



Smithsonian
Institution

Report on Violations of Smithsonian Standards of Conduct by Caroline Baumann

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ABBREVIATIONS

[REDACTED]	[REDACTED]
Cooper Hewitt	Cooper Hewitt Smithsonian Design Museum
NDA	National Design Awards
OCON 100 form	Office of Contracting and Personal Property Management form, OCON 100, Contracting with Individuals Screening Checklist
OGC	Office of General Counsel
OIG	Office of the Inspector General
SD	Smithsonian Directive
Smithsonian	Smithsonian Institution

EXECUTIVE SUMMARY

The Office of the Inspector General (OIG) received a complaint alleging that Caroline Baumann, Director of the Cooper Hewitt Smithsonian Design Museum (Cooper Hewitt), unethically used her position at the Smithsonian to enrich herself. According to the complaint, Baumann did not pay, or paid less than market value, for her [REDACTED] venue and dress. In exchange for the free or reduced price, the complainant alleged that the venue owner was offered an opportunity to host their event at Cooper Hewitt for free, and the [REDACTED] designer received a free ticket to the annual National Design Awards. The complainant also alleged that Baumann directed the Cooper Hewitt staff to persuade journalists to write articles about her [REDACTED]. The complainant stated that Cooper Hewitt staff spent two weeks promoting Baumann's [REDACTED] instead of conducting their normal duties, including promoting stories about Cooper Hewitt's exhibitions and programs. In addition, during the investigation, OIG received information that, in 2017, Baumann allegedly steered a graphic design contract to her [REDACTED] who was her [REDACTED] at the time.

Smithsonian Directive (SD) 103, *Smithsonian Institution Standards of Conduct*, dated August 10, 2016, prohibits Smithsonian employees from the following:

- Soliciting and accepting gifts from prohibited sources except in limited circumstances,¹
- Using their Smithsonian position for private gain,
- Giving preferential treatment to any person or company for any reason, and
- Using Smithsonian property for other than officially approved activities.

Further, according to this directive, “[e]mployees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in the Smithsonian standards of conduct. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.” In addition, SD 103 requires Baumann and other unit directors to complete an annual *Confidential Financial Disclosure Report* to provide information that may reveal a potential or actual conflict of interest. Finally, SD 103 states that “[e]mployees must ensure that they comply with the general principles and specific provisions of these standards. If any doubt exists as to whether an activity or planned activity violates these standards, employees are obligated to seek advice immediately from an Ethics Counselor.”

OIG determined that Baumann solicited and then accepted the free use of a venue for her [REDACTED], a value of at least \$25,000, from a prohibited source. The venue owner is an [REDACTED] and [REDACTED]. Baumann acknowledged that her relationship with the venue owner developed as a result of her Smithsonian employment. SD 103 permits an employee to receive a gift from a prohibited source in certain situations, but this gift did not meet those requirements. Accordingly,

¹ A prohibited source is “any organization that or person who: (1) is seeking official action by the Smithsonian; (2) does business or seeks to do business with the Smithsonian; or (3) has interests that may be substantially affected by performance or nonperformance of the employee’s official duties.”

Baumann violated SD 103 by soliciting and receiving a gift from a prohibited source that did not meet the exceptions in the directive, by creating the appearance of using her Smithsonian position for private gain, and by not disclosing the gift in her annual *Confidential Financial Disclosure Report*, as required.

In addition, OIG determined that on two occasions, in 2017 and 2018, the venue owner hosted board meetings at Cooper Hewitt for free, an estimated value of \$33,875. Baumann's free use of the [REDACTED] venue in September 2018 and the close time proximity to Baumann providing free meeting space to the venue owner created an appearance that Baumann gave preferential treatment to the venue owner and that these actions were a quid pro quo — a violation of SD 103.

For the [REDACTED] dress, Bauman used her Smithsonian email account to contact the dress designer and introduced herself as the director of Cooper Hewitt. Baumann told OIG that she paid \$750 for her custom-designed [REDACTED] dress; however, the website for the dress designer stated that custom dresses have a minimum price of \$3,000. The dress designer told OIG that Baumann received a discount, and that she routinely offers discounts to customers. In addition, Baumann directed her staff to give the dress designer a free ticket to the National Design Awards, a value of \$1,700. Baumann stated that neither she nor the dress designer discussed Baumann providing the ticket as a "trade" for the dress. Nonetheless, there is an appearance that these actions were a quid pro quo based on the proximity of Baumann receiving a custom-made dress for her [REDACTED], and Baumann directing [REDACTED] staff on September 26, 2018, to give the dress designer a complimentary ticket. Baumann violated SD 103 by using her Smithsonian position for private gain, creating an appearance of a quid pro quo, and failing to report the gift of a discounted dress in her annual *Confidential Financial Disclosure Report*.

Baumann also used her [REDACTED] staff to pitch media articles about her [REDACTED]. In addition, Baumann directed [REDACTED] staff to have a contractor assist with promoting her [REDACTED], and Baumann herself asked the contractor to help with this effort. Baumann told OIG that publicizing her [REDACTED] was related to her official duties, and in her letter to OIG she stated that communications consultants advised Cooper Hewitt to "shed more light" on a more personal side of Baumann. However, publicizing a [REDACTED], a personal affair, is not an officially approved activity. Accordingly, Baumann violated SD 103 by using Cooper Hewitt [REDACTED] staff and contractor services for personal services.

