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Description of document: Investigations Conducted by the Treasury Dept. Office of Inspector General (OIG) Pertaining to the Office of the Comptroller of the Currency and other Treasury Department Components (OFAC, FMS, OTS, US Mint), 2009-2012

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Office of the Inspector General
Department of the Treasury
1500 Pennsylvania Avenue
Washington, DC 20220

Note: Names were removed at the request of the IG's office on 11-July-2012

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From: "Delmar, Richard"
Date: Tue, 26 Jun 2012 13:28:40 -0400
Subject: your FOIA request for Treasury OIG investigative reports

First of several emails sending you redacted copies of reports of investigation you requested in your FOIA request 2012-05-128. Will send more as I complete them today and tomorrow.

Redactions are made per FOIA Exemption 7C, for witness, subject, and other names and personal identifying information.

Redactions constitute partial denial of your request, which you can appeal, by notice to Treasury Office of Disclosure Services.. Please call or write for details.

Rich Delmar
Counsel to the Inspector General
Department of the Treasury



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 14, 2012

MEMORANDUM FOR OFFICE OF INVESTIGATIONS

FROM:

[REDACTED] Special Agent in Charge

3-14-12

SUBJECT:

Notification of Preliminary Inquiry Closure

OIG Preliminary Inquiry Number: OCC-12-0689-P

A preliminary inquiry was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), after receiving information from a complainant alleging two employees of the Office of the Comptroller of the Currency (OCC), were involved in intimate relationship, and were caught by OCC Security in a compromising position on OCC property.

As a result, TOIG conducted an investigative assessment including several interviews of individuals possible involved or had knowledge of the incident and determined this matter lacks investigative merit. As a result we are closing this matter accordingly.

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Office of Inspector General – Investigations
Department of the Treasury

From: [REDACTED] [REDACTED] [REDACTED]@cc.treas.gov]
Sent: Monday, January 30, 2012 11:03 AM
To: [REDACTED]
Subject: [REDACTED] need to identify complainant in OCC referral

Importance: High

[REDACTED] informed me that the employee is willing to be interviewed. The employee is [REDACTED] and [REDACTED] can be reached at [REDACTED] 2. If you need anything else, please let me know. Our directory indicates that [REDACTED] is a space planner in our real estate services unit. [REDACTED] is located in our offices at Constitution Center.
[REDACTED]

From: [REDACTED] [REDACTED] [REDACTED] [mailto:McCaneyS@oig.treas.gov]
Sent: Friday, January 27, 2012 9:02 AM
To: [REDACTED]
Subject: need to identify complainant in OCC referral

Hi [REDACTED]

OCC sent us the attached complaint, we referred it back to the OCC, and the OCC referred it back to us. We need to interview the complainant and we understand that, even though the complainant is anonymous, OCC knows who the complainant is. If OCC does know who the complainant is, would [REDACTED] or [REDACTED] be willing to release [REDACTED] or [REDACTED] contact information to us so we can interview [REDACTED] or [REDACTED] If not, would [REDACTED] or [REDACTED] perhaps be willing to be interviewed in anonymity by telephone?

-- [REDACTED]



MEMORANDUM

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

To: [REDACTED], Assistant Special Agent in Charge

From: [REDACTED] Senior Advisor /s/

Date: November 2, 2011

Subject: OCC Referral – Unethical Behavior

Below is an email message that was sent by an OCC employee who wishes to remain anonymous. The message was redacted and forwarded to me by the OCC's Director of Administrative and Internal Law, whose division includes the OCC's ethics counsel. If you need additional information, particularly as it relates to the acronyms used, please let me know.

From:
Sent: Monday, October 24, 2011 1:05 PM
To:
Subject: Ethics Training

I really enjoyed your ethics presentation. The format you used made it so much more enjoyable.

I do have several questions, and would like to remain anonymous if possible. I believe I would lose my job if I did not remain anonymous.

All the ethics points you touched seemed to involve bank examiners and issues with investments. I'm neither a bank examiner nor have any money to invest. Rather, I'm an [redacted] department.

In the last two or so years, the entire OM department's moral has gone down. Why? The appearance of 'unethical behavior'. I'm not sure where to start...but I'll try to put them down in point form. Then, my question to you would be...are the points below truly unethical or acceptable?

- The [REDACTED] of OM and [REDACTED] appeared to have a relationship with [REDACTED] assistant who [REDACTED] was evaluating.

- The [redacted] director hires [redacted] BFF as an Senior [redacted] for the HQ relocation (the position was not entirely known to the rest of the [redacted] department and seemed to have been written exclusively for [redacted] BFF - some believe the position was to get [redacted] BFF in a high 'last three' of [redacted] retirement.
- Were other [redacted]s that applied given equal opportunity?
- The [redacted] director informs a [redacted] Lead that [redacted] did not wish to work with a firm called [redacted] due to a falling out with one of the [redacted] partners (some 40 years ago).
- The [redacted] Lead informs the TEP team of the [redacted] director's opinion. The TEP team (which the [redacted] Lead was on) for the most part chose to ignore the opinion and the [redacted] firm was chosen as one of the Architectural contractors for the OCC.
- The [redacted] director asked a [redacted] Lead to remove the [redacted] partner the [redacted] director had a falling out with some 40 years ago from all OCC jobs (Key Personnel)
- The [redacted] director indicates who [redacted] particularly likes to work with ([redacted]) at [redacted] (prior [redacted] Firm) and that particular person get's hired onto the [redacted] firm ([redacted]) who get's the HQ relocation project. The former [redacted] person is now working on the HQ project.

Then it seems like everything else starts to snowball. There appears to be unethical hiring practice in the "Continuing Education" department. Friends of friends start to get hired from the FAA. There is a lot more, and OM is starting to grumble.

Maybe it would be helpful to cover 'all' unethical practices? If none of the above is unethical, at least it can quiet down the grumbling if the above points were covered in your presentation.

This e-mail was especially hard to write. I just wanted to delete after every new sentence. But, I think it would benefit the OCC, especially the OM department, if some of these issues were clarified. Thanks,

[redacted signature block]



MEMORANDUM OF ACTIVITY



Case Number: OCC-12-0689-P	Reporting Office: Washington Field Office	Type of Activity: Interview - Witness
Date of Activity: February 3, 2012	Date Report Drafted: February 3, 2012	Location of Activity: 1425 New York Ave. N.W. Washington, D.C. 20005
Subject of Activity: [REDACTED] [REDACTED] Office of the Comptroller Of the Currency Washington, D.C. [REDACTED]		Activity Conducted By (Name(s) and Title(s)): SA [REDACTED] SA [REDACTED]

On February 3, 2012 the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), interviewed [REDACTED] [REDACTED] [REDACTED] Office of the Comptroller of the Currency (OCC), [REDACTED] ([REDACTED] based upon a complaint alleging ethical improprieties at the OCC, to include an inappropriate personal relationship between supervisor and subordinate. [REDACTED] consented to the interview and provided the following information:

[REDACTED] stated [REDACTED] has worked at OCC since April 2007, and this was [REDACTED] first job in the government. [REDACTED] was fearful of losing [REDACTED] job and was advised by fellow OCC employees that [REDACTED] not come forward because of possible retaliation. [REDACTED] also stated that because [REDACTED] loves [REDACTED] job [REDACTED] needs to tell TOIG about these issues in the hope that things will change. [REDACTED] added that some of the issues [REDACTED] will discuss are fact but a lot of the issues are assumptions.

In September 2011, an EEO investigation was conducted at OCC. The investigation which focused on favoritism allegations was investigated by [REDACTED] [REDACTED]. [REDACTED] stated it was [REDACTED] opinion the investigation did not corroborate the allegations contrary to [REDACTED] belief that favoritism exists at OCC.

[REDACTED] explained there had been a rumor going around OCC that Senior Deputy Comptroller [REDACTED] [REDACTED] was having a relationship with another OCC employee who [REDACTED] evaluated. [REDACTED] identified the employee as [REDACTED] [REDACTED] and [REDACTED] was [REDACTED] Office Assistant. [REDACTED] further explained the rumor became fact when [REDACTED] learned that [REDACTED] and [REDACTED] were written up by OCC Security after being caught in a compromising position. Reportedly they were having sex in

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Office of Inspector General - Investigations
Department of the Treasury

OCC-12-MEMORANDUM OF ACTIVITY

Case Number: DO-12-0689-C	Subject of Activity (Brief Description): [REDACTED]	Date of Activity: February 3, 2012
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either [REDACTED] office or a stairwell. As a result [REDACTED] was reassigned to a different department. [REDACTED] was reportedly counseled on the matter by [REDACTED]

[REDACTED] also stated that [REDACTED] immediate supervisor [REDACTED] hired [REDACTED] best friend [REDACTED] as a Senior Project Manager and believed the position was written for [REDACTED]. Reportedly this position was created so [REDACTED] could obtain a higher "last three" before [REDACTED] retirement. [REDACTED] who [REDACTED] believes to be gay like [REDACTED] was hired from a pool of over 100 applicants. [REDACTED] also stated that [REDACTED]'s hiring was announced by [REDACTED] in a meeting before the announcement was closed. [REDACTED] stated that [REDACTED] made the announcement because [REDACTED] wants to bring the fact that [REDACTED] and [REDACTED] were friends. [REDACTED] started in April 2011. [REDACTED] did not conduct the interviews. Interviews were conducted by [REDACTED] and [REDACTED]

Upon further inquiry on the issue, [REDACTED] stated the announcement came out on February 27, 2011 and closed on March 11, 2011. [REDACTED] did not know if other applicants were interviewed and stated the position was for only two years with an option to extend for a third year.

[REDACTED] stated it was [REDACTED] opinion that [REDACTED] discriminates against females and favors gay males and gives better treatment to men. [REDACTED] stated the only proof [REDACTED] could offer was that the pay grades of the OCC employees in the [REDACTED] reflect males were paid more than females.

[REDACTED] stated that [REDACTED] tried to influence a Technical Evaluation Panels (TEP) decision on the contract to redesign OCC facilities nationwide. [REDACTED] explained in early 2010 the TEP was about to convene to review proposals. The panel consisted of [REDACTED] and [REDACTED]. [REDACTED] reportedly informed [REDACTED] that [REDACTED] did not expect the TEP to select the firm of [REDACTED] ([REDACTED] subsequently learned that [REDACTED] held a grudge against [REDACTED] employee [REDACTED] and [REDACTED] were college roommates and [REDACTED] was responsible for [REDACTED] getting kicked out of [REDACTED] college dorm approximately 40 years ago. [REDACTED] informed the panel of the information [REDACTED] conveyed. However the panel was not influenced. The TEP reviewed 51 proposals and eventually selected three firms: [REDACTED] and [REDACTED]. [REDACTED] stated that in the [REDACTED] there

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OCC-12-MEMORANDUM OF ACTIVITY

Case Number: DO-12-0689-C	Subject of Activity (Brief Description): [REDACTED]	Date of Activity: February 3, 2012
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is no better company than [REDACTED] There were no bid protests filed after the award was announced.

[REDACTED] also stated once the contract was up and running [REDACTED] instructed [REDACTED] to have [REDACTED] removed from the key personnel list because [REDACTED] did not want to work with [REDACTED] [REDACTED] stated that [REDACTED] removed [REDACTED] from the key personnel list.

[REDACTED] also stated that there seems to be a lot of former Federal Aviation Agency (FAA) employees were being hired in the continuing education department and claimed this was an unethical hiring practice.

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MEMORANDUM OF ACTIVITY



Case Number: OCC-12-0689-P	Reporting Office: Washington Field Office	Type of Activity: LEO Activity - Interview
Date of Activity: February 16, 2012	Date Report Drafted: February 16, 2012	Location of Activity: 1425 N.Y. Ave. N.W. Washington, D.C. 20005
Subject of Activity: [REDACTED] Office of the Comptroller Of the Currency Washington, D.C. [REDACTED]		Activity Conducted By (Name(s) and Title(s)): SA [REDACTED] SA [REDACTED]

On February 16, 2012, in a follow-up to a February 3, 2012 interview, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), contacted [REDACTED] Office of the Comptroller of the Currency (OCC), [REDACTED] based upon a complaint alleging ethical improprieties at the OCC, to include an inappropriate personal relationship between supervisor and subordinate. [REDACTED] consented to the interview and provided the following information:

When initially contacted, [REDACTED] stated [REDACTED] could not discuss the issues on the telephone because [REDACTED] worked in a cubicle. [REDACTED] requested contact by email.

In an email exchange, [REDACTED] stated [REDACTED] told [REDACTED] about the sexual encounter between [REDACTED] and [REDACTED]. [REDACTED] was informed of this issue by [REDACTED] and fellow OCC employee [REDACTED].

[REDACTED] works for Senior Deputy Comptroller for Mid-Size/Community Bank Supervision and told [REDACTED] that [REDACTED] read the Office of Security's report.

[REDACTED] supervisor is the Acting Comptroller of the Currency John Walsh.

[REDACTED] worked with [REDACTED] at their previous agency prior to coming over to OCC. [REDACTED] believed they came from FAA but was not certain. [REDACTED] was hired by OCC and [REDACTED] brought [REDACTED] over as [REDACTED] Executive Assistant.

