




July 28, 2014

MEMORANDUM FOR THE DEPUTY UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY

FROM:


Todd J. Zinser

SUBJECT:

OIG Review of Waste and Mismanagement at the Patent Trial and Appeal Board (OIG Case 13-1077-I)

Attached is our final report detailing the findings of our investigation into allegations received from multiple whistleblowers alleging waste and mismanagement at the Patent Trial and Appeal Board (PTAB), one of the components within the U.S. Patent and Trademark Office.

Our investigation uncovered waste in the PTAB that persisted for more than four years (2009-13) and resulted in the misuse of federal resources totaling more than \$5 million. The bulk of the wasted resources related to PTAB's paralegals, who had insufficient workloads and considerable idle time during those years. Paralegals told the OIG that they engaged in a variety of personal activities including watching television; surfing the internet; using Facebook and other social media; washing laundry and cleaning dishes; and shopping online while in an official pay status.

PTAB managers, including its senior-most personnel, were aware of this problem but took little action to prevent such waste because they believed the problem would disappear once PTAB hired additional judges. We found that, by failing to report the significant waste incurred by the PTAB when Paralegal Specialists were being paid to not work, numerous PTAB employees appear to have violated certain regulations and Department of Commerce policies.

As a result of the investigation, we made several recommendations to strengthen USPTO programs, and would appreciate a response detailing the agency's plans for addressing these recommendations within 60 days. For example, we recommended that the PTAB make several changes to prevent such problems in the future, including an examination of workload on a regular basis and implementation of processes to readjust workforce assignments, among other things, if employees have insufficient workloads.

We intend to post our investigative report to our public website. We would like to thank USPTO for their cooperation during this investigation. If you have any further questions or comments about this report, please contact me at (202) 482-4661, or Morgan Kim at (202) 482-3486.

Attachment

cc: The Honorable Penny Pritzker, Secretary of Commerce
Bruce H. Andrews, Acting Deputy Secretary of Commerce
Justin Antonipillai, Acting Chief of Staff
Kelly Welsh, General Counsel
Andrew Byrnes, Chief of Staff, USPTO
Sarah Harris, General Counsel, USPTO