During the investigation, OIG received an allegation that Baumann steered a graphic design contract to her [REDACTED] [REDACTED] in 2017. Baumann allegedly told a Cooper Hewitt [REDACTED] employee to hire [REDACTED], and that employee eventually acquiesced and submitted the required paperwork, including the Office of Contracting and Personal Property Management form (OCON 100 form), *Contracting with Individuals Screening Checklist*, to hire [REDACTED]. The OCON 100 form, however, states that the Cooper Hewitt team discovered [REDACTED] work via [REDACTED] website and that Baumann was not involved in the decision to contract with [REDACTED]. Although Baumann was required to sign the OCON 100 as the unit director to certify her review, the Cooper Hewitt [REDACTED] signed on Baumann's behalf as a customary practice. In light of the fact that the allegation is based on conversations that were not documented and Baumann did not sign the OCON 100 form as required, OIG could

not substantiate the allegation. However, OIG finds that Baumann violated SD 103 when she failed to disclose ██████████ as someone who has done business with Cooper Hewitt in her annual *Confidential Financial Disclosure Report*.

BACKGROUND

In July 2001, Caroline Baumann was hired by the Smithsonian as an associate director of Cooper Hewitt; in July 2013, she was appointed director of the museum. As director, Baumann leads a museum with more than 100 employees and a diverse collection of design artwork. Prior to joining the Smithsonian, Baumann worked at the Museum of Modern Art in New York.

SD 103, *Smithsonian Institution Standards of Conduct*, applies to all Smithsonian employees. Each employee is responsible for familiarizing themselves with these standards. The relevant standards surrounding the allegations against Bauman are as follows:

- Section 2, *Loyalty and Conflicts of Interest*:

Smithsonian employees must ensure that their conduct does not compromise the integrity of, or public confidence in, the Smithsonian. Employees must maintain high standards of honesty, integrity, and loyalty to the Smithsonian. Employees must not engage in private or personal activities that might conflict, or appear to conflict, with Smithsonian interests, such as: using Smithsonian employment for private gain; giving preferential treatment to any person or company for any reason....

- Section 3, *Compliance, Clearance, Interpretation and Advice*:

Employees must ensure that they comply with the general principles and specific provisions of these standards. If any doubt exists as to whether an activity or planned activity violates these standards, employees are obligated to seek advice immediately from an Ethics Counselor.

Certain activities identified in these standards require prior clearance and/or approval by the appropriate supervisory officials and/or from an Ethics Counselor. Employees are responsible for providing full disclosure of all relevant facts when seeking clearance or approval to conduct such activities.

- Section 6, *Gifts from Outside Sources*:

(a) *General Policy Irrespective of Source*:

Employees shall not solicit or accept any gift from any source that is or appears to be offered because the employee holds a Smithsonian position or may have influence within the Smithsonian.

A gift is an “object, financial interest, money, entertainment, favor, discount, travel, lodging, meal, or other arrangements that benefit the employee.”

(b) *Gifts Offered by Prohibited Sources:*

A prohibited source is any “organization that or person who: (1) is seeking official action by the Smithsonian; (2) does business or seeks to do business with the Smithsonian; or (3) has interests that may be substantially affected by performance or nonperformance of the employee’s official duties.”

An employee may not solicit or accept a gift from a prohibited source unless, among other exceptions:

- Circumstances make it clear that the gift is motivated by a family relationship or personal friendship rather than by the position of the employee; or
- The gift is unsolicited and the employee pays the source of the unsolicited gift the fair-market value of the item and reports the transaction to an Ethics Counselor for clearance within thirty days of receipt.

Notwithstanding these exceptions, an employee shall not: (1) accept a gift in return for being influenced in the performance of an official act; (2) solicit or coerce the offering of a gift; or (3) accept a gift in violation of any statute. Even where the acceptance of a gift may be technically permitted by one of the exceptions, there may be additional considerations that require an employee to decline a gift. An employee should consult an Ethics Counselor for guidance when he or she wishes to keep a gift offered to him or her under an abovementioned exception.

- Section 13, *Personal Conflicts of Interest:*

(a) *Prohibition on Allowing Personal Outside Financial Interests to Affect Official Actions:* A contract action in which an employee participates that involves a relative of a Smithsonian employee may implicate the conflict of interest. Any contract action involving a Smithsonian employee and these parties must be referred to OCon&PPM and an Ethics Counselor for review and signature through the use of the OCON 100 Form. In consultation with an Ethics Counselor, OCon&PPM may recommend that the contract action be terminated, that the employee recuse him or herself from participating in the contract, or consider (at the request of the employee) a conflict waiver allowing the employee to carry out his or her duties with respect to the contract.

(b) *Financial Disclosure Requirements:*

(1) *Annual Confidential Financial Disclosure Report* (Form SI-1085) requires an employee to provide information that may reveal a potential or actual conflict of interest. The criteria for determining who must file this report are based on an

employee's position with the Smithsonian or on the employee's authority to act on behalf of the Smithsonian.

(5) Sanctions. Employees may be subject to disciplinary action for failure to file Reports on time or for failing to accurately disclose required information. Sanctions may range from a formal letter of reprimand placed in an employee's file up to and including dismissal.

- Chapter 15, *Use of Smithsonian Property*:

Employees shall not directly or indirectly make use of or permit the use of Smithsonian property of any kind for other than officially approved activities. Smithsonian property includes all Smithsonian assets, tangible and intangible, such as funds, facilities, equipment, supplies, staff time and services, intellectual property rights, and information that is unavailable to the general public.

- Appendix 1, *Fourteen Principles of Ethical Conduct for Smithsonian Employees*:

(1) Smithsonian service is a public trust, requiring employees to place loyalty to the Smithsonian, the law, and ethical principles above private gain.

(4) An employee shall not, except as permitted by the Smithsonian standards of conduct, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.

(7) Employees shall not use their Smithsonian position for private gain.

(9) Employees shall protect and conserve Smithsonian property and shall not use it for other than authorized activities.