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Office of Inspector General - Investigations
Department of the Treasury



MEMORANDUM OF ACTIVITY



Case Number: OCC-12-0689-P	Reporting Office: Washington Field Office	Type of Activity: LEO Activity - Record/Information Review
Date of Activity: February 22, 2012	Date Report Drafted: February 22, 2012	Location of Activity: 1425 N.Y. Ave. NW Washington, D.C. 20005
Subject of Activity: [REDACTED] Senior Advisor Office of the Comptroller Of the Currency Washington, D.C. [REDACTED]		Activity Conducted By (Name(s) and Title(s)): SA [REDACTED] - TOIG

On February 22, 2012, the U.S. Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (TOIG), received employment data on Office of the Comptroller of the Currency (OCC) Program Analyst [REDACTED] [REDACTED] [REDACTED] Senior Advisor, OCC provided the information in a email in furtherance of a complaint alleging ethical improprieties at the OCC, to include an inappropriate personal relationship between supervisor and subordinate. The review provided substantially the following information:

[REDACTED] was hired with OCC on [REDACTED]. [REDACTED] was an Executive Assistant to the Senior Deputy Comptroller for [REDACTED] from [REDACTED] to [REDACTED]. [REDACTED] immediate supervisor was [REDACTED] [REDACTED] currently works as a Program Analyst and [REDACTED] current supervisor is [REDACTED].

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Office of Inspector General - Investigations
Department of the Treasury

From: [REDACTED] [REDACTED] [REDACTED]@occ.treas.gov]
Sent: Tuesday, February 21, 2012 1:48 PM
To: [REDACTED]
Subject: FW: OIG Investigator Request

[REDACTED]
If you need anything else, please let me know.
[REDACTED]

From: [REDACTED]
Sent: Thursday, February 16, 2012 6:03 PM
To: [REDACTED]
Cc: [REDACTED]; [REDACTED]
Subject: [REDACTED] OIG Investigator Request

Hi [REDACTED] here is the information you requested.

Date hired with OCC: [REDACTED]

Title: Executive Assistant to the SDC for [REDACTED]

Dates held: [REDACTED] to [REDACTED]

Immediate supervisor: [REDACTED]

Title: Program Analyst

Dates held: [REDACTED] to present

Immediate supervisor: [REDACTED]

[REDACTED]
Human Resources Service Center - HQ
Office of Human Resources
Office of the Comptroller of the Currency

(202) [REDACTED] (office)

(301) [REDACTED] (fax)

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From: [REDACTED]
Sent: Tuesday, February 14, 2012 11:52 AM
To: [REDACTED]
Subject: [REDACTED] OIG Investigator Request

That would be okay, [REDACTED]
Thanks!

[REDACTED]

From: [REDACTED]
Sent: Tuesday, February 14, 2012 11:41 AM
To: [REDACTED]
Subject: [REDACTED] OIG Investigator Request

[REDACTED] I will have a staff member start work on this. Can we get this information by cob this week or does the IG need it sooner?

[REDACTED]
[REDACTED]
Employment Policy & Services
Office of Human Resources
Office of the Comptroller of the Currency

(202) [REDACTED] (o)

(301) [REDACTED] (f)

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From: [REDACTED]
Sent: Tuesday, February 14, 2012 10:11 AM
To: [REDACTED]
Subject: OIG Investigator Request

[REDACTED],
An agent from Treasury OIG is conducting an investigation and needs employment information concerning [REDACTED] [REDACTED] needs to know when [REDACTED] was hired by the OCC, the dates and titles of positions that [REDACTED] has held, and who [REDACTED] immediate supervisor was for each of the positions. Can you help with this request?

Thanks!

[REDACTED]



MEMORANDUM OF ACTIVITY



Case Number: OCC-12-0689-P	Reporting Office: Washington Field Office	Type of Activity: Interview - Witness
Date of Activity: February 23, 2012	Date Report Drafted: February 23, 2012	Location of Activity: 1425 New York Ave., N.W. Washington, D.C. 20005
Subject of Activity: [REDACTED] Program Analyst Office of the Comptroller Of the Currency Washington, D.C. [REDACTED]		Activity Conducted By (Name(s) and Title(s)): SA [REDACTED] Sa [REDACTED]

On February 23, 2012, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), interviewed [REDACTED] [REDACTED] Program Analyst, Office of the Comptroller of the Currency regarding a complaint alleging ethical improprieties at the Office of the Comptroller of the Currency, to include an inappropriate personal relationship between supervisor and subordinate. [REDACTED] consented to the interview, placed under oath and provided substantially the following information:

[REDACTED] stated [REDACTED] was hired by OCC in [REDACTED]. [REDACTED] was hired to be the Executive Assistant for the Senior Deputy Comptroller [REDACTED] [REDACTED]. During the first pay period in [REDACTED], [REDACTED] was transferred to the [REDACTED] Section of OCC and began work for [REDACTED] Melo.

[REDACTED] explained [REDACTED] has known [REDACTED] professionally and personally for over 20 years. Before working for the U.S. government, [REDACTED] and [REDACTED] worked in the private sector together in [REDACTED]. They were partners in a tax firm. [REDACTED] who is a CPA, stated [REDACTED] worked for [REDACTED] when [REDACTED] was the Assistant Secretary for [REDACTED] and the [REDACTED] at the Department of [REDACTED]. [REDACTED] also worked for [REDACTED] when [REDACTED] was the Inspector General at the Department of [REDACTED].

Upon inquiry, [REDACTED] stated [REDACTED] is currently in a romantic relationship with [REDACTED]. However, when [REDACTED] was working for [REDACTED] at OCC they were never romantically involved. [REDACTED] explained the romantic relationship began

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MEMORANDUM OF ACTIVITY

Case Number: OCC-12-0689-P	Subject of Activity (Brief Description): [REDACTED]	Date of Activity: February 23, 2012
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in October or November 2011. At that time, [REDACTED] informed [REDACTED] was leaving [REDACTED] and wanted a divorce. [REDACTED] and [REDACTED] began to spend more time together outside of work and their friendship eventually elevated to the next level.

[REDACTED] stated [REDACTED] started thinking about changes approximately 18 months ago. [REDACTED] thought of leaving the OCC because [REDACTED] wanted to do something "different". [REDACTED] knew someone on the Board at the newly formed Consumer Finance Protection Board (CFPB). However, OCC convinced [REDACTED] to stay on. A year later [REDACTED] began discussions with CFPB about a position; however, the position never came through. This past summer [REDACTED] was one of two individuals being considered for an Executive Assistant position in OCC's front office; however, the Acting Comptroller decided not to fill the position. [REDACTED] eventually transferred to [REDACTED] current position in the [REDACTED] Section in [REDACTED]. The move occurred prior to [REDACTED] romantic relationship with [REDACTED]

Upon inquiry, [REDACTED] stated [REDACTED] never was in a compromising position with [REDACTED] at OCC. [REDACTED] denied [REDACTED] had sex with [REDACTED] in any OCC office. [REDACTED] denied ever having sex with [REDACTED] in any OCC stairwell. This was the first time [REDACTED] heard anything like this and called the allegations ridiculous. OCC Security never spoke to [REDACTED] or [REDACTED] about the allegations. No one from OCC ever discussed this issue with [REDACTED]. This included [REDACTED] [REDACTED] [REDACTED] and [REDACTED]. [REDACTED] added both [REDACTED] and [REDACTED] office are partially constructed with glass and anyone could look in to the offices. [REDACTED] added that the stairwells at OCC are busy. [REDACTED] stated, [REDACTED] is a [REDACTED] year old [REDACTED], a CPA who is very conservative and both [REDACTED] and [REDACTED] have their own apartments. There would be no reason to do what was alleged and it would be foolish.

[REDACTED] concluded that [REDACTED] has never been the subject of any misconduct and holds a high ethical standard.

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MEMORANDUM OF ACTIVITY



Case Number: OCC-12-0689-P	Reporting Office: Washington Field Office	Type of Activity: Interview - Witness
Date of Activity: February 27, 2012	Date Report Drafted: February 27, 2012	Location of Activity: 1425 New York Ave. N.W. Washington, D.C. 20220
Subject of Activity: [REDACTED] Physical Security Specialist Office of the Comptroller Of the Currency Washington, D.C. [REDACTED]		Activity Conducted By (Name(s) and Title(s)): SA [REDACTED] - TOIG

On February 27, 2012, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations, interviewed [REDACTED] [REDACTED] Physical Security Specialist, Office of the Comptroller of the Currency (OCC), Office of Security regarding a complaint alleging ethical improprieties at the Office of the Comptroller of the Currency, to include an inappropriate personal relationship between supervisor and subordinate. [REDACTED] provided the following information:

[REDACTED] stated that ever since [REDACTED] arrival to OCC in July 2011, [REDACTED] has heard about the rumors of unethical behavior and a relationship between OCC employee's [REDACTED] [REDACTED] and [REDACTED] [REDACTED] further stated there is no truth to the rumors they were found by OCC in a compromising position on OCC property. The Office of Security does not have any reports, complaints, video etc regarding any unethical improprieties concerning the two OCC employees. The Office of Security is aware of a relationship between the two employees who no longer work together but there is nothing else to substantiate the rumors.

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Office of Inspector General - Investigations
Department of the Treasury



MEMORANDUM OF ACTIVITY



Case Number: OCC-12-0689-P	Reporting Office: Washington Field Office	Type of Activity: Interview - Witness
Date of Activity: March 1, 2012	Date Report Drafted: March 1, 2012	Location of Activity: 250 E Street S.W. Washington, D.C.
Subject of Activity: [REDACTED] Senior Deputy Comptroller Office of the Comptroller of the Currency Washington, D.C. [REDACTED]		Activity Conducted By (Name(s) and Title(s)): SA [REDACTED] - TOIG

On March 1, 2012, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations, interviewed [REDACTED] Senior Deputy Comptroller, Midsize Community Bank Supervision, Office of the Comptroller of the Currency (OCC) regarding a complaint alleging ethical improprieties at the OCC, to include an inappropriate personal relationship between supervisor and subordinate. [REDACTED] provided the following information:

[REDACTED] stated there have always been rumors that OCC Employees [REDACTED] and [REDACTED] have been involved romantically; however, [REDACTED] has no direct knowledge of such a relationship.

[REDACTED] stated [REDACTED] has never seen a report or heard of the existence of an OCC Office of Security report depicting the facts as alleged. [REDACTED] added neither [REDACTED] nor [REDACTED] are under [REDACTED] supervision. [REDACTED] described [REDACTED] as [REDACTED] peer and [REDACTED] reports to the Comptroller of the Currency directly. [REDACTED] reported to [REDACTED] but was recently transferred to the Enterprise Government section. [REDACTED] would not be privy to the report if it existed.

[REDACTED] stated [REDACTED] would not have had any input into [REDACTED]'s reassignment. [REDACTED] recalled approximately four or five months ago [REDACTED] was approached by [REDACTED] asking if there were any positions available for [REDACTED]. [REDACTED] recalled [REDACTED] explained that [REDACTED] was looking for a change. [REDACTED] stated that [REDACTED] did not have any positions and added that [REDACTED] was not qualified to work in [REDACTED] group. [REDACTED] heard about [REDACTED] reassignment one month later because [REDACTED]'s Executive Assistant went to work for [REDACTED].

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Office of Inspector General - Investigations
Department of the Treasury



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

December 20, 2011

**MEMORANDUM FOR LAURA L. MCAULIFFE, SENIOR ADVISOR
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

FROM:

[REDACTED] / 12-20-11
Special Agent in Charge

SUBJECT:

Notification of Preliminary Inquiry Closure

OIG Preliminary Inquiry Number: OCC-12-0383-P

A preliminary inquiry was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), after receiving information from an anonymous complainant alleging that [REDACTED] Director for [REDACTED] [REDACTED], Office of the Comptroller of the Currency (OCC), is having an intimate relationship with a subordinate, [REDACTED] and is using [REDACTED] government purchase card for unauthorized purchases related to this relationship.

As a result, TOIG conducted an investigative assessment into the misuse of the government purchase card and determined this matter lacks investigative merit. As a result we are closing this matter accordingly.

If you have questions or if you develop information that may indicate a need for additional or new investigative activity to assist you in resolving this matter, please contact me at (202) 927-5765.

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Office of Inspector General – Investigations
Department of the Treasury



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

MEMORANDUM FOR [REDACTED], SENIOR ADVISOR
OFFICE OF THE COMPTROLLER OF THE CURRENCY

FROM:

[REDACTED] 12/9/10
Special Agent in Charge

SUBJECT:

[REDACTED]
Information Technology Specialist

OIG Case Number: OCC-10-2704-I

DATE:

Attached for your review is our Report of the Investigation into allegations that [REDACTED] Information Technology Specialist, Office of the Comptroller of the Currency (OCC) sexually harassed former OCC contract employee [REDACTED]. The investigation determined the allegation is unsubstantiated.

This investigation was initiated based on information received from your office alleging sexually harassment by OCC employee [REDACTED]. [REDACTED] was employed by OCC Contractor [REDACTED] Solutions as a Computer Operator. [REDACTED] who worked at OCC for twelve years, reported to a friend that [REDACTED] was sexually harassing her since 1998. The investigation revealed no conclusive evidence to support the allegation.

