



OFFICE OF INSPECTOR GENERAL

Federal Housing Finance Agency

400 7th Street SW, Washington, DC 20219

Summary of Administrative Inquiry

The Office of Inspector General's Review of a Hotline Complaint Alleging Improper Hiring of a Student Intern and Unauthorized Creation of Hiring Authorities

The Federal Housing Finance Agency (FHFA or Agency) Office of Inspector General (OIG) conducted an administrative inquiry into allegations contained in an anonymous hotline complaint. These allegations raised concerns about: (1) hiring a “student trainee” in the summer of 2019 who had already graduated and was no longer a student; and (2) creation of unauthorized “special hiring authorities” and improperly hired employees pursuant to such authorities.

We identified one student who was initially hired in May 2019 as an intern, when he¹ was a student enrolled in a degree program, for a period not to exceed August 31, 2019.² That individual was re-appointed, while he continued to be enrolled in a degree program, on September 1, 2019, for a period not to exceed December 31, 2019. We found that both appointments satisfied applicable regulatory requirements. That intern completed his course of academic study in the fall semester of 2019 and received a degree in mid-December 2019. The intern was re-appointed for a second time, effective January 1, 2020, by FHFA. Because that intern had completed his studies, received a degree, and was no longer enrolled in an academic institution, he no longer qualified as a “student” and was ineligible for re-appointment as an intern, pursuant to 5 C.F.R. § 213.3402(a).

When asked to explain the basis for its January 2020 re-appointment of this intern who was no longer a student, FHFA asserted that it was in the process of non-competitively converting the individual from an intern to an examiner position and that U.S. Office of Personnel Management (OPM) guidance authorized FHFA to extend the appointment for 120 days because the 120-day clock starts “upon completion of the last course requirements for the degree the Intern is pursuing.”³ FHFA, however, did not extend this intern’s appointment for 120 days beyond

¹ Use of the words “he”, “him” and “his” in this summary are without regard to the actual gender of the intern.

² FHFA participates in the Pathways Internship (Pathways) program, a federal government-wide internship program authorized under Executive Order 13562. The Pathways program provides students in colleges and other qualifying educational institutions the opportunity to explore Federal careers as paid interns while completing their education. It is subject to regulations issued by the U.S. Office of Personnel Management (OPM).

³ See OPM’s Pathways FAQs, *Conversion to the Competitive Service*, <https://www.opm.gov/policy-data-oversight/hiring-information/students-recent-graduates/#url=Pathways-FAQs>.

completion of his course of academic study while the intern remained a student. Instead, it appointed him as a student intern after he had graduated, which is not permitted by the regulation.⁴

FHFA must determine whether it has the appropriate hiring authority to appoint an individual, who served as a student intern in 2019, to an examiner position.

We found no evidence to substantiate the allegation that the Agency created and used unauthorized special hiring authorities.

⁴ See OPM's Pathways FAQs, *Conversion to the Competitive Service*, <https://www.opm.gov/policy-data-oversight/hiring-information/students-recent-graduates/#url=Pathways-FAQs>. In response to a FAQ, "Do Intern NTEs have a 120-day grace period following graduation to remain in the [Pathways] program?" OPM answers:

No. In accordance with 5 CFR 362.205 the appointment of Intern NTE ends when the temporary appointment expires. However, the agency may convert the Intern NTE before expiration of the original appointment if that date is within 120 days of the completion of degree requirements provided the job opportunity announcement used to fill the Intern NTE position described this conversion potential and all other requirements for conversion have been met.