(14) Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in the Smithsonian standards of conduct. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

To conduct this investigation, OIG obtained and reviewed Baumann's archived email correspondence from January 2018 to September 2019. OIG analyzed the emails to capture relevant information related to Baumann's correspondence with the [REDACTED] venue host, dress designer, and Smithsonian staff about Baumann's [REDACTED] preparations. OIG also reviewed relevant documentation, including contract documents, ethics forms, and a December 2, 2019 letter that Baumann sent to OIG to provide additional information about the topics discussed during her interview. OIG conducted interviews with Smithsonian employees and other individuals, including the [REDACTED] venue host and the dress designer.

ANALYSIS

Baumann Solicited and Accepted Free Use of [REDACTED] Venue from a Prohibited Source

Based on OIG's interviews and review of emails, Baumann's [REDACTED] took place on [REDACTED], under [REDACTED]. The [REDACTED] was held inside the [REDACTED], followed by a small informal reception with champagne and a tour of the grounds. [REDACTED] rents the grounds for private events, including two to three [REDACTED] per year.

[REDACTED] is the [REDACTED] of [REDACTED]. According to Baumann, [REDACTED] and [REDACTED]. In her December 2, 2019 letter to OIG, Baumann stated that [REDACTED] has [REDACTED] and [REDACTED].

According to [REDACTED], fees to host an event at [REDACTED] start at \$25,000. However, Baumann, [REDACTED], and [REDACTED] told OIG that [REDACTED] provided the venue free of charge. OIG's review of Baumann's 2018 *Confidential Financial Disclosure Report* showed that she did not disclose the gift of the [REDACTED] venue with a value of at least \$25,000.

On November 15, 2018, [REDACTED] hosted its board meeting at the Cooper Hewitt without charging the normal fees. The request came on October 4, 2018, shortly after Baumann's [REDACTED], when [REDACTED] emailed Baumann to ask if the Cooper Hewitt Board Room was available for a meeting on November 15, 2018. OIG reviewed emails that showed Baumann directed staff to make a room available to [REDACTED] and to waive fees except for expenses Cooper Hewitt incurred from [REDACTED] using the room. However, based on OIG interviews with [REDACTED] staff and [REDACTED], [REDACTED] used the Cooper Hewitt venue free of charge.

Baumann's free use of the [REDACTED] venue resulted in Baumann violating SD 103 in the following ways: (1) soliciting and receiving a gift from a prohibited source without meeting the exceptions allowed by SD 103, (2) creating the appearance that she used her Smithsonian position for private gain, (3) creating the appearance that she gave preferential treatment and engaged in a quid pro quo deal, and (4) not disclosing the gift of at least \$25,000 in her 2018 *Confidential Financial Disclosure Report*.

Baumann Solicited a Gift from a Prohibited Source and Did Not Pay the Fair-Market Value of the Gift

SD 103 prohibits Smithsonian employees from soliciting or accepting any gift from any source, including prohibited sources, that is offered because the employee holds a Smithsonian position or may have influence within the Smithsonian. ██████ is a ██████ and ██████; therefore, ██████ is a prohibited source because ██████ does business with the Smithsonian and has interests that may be substantially affected by the performance or nonperformance of Baumann's official duties. Therefore, Baumann is prohibited from soliciting or accepting the gift of the free ██████ venue unless, among other things, (1) it is clear that the gift was motivated by a family relationship or personal friendship rather than by the position of the employee, or (2) the gift was unsolicited, and Baumann paid the fair-market value of the item and reported it to the ethics counselor for clearance within 30 days of receipt.

Baumann did not satisfy the exceptions for receiving a gift from a prohibited source. First, the gift was not motivated by a family relationship or personal friendship because Baumann's relationship with ██████ originated from her Smithsonian employment. In ██████'s interview with OIG, ██████ stated that ██████ and Baumann became friends over the years after Baumann began working at Cooper Hewitt. In Baumann's interview, she also acknowledged that her friendship with ██████ began during her employment at the museum. ██████ told OIG that ██████ insisted the venue was a gift because ██████ thinks of Baumann as a dear friend, but both ██████ and Baumann verified that ██████ and Baumann did not have a pre-existing relationship prior to Baumann's Smithsonian employment.

Second, Baumann did not satisfy the other relevant gift exception because she solicited the gift, did not pay the fair market value for the gift, and did not report the gift to an ethics counselor. Baumann solicited the use of ██████ by initiating the request for the ██████ venue from her Smithsonian email account. In Baumann's OIG interview, she stated that she asked ██████'s permission to have her ██████ at ██████. In addition, OIG's review of Baumann's emails identified a July 2, 2018 email from Baumann to ██████ and ██████, asking if it was possible to use the ██████ for her ██████. See Figure 1.

Figure 1. Message from Baumann's Smithsonian email account to ██████ and ██████, dated July 2, 2018

Dear ██████ and ██████
Hope you are not in ██████ today with the thermometers hitting 95.....
I'm writing to you first of all to say I'm sorry I missed your visit last week ██████ but also to inquire..... ██████
and I am ██████ very informally, but beautifully, on ██████ when ██████ will be here from ██████
and celebrating ██████ with about 20 people.
I'd be overjoyed to do this in the ██████ ...possible?
Thank you.

Even if the gift was not solicited by Baumann, SD 103 requires Smithsonian employees to pay the fair market value of the gift. However, Baumann, ██████, and ██████ told OIG that ██████ provided the venue free of charge. According to ██████, the rental cost for this venue starts at \$25,000.

Finally, Baumann was required by SD 103 to report this gift to the ethics counselor within 30 days of receiving the gift. In addition, according to SD 103, “if employees have any doubt as to whether an activity or planned activity violates these standards, they are obligated to seek advice immediately from an Ethics Counselor.” According to [REDACTED], Baumann did not report or seek advice about the [REDACTED] venue from the Office of General Counsel (OGC).