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**REPORT OF INVESTIGATION
OCC-10-2704-I**



Office of Inspector General

United States Department of the Treasury



Office of Inspector General U.S. Department of the Treasury



Report of Investigation

Case Title: [REDACTED] – Sexual
Harassment

Case #: OCC-10-2704-I

Case Type: Criminal _____
Administrative X
Civil _____

Investigation Initiated: August 5, 2010

Investigation Completed:

Conducted by: [REDACTED],
Special Agent

Origin: [REDACTED], Senior Advisor,
Office of the Comptroller of the Currency,

Approved by: [REDACTED] [REDACTED],
Special Agent in Charge

Summary

On August 5, 2010, [REDACTED], Senior Advisor, Office of the Comptroller of the Currency (OCC) forwarded information to the Treasury Office of Inspector General (TOIG) regarding sexual harassment. Specifically, [REDACTED] forwarded an email sent by [REDACTED], Information Technology Specialist, OCC alleging that [REDACTED] Information Technology Specialist, OCC, had sexually harassed former OCC contract employee [REDACTED] (Exhibit 1)

The investigation revealed no conclusive evidence to support the allegation, therefore the allegation is unsubstantiated.

Basis and Scope of the Investigation

This investigation was initiated on August 5, 2010 based on information received from [REDACTED] alleging sexual harassment by OCC employee [REDACTED]. [REDACTED] was employed by OCC Contractor [REDACTED] Solutions ([REDACTED] as a Computer Operator. [REDACTED] who worked at OCC for twelve years, confided in [REDACTED] who was her friend, that [REDACTED] was sexually harassing her since 1998.

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Report of Investigation

Case Name: [REDACTED] – Sexual Harassment

Case # OCC-10-2704-I

Page 2 of 5

During the course of the investigation, TOIG conducted relevant interviews with:

- [REDACTED]
- [REDACTED] / [REDACTED] – [REDACTED] Solutions
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

In addition, TOIG reviewed pertinent documents, including:

- Documents provided by [REDACTED] and [REDACTED] Solution's Inc.

Investigative Activity

In an interview with TOIG, [REDACTED] stated she was sexually harassed by [REDACTED] over twenty times during her tenure with OCC from 1998 until June 2010, consisting of sexually explicit comments and requests. [REDACTED] stated she discussed some of these incidents with OCC employees J [REDACTED] and [REDACTED], Computer Specialist, OCC, but [REDACTED] did not report the allegations to any management official for fear of losing her job. The allegations were made known only when [REDACTED] was released by [REDACTED] (Exhibit 2)

In an interview with TOIG, [REDACTED] confirmed she had approximately six conversations with [REDACTED] about [REDACTED] in the past. The conversations ranged from being asked to have sex in different rooms and areas in OCC's Landover, MD office, to going to a hotel with him. [REDACTED] suggested that [REDACTED] report the alleged actions or attempt to obtain incriminating evidence against [REDACTED] to support her claims; however, [REDACTED] chose not to report the allegations for fear of reprisal. Her last conversation with [REDACTED] about these issues occurred in early 2009. (Exhibit 3)

In an interview with TOIG, Vice President [REDACTED] and Project Manager [REDACTED] both of [REDACTED] Solutions Inc. stated [REDACTED] informed them about her allegations for the first time in July 2010 during her exit interview. [REDACTED] was being separated from her employment because it was believed [REDACTED] accepted OCC property for personal use. [REDACTED] denied accepting OCC property and related she believed [REDACTED] was responsible for her termination because she would not sleep with [REDACTED]. [REDACTED] officials attempted to obtain additional information about her allegation; however, [REDACTED] was unable to provide any substantive information. [REDACTED] then notified OCC about [REDACTED] allegations. (Exhibit 4)

In an interview with TOIG, [REDACTED], Assistant Deputy Chief Information Officer, OCC said he was aware of the allegations because [REDACTED] shared with him [REDACTED]' email containing the allegations. Wahl made the request to [REDACTED] for [REDACTED] to be removed from the contract.

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Report of Investigation

Case Name: [REDACTED] – Sexual Harassment

Case # OCC-10-2704-I

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[REDACTED] stated [REDACTED] had a history of personnel and attitude issues. [REDACTED] also stated that [REDACTED] was recently reassigned as a result of a TOIG investigation and has blamed [REDACTED] for all of his employment issues at OCC. (Exhibit 5)

In an interview with TOIG, [REDACTED] who initially refused to meet TOIG, could not provide additional details about the allegations. He explained he reported the allegations after [REDACTED] dismissal because he discussed the matter with his union and was advised to report the matter to TOIG. (Exhibit 6)

In an interview with TOIG, [REDACTED] denied the allegations. [REDACTED] stated he never sexually harassed [REDACTED] never requested sexual favors and never asked her to go to a hotel with him. [REDACTED] has always maintained a professional relationship with all OCC and contract employees. His personal conversations with [REDACTED] were based around current events, family and education. [REDACTED] claimed [REDACTED] made the allegations because it was believed he was responsible for [REDACTED] dismissal. (Exhibit 7)

Referrals

None

Judicial Action

None

Findings

The investigation revealed no conclusive evidence to support the allegations, therefore the allegations are unsubstantiated.

Based on the findings of our investigation, it appears that the following pertinent statute(s), regulation(s) and/or policy(ies) were violated or could be applied to the case:

- N/A

Distribution

[REDACTED], Senior Advisor, Office of the Comptroller of the Currency

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Report of Investigation

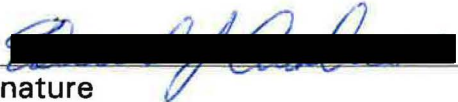
Case Name: [REDACTED] – Sexual Harassment

Case # OCC-10-2704-I

Page 4 of 5

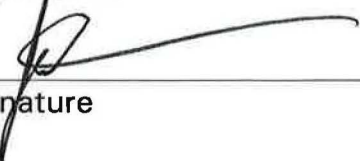
Signatures

[REDACTED]


Signature

12/8/2010
Date

Supervisor:


Signature

12/9/10
Date

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Report of Investigation

Case Name: [REDACTED] – Sexual Harassment

Case # OCC-10-2704-I

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Exhibits

1. Initial Complaint document from [REDACTED], dated July 29, 2010.
2. Memorandum of Activity, Interview of [REDACTED] dated August 19, 2010.
3. Memorandum of Activity, Interview of [REDACTED], dated September 15, 2010.
4. Memorandum of Activity, Interview of [REDACTED] and [REDACTED], dated September 15, 2010.
5. Memorandum of Activity, Interview of [REDACTED], dated September 23, 2010.
6. Memorandum of Activity, Interview of [REDACTED], dated September 28, 2010.
7. Memorandum of Activity, Interview of [REDACTED] dated October 14, 2010.

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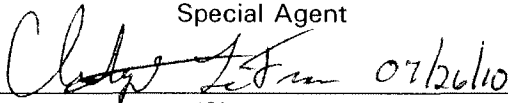
REPORT OF INVESTIGATION



DATE OF REPORT	
REPORT STATUS	Final
CASE NUMBER	OCC-10-1352-I
CASE TITLE	<div style="background-color: black; width: 150px; height: 15px; margin-bottom: 5px;"></div> National Bank Examiner Office of the Comptroller of the Currency
PERTINENT STATUTE(S), REGULATION(S), AND/OR POLICY(IES)	5 CFR 2635.101 - Basic Obligation of Public Service [SUBSTANTIATED] 5 CFR 2635.705 - Use of Official Time [SUBSTANTIATED] 31 CFR 0.208 - Falsification of Official Records [SUBSTANTIATED] 31 CFR 0.210 - Conduct While on Official Duty [SUBSTANTIATED] 31 CFR 0.213 - General Conduct Prejudicial to the Government [SUBSTANTIATED]

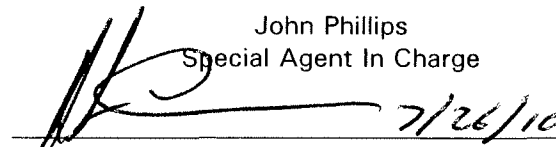
Case Agent:

Christopher LeFever,
Special Agent


(Signature)

Supervisory Approval:

John Phillips
Special Agent In Charge


(Signature)

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SYNOPSIS

On March 11, 2010, the Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (OIG/OI) received correspondence from the Office of the Comptroller of the Currency (OCC) regarding alleged violations of standards of conduct by [REDACTED] a National Bank Examiner with OCC. (Exhibit 1)

The investigation determined that the allegations against [REDACTED] are substantiated. [REDACTED] violated several regulations covering ethics and the conduct of employees in the performance of their official duties by accepting gratuities (golf fees and/or food), playing golf during official duty hours, and recording his official time and attendance hours as working while playing golf with First National Bank of [REDACTED] ([REDACTED] employees. The U.S. Attorney's Office for the Southern District of Georgia, declined to pursue criminal charges against [REDACTED]. This matter is being referred to OCC for possible administrative action.

DETAILS

- A. Allegation:** It was alleged that [REDACTED] accepted golf fees and meals from employees of [REDACTED] on multiple occasions during examinations.
- B. Context / Background:** [REDACTED] is a National Bank Examiner with OCC and is assigned to the Jacksonville, FL Office. [REDACTED] was formerly the Examiner-in-Charge (EIC) for [REDACTED]. As EIC, [REDACTED] was responsible for conducting periodic examinations of [REDACTED] and producing OCC Reports of Examination detailing the safety and soundness of [REDACTED].

INVESTIGATIVE ACTIVITY

On April 23, 2010, the OIG/OI interviewed [REDACTED], [REDACTED] Chief Executive Officer, who said [REDACTED] played golf on several occasions during work hours with [REDACTED] employees. [REDACTED] provided an email titled "Golf" from former [REDACTED] Chief Financial Officer [REDACTED] to former [REDACTED] Chief Executive Officer [REDACTED] on August 21, 2008, that contained a [REDACTED] Country Club tee time sheet from April 15, 2008 which listed [REDACTED].

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customer [REDACTED], former [REDACTED] Vice President and senior loan officer [REDACTED] and [REDACTED] as a group with a tee time at 1:30PM. In addition to the tee time sheet, [REDACTED] email included an invoice for [REDACTED] from the [REDACTED] Country Club. The invoice listed food charges and guest golf fees from April 15, 2008. (Exhibit 2)

On May 10, 2010, the OIG/OI interviewed [REDACTED] Vice President of [REDACTED] who explained that he, [REDACTED] and [REDACTED] attended a meeting where [REDACTED] discussed playing golf with [REDACTED] on two occasions at the [REDACTED] Country Club. (Exhibit 3)

On May 17, 2010, the OIG/OI interviewed [REDACTED] who could not remember specifics, but said he played golf with [REDACTED] and [REDACTED] employees during the spring of 2008. [REDACTED] believes he played with [REDACTED] at the [REDACTED] golf course, and the [REDACTED] Club. (Exhibit 4)

On May 24, 2010, the OIG/OI interviewed [REDACTED] who said he played golf during the work week at the [REDACTED] golf course with [REDACTED] [REDACTED] and [REDACTED]. In addition, [REDACTED] played golf at the [REDACTED] golf course with [REDACTED] [REDACTED] and [REDACTED]. [REDACTED] said the golf outings took place during OCC bank examinations of [REDACTED] in 2006 - 2008. [REDACTED] said he paid for golf fees and lunch for the foursome with his [REDACTED] corporate credit card. [REDACTED] said [REDACTED] paid for the golf outing at [REDACTED] (Exhibit 5)

On May 25, 2010, the OIG/OI interviewed [REDACTED] who remembered playing golf on weekday afternoons with [REDACTED] on two occasions, with one of the outings taking place at the [REDACTED] [REDACTED] golf course, and the other taking place at [REDACTED] [REDACTED]. [REDACTED] said he paid for all of the golf fees when [REDACTED] played with him at [REDACTED] [REDACTED] and [REDACTED] paid for the golf fees at [REDACTED] Harbor. [REDACTED] believes he also paid for a sandwich for [REDACTED] before their round of golf at [REDACTED] [REDACTED]. [REDACTED] said [REDACTED] offered to take him to a golf club in Jacksonville after the round at [REDACTED] [REDACTED] (Exhibit 6)

On May 25, 2010, the OIG/OI interviewed [REDACTED] who after being advised of the nature of the interview, immediately admitted that he had played golf several times with [REDACTED] employees. [REDACTED] said he played golf on August 24, 2004, at [REDACTED] [REDACTED] golf course with [REDACTED] [REDACTED] and [REDACTED], a former division president and loan officer with [REDACTED]. [REDACTED] said he was not able to pay for the round of golf, but told [REDACTED] he would reimburse [REDACTED] for the fees

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Department of the Treasury

the next day. [REDACTED] said he offered, but was not allowed, to reimburse the golf fees because it would create problems in the books of [REDACTED]. [REDACTED] said he took four hours of annual leave to play this round of golf.

