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May 24, 2011

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Former DOE Chief Financial Officer Used DOE Consultants to Aid Self and Investment Firm Report Released Today

Today, Special Commissioner of Investigation Richard J. Condon released a report detailing an investigation which found that former Department of Education (“DOE”) Chief Financial Officer George Raab had an inappropriate financial relationship with three consultants while they were under contract to provide services to the DOE. During Raab’s DOE tenure and at his request, DOE consultants Bill Howatt and David O’Connor assisted him in planning to set up a department at Guggenheim Securities, LLC (“Guggenheim”), which Raab joined immediately after resigning from the DOE. Joyce Thorne, another DOE consultant, also assisted in the planning at Howatt’s direction. O’Connor and Thorne provided some of this assistance during times when, according to their billing records, they were supposedly servicing the DOE. Howatt generally billed the DOE for nine hours each weekday “off site” without specifying the times he started or ended his DOE tasks. The three consultants and Raab utilized his DOE e-mail account to transmit drafts of planning documents and “PowerPoint” slides regarding Guggenheim among themselves. Raab then transmitted final versions of these documents and slides via DOE e-mail to a Guggenheim executive. Raab also sent and received e-mails using his DOE address concerning personal residential real estate investments.

None of the consultants remain under contract with the DOE. O’Connor is now employed by Guggenheim, where he reports to Raab. Howatt, the proprietor of Howatt HR Consulting, Inc. of Nova Scotia, subsequently arranged through Raab to provide consulting services to Guggenheim.

Commissioner Condon recommended to the Chancellor that Raab, Howatt, O’Connor and Thorne be made ineligible for future employment with the DOE or its affiliates.

The Office of the Special Commissioner of Investigation is part of the New York City Department of Investigation and Special Commissioner Condon reports to Commissioner Rose Gill Hearn.

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