Baumann Created the Appearance of Using Smithsonian Position for Private Gain

SD 103 prohibits Smithsonian employees from engaging in activities that might conflict or appear to conflict with Smithsonian interests, such as using Smithsonian employment for private gain. Further, principle 14 of ethical conduct in SD 103 Appendix 1 specifically cautions employees about creating even an appearance of violating the law or the ethical standards set forth in the Smithsonian standards of conduct.

Baumann’s email to [REDACTED] and [REDACTED], dated July 2, 2018, (Figure 1) shows that she used her relationship with [REDACTED] for private gain. As noted earlier, Baumann established her relationship with [REDACTED] after beginning her Smithsonian employment. Further, Baumann solicited this personal favor of her [REDACTED] venue using her official Smithsonian email account. Smithsonian employees are allowed de minimis use of their work email accounts, but Baumann’s use of her Smithsonian email lends to the appearance of using her position for private gain.

In Baumann’s interview with OIG, Baumann disagreed that her position as the director of Cooper Hewitt had any influence on [REDACTED]’s decision to allow her to have her [REDACTED] at [REDACTED] free of charge. In addition, Baumann denied that she leveraged her professional position for private gain. Nonetheless, even if Baumann’s statements are accurate, OIG notes that Baumann’s actions created the appearance that she used her Smithsonian position for private gain — a violation of SD 103.

Baumann Created the Appearance of Giving Preferential Treatment to Her [REDACTED] Venue Host

SD 103 prohibits Smithsonian employees from engaging in activities that might conflict or appear to conflict with Smithsonian interests, such as giving preferential treatment to any person or company for any reason. Moreover, SD 103 Appendix 1 specifically cautions employees about creating even an appearance of a violation.

On November 15, 2018, [REDACTED], who provided Baumann with a free [REDACTED] venue, hosted its board meeting at the Cooper Hewitt free of charge. The request came on October 4, 2018, shortly after Baumann’s [REDACTED] when [REDACTED] emailed Baumann to ask if the Cooper Hewitt Board Room was available for a meeting on November 15, 2018, as shown in Figure 2.

Figure 2. Email from [REDACTED] to Baumann, dated October 4, 2018

Need a possible help. We have a scheduled Board meeting for November 15 at 2:30-5pm. Conference room I had reserved got busy. Is there any chance your Board Room might be available? Please let me know.

On October 6, 2018, Baumann responded to ██████, stating that she would allow ██████ to use the Lecture Room at Cooper Hewitt, as shown in Figure 3.

Figure 3. Email from Baumann to ██████, dated October 6, 2018

Our trustees room is booked but I'd be happy to extend use of the Lecture Room to ██████ for 11.15. I've copied my terrific colleague ██████ to help with all details.

██████ told OIG that ██████ held the board meeting at the Lecture Room at Cooper Hewitt on November 15 from 2:30 p.m. to 5:00 p.m., followed by free entry into the museum and a staff-guided tour. ██████ said there were 19 attendees at the meeting, and they only discussed business related to ██████.

In an October 6, 2018 email, a ██████ Cooper Hewitt's ██████ staff asked Baumann whether she was waiving the fees for ██████ to host their meeting at the museum, and Baumann told the staff member yes, except for expenses they incur. See Figures 4 and 5.

Figure 4. Email from Cooper Hewitt ██████ staff member to Baumann, dated October 6, 2018

The Lecture Room hold has released. ██████ will reach out to ██████ Are you waiving all fees associated with hosting this event/meeting at the museum?

Figure 5. Email from Baumann to Cooper Hewitt ██████ staff members, dated October 6, 2018

I will copy you ██████ Thank you both. Yes except our usual to cover any expenses incurred.

However, based on OIG interviews with ██████ staff and ██████, ██████ did not pay for anything related to the use of the Cooper Hewitt venue.

During the investigation, OIG learned that ██████ held a board meeting in the Trustee Room at Cooper Hewitt, on December 6, 2017, from 12:15 p.m. to 3:00 p.m. in the Trustee Room. According to a ██████ staff member, this event was also provided for free.

To host a corporate event with Cooper Hewitt, the organization needed to make a tax-deductible donation of \$5,000 to \$25,000 that was then applied towards a corporate membership, according to the events price list applicable during the relevant time period. The use of the Trustee Room required a \$5,000 membership, and the use of the Lecture Room required a \$15,000 membership.³ According to a ██████ staff member, ██████ was not a corporate member. In addition, Cooper Hewitt charged administrative fees of \$1,500 per hour to cover administrative and facilities costs, with a minimum of one hour on each end to allow time for set up and break down. Based on this information, OIG estimated that the total

³ In March 2019, Cooper Hewitt changed its events policy from a donation-based system to a rental-based system.

cost for [REDACTED] to use the two rooms was \$33,875 — \$12,125 for the Trustee Room on December 6, 2017, and \$21,750 for the Lecture Room on November 15, 2018.⁴

OIG acknowledges that the director of a museum may have the discretion to make decisions such as waiving event fees for development and other purposes. Therefore, OIG did not determine whether waiving the fee was appropriate.

Nonetheless, Baumann's use of [REDACTED] for free as her [REDACTED] venue on [REDACTED] and the close time proximity to Baumann directing the free use of meeting space to [REDACTED] on October 6, 2018, created an appearance that Baumann gave preferential treatment to [REDACTED] and that these actions were a quid pro quo — a violation of SD 103.

Baumann Did Not Report the Gift in Annual Confidential Financial Disclosure Report

SD 103 requires Baumann, as a unit director, to complete and submit an annual *Confidential Financial Disclosure Report*. The purpose of this report is to identify any potential or actual conflicts of interest. In particular, the report requires employees to report gifts totaling more than \$100 from any one source during the calendar year.