[REDACTED] said he played golf and ate lunch on or about February 13, 2006 at [REDACTED] golf course with [REDACTED] and [REDACTED]. [REDACTED] said he was not allowed to pay for the golf fees because they were covered by free passes that [REDACTED] had obtained from the golf course. [REDACTED] said the OCC held a bank outreach meeting in Jacksonville on May 1, 2007. [REDACTED] contacted [REDACTED] prior to the bank outreach meeting and suggested that [REDACTED] and [REDACTED] arrive at the meeting a day early to play golf. [REDACTED] said he played golf with [REDACTED] on April 30, 2007 at [REDACTED] at [REDACTED] golf course. [REDACTED] admitted that he paid for [REDACTED] greens fees at the [REDACTED] Club as way to reciprocate for the earlier rounds of golf paid for by [REDACTED] employees. On May 4, 2007, [REDACTED] sent a note to [REDACTED] home address using [REDACTED] stationery in which [REDACTED] thanked [REDACTED] for the invitation and mentioned reciprocating in September of 2007. [REDACTED] said he took annual leave to play this round of golf. (Exhibit 7)

[REDACTED] said he played a round of golf on September 24, 2007 at [REDACTED] with [REDACTED] and [REDACTED]. [REDACTED] said he did not play golf with [REDACTED] employees after the outing in September 2007. The OIG/OI showed [REDACTED] the tee sheet provided by [REDACTED], and [REDACTED] said he had forgotten about this golf outing. [REDACTED] admitted to playing golf with [REDACTED] and [REDACTED] on April 15, 2008. [REDACTED] said he did not pay for his round of golf at [REDACTED] in April 2008, and he did not have lunch with the [REDACTED] employees.

[REDACTED] said that on March 9, 2009, he was invited by [REDACTED] to have dinner at [REDACTED] house with [REDACTED] employees. [REDACTED] said this was the first day of an OCC examination of [REDACTED] and [REDACTED] and [REDACTED] were to attend the dinner meeting. [REDACTED] said he felt uncomfortable about the meeting after attending ethics training, and did not attend because [REDACTED] had complained about several aspects of the examination. [REDACTED] said he felt [REDACTED] may attempt to influence the examination findings if he attended the meeting.

[REDACTED] stressed that he was always objective and professional in the performance of his official duties regarding [REDACTED] and his supervision of [REDACTED] was never influenced by the golf outings with the [REDACTED] employees. Up until a March 6,

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2009, ethics training session, ██████ believed playing golf with bankers was a condoned activity.

On May 27, 2010, the OIG/OI interviewed ██████ District Counsel for the Southern District, OCC who administered the 2009 in-person ethics training to the Jacksonville OCC office. ██████ confirmed that ██████ was present. ██████ said OCC employees are always prohibited from accepting a gift or anything of value from a prohibited source. ██████ stated an EIC should not play golf with members of the supervised bank at any time because of the potential for a conflict of interest, and it would make no difference if the bank or the examiner paid for the round of golf. In addition, ██████ said playing golf at private clubs of a regulated bank's employee is not permitted because of the value associated with the membership at the club. ██████ stated that OCC employees should always take annual leave if they are playing golf. ██████ said OCC employees are prohibited from reciprocating a gift for a gift received. ██████ said bank examiners are held to strict standards and may not accept anything of value from banks they examine. (Exhibit 8)

An OIG/OI review of ██████ timesheets with ██████, OIG Liaison, OCC revealed on April 15, 2008, ██████ recorded nine hours for safety and soundness activities for ██████ on April 15, 2008, and zero hours of annual leave. For the pay period covering August 24, 2004, ██████ recorded four hours of annual leave, four hours of travel for ██████ and 59 hours of safety and soundness activities for ██████. For the week encompassing February 13, 2006, ██████ recorded four hours of travel for ██████ 32 hours of safety and soundness activities for ██████ and zero hours of annual leave. ██████ recorded four hours of annual leave for April 30, 2007. (Exhibits 9, 10, 11, & 12)

FINDINGS

The investigation determined that ██████ violated several regulations covering ethics and the conduct of employees in the performance of their official duties. As a bank examiner, ██████ violated 31 CFR 0.213 (General Conduct Prejudicial to the Government) by accepting gratuities (golf fees and/or food) on at least four occasions. ██████ accepted golf fees from employees of an OCC regulated institution, therefore violating 5 CFR 2635.101 (Basic Obligation of Public Service) on at least four occasions. ██████ violated 5 CFR 2635.705 (Use of Official Time) and 5 CFR 0.208 (Falsification of Official Records) by recording time and

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attendance hours as safety and soundness activities or travel, while playing golf with [REDACTED] employees, on at least two occasions. On at least five occasions when he played golf with [REDACTED] employees, [REDACTED] violated 31 CFR 0.210 (Conduct While on Official Duty) due to the conflict of interest as a result of [REDACTED] regulation of [REDACTED]

REFERRALS

Criminal

Based on the aforementioned information, the U.S. Attorney's Office for the Southern District of Georgia, declined to charge [REDACTED] criminally for 18 USC 213 (Accepting a Loan or Gratuity by a Bank Examiner), 18 USC 287 (False Claims), or 18 USC 1001 (False Statements) due to lack of prosecutive merit.

Civil

Not applicable.

Administrative

See Findings.

DISTRIBUTION

[REDACTED], Senior Advisor, Office of the Comptroller of the Currency

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EXHIBITS

<u>Number</u>	<u>Description</u>
1.	Predicating Documents, dated March 11, 2010.
2.	██████ Email to ██████ re Golf, dated August 21, 2009.
3.	Interview of ██████, dated May 10, 2010.
4.	Interview of ██████, dated May 17, 2010.
5.	Interview of ██████ dated May 24, 2010.
6.	Interview of ██████ dated May 25, 2010.
7.	Interview of ██████ dated May 25, 2010.
8.	2009 Jacksonville Ethics Training Attendees.
9.	██████ PP2008-08 Timesheet Summary.
10.	██████ PP2004-17 Timesheet Email, dated June 3, 2010.
11.	██████ PP2006-03 Timesheet Summary.
12.	██████ PP2007-09 Timesheet Summary.

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Department of the Treasury



Office of Inspector General U.S. Department of the Treasury



Report of Investigation

Case Title: [REDACTED]

Case Type: Criminal X
Administrative _____
Civil _____

Investigation Initiated: September 18, 2009

Conducted by: [REDACTED]
Asst. Special Agent in Charge

Investigation Completed:

Origin: [REDACTED] Senior Advisor,
Office of the Comptroller of the Currency

Approved by: [REDACTED]
Special Agent in Charge

Case #: OCC-09-0174-I

Summary

On or about September 15, 2009 the Office of the Comptroller of the Currency (OCC) field office in Charlotte, NC, was burglarized and an OCC laptop computer was stolen. On September 19, 2009, Special Agents of the Treasury Office of the Inspector General (TOIG) interviewed a suspect in the burglary, [REDACTED] who was in custody of the Charlotte-Mecklenburg Police Department (CMPD) on unrelated theft charges. When interviewed by the TOIG agents, [REDACTED] admitted to unlawfully entering the OCC office space and stealing the laptop computer. (Exhibit 1)

Basis and Scope of the Investigation

On or about September 15, 2009 the OCC field office in Charlotte, NC, was burglarized and an OCC laptop computer was stolen.

During the course of the investigation, TOIG conducted relevant interviews with:

- [REDACTED] OCC, Facility Manager (Exhibit 2)
- [REDACTED] Detective, Charlotte-Mecklenburg Police Department (Exhibit 3)
- [REDACTED]

In addition, TOIG reviewed pertinent evidence, including: OCC Security Video, OCC access card logs.

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

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Investigative Activity

On or about September 15, 2009, the OCC field office in Charlotte, NC, was burglarized and an OCC laptop computer was stolen.

On September 19, 2009, the TOIG, reviewed OCC security video and identified [REDACTED] [REDACTED] TOIG special agents interviewed suspect, [REDACTED] who was in the custody of the CMPD on unrelated theft charges. When interviewed by the TOIG agents, [REDACTED] admitted to unlawfully entering the OCC office space and stealing the laptop computer. (Exhibits 4,5,6)

On September 21, 2009, the TOIG and CMPD presented this case to the Charlotte-Mecklenburg District Attorney's Office, which accepted the case for prosecution and charged [REDACTED] with state charges of breaking and entering and theft. [REDACTED] remained in the custody of CMPD on unrelated theft charges pending further court proceedings and the outcome of his trial in this matter. (Exhibit 7)

On September 21, 2009, the TOIG presented this case to [REDACTED] Chief of the Criminal Division for the United States Attorney's Office for the Western District of North Carolina for consideration of prosecution. [REDACTED] declined prosecution of the case in lieu of prosecution by the Charlotte-Mecklenburg District Attorney's Office. (Exhibit 8)

On January 27, 2011, [REDACTED] [REDACTED] was found guilty on North Carolina state burglary and theft violations at the conclusion of a two-day jury trial. [REDACTED] conviction served as the requisite predicate offense for him to be sentenced under the state's habitual offender felony statute. Based upon the combination of this conviction, along with his previous convictions, [REDACTED] was sentenced to an incarceration of 20-24 years. (Exhibit 9)

On February 10, 2011, a record entry for the stolen Dell laptop computer, Model 610, Serial No. CFBM6B1, was entered into the National Criminal Information Center database. (Exhibit 10)

Referrals

On September 21, 2009, the TOIG and CMPD presented this case to the Charlotte-Mecklenburg District Attorney's Office, which accepted the case for prosecution and charged [REDACTED] with state charges of breaking and entering and theft. [REDACTED] remained in the custody of CMPD on unrelated theft charges pending further court proceedings and the outcome of his trial in this matter.

On September 21, 2009, the TOIG presented this case to [REDACTED] Chief of the Criminal Division for the United States Attorney's Office, Western District of North Carolina for

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

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prosecution. [REDACTED] declined prosecution of the case in lieu of prosecution by the Charlotte-Mecklenburg District Attorney's Office.

Judicial Action

On January 27, 2011, [REDACTED] [REDACTED] was found guilty on North Carolina state burglary and theft violations at the conclusion of a two-day jury trial. [REDACTED] conviction served as the requisite predicate offense for him to be sentenced under the state's habitual offender felony statute. Based upon the combination of this conviction, along with his previous convictions, [REDACTED] was sentenced to a period of incarceration of 20-24 years.

Findings

Based on the findings of our investigation, it appears that the following pertinent statute(s), regulation(s) and/or policy(ies) were violated:

- N.C. Gen Stat 14-51, Burglary
- N.C. Gen Stat 14-54, Breaking and Entering

Distribution

[REDACTED] [REDACTED] Senior Advisor, Office of the Comptroller of the Currency

Signatures

Case Agent:

Signature

3/21/11

Date

Supervisor:

Signature

3-21-11

Date

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

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Exhibits

1. Initial Complaint document, dated September 18, 2009.
2. Memorandum of Activity, Interview of [REDACTED] dated September 19, 2009.
3. Memorandum of Activity, Interview of [REDACTED], September 19, 2009.
4. Memorandum of Activity, Test of OCC Charlotte Fifth Floor Rear Door, dated September 19, 2009.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated September 19, 2009.
6. Memorandum of Activity, Review of OCC Security Video, dated September 19, 2009.
7. Memorandum of Activity, Acceptance of Prosecution by Mecklenburg County District Attorney, dated September 21, 2009.
8. Memorandum of Activity, Declination of Prosecution by USAO for Western District of North Carolina, dated September 21, 2009.
9. Memorandum of Activity, Criminal Conviction, dated January 27, 2011.
10. Memorandum of Activity, NCIC lookout, dated February 10, 2011.

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REPORT OF INVESTIGATION
2006-0382



Office of Inspector General

United States Department of the Treasury



REPORT OF INVESTIGATION



DATE OF REPORT	DEC 18 2009
REPORT STATUS	Final
CASE NUMBER	2006-0382
CASE TITLE	<p>██████████ Senior Supervisory Information Technology Specialist, Office of the Comptroller of the Currency</p> <p>██████████ Senior Security Program Analyst, Office of the Comptroller of the Currency</p> <p>██████████ Vice President, ██████████ Corporation</p>
PERTINENT STATUTE(S), REGULATION(S), AND/OR POLICY(IES)	<ul style="list-style-type: none">• 18 U.S.C. § 208 - Conflict of financial interest.• 18 U.S.C. § 1001 - False statements.• 5 C.F.R. 2635.101 - Basic obligation of public service states.• Treasury Directive 40-01 - Duties and Responsibilities of Treasury Employees.• 5 C.F.R. 2635.201 - Gifts from outside sources.• 5 C.F.R. 2635.402 - Conflicting financial interests.

