of Justice

Dear Acting Deputy Attorney General Yates:

On March 18th and 19th I sent two letters, one to you and one to U.S. Marshals Service Director Hylton regarding whistleblower allegations of (1) quid pro quo hiring practices and (2) waste and misuse of asset forfeiture funds by the U.S. Marshals Service. Although the Department's review of these matters continues, more than a half dozen whistleblowers have contacted the Committee to make additional, troubling allegations since March 18.

First, multiple whistleblowers have now corroborated various aspects of the initial reports. These whistleblowers have confirmed that Assistant Director of the Asset Forfeiture Division Kimberly Beal went to unusual lengths to ensure that Donald Lenzie was hired by AFD contractor Forfeiture Support Associates, allegedly in order to curry favor with Director Hylton, who knew Mr. Lenzie in college. As I wrote in my April 7, 2015, follow-up letter regarding the Lenzie matter, Director Hylton placed Ms. Beal in the position of Acting Assistant Director of the AFD shortly after Mr. Lenzie was hired. The position was allegedly reclassified from 1811 (criminal investigator) to 0301 (administrator) for the purpose of accommodating Ms. Beal's lack of law enforcement training. Ms. Beal also retained her position as Acting Assistant Director for over two years, including while under investigation by the Department of Justice Office of Inspector General for retaliating against a whistleblower. Her acting position granted her access to experience that could later support her application for the permanent position and help exclude other well-qualified candidates.

I appreciate the Department's initial response to my April 7 follow-up letter acknowledging that its earlier explanation was inaccurate and providing evidence that, in the Department's words, "appears to be inconsistent with representations in our March 26, 2015 letter." I agree with the Department's assessment.

In its initial March 26 letter, the Department stated: “Mr. Lenzie’s hiring was not unduly influenced by the Director. After Mr. Lenzie applied for the SFFS position in September 2011, he e-mailed his resume to the Director, which she forwarded to Ms. Beal for her awareness. The Director did not recommend Mr. Lenzie for any position” On April 17, the Department provided the Committee with an e-mail chain indicating that AD Beal, at the time Deputy Assistant Director of AFD, received Mr. Lenzie’s resume from Director Hylton’s personal e-mail address. Ms. Beal then forwarded that resume to then-Assistant Director Eben Morales, stating: “Director called and has forwarded the resume of a Customs agent that she highly recommends for the jump team FFS in Boston.” This evidence directly contradicts the Department’s previous statements and corroborates the whistleblowers’ allegations of a *quid pro quo*.

The Department’s efforts to correct its earlier inaccurate statements to the Committee are commendable. However, allowing the USMS to lead a review of itself in this matter seems unwise. Not only was the Department’s initial response inconsistent with the evidence, but information obtained by the Committee also clearly shows that this matter was reported to the USMS Office of General Counsel (OGC) as early as December 2013. Yet, the OGC apparently failed to take the allegation seriously or take any steps to address it. Moreover, USMS officials informed my staff that they consulted with OGC about the allegations before the Department’s initial response was submitted to my office. These facts raise serious questions about whether and to what extent the USMS OGC reviewed the Department’s initial reply to this Committee without correcting its inaccuracies.

The more than half dozen whistleblowers who have come forward in the last month have provided information suggesting that the Lenzie hiring is not an isolated incident. Rather, those whistleblowers have alleged that improper hiring practices were used in multiple instances to reward or benefit relatives and friends of senior leadership. The allegations present a troubling and longstanding pattern of nepotism and *quid pro quos* in the selection of contractor and USMS staff positions.

For example, multiple whistleblowers allege that Assistant Director of the Judicial Security Division, Noelle Douglas, is currently under investigation by the Department of Justice Office of Inspector General for directing subordinates to offer a lucrative contract position to a certain individual with whom she allegedly had a personal relationship.

Multiple whistleblowers also have disclosed that as far back as 2009-2010, senior leadership in other divisions at USMS agreed to “hire each other’s wives.” As a result of this *quid pro quo* hiring, the wife of now Associate Director of Operations William Snelson was allegedly hired by then-Judiciary Security Division Chief Inspector David Sligh, while Mr. Sligh’s wife was hired by then-Tactical Operations Division Assistant Director Snelson. It is further alleged that USMS may have violated basic internal controls standards by allowing Mr. Snelson’s wife, while working in the Justice Security Division, to nevertheless manage the budget for a TOD program operating under Mr. Snelson at the time. Whistleblowers also allege that, following Mr. Snelson’s promotion to Associate Director, his wife was hired within the

Asset Forfeiture Division, although she allegedly has no experience in asset forfeiture. Information obtained by the Committee confirms that Mrs. Snelson currently works in AFD.