Baumann stated and OIG confirmed that she did not disclose the gift of free use of the [REDACTED] venue (with a minimum value of \$25,000) in her 2018 *Confidential Financial Disclosure Report*, even though the gift far exceeded the \$100 threshold. SD 103 cautions that employees “may be subject to disciplinary action...for failing to accurately disclose required information. Sanctions may range from a formal letter of reprimand placed in an employee's file up to and including dismissal.”

Baumann Obtained Her [REDACTED] Dress at a Discounted Price

On July 2, 2018, Baumann used her Smithsonian email account to contact [REDACTED], a dress designer and the owner of [REDACTED]. In her email, Baumann introduced herself as the director of Cooper Hewitt and inquired about dress samples. Baumann told OIG that she paid [REDACTED] \$750 for her custom-designed [REDACTED] dress; however, the website for the dress designer states that custom dresses have a minimum price of \$3,000. This discount is a gift to Baumann of at least \$2,250, and Baumann did not disclose this gift for her [REDACTED] in her annual *Confidential Financial Disclosure Report*. Furthermore, on September 26, 2018, Baumann directed her [REDACTED] staff member to give the designer of her [REDACTED] dress a free ticket to the National Design Awards, a value of \$1,700.

Baumann's acceptance of a custom-designed [REDACTED] dress at a discounted price resulted in Baumann violating SD 103 in the following ways: (1) using her Smithsonian position for private

⁴ For December 6, 2017, the cost of \$12,125 was calculated as follows: \$5,000 for use of Trustee Room, plus administrative fees of \$7,125 (\$1,500 per hour times 4.75 hours, for the period 11:15 a.m. to 4:00 p.m.). For November 15, 2018, the cost of \$21,750 was calculated as follows: \$15,000 for use of the Lecture Room, plus administrative fees of \$6,750 (\$1,500 per hour times 4.5 hours, for the period 1:30 to 6:00 p.m.).

gain, (2) creating the appearance that she engaged in a quid pro quo deal, and (3) not disclosing the gift in her annual *Confidential Financial Disclosure Report* as required.

Baumann Used Her Smithsonian Position for Private Gain in Obtaining Her [REDACTED] Dress

Baumann used her Smithsonian email account and introduced herself as director of Cooper Hewitt when first contacting [REDACTED]. Baumann told OIG that before July 2018, she and the museum had no prior connection to [REDACTED]. Baumann described [REDACTED] as an up-and-coming fashion designer. Baumann said she chose [REDACTED] because she did not “want a well-known designer” to design her [REDACTED] dress. See Figure 6.

Figure 6. Message from Baumann’s Smithsonian Email Account to [REDACTED] dated July 2, 2018

Message: Dear [REDACTED]
Just discovered your creative work online. I'm the director of Cooper Hewitt and [REDACTED] in an informal [REDACTED]. I love your work. Any chance that you have samples in size 2 or 4 that might do the trick? (realizing that we don't have months to prepare here...)
Thank you.
Caroline Baumann

In response to Baumann’s July 2, 2018 email, [REDACTED] stated that [REDACTED] did not have any samples on hand and offered to explore the option of a custom-made dress.

According to emails OIG reviewed, Baumann and [REDACTED] met in person at Cooper Hewitt for an initial meeting, on July 26, 2018, and for a fitting on August 9, 2018. See Figures 7 to 9.

Figure 7. Message from Baumann's Smithsonian Email Account to [REDACTED] dated July 26, 2018

3 p.m. is great—meet you in the Garden!

So looking forward to talking, and plunging you into the Cooper Hewitt experience too.

On August 9, 2018, Baumann inquired about the price of the dress, and [REDACTED] offered “to do the project at cost,” which [REDACTED] estimated to be around \$750. See Figures 8 and 9.

Figure 8. Message from Baumann’s Smithsonian email account to [REDACTED] dated August 9, 2018

Today at 5:45 ok?
Can you give me an idea of price please?.....
Loving the silver...want to feel it, can you bring samples please?
THANK YOU
x

Caroline Baumann, Director

Figure 9. Email from [REDACTED] to Baumann, dated August 9, 2018

I will be there at 5:45 and bring material swatches and the dress muslin to fit. I'm happy to do the project at cost, which would be around \$750.

Looking forward to seeing you!

x
[REDACTED]

According to [REDACTED] and Baumann, [REDACTED] charged Baumann \$750 for the dress, and Baumann said she paid this amount in cash. Baumann provided OIG screenshots of a redacted bank statement showing a cash withdrawal for \$750 on September 13, and a calendar reminder on the same date showing she needed the money to pick up her dress. However, at the time of [REDACTED] OIG interview on November 1, 2019, [REDACTED] was not able to locate a receipt or any other financial transaction documents related to the sale of this dress. [REDACTED] also did not respond to OIG's follow-up requests for documentation of this transaction.

[REDACTED] stated in [REDACTED] OIG interview that Baumann received a discount, and [REDACTED] routinely offers discounts to customers. When asked about the retail value of the dress, [REDACTED] did not respond. However, according to [REDACTED]'s website, custom gowns begin at \$3,000 and rise in price based on fabrics, embroideries, and silhouette.

Baumann Created the Appearance of a Quid Pro Quo

The National Design Awards (NDA) is Cooper Hewitt's fundraiser to honor lasting achievement in American design. This annual gala was held on October 18, 2018, and the price for a ticket was \$1,700.

In a September 26, 2018 email, Baumann notified [REDACTED] Cooper Hewitt [REDACTED] staff that [REDACTED] (who designed her [REDACTED] dress) would be attending the NDA. She also informed the staff member that it might be good to invite some of the press who were being contacted to publicize her [REDACTED]. When staff asked Bauman to clarify whether [REDACTED] should receive a complimentary ticket, Baumann responded, "yes." See Figure 10.

Figure 10. Email from Baumann to Cooper Hewitt [REDACTED] staff members, dated September 26, 2018

My [REDACTED] dress is designed by [REDACTED] will be at NDA. [REDACTED] might be good to invite some of the press that you are talking to about the [REDACTED] (since it's the dress).
Thanks.