SYNOPSIS

On July 6, 2006, the U.S. Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (OI), received correspondence from the Office of the Comptroller of the Currency (OCC) alleging that ██████████ (██████████ Senior Supervisory Information Technology Specialist, engaged in a financial conflict of interest. It was also alleged that ██████████ and ██████████ OCC contractor, conspired to steer OCC Information Technology (IT) contracts to companies affiliated with ██████████ (Exhibit 1)

Case Agent:

██████████ Agent
12/9/09

(Signature)

Supervisory Approval:

██████████ In Charge (Acting)
12/18/09

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This investigation determined that [REDACTED] did not properly disclose that her husband secured employment with [REDACTED] while she served as the Contracting Officer's Technical Representative (COTR) on the [REDACTED] contract. It was also determined that [REDACTED] failed to submit the proper OCC forms to disclose her husband's employment with [REDACTED] and [REDACTED] Corporation ([REDACTED] a second company in which [REDACTED] and [REDACTED] husband were employed together. Therefore, the appearance of a financial conflict of interest is substantiated against [REDACTED]

The investigation further determined that [REDACTED] accepted gifts from [REDACTED] which exceeded the annual gift limit from an outside source. Therefore, [REDACTED] violated 5 C.F.R. 2635. 201 - Gifts from outside sources. In addition, it was discovered that [REDACTED] and [REDACTED] Senior Security Program Analyst, OCC and former COTR on the [REDACTED] contract, attended numerous social functions with [REDACTED] which gave an appearance of impropriety between federal employees and a contractor. The investigation also determined that [REDACTED] [REDACTED] and [REDACTED] exchanged gifts during some of their social functions, to include, but not limited to flowers, a limousine ride, meals and "gag gifts." Therefore, [REDACTED] and [REDACTED] violated 5 C.F.R. 2635. 201 - Gifts from outside sources.

This investigation also determined that [REDACTED] and [REDACTED] were not truthful during the course of this investigation. Specifically, both [REDACTED] and [REDACTED] stated in interviews that they had no correspondence with [REDACTED] during the pre-stages of an open solicitation. [REDACTED] and [REDACTED] also stated that they did not socialize with [REDACTED] outside of the office. In addition, [REDACTED] and [REDACTED] denied accepting gifts of any type from [REDACTED]. However, the OIG/OI obtained evidence that directly contradicts their statements.

There was no evidence discovered during the course of this investigation to substantiate the allegation that [REDACTED] and [REDACTED] conspired to steer OCC IT contracts to companies affiliated with [REDACTED]. However, there was evidence that was obtained by OIG/OI that [REDACTED] provided [REDACTED] with inside information regarding IT contracts during open solicitations.

DETAILS

A. Allegation - Financial Conflict of Interest

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B. Context - Background

A review of Task Order No. CC-01-HQ-W-0003, revealed that [REDACTED] was awarded the task order on December 27, 2000, to provide customer support services to OCC. The task order was issued under a Blanket Purchase Agreement (BPA), which was competitively awarded. There were 14 modifications under the BPA and the contract, valued at approximately \$7,613,264.50. Between November 2000 and September 2003, [REDACTED] was the COTR and/or initiator of requisition requests to fund tasks. [REDACTED] was also involved with modifications one through ten, which were valued at approximately \$5,550,483.37. [REDACTED] Senior Security Program Analyst, OCC and former Supervisory Computer Specialist, served as the COTR during various periods from 1999 through 2004.

[REDACTED] ([REDACTED] [REDACTED] husband, gained employment with [REDACTED] while [REDACTED] served as the COTR and/or supervisor on the contract. [REDACTED] was hired as a Project Manager, in or about April 2003 by [REDACTED] to oversee [REDACTED] computer inventory contract with the Internal Revenue Service (IRS).

During the base year of the contract, OCC officials began discussing [REDACTED] performance with Acquisition Management. The OCC was dissatisfied with [REDACTED] management changes and felt the company was less responsive to OCC's needs. Therefore, OCC officials allowed the [REDACTED] contract to expire, without renewal. Consequently, the OCC opened a solicitation for an IT company to supplement the IT support during the interim. IGenesis Corporation (IGenesis) was the only vendor that submitted a proposal and was awarded the temporary contract in 2005.

During the transition period, it was reported that [REDACTED] resigned from [REDACTED] in March 2005, at which time she began consulting for [REDACTED] on a part time basis. At the time of the award, [REDACTED]'s boyfriend, [REDACTED] and [REDACTED] were co-owners of [REDACTED]. [REDACTED] served as the Chief Financial Officer (CFO) and [REDACTED] served as the Chief Information Officer for [REDACTED]. Towards the end of the six month contract with [REDACTED], OCC officials decided to consolidate the technical support services contracts at the OCC Data Center for efficiency. [REDACTED] opted not to submit a proposal due to a personal difference of opinion between [REDACTED] and [REDACTED].

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█████ obtained employment with a company named █████ in January 2006, as Senior Vice President. It was reported that █████ owns 49% of █████ and █████ President, █████ owns the remaining 51%. It was then determined that █████ was also hired by █████ in January 2006. On May 3, 2006, the OCC awarded █████ the contract. █████ was not involved with the contract; however, she neglected to report that her husband subsequently gained employment with █████ on her annual financial disclosures.

INVESTIGATIVE ACTIVITY

Interview of █████

█████ stated that she met █████ when she was employed with █████ █████ was contracted with OCC during 1994-1996. █████ stated that █████ served in an IT position with OCC but was not involved with the contract. During this period, █████ sporadically saw █████ at OCC.

█████ acknowledged that she is "friendly" with █████ however she does not consider █████ a close friend. █████ stated that she occasionally had lunch with █████ and/or █████ While at lunch, █████ and █████ talked about personal and business matters. Normally, █████ and █████ paid their own lunch bill. However, █████ also celebrated birthdays over lunch with █████ and/or with █████ When celebrating a birthday, █████ and █████ agreed that the birthday recipient would not pay for her lunch. Depending on who was present during a birthday lunch (█████ █████ █████ the bill for the birthday recipient was either paid by one or split by two.

█████ explained that she sometimes gave "gag gifts" or flowers to █████ and/or █████ on their birthdays. █████ described a gag gift as a "joke gift of insignificant value." █████ could not recall what gag gifts she gave █████ but they were valued under \$30.00. █████ also acknowledged that she gave █████ and █████ gag gifts and flowers on their birthdays due to her friendship with them. █████ said she has not gone on any trips or vacations with █████ nor did she provide █████ with financial payments or gifts in exchange for favors from her during the █████ contract. █████ said she never made any financial payments to █████ for any reason. █████ also denied that being involved with the hiring of █████ at █████ or █████ █████ also denies that █████ was hired to influence █████ █████ stated that █████ did not seek her assistance in getting

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██████ employed at ██████ ██████ had no knowledge that ██████ was hired to gain influence with ██████ (Exhibit 2)

Interviews of ██████ ██████

During interviews, ██████ ██████ President and Chief Executive Officer, ██████ stated that he suspected that ██████ provided ██████ with inside information regarding an open solicitation at the OCC Data Center, during ██████ tenure. However, ██████ was unable to provide the OIG/OI with evidence to corroborate the allegation. ██████ also stated that he was introduced to ██████ by ██████ while he worked under ██████ at ██████ In addition, ██████ stated that ██████ was being paid by ██████ unbeknownst to him, for consulting during the timeframe that ██████ was ██████ at the OCC. ██████ acknowledged that ██████ did not submit a proposal for Task Order No. ██████ because they (██████ and ██████) had a difference of opinion about ██████'s proposal, they decided not to submit a proposal.

██████ further stated that he discovered documents and photographs pertaining to the relationship of ██████ and ██████ on an ██████ computer. ██████ provided the OIG/OI with photographs, in which he identified, ██████ ██████ and ██████ riding in the back of a limo along with ██████ ██████ and an unknown female. ██████ also provided the OIG/OI with additional photographs of ██████ ██████ and ██████ at dinner exchanging gifts with other OCC contractors (who ██████ identified as ██████ officials) in a restaurant. ██████ went on to state that he witnessed ██████ at a social function at ██████ residence.

██████ provided the OIG/OI with copies of email correspondence between ██████ and ██████ Specifically, ██████ provided the OIG/OI with a copy of an email from ██████ government email address to ██████ ██████ titled "Per your request;" containing an attached document pertaining to information technology services. The attached document was a copy of the "Information Technology Services Service Level Agreement" and a draft of the "Depot Maintenance," which was forwarded from ██████ to ██████ ██████ also provided the OIG/OI with a second email titled "Per your request #2," from ██████ ██████ government email address to ██████ This email contained a copy of the ██████ Codes and ██████s and ██████ Checklist. This email was also forwarded from ██████ ██████ email address to ██████ ██████ also provided the OIG/OI with a copy of

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an email dated April 21, 2003, to [REDACTED] personnel email address from [REDACTED] titled "Ruth Chris info and Cirque du Soleil Directions." (Exhibit 3)

Interviews of [REDACTED]

When interviewed, [REDACTED] stated she served as the COTR for the [REDACTED] contract in 2003 and 2004. [REDACTED] said on a couple occasions, [REDACTED] [REDACTED] and [REDACTED] went to lunch together. [REDACTED] said she and [REDACTED] always paid their own bills. [REDACTED] stated that [REDACTED] never offered to pay for [REDACTED] or [REDACTED] lunch. While at lunch, their talks normally focused on business matters. [REDACTED] stated that [REDACTED] never attempted to influence her while she performed the duties of COTR. [REDACTED] said she never went on any shopping trips and/or vacations with [REDACTED]. [REDACTED] said she has not received any gifts or financial payments from [REDACTED]. [REDACTED] had no knowledge that [REDACTED] and [REDACTED] went on trips together. [REDACTED] said she has no knowledge of any improprieties involving [REDACTED] and [REDACTED].

On March 10, 2009, [REDACTED] was re-interviewed to clarify the information she provided to the OIG/OI in a previous interview and new information discovered by the OIG/OI. [REDACTED] (who is currently a Senior Security Program Analyst at OCC) stated that in or around 2003, she was the COTR on the [REDACTED] contract. [REDACTED] stated she believed that [REDACTED] was the COTR on the [REDACTED] contract prior to her assuming the responsibilities. [REDACTED] also stated that Lancaster was the COTR during the later part of 2003.

[REDACTED] went on to state that she and [REDACTED] both developed a professional and personal friendship with [REDACTED] while [REDACTED] on the [REDACTED] contract. [REDACTED] stated her relationship with [REDACTED] developed after she was removed from the [REDACTED] contract. [REDACTED] stated that she, [REDACTED] and [REDACTED] went to lunch approximately six to eight times a year. [REDACTED] was then informed that this information is directly conflicting with the information she provided to the OIG/OI during a previous interview. [REDACTED] denied changing her story.

[REDACTED] then stated that they ([REDACTED] [REDACTED] and [REDACTED]) went to dinner once or twice. [REDACTED] acknowledged that they would discuss professional and personal issues during the lunches/dinners and each individual paid for their own meals. [REDACTED] denied exchanging gifts during their outings, or doing anything unethical during these lunches/dinners. [REDACTED] also denied vacationing with [REDACTED] [REDACTED].

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denied conspiring with [REDACTED] and [REDACTED] to steer OCC contracts to companies affiliated with [REDACTED]. [REDACTED] also stated that she did not witness [REDACTED] doing anything inappropriate or unethical with [REDACTED]. [REDACTED] reiterated that she did not develop a personal friendship with [REDACTED] until she was removed as COTR on the [REDACTED] contract. [REDACTED] stated the only item she received during the contract period was a paper weight, that is valued under ten dollars and she did not recall who gave her the item.

After being shown multiple photographs of [REDACTED] and [REDACTED] socializing with government contractors, [REDACTED] stated that she forgot about the events, but did not think that they did anything inappropriate or unethical. [REDACTED] identified herself and [REDACTED] riding in the back of a limo with government contractors. [REDACTED] also identified herself and [REDACTED] in the photographs having dinner and exchanging gifts with government contractors in a restaurant.

[REDACTED] stated that she knew [REDACTED] husband, [REDACTED] worked for one of the contractors, but she was not sure if it was [REDACTED] or [REDACTED]. [REDACTED] stated that she talked to [REDACTED] about [REDACTED] for the contract company, but she was told by [REDACTED] that she spoke to the OCC ethics officials and there was not an issue. (Exhibit 4)

Interviews of [REDACTED]

When interviewed by the OIG/OI, [REDACTED] denied all allegations against her. [REDACTED] stated that she never had a close relationship with [REDACTED]. [REDACTED] denied ever traveling; socializing outside of the office; or exchanging gifts with [REDACTED]. [REDACTED] acknowledged that she would occasionally go to lunch with [REDACTED] and [REDACTED] but denied exchanging gifts. [REDACTED] also denied that [REDACTED] influenced the hiring her husband. [REDACTED] stated that she was unaware of the specifics pertaining to the hiring of her husband; however insisted that he was hired on his own merit. [REDACTED] denied that there was any conflict of interest with the hiring of her husband by vendors with OCC contracts. [REDACTED] also denied that she assisted companies affiliated with [REDACTED] in any way. (Exhibit 5)

FINDINGS

The investigation determined that [REDACTED] served as the COTR of a contract which was awarded to [REDACTED]'s company [REDACTED]. The investigation also determined

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that [REDACTED] husband gained employment with [REDACTED] during [REDACTED] tenure as the COTR for the [REDACTED] contract. It was also determined that [REDACTED] did not disclose that her husband secured employment with [REDACTED] while she served as the COTR of the [REDACTED] contract. In addition, this investigation also determined that [REDACTED] was forwarding information on an OCC IT contract, via her government computer and email account, to her husband. These emails were subsequently forwarded to [REDACTED] from [REDACTED] email address. Therefore, the appearance of a financial conflict of interest is substantiated against [REDACTED]

The investigation further determined that [REDACTED] accepted gifts from [REDACTED] which exceeded the annual gift limit from an outside source. Therefore, [REDACTED] violated 5 C.F.R. 2635. 201 - Gifts from outside sources. The investigation also determined that [REDACTED] failed to submit the proper OCC financial disclosure forms to disclose her husband's employment with [REDACTED] and [REDACTED] a second company in which [REDACTED] and [REDACTED] husband were employed.

