



UNITED STATES DEPARTMENT OF THE INTERIOR
Office of Inspector General
1849 C Street NW
MS 5341
Washington, DC 20240

May 15, 2006

Memorandum

To: Brian Waidmann
Chief of Staff

From: Earl E. Devaney
Inspector General

Subject: Transmittal of Report of Investigation -- David Smith, Deputy Assistant Secretary, Fish, Wildlife and Parks

This memorandum transmits the results of the Office of Inspector General (OIG) investigation into an allegation that David Smith, Deputy Assistant Secretary, Fish, Wildlife and Parks, inappropriately designated Houston as a port of entry under the Endangered Species Act of 1973 in order to allow a personal friend to import wildlife and wildlife products into the country. During the course of our investigation, a second allegation surfaced concerning the acceptance of prohibited gifts by Smith.

Although the investigation found that appropriate administrative procedures were followed in the designation of the port of Houston, Smith's involvement in the designation, given his personal relationships with individuals who benefited directly from the port's designation, was inappropriate, creating an appearance of preferential treatment. The results of the investigation also show that Smith failed to comply with regulations on the acceptance and disposition of prohibited gifts under the rules and standards set forth in the Standards of Ethical Conduct for Employees of the Executive Branch (Standards of Conduct), 5 C.F.R. Part 2635.

The Report of Investigation was presented to the Fraud and Public Corruption Section of the U.S. Attorney's Office for the District of Columbia. The U.S. Attorney's Office declined prosecution in lieu of administrative action by the Department.

Therefore, I am transmitting this report to you for whatever administrative action you deem appropriate. To assist you in your deliberations, I am also including an ethics analysis of the Report of Investigation conducted by the OIG Office of General Counsel. **Please provide your disposition of this matter within 90 days to the OIG Office of Investigations on the attached Accountability Form.**

Finally, I want to advise you that the employee who provided the OIG with the information that became the subject of this investigation has consented to having his identity disclosed. However, §7 (c) of the Inspector General Act of 1978, as amended (5 USC Appx.),