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Former IT Manager at a LSC Grantee Enters into a Pretrial Diversion Agreement

On November 8, 2021, as a result of a joint investigation by the U.S. Secret Service, and the Office of Inspector General (OIG), Legal Services Corporation (LSC), a former Information Technology (IT) Manager for an LSC grantee entered into a Pretrial Diversion Agreement (PDA) with the U.S. Attorney's Office (USAO).

On January 28, 2019, the Executive Director for the impacted grantee advised the OIG Hotline of a computer breach of their network. It was determined that the grantee's IT manager became aware of his pending termination from the recipient. Prior to his termination, the IT manager modified the grantee's network causing damage and lost work hours to the program. As a result of this breach, the grantee estimated the damages caused by this incident to be \$5,398.

On July 20, 2020, as a result of this investigation, the USAO issued a target letter to the IT manager advising him that he was the subject of a federal investigation concerning possible criminal violations, including Title 18, U.S.C. Section 1030, Computer Fraud, and related Abuses.

Negotiations between the USAO and the IT manager's defense counsel resulted in the PDA. As part of the PDA, the IT manager will make full restitution to the impacted grantee in the amount of \$5,398.

Jeffrey E. Schanz, Inspector General, OIG, LSC, praised the work completed by the USAO, saying: "The defendant in this case acted as an insider threat and caused harm to the operations of an LSC grantee and the clients they serve. During this time of frequent cybersecurity attacks, we urge grantee's to properly safeguard their IT systems. We hope this case raises awareness of potential bad actors, emerging from within or outside of grantee networks, who intend to disrupt services to grantee clients in need of skilled legal advice and assistance."

On June 24, 2019, the LSC OIG issued a Fraud Corner on Best Practices for Preventing and Detecting Insider Threats. Please see that article at:

https://www.oig.lsc.gov/images/pdfs/invest_results/Fraud_Corner_Insider_Threat_6-24-19.pdf.