In addition, it was determined that [REDACTED] and [REDACTED] attended numerous social functions with [REDACTED] which gave an appearance of impropriety between Federal employees and a contractor. The investigation also determined that [REDACTED] and [REDACTED] exchanged gifts during some of their social functions, to include but not limited to flowers, limousine ride(s), meals and "gag gifts." Therefore, [REDACTED] and [REDACTED] violated 5 C.F.R. 2635. 201 - Gifts from outside sources.

This investigation also determined that [REDACTED] violated 18 U.S.C. § 1001 - False Statements by providing false information to Treasury OIG Special Agents during an interview and in a signed sworn affidavit. On September 8, 2009, the District Office of Maryland, U.S. Attorney's Office declined criminal and civil prosecution of [REDACTED] due to the lack of prosecutorial merit. (Exhibit 6)

REFERRALS

[REDACTED], Senior Advisor, OCC

A. Criminal

On February 8, 2007, this investigation was presented to [REDACTED], AUSA, Fraud and Public Integrity, U.S. Attorney's Office, for the District of Columbia, for potential criminal and civil prosecution of [REDACTED]. AUSA [REDACTED] advised that based

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upon the findings to date, there was likely not a criminal violation. However, new information was received by OIG/OI relating to the allegations. Based on the new information received by the OIG/OI, the District of Maryland, U.S. Attorney's Office was notified and again presented with the facts of this case for potential criminal and civil prosecution of [REDACTED] for violation of Title 18 U.S.C. § 1001 - False Statements. On September 8, 2009, the District Office of Maryland, U.S. Attorney's Office declined criminal and civil prosecution of [REDACTED] due to the lack of prosecutorial merit. (Exhibit 6)

B. Civil

Not applicable

C. Administrative

See Findings

EXHIBITS

1. Original allegation, Correspondence, dated July 6, 2006.
2. Memorandum of Activity, Interview of [REDACTED] Vice President, [REDACTED] Corporation.
3. Memorandum of Activities, Interviews of [REDACTED] [REDACTED] President & Chief Executive Officer, [REDACTED]
4. Memorandum of Activities, Interviews of [REDACTED] Senior Security Program Analyst, OCC.
5. Memorandum of Activities, Interviews of [REDACTED] Senior Supervisory Information Technology Specialist, OCC.
6. Memorandum of Activities, Case Presentations to the U.S. Attorney's Officer.

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Report of Investigation
DO-10-0266



Office of Inspector General

United States Department of the Treasury



REPORT OF INVESTIGATION



DATE OF REPORT	
REPORT STATUS	Final
CASE NUMBER	DO 10-0266
CASE TITLE	[REDACTED] GS 1801-13 Enforcement Investigations Officer Office of Foreign Asset Control
PERTINENT STATUTE(S), REGULATION(S), AND/OR POLICY(IES)	31 C.F.R. 0.213 - General conduct prejudicial to the government

SYNOPSIS

On October 28, 2009, the Department of Treasury (Treasury), Office of the Inspector General, Office of Investigations (OIG/OI) initiated an investigation based on information it received regarding an incident on October 22, 2009, in Chapel Hill, North Carolina involving [REDACTED] Enforcement Investigation Officer, Office of Foreign Assets Control. (Exhibit 1)

As a result, it has been substantiated that while attending a collegiate football game in North Carolina an intoxicated [REDACTED] became involved in an incident whereas he encountered police officers at Kenan Football Center in Chapel Hill, North Carolina, as he attempted to carry into the stadium prohibited alcoholic beverages. Subsequently, during the encounter, police identified [REDACTED] as a

Case Agent:

Supervisory Approval:

[REDACTED]
Special Agent

[REDACTED]
Special Agent in Charge (Acting)

(Signature)

12/21/09

12/22/09

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Treasury employee with OFAC after seeing his badge and credentials. After the identification, [REDACTED] demeanor and behavior continued to be disorderly and disruptive.

DETAILS

A. Allegation: It was alleged that on October 22, 2009, while [REDACTED] was attending a collegiate football game, [REDACTED] encountered police while attempting to bring prohibited alcoholic beverages into the football stadium. During the encounter, police identified [REDACTED] as a Treasury employee after seeing his badge and credentials. It was reported by police; [REDACTED] behavior during the encounter was perceived as disorderly and disruptive.

B. Context / Background: [REDACTED] is an Enforcement Investigations Officer within OFAC and has been employed with Treasury for approximately the last twelve years. [REDACTED] Official Personnel File (OPF) reveals no disciplinary actions during his tenure with the government.

INVESTIGATIVE ACTIVITY

On November 10, 2009, OIG/OI received several documents from [REDACTED], Human Resources Specialist, Departmental Offices (DO) from [REDACTED] OPF. The OPF reflected [REDACTED] was employed as an Enforcement Investigations Officer, GS 1801, 13-7, at OFAC. The OPF revealed no disciplinary actions against [REDACTED] during his tenure with the government. (Exhibit 2)

In an interview with the OIG/OI, [REDACTED], Chief of General Investigations, OFAC, stated he became [REDACTED] supervisor in January 2007. [REDACTED] stated he has had no disciplinary problems with [REDACTED] however, [REDACTED] work product over the last two years has been deficient. [REDACTED] was apprised of the October 22, 2009, incident involving [REDACTED] and he was genuinely surprised by the encounter. [REDACTED] was not aware of any internal policy or procedures [REDACTED] violated during the incident. (Exhibit 3)

On November 18, 2009, the OIG/OI interviewed [REDACTED] [REDACTED] was advised of his rights, via Treasury OIG OI-Form 27, Advice of Rights (Beckwith/Garrity). [REDACTED] admitted that he encountered police on October 22, 2009, while he was attending a football game in Chapel Hill, North Carolina as he attempted to bring a prohibited alcoholic beverage into the stadium. As a result, [REDACTED] admitted he was banned

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Office of Inspector General – Investigations
Department of the Treasury

from entering the stadium after the confrontation with Captain [REDACTED] of the Orange County Sheriff's Office (OCSO). [REDACTED] admits he "brushed" a cookie container against [REDACTED] during the confrontation but contends it was accidental. He also admitted to being under the influence of alcohol at the time and was very angry during the situation. [REDACTED] provided a signed, sworn statement regarding his accounts of the situation. (Exhibit 4)

On November 23, 2009, the OIG/OI spoke to [REDACTED], Captain, OCSO regarding his encounter with [REDACTED]. [REDACTED] stated [REDACTED] was intoxicated as he attempted to enter the stadium with the prohibited alcoholic beverage. [REDACTED] said [REDACTED] was extremely disorderly when he was told he would not be allowed into the stadium. [REDACTED] said the police officers on scene were very close to arresting [REDACTED] but because they believed him to be a law enforcement officer they used restraint. (Exhibit 5 and 1)

Subsequently, [REDACTED] obtained a written statement from [REDACTED], Show Pro (Stadium Security), regarding his observations of the situation involving [REDACTED] and provided it to the OIG/OI (Exhibit 5). [REDACTED]'s statement and observations were consistent with the original police report provided by the University of North Carolina and [REDACTED]'s statement (Exhibit 1).

FINDINGS

Based on the evidence and information gathered during this investigation it was determined that the allegations regarding [REDACTED] were substantiated. [REDACTED] attempted to bring prohibited alcoholic beverages into the football stadium and was banned from entering by police officers on scene. During the encounter, police identified [REDACTED] as a Treasury employee with OFAC after seeing his badge and credentials. After the identification, [REDACTED] demeanor and behavior continued to be disorderly and disruptive. Subsequently, [REDACTED] actions and behavior were perceived by police as being disorderly and disruptive. Consequently, [REDACTED] actions have been deemed as not being in the best interest of Treasury and the United States Government in violation of Treasury policy.

REFERRALS

Criminal

Not applicable

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Civil

Not applicable

Administrative

The allegations of misconduct by [REDACTED] were substantiated. It is recommended that this information be provided to OFAC management for any action they deem appropriate.

RECOMMENDATIONS / DISTRIBUTION

[REDACTED], Senior Advisor, United States Department of Treasury, Departmental Offices

EXHIBITS

<u>Number</u>	<u>Description</u>
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- | | |
|----|--|
| 1. | Memorandum of Activity, Predicating Documents, dated October 28, 2009. |
| 2. | Memorandum of Activity, Review of OPF, dated November 17, 2009. |
| 3. | Memorandum of Activity, Interview of [REDACTED], dated November 18, 2009. |
| 4. | Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated November 18, 2009. |
| 5. | Memorandum of Activity, Interview of [REDACTED] [REDACTED], dated November 23, 2009. |

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Office of Inspector General – Investigations
Department of the Treasury



REPORT OF INVESTIGATION



DATE OF REPORT	JUL 16 2010
REPORT STATUS	Final
CASE NUMBER	FMS 10-1800-I
CASE TITLE	██████████ GS 0303 -08, Program Assistant, Financial Management Services
PERTINENT STATUTE(S), REGULATION(S), AND/OR POLICY(IES)	31 C.F.R. 0.213 - General conduct prejudicial to the government. (SUBSTANTIATED) 31 C.F.R. 0.210 - Conduct while on official duty or on government property. (SUBSTANTIATED)

SYNOPSIS

On April 23, 2010, the Department of Treasury (Treasury), Office of the Inspector General, Office of Investigations (OIG/OI), initiated an investigation based on information received from the Security Division, Financial Management Services (FMS). It was alleged ██████████ Program Assistant, FMS, utilized the FMS Federal Express (FEDEX) mailing system to process her personal mail from February 27, 2002 thru April 4, 2010. FMS Security Division provided a spreadsheet to OIG/OI disclosing the alleged inappropriate FEDEX transactions completed by ██████████ (Exhibit 1, 2)

<i>Case Agent:</i> ██████████ Special Agent ██████████ (Signature) 7-13-10	<i>Supervisory Approval:</i> ██████████ Special Agent In Charge ██████████ (Signature) 7/16/10
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The investigation determined [REDACTED] used the FEDEX mailing system for unauthorized personal use from 2002 thru 2010, on more than 50 occasions. [REDACTED] usage of the FEDEX mailing system cost the government \$264.26 (not including five FEDEX transactions in which the cost could not be determined).

In addition, [REDACTED] admitted during an interview that she misused the FMS FEDEX mailing system by forwarding her personal mail. Therefore, the allegations of conduct prejudicial to the government and adverse conduct while on official duty are substantiated against [REDACTED]

DETAILS

A. Allegation: General conduct prejudicial to the government and conduct while on official duty or on government property.

B. Context/Background:

[REDACTED] is currently working as a Program Assistant within the Human Resources Department, FMS. [REDACTED] has been employed with Treasury for approximately twenty seven years. A review of [REDACTED] Official Personnel File (OPF) revealed that a Letter of Reprimand was issued to [REDACTED] on December 13, 2007, for violation of the Treasury, FMS, Manual of Administration, Chapter 735-10 C 5 (Violence in the Workplace) for threatening another FMS employee. The review revealed no additional disciplinary actions during her tenure with the government.

On April 8, 2010, FMS management initiated a search for a missing OPF file relating to a former FMS employee. The search was initiated because FMS received a "Congressional Request" in which the OPF file contained information needed to respond to the congressional request.

INVESTIGATIVE ACTIVITY

On May 6, 2010, OIG/OI interviewed [REDACTED], Security Specialist, Security Division, FMS. [REDACTED] advised that during the search for the former FMS employee OPF, [REDACTED] workspace was searched. As a result of that search, more than 50 FEDEX receipts were discovered. [REDACTED] provided OIG/OI the FEDEX receipts obtained from [REDACTED] workspace and a spreadsheet detailing the FEDEX transactions that were unauthorized. (Exhibit 3)

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Department of the Treasury

On May 13, 2010, OIG/OI interviewed [REDACTED], Manager, Human Resources Operations System Branch, FMS. [REDACTED] advised that she is [REDACTED] supervisor and on April 8, 2010, she initiated a search for a former FMS employee OPF based on a "Congressional request." [REDACTED] advised all employees were notified of the pending search and during the search "suspect" FEDEX receipts were found in [REDACTED] workspace.