Baumann stated in her letter to OIG, "Shortly before the gala, as table buyers alerted me of 'holes in their tables' and asked me to assist with filling open seats, as they always do, I asked [REDACTED] to join the festivities. [REDACTED] was one of many emerging and well-known designers comped that evening, a customary action for Cooper Hewitt each year as we strive to be the platform for design and a welcoming place for designers."

OIG acknowledges that Baumann, as director of Cooper Hewitt, has the discretion to offer complimentary tickets to guests. Based on OIG's review of the complimentary guest lists of the

nearly 500 attendees, more than 100 received complimentary tickets. Cooper Hewitt gave complimentary tickets to press, jurors, award winners, Smithsonian staff, and approximately 40 others, including [REDACTED].

Notwithstanding this customary practice to provide complimentary tickets, Baumann's email to her staff member regarding the complimentary ticket for [REDACTED] did not mention the table buyers' request to help fill holes in their tables and was sent about three weeks before the gala. Baumann stated that neither she nor the dress designer discussed Baumann providing the ticket as a "trade" for the dress. Nonetheless, based on the proximity of Baumann's [REDACTED] [REDACTED] where she wore a custom-made [REDACTED] dress from [REDACTED] — that Baumann received at a significant discount — to Baumann's September 26 email directing staff to give [REDACTED] a complimentary ticket to the NDA, there is an appearance that these actions were a quid pro quo — a violation of SD 103.

Baumann Did Not Report the Gift in Annual Confidential Financial Disclosure Report

SD 103 requires Baumann to report gifts totaling more than \$100 from any one source during the calendar year. However, Baumann stated and OIG confirmed that Baumann did not report the discounted price she received for her [REDACTED] dress as a gift in her 2018 *Confidential Financial Disclosure Report*. The discount (estimated to be at least \$2,250) was greater than \$100, the minimum amount of a gift required to be reported. The purpose of this report is to identify any potential or actual conflicts of interest, and employees may be subject to disciplinary action for not accurately reporting required information.

Baumann Directed Cooper Hewitt Staff and a Contractor to Publicize Her [REDACTED]

According to the complainant, Cooper Hewitt staff spent two weeks promoting Baumann's [REDACTED] instead of conducting their normal duties, including promoting stories about Cooper Hewitt's exhibitions and programs. SD 103 states that employees shall not directly or indirectly make use of or permit the use of Smithsonian staff or resources for other than officially approved activities. OIG found that Baumann directed Cooper Hewitt [REDACTED] staff and a contractor to promote her [REDACTED] in entertainment and news publications and to get publicity for [REDACTED].

On August 1, 2018, Baumann submitted an online application request to the [REDACTED] to have her [REDACTED] story listed as a featured story. On August 10, Baumann emailed two members of the [REDACTED] staff and asked them to check in with the [REDACTED] about her request. See Figure 11.

Figure 11. Email from Baumann to Cooper Hewitt [REDACTED] staff members about publicizing [REDACTED], dated August 10, 2018

The online application resulted in a few snaffos on spelling on names....when you check in w/person, can you ask if they need that corrected?

I am definitely working with [REDACTED] on gown. [REDACTED] there too. Would love to get some visibility for [REDACTED]....and ultimate goal would be pic from [REDACTED] rather than the shot I sent.

Based on Baumann's request, a [REDACTED] staff member asked two media contacts who write [REDACTED] stories to consider publishing an article about Baumann's [REDACTED]. Because these contacts declined or did not respond to the staff member's request, the members of the [REDACTED] staff changed their strategy to pitch the design aspects of Baumann's [REDACTED] instead. For example, a [REDACTED] staff member sent an email to the [REDACTED] requesting them to consider Baumann's [REDACTED] (including [REDACTED]'s dress and the [REDACTED] venue) in their publication. See Figure 12.

Figure 12. Email from Cooper Hewitt [REDACTED] staff member to [REDACTED]

Greetings from the press office at Cooper Hewitt, Smithsonian Design Museum. I'm writing today with some very happy news: the museum's director, Caroline Baumann, is [REDACTED] to [REDACTED] on [REDACTED] under the [REDACTED] [REDACTED]. A true design [REDACTED] [REDACTED].

As director of America's design museum, Caroline's mandate is to inspire, educate and empower people through design. Design permeates every aspect of our lives -- and the [REDACTED] will be no exception, from the [REDACTED] location at [REDACTED] [REDACTED] to the specially commissioned [REDACTED] dress by [REDACTED] designer [REDACTED]. Might you be interested in learning more about the vibrant design aspects of the [REDACTED]? We have some wonderful process photos from the designer's studio.

I'd also be delighted to arrange for you to speak with Caroline and [REDACTED] for additional information as [REDACTED] draws near. They are a [REDACTED] who share a love for creativity, all things mod, the color orange and the movie Fahrenheit 451.

Thanks for your consideration.

In addition, Baumann suggested in a September 10, 2018 email that staff seek assistance from [REDACTED] — a Cooper Hewitt [REDACTED] contractor — to leverage [REDACTED]'s contacts to get Baumann's [REDACTED] story published. Based on OIG interviews of [REDACTED] staff, [REDACTED] is a private firm that Cooper Hewitt hired to improve the museum's [REDACTED]. See Figure 13.

Figure 13. Email from Baumann to Cooper Hewitt [REDACTED] staff members requesting staff to ask for [REDACTED] contractor assistance, dated September 10, 2018

Apparently dress designer's friend is a [REDACTED] writer too so [REDACTED] was curious to know who you were talking to—I will send [REDACTED] and [REDACTED]'s names. Can [REDACTED] help with [REDACTED] section possibility?

Following Baumann's suggestion, on September 10, 2018, a member of the [REDACTED] staff contacted the [REDACTED] contractor as shown in Figure 14.

