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Description of document: Department of the Treasury Office of Inspector General (OIG) report generated in case DO-11-1241-I regarding leaking economic data from "lockdown rooms," 2012

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Source of document: FOIA Request  
Department of the Treasury  
Washington, DC 20220  
Fax: 202-622-3895  
[FOIA Online Request Form](#)

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From: "Delmar, Richard K."  
Date: May 2, 2014 4:06:06 PM

This responds to your request (Treasury FOIA # 2014-03-061) for the Treasury OIG report generated in case DO-11-1241-I. The responsive document is attached, with redactions of names, other personal identifying information, and certain investigative matters, pursuant to FOIA Exemption 7.

If you disagree with this resolution of your FOIA request, you can appeal the matter pursuant to 5 U.S.C. section 552(a)(6)(A)(i). Pursuant to the Department's FOIA appeal process set forth in 31 C.F.R. section 1.5(i), an appeal must be submitted within 35 days from the date of this response to your request, signed by you and addressed to: Freedom of Information Act Appeal, DO, Disclosure Services, Department of the Treasury, Washington, D.C. 20220. The appeal should reasonably describe your basis for believing that Treasury OIG possesses records to which access has been wrongly denied, that redactions have been wrongly or improperly made, or that we have otherwise violated applicable FOIA law or policy.

Rich Delmar  
Counsel to the Inspector General  
Department of the Treasury



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



## Report of Investigation

**Case Title:** Treasury Securities Breach

**Case #:** DO-11-1241

**Case Type:** Criminal \_\_\_\_\_  
Administrative X  
Civil \_\_\_\_\_

**Investigation Initiated:** July 6, 2011

**Investigation Completed:**      **OCT 22 2012** **Conducted by:**                                       
Special Agent

**Origin:** Federal Bureau of Investigation

**Approved by:** John L. Phillips  
Special Agent in Charge

### Summary

On June 28, 2011, The Department of Treasury (Treasury), Office of Inspector General, Office of Investigations (TOIG) received information from the Federal Bureau of Investigation (FBI) concerning    Treasury securities. The FBI investigation involved individuals leaking economic data from "lockdown rooms." This information was leaked to news media outlet,                                     , owned by                                      where once reported, people traded securities based on the leaks. It was believed that individuals were attempting to obtain sensitive U.S. economic data for malicious and/or fraudulent purposes. In addition, there were numerous potential subjects that sought employment with various Government agencies to potentially gain access to this sensitive data. This investigation was worked jointly with the OIG's for the U.S. Departments of Commerce, Labor, Agriculture, and the FBI. (Exhibit 1)

The investigation determined the allegations are unsubstantiated. There were five individuals who had accounts in Career Connector; however, only                                      applied for positions with Treasury.                                      was not hired by Treasury. Furthermore, the Treasury lockdown room was rarely utilized other than once a quarter when the Federal Reserve Board of Governors (FRB) issued their Federal Open Market Committee (FOMC) report. None of the press personnel with access to the Treasury "lockdown room" were affiliated with                                      nor other                                      affiliated companies.

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### Basis and Scope of the Investigation

The FBI investigation involved individuals leaking economic data from "lockdown rooms." This information was leaked to news media outlet, [REDACTED] owned by [REDACTED] where once reported, people traded securities based on the leaks. It was believed that individuals were attempting to obtain sensitive U.S. economic data for malicious and/or fraudulent purposes. In addition, there were numerous potential subjects that sought employment with various Government agencies to potentially gain access to this sensitive data. The Treasury "lockdown room" is the Treasury Press Room which allows members of news organizations assigned to report on Treasury activities, a place to work.

When the lockdown is in effect at Treasury, there is at least one person who oversees the room. Members of the press are told what time they can file their story and when the time elapses the lockdown is over. Unlike other Government agencies, there are no securities trading issues, only Federal news issues.

Career Connector, an online hiring system that is part of the Office of Personnel Management's (OPM), USAJobs Website, allows individuals to create accounts to store resumes and other hiring documentation, in order to apply for Federal government job vacancies. The Bureau of Public Debt (BPD) is contracted to handle the Human Resources components for the majority of Treasury, therefore having access to Career Connector.