Whistleblowers also allege that improper hiring practices extend to interns and other lower-level positions. For example, Ms. Beal allegedly secured an intern position for a relative and used Department resources to pay for the intern to travel multiple times across the country to attend trainings and conferences intended for criminal investigators.

These examples are the tip of the iceberg. According to one whistleblower, they represent the “day-to-day business” of the U.S. Marshals Service.

Multiple whistleblowers also have alleged widespread and systemic waste, misuse, and abuse of the Assets Forfeiture Fund. These allegations corroborate the lavish spending by individuals in the Asset Forfeiture Division discussed in the Committee’s March 18, 2015, letter and again point to a pattern of cavalier use of asset forfeiture money by USMS.

The Committee is continuing to review the USMS response to the March 18 letter on this topic. However, like the Department’s response to the March 19 letter regarding *quid pro quo* allegations, this response is troubling and appears incomplete. For example, the USMS claims in its response that it cannot provide an exact estimate for the granite installed in the Asset Forfeiture Academy in Houston, Texas, although it does disclose that the granite covers “five small surfaces” totaling 57 square feet. The letter also states that the senior officials who approved the expenditures at issue “retired years ago.” However, information obtained by the committee indicates that expenditures such as the 57 square feet of granite were approved by and upon the insistence of Assistant Director Beal, who has not retired. It is further alleged that this granite was custom cut, “very special,” “top of the line,” and “the most expensive on the market,” and that when the granite company salesperson suggested cheaper alternatives Ms. Beal replied that “cost is not a factor.” It is unclear how the USMS does not know, or cannot otherwise locate, how much it paid for such an expensive and unnecessary luxury.

AD Beal’s alleged insistence on securing the granite for the Asset Forfeiture Academy is consistent with many whistleblower accounts of a longstanding attitude of AFD leadership that the fund exists not to support law enforcement but to buy the “best of the best” for that division. The Committee has received multiple reports, for example, that former AFD AD Eben Morales frequently traveled to Miami using AFF resources ostensibly for official government business but spent his time on personal matters. Senior managers, including AD Beal, reportedly justify lavish spending simply because the Assets Forfeiture Fund is “not appropriated money.”

Unfortunately, like the allegations of improper nepotism and *quid pro quos* in hiring, these allegations of waste and abuse of the fund are but a few examples of reports the Committee has received.

The use of the Assets Forfeiture Fund for purposes Congress certainly did not intend—along with what appears to be a systemic abuse of power to reward favored insiders and friends—is unacceptable. The many whistleblowers who have come forward in the last month

report that they live in fear of retaliation from USMS senior management for upholding their *duty* to report wrongdoing.¹ Multiple whistleblowers have alleged not only that they have experienced reprisal for speaking out, but also that senior leaders submit FOIA requests to seek information on employees who may have made protected disclosures with the purpose of using that information to retaliate against them.

The Committee's investigation into these allegations is ongoing. As an initial matter, please provide the Committee with the following information by Thursday, May 7, 2015:

1. All USMS e-mail communications regarding the hiring of any individual with whom AD Douglas allegedly had a personal relationship for a contract position with the USMS.
2. All USMS e-mail communications regarding the hiring and transfers of the wives of William Snelson and David Sligh. Please also provide:
 - a. The current titles, divisions, locations, and resumes of each;
 - b. A list of all programs in which each has participated or managed in any way since Mr. Sligh's wife was hired within the Tactical Operations Division, and Mr. Snelson's wife was hired within the Judicial Security Division.
3. All USMS e-mail communications regarding the hiring of any relatives of AD Beal as interns, as well as all documentation concerning any government-funded travel or trainings in which those interns participated while employed with the USMS. Please include:
 - a. Any budget or funding requests related to the hiring, travel, and training of those interns, including whether the funds derived from the AFF,
 - b. The dates and locations of the interns' employment, travel, and training,
 - c. The purpose of any travel or training in which the interns participated (for example, was the training offered for career criminal investigators?),
 - d. A list of all other interns who participated in government-funded travel and training from 2010 to the present.
4. A copy of all FOIA requests submitted by Kimberly Beal, or anyone on her behalf, to DOJ or any component thereof from 2011 to the present.

¹ Executive Order 12731 (Oct. 17, 1990) ("Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities.").

Should you have any questions, please contact DeLisa Lay of my Committee staff at (202) 224-5225. Thank you.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary

Cc: The Honorable Patrick J. Leahy
Ranking Member
Committee on the Judiciary

The Honorable Michael E. Horowitz
Inspector General
Office of the Inspector General