Figure 14. Email from a Cooper Hewitt [REDACTED] staff member to the [REDACTED] contractor, dated September 10, 2018

I'm following up regarding media outreach for Caroline's upcoming [REDACTED] at [REDACTED]. Our office made pitches to both [REDACTED] but have not locked in a story thus far. With a week to go, we're wondering if you might have any connections with editors that we can lean on?

A long form story a la the [REDACTED] on the American Folk Art director is the preference. For background, I received a decline from [REDACTED] (who actually wrote this weekend's story on the [REDACTED]) and did not receive any response from my pitches last month to the [REDACTED]. At that point, we decided to switch gears and pitched a [REDACTED] section story to [REDACTED] with emphasis on the design process, fashion designer, [REDACTED] location at [REDACTED] and of course, the distinguished bios of the [REDACTED]. I also dangled exclusive access to the fashion designer's atelier to see the dress in formation.

A tactical question now is whether we should proceed with the more traditional [REDACTED] (the [REDACTED] desk has already been in touch) or try to hold out for a longer story, with the right connection? We'd appreciate any suggestions and advice you can share with us.

On September 12, 2018, Baumann also sent an email to the [REDACTED] contractor requesting assistance. See Figure 15.

Figure 15. Email from Baumann to the [REDACTED] contractor, dated September 12, 2018

It's such happy news to promote, alongside the [REDACTED] connection to Cooper Hewitt, and the design stories throughout. Appreciate anything you can do to make this more than traditional [REDACTED].
Look forward to seeing you tomorrow.
Best,
C.

Baumann stated that publicizing her [REDACTED] was related to her official duties as director of Cooper Hewitt. Baumann told OIG that based on her position as the director of the museum, she "definitely talked about [getting press for the [REDACTED]] to [REDACTED] [staff] with it being a moment." In addition, in her letter to OIG, Baumann stated that Cooper Hewitt had been encouraged and advised by communications consultants to "shed more light" on a more personal side of Baumann. Baumann stated in her letter to OIG that "[t]he museum team worked on landing the coverage, sending on sketches of the dress and more."

Despite Baumann's assertions, Baumann's [REDACTED] was not an official Smithsonian function; it was a personal affair that was unrelated to her Smithsonian employment. Moreover, the use of staff and the contractor to promote her [REDACTED] was not sanctioned by her supervisor or an ethics counselor as an officially approved activity.

Baumann Failed to Disclose Her [REDACTED] Contract with Cooper Hewitt in Her Annual Confidential Financial Disclosure Report

During the investigation, OIG received an allegation that Baumann steered a graphic design contract for Cooper Hewitt's bi-annual *Design Journal* to her [REDACTED] [REDACTED] in 2017. [REDACTED], Cooper

Hewitt, was responsible for generating content for the June 2017 publication date. According to [REDACTED], because the in-house graphic designer was on maternity leave at the time, Cooper Hewitt had to rely on a less experienced temporary graphic designer. It was a joint decision between [REDACTED] and the Cooper Hewitt [REDACTED] team to freelance the work to an outside contractor. [REDACTED] said the due date for the publication was quickly approaching, and they did not have a lot of options.

[REDACTED] recalled discussing this issue with Baumann during one of their meetings. According to [REDACTED], Baumann suggested hiring [REDACTED], which [REDACTED] told OIG made [REDACTED] feel uncomfortable. [REDACTED] said that [REDACTED] suggested other options, but Baumann told [REDACTED] to use [REDACTED]. [REDACTED] told OIG that [REDACTED] should not have done it, but [REDACTED] eventually acquiesced to Baumann's request and submitted all of the required paperwork to execute the contract with [REDACTED], including the Office of Contracting and Personal Property Management form (OCON 100), *Contracting with Individuals Screening Checklist*. The purchase order was then issued in May 2017 for \$5,000 for [REDACTED] to "provide professional, technical, non-personal services to provide design services, including a final PDF copy of *Design Journal* Spring 2017 for the Smithsonian Institution, Cooper-Hewitt Smithsonian Design Museum."

Under the section regarding "close personal or financial relationship with a current Smithsonian employee," the OCON 100 form stated that Baumann and [REDACTED] were [REDACTED] (which was true at the time of the form was completed). However, the form contained two responses that were contrary to [REDACTED]'s statements to OIG (see Figure 16):

- How did the Unit identify this contract requirement? Did the Unit independently identify its contracting needs before contacting the proposed contractor?
 - "Cooper Hewitt identified its contracting needs before identifying this contractor. [REDACTED] is an independent graphic designer who's [sic] work is on point with our style and branding. Our team discovered [REDACTED] work via [REDACTED] website."
- (If applicable) If the proposed contractor is related to, or maintains a close personal or financial relationship with a current SI employee or board member, was that SI employee or board member involved with making the decision to contract with the proposed contractor? If yes, please explain how their involvement does not pose a conflict for the proposed award.
 - "Caroline Baumann was not involved in the decision to contract with the proposed contractor. This decision came from the [REDACTED] [REDACTED] who was trying to hire an appropriate designer for this job who was able to meet our design and production schedule."

