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Board of Governors of the Federal Reserve System
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Fax: (202) 872-7565
[Online Electronic Request Form](#)

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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

January 8, 2016

Re: *Freedom of Information Act Request No. F-2015-0362*

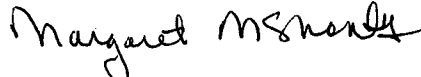
This is in response to your letter dated September 8, 2015, and received by the Board's Freedom of Information Office on September 17. Pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, you request:

the final report/closing memo/referral letter of the investigation or investigations conducted for the Federal Reserve Board Office of Inspector General by the Department of the Interior Office of Inspector General during the last eight years.

Staff searched Board records and located one document responsive to your request. I have determined, however, that certain portions of this document consist of grand jury information; internal staff analyses and recommendations; and personally identifiable information of OIG investigative staff, federal law enforcement officers, and other individuals referenced in the responsive records. This information is exempt and will be withheld from you under authority of exemptions 3, 5, 6, and 7(C) of the FOIA, 5 U.S.C. §§ 552(b)(3), (5), (6), and (7)(C). The responsive documents has been reviewed under the requirements of subsection (b) of the FOIA, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. The document being released to you will indicate the amount of information that has been withheld and the applicable exemptions.

Your request, therefore, is granted in part and denied in part for the reasons stated above. If you believe you have a legal right to the information that is being withheld, you may appeal this determination.¹

Very truly yours,



Margaret McCloskey Shanks
Deputy Secretary of the Board

¹ Please note that an appeal must be filed (that is, received by the Board) within 10 working days of the date on which this determination was issued or, in the case of a partial grant, the date on which any documents were transmitted, whichever is later. You may submit your appeal by mail, addressed to the Freedom of Information Office, Board of Governors of the Federal Reserve System, 20th Street & Constitution Avenue NW, Washington, DC 20551; by facsimile, to 202-872-7565; or electronically, to FOIA-Appeals@frb.gov. Please be advised that submitting an appeal by postal mail can result in delays due to mail processing. The Board's regulations regarding FOIA appeals are located at 12 CFR 261.13(i).



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

REPORT OF INVESTIGATION

Case Title b(6), b(7)(C)	Case Number PI-PI-13-0208-I
Reporting Office Program Integrity Division	Report Date January 27, 2014
Report Subject Closing Report of Investigation	

SYNOPSIS

We initiated this investigation at the request of the Board of Governors of the Federal Reserve System, Office of Inspector General (Fed-OIG), which asked us to independently investigate the events surrounding the arrest of the wrong subject during a consumer fraud investigation led by Fed-OIG

b(6), b(7)(C) . (b)(5); (b)(6); (b)(7)(C)

We found evidence that approximately 3 weeks prior to executing an arrest, b(6), b(7)(C) received personally identifiable information for a person named b(6), b(7)(C) who was the subject of the consumer fraud investigation. Despite having this information, however, b(6), b(7)(C) arrested the wrong subject, who was also named b(6), b(7)(C). In addition, we found evidence that contradicted information in the Investigative Action (IA) report that b(6), b(7)(C) submitted to Fed-OIG following the wrong arrest. (b)(5); (b)(6); (b)(7)(C)

[Redacted]

Our investigation also found that b(5) [Redacted] In addition, we learned that b(6), b(7)(C) requested that the Fed-OIG information technology department wipe his Government-issued computer clean prior to his resignation from the agency in March.

Reporting Official/Title b(6), b(7)(C)	Signature
Approving Official/Title b(6), b(7)(C)	Signature

Authentication Number: 04433E95D0C1422D512676D9A0D88523

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BACKGROUND

In February 2011, the Board of Governors of the Federal Reserve System, Office of Inspector General (Fed-OIG), received an allegation involving Grupo Global Pan Corp (Grupo). Fed-OIG opened an investigation in October 2011 and assigned the case to Fed-OIG [redacted] [redacted] Fed-OIG referred the case to the United States Attorney's Office (USAO) in the Southern District of Florida, and in December 2012, a Federal Grand Jury indicted the two primary subjects, [redacted] and [redacted], on five counts of wire fraud and one count of conspiracy to commit wire fraud.

[redacted], with the assistance of the U.S. Marshals Service arrested [redacted] [redacted] arrested the wrong [redacted] [redacted] the correct [redacted]

After the wrong arrest, Fed-OIG [redacted] conducted an internal review of the consumer fraud investigation. At their request, [redacted] produced an Investigative Action (IA) report, dated January 4, 2013, detailing the investigation (**Attachment 1**).

DETAILS OF INVESTIGATION

We initiated our investigation on March 4, 2013, after Fed-OIG asked us to independently investigate the events surrounding the arrest of the wrong subject during the consumer fraud investigation led by [redacted] [redacted] During our investigation, we interviewed Fed-OIG employees and supervisors, a BB&T bank employee, officials from local police departments, and officials within the United States Attorney's Office familiar with the Grupo investigation. We also reviewed the Grupo investigation case file, Fed-OIG investigative policies, and BB&T bank documents. The details that follow report our investigative findings.

