



Allegation of Travel Fraud by NPS Northeast Regional Director

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This is a version of the report prepared for public release.

SYNOPSIS

We opened this investigation in March 2016 after receiving a complaint that Michael A. Caldwell, Regional Director, Northeast Region, National Park Service (NPS), had traveled to Cape Cod National Seashore (CACO) under the guise of official business when in fact he went there on vacation. While investigating this complaint, we learned that Caldwell may have violated ethics rules prohibiting Government employees from receiving gifts from subordinates. Another complaint alleged that he continued to live in NPS housing at Valley Forge National Historic Park (VAFO) after he was promoted from VAFO superintendent to deputy regional director in 2011 and reassigned to the NPS regional office in Philadelphia, PA.

We found that from 2011 through 2015, Caldwell violated Federal travel regulations on at least eight trips. Caldwell admitted to conducting personal travel at Government expense, to receiving regular pay and per diem on days he did not work while on official travel, and to incurring additional expenses for hotel rooms and oversize rental vehicles so that personal guests could accompany him on trips.

In addition, we found that in August 2011, Caldwell received a gift in the form of vacation housing from a CACO employee, who allowed him to stay in her NPS rental cottage at CACO for 5 days at no cost while he was vacationing there. In doing so, Caldwell and the employee violated 5 C.F.R. § 2635.302, which prohibits Federal employees from accepting gifts from subordinates or giving gifts to their official superiors.

We confirmed that NPS authorized Caldwell to rent and live in VAFO's Knox Tindle House in order to preserve and maintain the historic structure.

DETAILS OF INVESTIGATION

We opened this investigation in March 2016 after receiving a complaint that Michael A. Caldwell, Regional Director, Northeast Region, National Park Service (NPS), traveled to Cape Cod National Seashore (CACO) under the guise of official business when in fact he went there on vacation. While investigating this complaint, we learned that Caldwell may have violated ethics rules prohibiting U.S. Government employees from receiving gifts from subordinates. We also received another complaint alleging that he continued to live in NPS housing at Valley Forge National Historic Park (VAFO) after his June 2011 promotion from VAFO superintendent to deputy regional director, at which point he was reassigned to the NPS regional office in Philadelphia, PA, and even after he was promoted to regional director in February 2014.

Caldwell Violated Federal Travel Regulations

We found that Caldwell violated multiple travel rules and regulations during at least eight official trips he took between 2011 and 2015. Caldwell admitted that during these trips he conducted personal travel at Government expense, received per diem for meals and incidental expenses on days he did not work, and incurred additional expenses for hotel rooms and oversized rental vehicles so that personal guests could accompany him on trips. These expenses cost the Government a total of \$11,496.35.

We also found that Caldwell should have used annual leave for 88 hours he did not work during these trips, but instead he received regular pay totaling \$5,984.56. That amount, plus the aforementioned expenses, brought the total cost for the eight trips we investigated to \$17,480.91.

The table below briefly describes Caldwell's improper actions and how much each trip cost the Government. Caldwell's admissions about the timing of and reasons for each trip calls into question whether these trips actually benefited the Government.

Trip Dates	Caldwell's Actions	Total Cost of Trip
July 21, 2011 – July 25, 2011	<ul style="list-style-type: none"> • Added a day of personal travel to an official trip. • Spent the day using a Government rental vehicle for unofficial purposes. 	\$ 940.58
August 2, 2011 – August 14, 2011	<ul style="list-style-type: none"> • Received per diem and regular pay on a day he did not work. • Incurred a night of costs for lodging he did not use. 	\$1,504.74
June 16, 2012 – June 23, 2012	<ul style="list-style-type: none"> • Rented an SUV for an official trip 2 days before his official business was scheduled to start. • Spent a day driving the SUV 450 miles out of the way for unofficial purposes. • Received per diem while he was on personal travel and not working. 	\$1,174.31