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

- [REDACTED] Special Agent, FBI
- [REDACTED], Special Agent, Office of Personnel Management, OIG
- [REDACTED] Senior Advisor for Public Affairs, Treasury
- [REDACTED] Senior Advisor for Public Affairs, Treasury

In addition, TOIG reviewed pertinent documents, including:

- Job Announcements, Applications and Resumes of [REDACTED] obtained from BPD
- Spreadsheets with names of [REDACTED] Employees provided by the FBI
- Spreadsheets with names and employers of Press Personnel with access to Treasury Lockdown Room

### Investigative Activity

A TOIG review of job application documents obtained from the BPD in connection to their queries of potential suspects: [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED] revealed that only [REDACTED] applied for Treasury positions. [REDACTED] applied for the following positions with Treasury: Consumer Finance Protection Bureau (CFPB) – [REDACTED] Analyst; Office of Inspector General for Troubled Asset Relief Program (SIGTARP) – [REDACTED]; and Departmental Offices (DO), Office of Terrorism and

Financial Intelligence – [REDACTED] was found to be qualified; however, [REDACTED] was not hired for any of the three positions. (Exhibit 2)

In an interview with TOIG, Special Agent [REDACTED] stated as a result of her queries in OPM Databases on [REDACTED] and [REDACTED] who had account profiles in Career Connector, only [REDACTED] had applications with the Treasury. (Exhibit 3)

In an interview with TOIG, [REDACTED] stated the Treasury lockdown room is located within the Press Room of the Main Treasury building on the first floor. The lockdown room does not operate like many of the other Federal agencies similar rooms. The lockdown room is utilized quarterly and is used when the FRB issues their FOMC report on interest rate changes. The FOMC report does not contain trading issues, only federal news issues. [REDACTED] further explained the FRB will fax over their report for distribution to the press; however, FRB will hold their press conference at their office. The lockdown room is rarely utilized for other than the quarterly report. (Exhibit 4)

In an interview with TOIG, [REDACTED] provided the procedures for the Treasury lockdown room and the list of press personnel who have access to the Treasury Press Room. [REDACTED] stated Treasury does not have formal lockdown procedures for the public release of economic or financial information. Information is provided to the reporters in the Treasury press room of the under embargo, with the embargo lasting 30 minutes to one hour. Treasury does not take any technological steps to block outside communications or bar reporters from exiting the press room. A member of the Treasury press staff oversees the embargo period for the FOMC statement by: (1) shutting the exit of the Treasury press room (though phone and communications are not blocked through any technological means); (2) counting down the embargo (e.g. "five-minutes left," "four minutes left,"), and (3) ringing a large bell when the embargo is lifted and reporters can file their stories. One-minute before the embargo lifts, reporters are permitted to open their telephone lines and speak with their producers and editors, but are not permitted to file their stories until the bell rings. (Exhibit 5)

A TOIG review of the Treasury Press Room personnel, determined that none of the 39 names of the press personnel who have access to the Treasury Lockdown room were on the master list of [REDACTED] associated individuals provided by the FBI. (Exhibit 6)

### Referrals

N/A

### Judicial Action

N/A

### Findings

The investigation determined the allegations are unsubstantiated. There were five individuals who had accounts in Career Connector; however, only [REDACTED] applied for positions with Treasury. [REDACTED] was not hired by Treasury. Furthermore, the Treasury lockdown room was rarely utilized other than once a quarter when the FRB of Governors issued their FOMC report. None of the press personnel with access to the Treasury "lockdown room" were affiliated with [REDACTED], nor other [REDACTED] affiliated companies.

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

N/A

### Signatures

Case Agent:

[REDACTED]

10/19/2012  
Date

Supervisor:

[Signature]  
John L. Phillips

10/19/12  
Date

**Exhibits**

1. Initial Complaint document, dated June 28, 2011.
2. Memorandum of Activity, Document Review, [REDACTED] Applications for Employment, dated July 27, 2011.
3. Memorandum of Activity, Interview of [REDACTED] dated August 2, 2011.
4. Memorandum of Activity, Interview of [REDACTED] dated November 9, 2011.
5. Memorandum of Activity, Interview of [REDACTED] dated February 28, 2012.
6. Memorandum of Activity, Document Review, Press Personnel Assigned to Treasury Press Room, dated March 6, 2012.