[REDACTED] advised that on April 9, 2010, [REDACTED] asked to speak with her to discuss the FEDEX receipts. [REDACTED] stated she informed [REDACTED] that "security" had taken the FEDEX labels found in her workspace. [REDACTED] stated at that time, [REDACTED] admitted she had inappropriately used the FEDEX system for personal use. [REDACTED] said that [REDACTED] also stated, "I wish that I had taken the folder home." (Exhibit 4)

On May 20, 2010, the OIG/OI interviewed [REDACTED] Human Resource Specialist, FMS. [REDACTED] advised she became aware of [REDACTED] inappropriate use of the FEDEX system last summer when [REDACTED] told her she was going to use FEDEX system to "mail off her car note" because it was late. [REDACTED] said she told [REDACTED] she should not use the FEDEX mailing system and advised her that the FEDEX system was probably tracked. [REDACTED] said [REDACTED] responded, "I know", and [REDACTED] made no further comments about her intentions to use the FEDEX system. (Exhibit 5)

On May 20, 2010, the OIG/OI interviewed [REDACTED], Human Resources Specialist, FMS. [REDACTED] advised he overheard a conversation between [REDACTED] and [REDACTED] where [REDACTED] told [REDACTED] "she needs to stop doing that." [REDACTED] advised he asked, "Stop doing what?" [REDACTED] stated [REDACTED] told him [REDACTED] was using the FEDEX system for her personal use. [REDACTED] advised he told [REDACTED] "that she shouldn't be doing that," and stated [REDACTED] was also told the same thing by three to four additional co-workers, to include, Human Resources Specialists, [REDACTED] [REDACTED] and [REDACTED] (Exhibit 6)

On June 10, 2010, the OIG/OI interviewed [REDACTED] [REDACTED] advised she became aware [REDACTED] had inappropriately used the FEDEX system for personal use when [REDACTED] told her [REDACTED] had forwarded her ([REDACTED] car payment using the system. [REDACTED] reported [REDACTED] inappropriate use of the FEDEX system was common knowledge throughout the office; however, she did not think management was aware of [REDACTED] inappropriate use of the FEDEX system. (Exhibit 7)

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Department of the Treasury

On June 21, 2010, the OIG/OI interviewed [REDACTED] regarding her use of the FMS FEDEX mailing system. [REDACTED] was advised of the nature of the interview, provided personal history information form and advised of her rights. [REDACTED] agreed to waive her rights and be interviewed. [REDACTED] signed the Miranda form indicating that she understood and waived her rights.

[REDACTED] was asked if she was aware of the FEDEX receipts that had been discovered in her workspace as a result of an OPF search. [REDACTED] said she was aware of the FEDEX receipts and stated she had used the FEDEX system for unauthorized personal use. [REDACTED] reported that when she utilized the FEDEX system for personal use, she was aware that her conduct was inappropriate, and knew the FEDEX system should only be used for official FMS business. [REDACTED] explained she utilized the FEDEX system for approximately two years to mostly pay her car note.

[REDACTED] advised that she inappropriately used the FEDEX system because she had financial difficulties. [REDACTED] identified her financial difficulties as paying her rent, and car note. [REDACTED] stated, "I wish I had taken those receipts home."

[REDACTED] advised after the OPF search was conducted on April 8, 2010, her supervisor, [REDACTED], called her into her [REDACTED] office and advised that FEDEX receipts were discovered in her workplace and the receipts would be turn over to FMS security.

OIG/OI presented [REDACTED] with the FEDEX receipts discovered in her workplace. [REDACTED] acknowledged the receipts were the receipts resulting from her inappropriate use of the FEDEX mailing system. [REDACTED] acknowledged sending documents utilizing the FEDEX mailing system to the Internal Revenue Service (IRS) as well as for her car payments. [REDACTED] stated she had only use the FEDEX system for a short period of time. [REDACTED] was presented with receipts which identified she misused the FEDEX system dating back to 2002. [REDACTED] acknowledged the receipts dating back to 2002 were the results of inappropriate FEDEX mailing system usage. (Exhibits 8, 9, 10)

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Office of Inspector General – Investigations
Department of the Treasury

FINDINGS

The investigation determined that [REDACTED] used the FEDEX mailing system for unauthorized personal use from 2002 thru 2010, on more than 50 occasions. [REDACTED] usage of the FEDEX mailing system cost the government \$264.26 (not including five FEDEX transactions in which the cost could not be determined).

In addition, [REDACTED] admitted during an interview she also misused the FEDEX mailing system by forwarding her personal mail. Therefore, the allegations of conduct prejudicial to the government and adverse conduct while on official duty are substantiated against [REDACTED]

REFERRALS

Criminal

On June 22, 2010, the facts of this case were presented to [REDACTED], Assistant United States Attorney, United States Attorney's Office (USAO), Greenbelt, Maryland, for violation of Title 18 USC § 31 – Embezzlement and Theft. The case was declined for prosecution on June 22, 2010, and returned to Treasury OIG for appropriate administrative action. (Exhibit 11)

Civil

Not applicable

Administrative

The allegation of the inappropriate use of the FEDEX mailing system by [REDACTED] was substantiated. It is recommended that this information be provided to Financial Management Services management for any action they deem appropriate.

RECOMMENDATIONS / DISTRIBUTION

[REDACTED], Treasury, Financial Management Services

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Office of Inspector General – Investigations
Department of the Treasury

EXHIBITS

<u>Number</u>	<u>Description</u>
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- | | |
|-----|---|
| 1. | Memorandum of Activity, Predicating Documents, dated April 23, 2010. |
| 2. | Spreadsheet provided by Security Specialist [REDACTED], dated April 23, 2010. |
| 3. | Memorandum of Activity, Interview of [REDACTED], dated May 4, 2010. |
| 4. | Memorandum of Activity, Interview of [REDACTED], dated May 13, 2010. |
| 5. | Memorandum of Activity, Interview of [REDACTED] dated May 20, 2010. |
| 6. | Memorandum of Activity, Interview of [REDACTED], dated May 20, 2010. |
| 7. | Memorandum of Activity, Interview of [REDACTED] dated June 9, 2010. |
| 8. | Memorandum of Activity, Interview of [REDACTED] dated June 17, 2010. |
| 9. | OI Form-25, Advice of Rights (Miranda), signed by [REDACTED] dated June 17, 2010. |
| 10. | OI Form-28A, Statement, written and signed by [REDACTED] dated June 17, 2010. |
| 11. | Memorandum of Activity, Criminal Referral, dated July 13, 2010. |

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Office of Inspector General – Investigations
Department of the Treasury

REPORT OF INVESTIGATION
OTS-10-1348-I



Office of Inspector General

United States Department of the Treasury



REPORT OF INVESTIGATION



DATE OF REPORT	AUG 13 2010
REPORT STATUS	Final
CASE NUMBER	OTS-10-1348-I
CASE TITLE	[REDACTED] TG-18, National Bank Examiner, Office of Thrift Supervision.
PERTINENT STATUTE(S), REGULATION(S), AND/OR POLICY(IES)	Standards of Ethical Conduct for Employees of the Executive Branch – Subpart D – Conflicting Financial Interest § 2635.402, Disqualifying Financial Interest. (SUBSTANTIATED)

SYNOPSIS

This investigation was initiated on March 12, 2010, based on information received from [REDACTED], Special Counsel, Office of Thrift Supervision (OTS), Washington, D.C. [REDACTED] reported that [REDACTED] allegedly accepted a loan from a financial institution which he ([REDACTED]) had regulatory oversight as a National Bank Examiner (NBE). Specifically, [REDACTED] reported that [REDACTED] disclosed on his OTS, 2010 Confidential Financial Disclosure form, that he had a \$5000 overdraft protection line of credit loan from Sovereign Bank, which is regulated by OTS. (Exhibit 1)

The investigation substantiated that [REDACTED] engaged in a financial conflict of interest with a financial institution in which he had regulatory oversight. The investigation

Case Agent:

[REDACTED], Special Agent

[REDACTED] 8/10/2010
(Signature)

Special Agent In Charge:

[REDACTED]
Special Agent In Charge
8/13/10
(Signature)

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determined that ■ had a \$5000 overdraft protection line of credit with Sovereign Bank, which is regulated by OTS. In addition, the investigation determined that ■ utilized the overdraft protection line of credit in 2007, 2008, and 2009, and once detected, ■ reported this conflict in 2010. The investigation further determined that ■ participated in three OTS Trust Examinations of Sovereign Bank that were conducted in 2007, 2008, and 2009.

DETAILS

I. Allegation – Conflict of Interest

II. Context/Background:

The Staten Island Saving Bank changed its name to the Staten Island Bank and Trust in 2000. The Staten Island Bank and Trust was acquired by the Independence Community Bank in 2004. The Independence Community Bank was acquired by the Sovereign Bank in 2006, and the Sovereign Bank became a wholly-owned subsidiary of the Spanish Group Santander on January 30, 2009.

INVESTIGATIVE ACTIVITY

Interview of ■ ■

■ reported during his interview, that when he obtained employment with OTS in June 1999, he informed OTS authorities that he had existing loans with the Staten Island Saving Bank (which eventually became Sovereign Bank in 2006) and needed to recuse himself from any regulatory oversight of that financial institution. Also, ■ said that he closed his overdraft protection line of credit (Account Number ■) with Staten Island Saving Bank.

■ said that he eventually transferred his loan to a non-regulated OTS financial institution and thought his overdraft protection line of credit with the Staten Island Saving Bank was closed. However, the Staten Island Saving Bank had merged and changed ownership on three different occasions and eventually became a division of Sovereign Bank and the line of credit was reopened.

■ reported that when the Staten Island Bank and Trust was acquired by the Independence Community Bank in 2004, it was regulated by the Office of the Comptroller of the Currency and not OTS. ■ said that during that time he opened a checking account with the Independence Community Bank. As a result of the bank mergers there were numerous system conversions and apparently his overdraft protection account was linked to his checking account and reopened. According to ■ when the Independence Community Bank was acquired by the Sovereign Bank in 2006, it became regulated by the OTS.

■ said that in 2009 he noticed two overdraft protection charges which prompted him to investigate the account. ■ said that he learned through his own investigation that the overdraft protection line of credit (Account Number ■■■■■■■■■■) with Sovereign Bank was still active and was used inadvertently. ■ reported that he noticed he incurred overdraft protection charges in 2007, 2008, and 2009. ■ said at the time he made the discoveries, he disclosed the activity on his 2010, OTS annual financial disclosure form.

■ further reported that he participated in three Trust Examinations of the Sovereign Bank in 2007, 2008, and 2009. ■ stated he was never the Examiner-in-Charge during the Trust Examinations, nor did he participate in an examination of the local bank branch near his home. Lastly, ■ stated that he, his family, nor his friend received any preferential treatment, consideration, or privileges from Sovereign Bank due to his status as a NBE. (Exhibits 1, 2)

FINDINGS

The investigation substantiated that ■ engaged in a financial conflict of interest with a financial institution in which he (■) had regulatory oversight. The investigation determined that ■ had a \$5000 overdraft protection line of credit with Sovereign Bank, which is regulated by OTS. Also, the investigation determined through ■ self disclosure that he utilized the overdraft protection line of credit in 2007, 2008, and 2009.

REFERRALS

I. Criminal

On July 14, 2010, ■■■■■■■■■■ Assistant United States Attorney (AUSA), United States Attorney's Office, Eastern District of New York, was contacted regarding ■ allegedly accepting a loan or gratuity by a financial institution examiner. On July 15, 2010, AUSA ■■■■■■■■■■ declined criminal prosecution and referred the case to the Treasury OIG for administrative action. (Exhibit 3)

II. Civil

N/A

III. Administrative

The allegation of ■ accepting a loan or gratuity by a financial institution examiner is substantiated. It is recommended that this information be provided to OTS management for any action they deem appropriate.

DISTRIBUTION

██████████, Special Counsel, OTS

EXHIBITS**Number** **Description**

1. Initial complaint document from ██████████, dated March 11, 2010.
2. Memorandum of Activity, regarding interview of ██████ ██████ dated June 29, 2010.
3. Memorandum of Interview, regarding ██████ Declination of case, dated August 4, 2010.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFFICE OF
INSPECTOR GENERAL

MEMORANDUM FOR [REDACTED] SPECIAL COUNSEL
OFFICE OF THRIFT SUPERVISION

FROM:

[REDACTED] 10/21/10
Special Agent in Charge

SUBJECT:

[REDACTED] Human Resources Specialist
Office of Thrift Supervision

Case Number: OTS-10-2780-I

Attached for your review is our Report of Investigation (ROI) concerning the results of our investigation into the allegations of misconduct by [REDACTED] [REDACTED]. The investigation determined that [REDACTED] misused OTS IT resources to solicit prostitution and that [REDACTED] met with prostitutes on three separate occasions.

The above information, which summarizes the attached ROI, is forwarded to your office to assist you in determining what, if any, corrective administrative action, may be warranted. Within 90 calendar days of receiving this correspondence, a written response is to be sent to this office advising what administrative action you have taken or intend to take (including, if you do not plan to take any action) and the reason(s) why. If you should require more time, please submit correspondence to this office requesting an extension identifying a date by which you anticipate your action will be completed.

This ROI has been created by the Treasury, Office of Inspector General. It contains sensitive law enforcement information, the use and dissemination of which is governed by the Privacy Act, 5 U.S.C. § 552a. It remains the property of the Office of Inspector General, and has been provided to you for use in performance of official duties. It must be returned when your need for it has ended, and must be safeguarded from improper disclosure. Your use and further dissemination of it is limited to purposes consistent with your possession of it. Consult with the Treasury, Office of Inspector General before making any other use or dissemination of it.