Figure 16. OCON 100 form for purchase order [REDACTED], Conflict of Interest - OGC Review and Determination section, page 6 of 7

SECTION II: CONFLICT OF INTEREST- OGC REVIEW AND DETERMINATION (cont'd)	
Name of Individual: [REDACTED]	Purchase Order No.: [REDACTED]
2. How did the Unit identify this contract requirement? Did the Unit independently identify its contracting needs before contacting the proposed contractor?	
Cooper Hewitt identified its contracting needs before identifying this contractor. [REDACTED] is an independent graphic designer who's work is on point with our style and branding. Our team discovered [REDACTED] work via [REDACTED] website.	
3. How did the Unit come to the decision to contract with the proposed contractor for this work?	
We decided to contract with this vendor because the freelance designer we were set to use was suddenly going to be unavailable traveling during the time we would need to be working with [REDACTED] for the desired delivery of the publication.	
4. Did the Unit look at multiple candidates for the contract or otherwise compete the contract?	
Yes, we looked at two other candidates. Our first candidate [REDACTED] has previously designed another issue of the Design Journal but is currently a graduate student in graphic design and unable to deliver on our schedule. The second candidate, [REDACTED] who had also been a freelance designer on a prior Design Journal was also unavailable.	
5. (If applicable) Were there individuals involved with making the decision to contract with the proposed contractor who worked with the proposed contractor in the past while he/she was employed with SI? If yes, please explain how their involvement does not pose a conflict for the proposed award.	
[REDACTED] was not ever an SI employee.	
6. (If applicable) If the proposed contractor is related to, or maintains a close personal or financial relationship with a current SI employee or board member, was that SI employee or board member involved with making the decision to contract with the proposed contractor? If yes, please explain how their involvement does not pose a conflict for the proposed award.	
Caroline Baumann was not involved in the decision to contract with the proposed contractor. This decision came from the [REDACTED] who was trying to hire an appropriate designer for this job who was able to meet our design and production schedule.	

The OCON 100 form requires the unit director to sign that they “have reviewed the information provided on this form and agree with the determination made by the Unit Procurement Officer” in a section titled, “Unit Director Review and Concurrence.” However, Baumann did not sign this section of the OCON 100 form; instead, [REDACTED], Cooper Hewitt, signed the form for Baumann. Baumann said that she was unaware that the unit director’s signature was a requirement for the OCON 100 form. During their interviews with OIG, Baumann and [REDACTED] stated that it is their practice for [REDACTED] to sign these forms for Baumann. See Figure 17.

Figure 17. OCON 100 form for purchase order [REDACTED], Unit Director Review and Concurrence Section

UNIT DIRECTOR REVIEW AND CONCURRENCE				
I have reviewed the information provided on this form and agree with the determination made by the Unit Procurement Officer designated above.				
[REDACTED] <i>for Caroline Baumann</i> (Museum, Research Center, Office Director Signature)				
Typed or Printed Name:	Title:	Date of Signature:	Bldg/Room No./MRC:	Telephone No.:
[REDACTED] for Caroline Baumann	[REDACTED]	5/4/17	CHSDM	[REDACTED]

Based on a review of the information in the OCON 100 form, an OGC attorney authorized the procurement to proceed and checked on the form that there was no actionable conflict or the potential conflict was manageable under the facts and circumstances.

During her interview with OIG, Baumann acknowledged that she was involved with the conversations regarding the need to acquire a graphic designer quickly because they were in a tight spot. However, she does not remember who brought up ██████████'s name as a potential contractor for the project. Baumann stated that she did not recall reviewing the OCON 100 form, but she gave specific directions to ██████████ to make sure that "D.C." agreed that her ██████████ could do the project.

Because the nature of this allegation is based on conversations, rather than emails and documents, the investigation was particularly hampered because Baumann did not sign the OCON 100 form, as required, to certify her review. OIG could not determine whether Baumann steered a contract to her ██████████.

However, Baumann was required to disclose the contract to her ██████████ in her 2017 *Confidential Financial Disclosure Report*, and she did not. SD 103 requires an employee to provide information that may reveal a potential or actual conflict of interest in the *Confidential Financial Disclosure Report*. In Part IV of this report, Smithsonian employees are required to report interests related to their Smithsonian position, and it provides the following instructions for this type of disclosure:

"Identify any individuals or entities, regardless of whether or not you have already identified them in this Report, which, to your knowledge, have done, sought or seek to do business with the Smithsonian, your unit or office, or that have interests that may be affected by the activities of your unit during the reporting period and up to the date of the filing of this Report."

This section of the report also provides examples of reportable interests, including: "ABC Construction, brother-in-law is a co-owner, bid on a subcontract managed by unit" and "XYZ Design Consulting, former employer, a potential candidate for an exhibition design contract in my unit."

Even if the contract was authorized and identified in the OCON 100 form, Baumann was required to report ██████████ as someone who has done business with Cooper Hewitt during the reporting period. OIG reviewed Baumann's 2017 *Confidential Financial Disclosure Report* and found that she did not report this required information, in violation of SD 103.

CONCLUSION

OIG finds that Baumann violated SD 103 in the following ways:

- Soliciting and accepting the use of a venue for her [REDACTED], a gift valued at least \$25,000, from a prohibited source, without paying the fair-market value of the gift and reporting it to a Smithsonian ethics counselor;
- Creating the appearance of using her Smithsonian position for private gain by soliciting the use of a [REDACTED] venue from a prohibited source;
- Creating the appearance of giving preferential treatment by providing free use of a Cooper Hewitt space to the [REDACTED] venue host with an estimated value of \$33,875;
- Using her Smithsonian position to solicit a dress designer for a [REDACTED] dress and receiving a discount of at least \$2,250;
- Creating the appearance of a quid pro quo deal by providing the dress designer with a free ticket to the National Design Awards, a value of \$1,700, soon after receiving a discount for her custom-designed [REDACTED] dress;
- Failing to disclose the gifts of free use of [REDACTED] venue and discounted price for [REDACTED] dress on her annual *Confidential Financial Disclosure Report*, even though she is required to disclose gifts greater than \$100 from any source;
- Using Smithsonian staff and a contractor to publicize her [REDACTED], which was not an official Smithsonian activity; and
- Failing to disclose her [REDACTED] contract with Cooper Hewitt on her annual *Confidential Financial Disclosure Report*.

OIG did not substantiate the allegation that Baumann steered a contract to her [REDACTED].