Trip Dates	Caldwell's Actions	Total Cost of Trip
June 29, 2012 – July 6, 2012	<ul style="list-style-type: none"> • Rented a minivan instead of a compact vehicle to accommodate personal guests. • Started receiving per diem 2 days before his official business started. 	\$2,298.53
July 12, 2012 – July 26, 2012	<ul style="list-style-type: none"> • Rented a minivan instead of a compact vehicle to accommodate personal guests. • Received per diem and regular pay on 6 days he did not work. • Incurred 5 nights of lodging costs exceeding the allowed Government rate to accommodate personal guests. • Attended 3 hours of training on 2 separate days and did not work or use leave for the remainder of those days. 	\$7,522.81
July 28, 2013 – August 9, 2013	<ul style="list-style-type: none"> • Incurred 5 nights of lodging costs exceeding the allowed Government rate to accommodate personal guests. • Attended 3 hours of training on 2 separate days and did not work or use leave for the remainder of those days. 	\$2,060.87
July 15, 2014	<ul style="list-style-type: none"> • Stayed in park housing for free while on leave. • Received reimbursement for mileage that he never drove. 	\$ 532.75
March 29, 2015 – April 3, 2015	<ul style="list-style-type: none"> • Incurred charges for reserving a hotel room and then not using it. • Received per diem while not on leave. 	\$1,446.32

Caldwell admitted during his interviews that he had taken these trips and that he had knowingly violated Federal travel regulations. He said that in doing so he had taken advantage of his official positions, first as a GS-15 deputy regional director and then as a member of the Senior Executive Service (SES). He said he deserved, at minimum, a suspension.

Caldwell admitted that his travel vouchers (post-trip requests submitted to the bureau for payment of travel expenses and reimbursement) that we asked him about during his interviews had been “tainted and fraudulent,” and that he had arranged his official travel to suit his personal travel plans. He admitted that he was not trying to save the Government money on his trips and was instead trying to have “nicer” experiences. He said that if everyone in the Government worked the way he did, “we wouldn’t get anything done.”

Caldwell also said that Government-owned vehicles had been available to him for official travel, but he chose to rent vehicles at Government expense instead. He explained that he did this to benefit himself and accommodate his personal guests with the extra space of an SUV or minivan, and because his guests were prohibited from driving or riding in a Government-owned vehicle. When we asked if he also rented the vehicles to save money, he said yes. He said he had always known that his actions were wrong.

NPS Had Poor Internal Controls Over the Processing of Travel Claims and Pay

According to the Federal Travel Regulation, the official who authorizes and approves a Federal employee's travel, or that official's designee (e.g., the traveler's supervisor), must review and sign travel claims to confirm the authorized travel (41 C.F.R. § 301-71.200). This official must also have full knowledge of the employee's activities and must ensure that the claim is prepared in accordance with pertinent regulations and agency procedures, the types of expenses claimed are authorized and allowable, and the amounts claimed are accurate (41 C.F.R. § 301-71.201).

Similarly, the Department of the Interior's (DOI) Temporary Duty Travel Policy 1.4.2 requires that the approving official have full knowledge of the traveler's activities during the trip and that this official verify that the expenses included in the submitted voucher are authorized and allowable. This policy also provides that the approving official is ultimately responsible for the validity of the travel voucher and must ensure compliance with DOI and bureau policy.

Caldwell said that when he was the deputy regional director, the regional director at the time had reviewed his pre-trip travel authorizations and vouchers. Caldwell said this former regional director had trusted him and had thought that Caldwell worked full days while on travel.

We interviewed the former regional director, who is now retired. He said that executive assistants in his office had been responsible for reviewing and approving travel authorizations and vouchers on his behalf, but that he had personally reviewed and approved Caldwell's time and attendance records. He said he had trusted that Caldwell was working full days while on travel, and that he had not known that Caldwell had ever not worked when he was supposed to be working or traveled for personal reasons at Government expense.

We also interviewed Margaret (Peggy) O'Dell, NPS' Deputy Director for Operations from January 2011 to July 2016, who had begun approving Caldwell's travel and time and attendance when he became the regional director. She explained that an assistant had been responsible for logging into the Government's travel system and electronically approving, on her behalf, the travel authorizations and the vouchers submitted by the regional directors. O'Dell said that she never logged into the travel system herself but that she would eventually receive hard copies of the authorizations and vouchers.