If at any time you have any questions concerning this matter or, if upon further review you develop information that may indicate a need for additional or new investigative activity by this office to assist you in resolving this matter, please contact me at (202) 927-[REDACTED]. Staff requests for assistance should be directed to

[REDACTED], Assistant Special Agent in Charge, Mission Support Branch at (202)
927-[REDACTED].



REPORT OF INVESTIGATION



DATE OF REPORT

REPORT STATUS

Final

CASE NUMBER

OTS-10-2780-I

CASE TITLE

██████████ Human Resources Specialist
Office of Thrift Supervision

**PERTINENT
STATUTE(S),
REGULATION(S),
AND/OR
POLICY(IES)**

31 U.S.C. § 0.213 General Conduct Prejudicial to the Government
[SUBSTANTIATED]

OTS Directive 1201 Use of Information Technology Resources
[SUBSTANTIATED]

SYNOPSIS

On August 5, 2010, the Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (OI), received information from the Office of Thrift Supervision (OTS) alleging that OTS Human Resources Specialist, ██████████ utilized OTS IT resources to arrange sexual encounters with women advertising on the Craigslist. (Exhibit 1) It was also alleged that ██████████ used his OTS-issued travel card to purchase hotel rooms to support his assignments.

Investigation by the OIG/OI confirmed the allegation that ██████████ misused OTS IT resources to solicit prostitution and that ██████████ met with prostitutes on three separate occasions. When interviewed by the OIG/OI, ██████████ admitted to soliciting prostitutes using OTS IT resources. ██████████ retired from federal service, effective October 1, 2010.

Case Agent:

██████████
10-27-10
(Signature)

Supervisory Approval:

██████████, Special Agent In Charge
10/27/10
(Signature)

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DETAILS

A. Allegation: It was alleged that [REDACTED] [REDACTED] utilized OTS IT resources to arrange for sexual encounters with women advertising on the Craigslist.

B. Context / Background: [REDACTED] is a TG-51 Human Resources Specialist with a concentration in retirement planning with 36 years of federal service.

INVESTIGATIVE ACTIVITY

On September 3, 2010, the OIG/OI completed its analysis of [REDACTED] email and determined that [REDACTED] had used OTS email to communicate with women offering a variety of adult/erotic services. In addition, [REDACTED] submitted a \$100 payment via Paypal to a woman he had arranged to meet in Atlanta, GA. [REDACTED] also received numerous emails from adult dating sites he had subscribed to. (Exhibit 2)

On September 8, 2010, the OIG/OI interviewed [REDACTED] [REDACTED] who admitted that he used OTS IT resources to view websites offering erotic services on a weekly basis as well as communicating with and arranging meetings with women offering erotic services. [REDACTED] acknowledged that he was aware he was soliciting for prostitution and stated he met with prostitutes on three occasions. In addition, he arranged to meet with another prostitute in Atlanta, but [REDACTED] ended up breaking their scheduled meeting and paid her \$100 via paypal.com as a cancellation fee.

[REDACTED] reported that he did not provide any OTS or banking information to any prostitute nor did anyone attempt to obtain such information from him. No assignments occurred in OTS or government-controlled property. [REDACTED] provided the OIG/OI with a signed, sworn statement detailing the matters above. (Exhibit 3)

FINDINGS

The investigation determined that [REDACTED] actions violated 31 U.S.C. § 0.213's prohibition against engaging in "criminal, infamous, dishonest, or notoriously disgraceful conduct." In addition, [REDACTED] violated OTS Directive 1201, which prohibits using OTS IT resources for activities that are inappropriate and that use of the Internet should be able to withstand public scrutiny without embarrassment to the employee, OTS or the federal government. In addition, the policy also prohibits "any

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other uses prohibited by Federal statutes, Regulations, Standards of Conduct, Ethics Rules, or Rules of Behavior.”

REFERRALS

Criminal

On September 2, 2010, the issue of [REDACTED] misuse of OTS IT resources and solicitation of prostitution was presented telephonically to the United States Attorney's Office for the District of Columbia, which declined to accept the case for prosecution absent aggravating circumstances such as underage prostitutes or human trafficking.

Civil

Not Applicable

Administrative

[REDACTED], Special Counsel, Office of Thrift Supervision

EXHIBITS

Number Description

1. Hotline Complaint dated August 5, 2010
2. Memorandum of Activity, E-Mail Review, dated September 3, 2010
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated September 8, 2010

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OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

MEMORANDUM FOR DENNIS P. O'CONNOR, CHIEF,
UNITED STATES MINT POLICE

FROM:

[REDACTED] Special Agent in Charge

12/30/10

SUBJECT:

Heritage Auction Gallery – Ft. Knox
Depository Blueprints

OIG Case Number: USM-10-3005-I

DATE:

Attached for your review is our Report of the Investigation into allegations that original blueprints for the Fort Knox Depository may have been unlawfully purchased. The investigation determined the allegations are unsubstantiated.

This investigation was initiated based upon concerns from your office when a United States Mint employee found blueprints for the Fort Knox Depository were available for possible unlawful purchase through an online auction site. The investigation revealed no conclusive evidence to support the allegations.

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If at any time you have any questions concerning this matter or, if upon further review you develop information that may indicate a need for additional or new investigative activity by this office to assist you in resolving this matter, please contact me at (202) 927-[REDACTED]. Staff requests for assistance should be directed to [REDACTED] Assistant Special Agent in Charge, (202) 927-[REDACTED].

**REPORT OF INVESTIGATION
USM-10-3005-I**



Office of Inspector General

United States Department of the Treasury



Office of Inspector General U.S. Department of the Treasury



Report of Investigation

Case Title: Heritage Auction Gallery – Fort
Knox Depository Original Blueprints

Case #: USM-10-3005-I

Case Type: Criminal _____
Administrative X
Civil _____

Investigation Initiated: September 2, 2010

Investigation Completed:

Conducted by: [REDACTED]
Special Agent

Origin: [REDACTED] Inspector, Office of
Inspections and Investigations, U.S. Mint
Police

Approved by: [REDACTED] [REDACTED]
Special Agent in Charge

Summary

This investigation was initiated based on information received from [REDACTED] Inspector, Office of Inspections and Investigations, U.S. Mint Police (USM). Specifically, [REDACTED] forwarded information that their office was made aware of a June 2009 listing/sale of forty-six (46) pages of original blueprint drawings for the Fort Knox, KY Bullion Depository building, sold via the Heritage Auction Galleries website. (Exhibit 1)

The investigation revealed no evidence to support the blueprints were obtained in an illegal manner or that the current owner would use them for any malicious purpose. Furthermore, as a result of this investigation, changes were initiated at the National Archives and Records Administration (NARA) which would now require written authorization from the USM Chief of Police for anyone to examine the Depository's blueprints.

Basis and Scope of the Investigation

This investigation was initiated on September 2, 2010 based upon concerns from the USM Police that blueprints for the Fort Knox Depository were available for purchase through an online auction site. [REDACTED] stated [REDACTED], a USM employee in San Francisco, was doing research on the internet and found the auction site that sold the blueprints. (Exhibit 2)

Inquiries conducted with NARA determined the blueprints in their possession were listed as an open item. There were no restrictions on who could purchase copies of the blueprints.

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Report of Investigation

Case Name: Financial Management Services – Time and Attendance Fraud

Case # FMS-10-2338-I

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During the course of the investigation, TOIG conducted relevant interviews with:

- [REDACTED], Inspector, U.S. Mint Police
- [REDACTED], Lieutenant, U.S. Mint Police
- [REDACTED], Special Agent in Charge, National Archives and Records Administration
OIG
- [REDACTED], Archivist, National Archives and Records Administration
- [REDACTED], Attorney, U.S. Mint
- [REDACTED], U.S. Mint Police
- [REDACTED], [REDACTED]
- [REDACTED], Private Citizen

In addition, TOIG reviewed pertinent documents, including:

- Documents provided by Heritage Auction Gallery
- Documents provided by [REDACTED]

Investigative Activity

In an interview with TOIG, [REDACTED] stated he has never seen the blueprints and schematics that are stored at the Fort Knox Depository. The documents are maintained in a locked cabinet, in a secure room, which requires card reader access. There are also two sets of cameras in place. [REDACTED] explained that he believed the public could purchase a copy of the original blueprints from NARA. The originals were not classified. However, the current blueprints are not available to the public. (Exhibit 3)

In an interview with TOIG, [REDACTED] explained that NARA maintains the original blueprints for the Fort Knox Depository. The blueprints which were on linen paper differ from what was depicted on the Heritage Auction Gallery (Heritage) website. The NARA blueprints did not depict the Treasury seals while the other blueprints did. The blueprints maintained by NARA are considered open items. There are no restrictions on who can purchase copies. (Exhibit 4)

In an interview with TOIG, [REDACTED] explained records on individuals who make requests for NARA documents are only maintained for one year. [REDACTED] could not recall anyone ever requesting copies of the blueprints for the depository in his six year tenure at NARA. [REDACTED] added the USM would have to contact him to initiate the process to change the status of the blueprints which would prohibit public purchase. (Exhibit 5)

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In an interview with TOIG, [REDACTED] explained he believed, due to the security aspect of these documents it was necessary to identify the source of the blueprints, identify the current owner and determine what the owner's motivation was in having the blueprints. [REDACTED] was also provided with the [REDACTED]'s contact information so they could limit access to NARA's copy of the blueprints. (Exhibit 6)

In an interview with TOIG, [REDACTED] confirmed the blueprints maintained at the Ft. Knox Depository were accounted for, properly stored and secure. (Exhibit 7)

In a TOIG document review, [REDACTED] advised via email that the NARA's set of blueprints were no longer available to the general public without the authorization, in the form of a signed letter, from the Chief of the USM. (Exhibit 8)

In a TOIG document review, pursuant to an Inspector General Subpoena served on Heritage Auction Gallery (Heritage), the seller and current owner of the blueprints were identified. The blueprints were consigned to Heritage by [REDACTED], [REDACTED]. The blueprints were purchased by [REDACTED] for a total of \$6,605.50. (Exhibit 9)

In an interview with TOIG, [REDACTED] stated in approximately 2002, he purchased the blueprints in an estate sale. The blueprints and other assorted military items were purchased from the estate of Major General [REDACTED] (Ret.). [REDACTED] paid approximately \$1,000 for all of the items. [REDACTED] conducted research and discovered [REDACTED] was a career military officer who served in World Wars I and II. [REDACTED] enlisted in the Army as private in the Corp of Engineers. [REDACTED]s did not know how Major General [REDACTED] obtained the blueprints. The family left the Fayetteville, NC area and he did not know their whereabouts. (Exhibit 10)

In an interview with TOIG, [REDACTED] stated the blueprints were in his possession in a secure location in [REDACTED]. There were no markings, copyrights or any sensitive classifications. Adams had no ill intent to do anything illegal with the blueprints. He is a collector and intends to show them to family and friends. [REDACTED] provided copies (front and back) of the blueprints to TOIG. (Exhibit 11)

In a TOIG document review, a CD containing the front and back pages of the blueprints purchased by [REDACTED] were reviewed. A review of the documents did not identify any information or markings that would prohibit [REDACTED] from owning the blueprints. (Exhibit 12)

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Report of Investigation

Case Name: Financial Management Services – Time and Attendance Fraud

Case # FMS-10-2338-I

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Referrals

None

Judicial Action

None

Findings

The investigation revealed no evidence to support the blueprints were obtained in an illegal manner nor the current owner would use them for any malicious purpose. In addition, changes were initiated at the National Archives and Records Administration (NARA) which would now require written authorization from the USM Chief of Police for anyone to examine the Depository's blueprints. The blueprints were previously characterized as an open item. There were no restrictions on who could purchase copies of the blueprints

Based on the findings of our investigation, it appears that the following pertinent statute(s), regulation(s) and/or policy(ies) were violated or could be applied to the case:

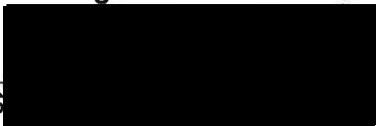
- N/A

Distribution

Dennis P. O'Connor, Chief, United States Mint Police

Signatures

Case Agent:

S 

12/30/10
Date

Supervisor:


Signature

12/30/10
Date

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Exhibits

1. Initial Complaint document from [REDACTED] dated September 1, 2010.
2. Memorandum of Activity, Interview of [REDACTED] dated September 7, 2010.
3. Memorandum of Activity, Interview of [REDACTED], dated September 7, 2010.
4. Memorandum of Activity, Interview of [REDACTED], dated September 8, 2010.
5. Memorandum of Activity, Interview of [REDACTED], dated September 8, 2010.
6. Memorandum of Activity, Interview of [REDACTED], dated September 10, 2010.
7. Memorandum of Activity, Interview of [REDACTED], dated September 13, 2010.
8. Memorandum of Activity, Document Review/E-Mail, dated September 21, 2010.
9. Memorandum of Activity, Document Review of Subpoenaed Documents, dated October 4, 2010.
10. Memorandum of Activity, Interview of [REDACTED], dated October 5, 2010.
11. Memorandum of Activity, Interview of [REDACTED], dated October 15, 2010.
12. Memorandum of Activity, Document Review, Blueprints Provided by [REDACTED], dated November 19, 2010.