O'Dell said she had taken it on faith that the travelers who submitted their authorizations and vouchers to her were being honest, and she acknowledged that the NPS process for reviewing these documents could be improved. She said that one way to improve the process would be for the regional directors to post their leave information in a clearly visible location. She also said that NPS needed to address the practicality of making high-level managers such as herself responsible for reviewing every travel voucher for multiple direct reports. She felt that NPS should discuss and clarify how the review responsibilities were divided and what checks and balances were in place. She acknowledged that the entire process depended on travelers telling the truth when submitting their travel documents.

We interviewed two assistants who had worked with O'Dell about their roles in approving travel documents. Both acknowledged that they were given O'Dell's user name and password for the

travel system so that they could approve authorizations and vouchers, including those submitted by all of the NPS regional directors, on her behalf. They said they also certified the regional directors' payroll validations for O'Dell.

We also interviewed an assistant in Caldwell's office, who said she had handled travel administration for him from the time he became the regional director until around April 2016. She said she had prepared and signed Caldwell's travel authorizations and vouchers on his behalf. She did not recall Caldwell ever signing his own vouchers, and she assumed doing so was a part of her duties.

Caldwell Accepted a Gift From a Subordinate

In August 2011, Caldwell accepted a gift in the form of vacation housing from a subordinate CACO employee who allowed him to stay free in her NPS rental cottage at CACO from August 8 through 12, 2011, while he was vacationing there. In doing so, both violated 5 C.F.R. § 2635.302, which prohibits Federal employees from accepting gifts from subordinates or giving gifts to their official superiors.

Caldwell said that he used annual leave the week he went to CACO and primarily spent the time there on vacation. He admitted to us that it was wrong of him to accept the free housing from the employee, and said he did so because it was convenient and saved money.

During her interview, the CACO employee said that when she learned Caldwell was planning to attend training at the Cape Cod Institute, near CACO, she offered to let him stay at an NPS-owned seasonal cottage she had been renting. She explained that since she started at CACO, she had rented seasonal cottages so that her family could join her during the summers. Because no one was occupying the cottage when Caldwell was planning to be at CACO, she offered it to him to use.

Records provided by an NPS housing program manager showed that the CACO employee rented the cottage from May 29 to September 19, 2011, and that her last monthly rental payment was \$1,063.75.

Caldwell Was Authorized To Live in VAFO's Park Housing

A review of NPS records revealed that from September 13, 2005, to September 3, 2016, Caldwell paid rent (via payroll deduction) to live at the Knox Tindle House, a 4,087-square-foot, six-bedroom historic home on VAFO grounds. According to these records, Caldwell's monthly rent was \$1,832.48.

An NPS regional housing program manager told us that Caldwell was authorized to live in the Knox Tindle House because he was making use of a historic structure. She referenced the NPS housing reference manual, Section 3.3, "Permitted Occupancy," which stated: "Permitted occupancy is allowed as a benefit to the park. Justification for permitted occupancy is based on the existence of a direct mission-related factor, such as . . . use of historic structures."

An NPS business manager also said the use-of-historic-structure justification applied to Caldwell. He characterized the house Caldwell lived in as almost a mansion and noted that not many NPS employees at VAFO could afford to pay the rent or the cost of heating oil. He said Caldwell's occupancy of the house was a mission-related benefit to NPS because Caldwell was preserving the structure better than VAFO could if it were unoccupied.

A 2013 VAFO housing needs assessment also stated that the house could be rented as a historic structure and noted that the deputy regional director (Caldwell, at that time) was living there. Inspection reports reflected that the house was inspected annually and maintained regularly. A review of two forms, each titled "NPS Housing Fire Safety Inspection Form – Annual Inspection," revealed that NPS did annual inspections of the house in 2014 and 2015, and identified and corrected some safety deficiencies during those years.

SUBJECTS

1. Michael A. Caldwell, SES, Regional Director, Northeast Region, NPS.
2. CACO employee, NPS.

DISPOSITION

The U.S. Attorney's Office for the Eastern District of Pennsylvania declined to prosecute this case. We provided this report to the Director of NPS for review and action.