Investigative Support Provided to [redacted]

[redacted]

[redacted]

b(3), b(6), b(7)(C), b(7)(E)

b(3), b(6), b(7)(C), b(7)(E)

We interviewed Fed-OIG ^{b(6), b(7)(C)}, who remembered that ^{b(6), b(7)(C)} first requested her assistance in October or November 2011 to provide support for his criminal investigation (**Attachments 10 and 11**). She said that ^{b(6), b(7)(C)} emailed her the ^{b(7)(E)} ^{b(6), b(7)(C)} (see Attachment 9).

^{b(6), b(7)(C)} told us that ^{b(6), b(7)(C)} ^{b(3), b(6), b(7)(C), b(7)(E)}

We also interviewed ^{b(6), b(7)(C)} with the Plantation Police Department, who confirmed that he conducted a Florida Driver and Vehicle Information Database (DAVID) query at ^{b(6), b(7)(C)} request (**Attachments 14 and 15**). ^{b(6), b(7)(C)} provided us with the November 26, 2012 email he sent to ^{b(6), b(7)(C)} containing the DAVID report for the correct ^{b(6), b(7)(C)}. This confirmed that ^{b(6), b(7)(C)} had this information in his possession approximately 3 weeks before the first arrest on ^{b(6), b(7)(C)} (**Attachment 16**).

In addition, we determined that in December 2011, ^{b(6), b(7)(C)} received open source database information from Choice Point Consolidated Lead Evaluation and Reporting (CP CLEAR) that contained the social security number and personally identifiable information for the correct ^{b(6), b(7)(C)} (**Attachment 17**).

Arrest of the Wrong Individual and Subsequent Events

^{b(6), b(7)(C)} U.S. Marshals Service (USMS), informed us that ^{b(6), b(7)(C)} requested assistance from USMS in executing the arrests related to the Grupo investigation (**Attachments 18 and 19**). According to ^{b(6), b(7)(C)} ^{b(6), b(7)(C)} had already identified the targets in his investigation prior to the arrests on ^{b(6), b(7)(C)} and did not seek assistance from USMS in obtaining additional identifying information.

^{b(6), b(7)(C)} said that following the arrest of the wrong ^{b(6), b(7)(C)} ^{b(6), b(7)(C)} contacted ^{b(6), b(7)(C)}

requesting assistance in obtaining a photograph line-up to show to several witnesses involved in the investigation. To create the line-up, USMS used the driver's license photograph of the wrong (b)(6), (b)(7)(C) who they had arrested on (b)(6), (b)(7)(C), and the driver's license photograph from the DAVID report for the correct (b)(6), (b)(7)(C) that (b)(6), (b)(7)(C) provided to (b)(6), (b)(7)(C) (Attachment 20).

During our interview with (b)(6), (b)(7)(C) he told us that on December 21, 2012, (b)(6), (b)(7)(C) contacted him again to request driver's license information for (b)(6), (b)(7)(C) (see Attachments 14 and 15). (b)(6), (b)(7)(C) never told (b)(6), (b)(7)(C) that the (b)(6), (b)(7)(C) who was arrested on (b)(6), (b)(7)(C), was not the correct subject in his investigation.

Our review of the Department of Highway Safety and Motor Vehicles audit reflected that (b)(6), (b)(7)(C) queried the correct driver's license number on November 26, 2012, and then again on December 21, 2012—(b)(6), (b)(7)(C) (Attachments 21 and 22).

Also on December 21, 2012, (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) called (b)(6), (b)(7)(C) (see Attachments 10 and 11). He asked her to research the origin of the wrong social security number. After discussion with (b)(6), (b)(7)(C) and further review, (b)(6), (b)(7)(C) was unable to determine where (b)(6), (b)(7)(C) obtained the number for the wrong (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) said that at (b)(6), (b)(7)(C) request, she conducted a second database query in CP CLEAR on January 2, 2013. The query included the social security number and other personal identifiers of the wrong (b)(6), (b)(7)(C) (Attachment 23).

After arresting the wrong (b)(5); (b)(6); (b)(7)(C) [REDACTED]

We found no evidence to support (b)(6), (b)(7)(C) claim that any victim in the consumer fraud investigation said (b)(6), (b)(7)(C) resided in (b)(6), (b)(7)(C) or that the correct (b)(6), (b)(7)(C) had lived in (b)(6), (b)(7)(C) FL, and had since moved. We found no documentation that anyone with the Fort Lauderdale Police Department provided (b)(6), (b)(7)(C) with a State photograph and driver's license information for the wrong (b)(6), (b)(7)(C) (see Attachments 21 and 22).

Misrepresentations in (b)(6), (b)(7)(C) IA Report

After (b)(6), (b)(7)(C) arrested the wrong (b)(6), (b)(7)(C) Fed-OIG initiated an internal review of the investigation and requested that (b)(6), (b)(7)(C) submit an Investigative Action (IA) report. We discovered that the statements in (b)(6), (b)(7)(C) January 4, 2013 IA report contradict documents and witness statements that we reviewed.

Specifically, in his report, (b)(6), (b)(7)(C) stated that he met with (b)(6), (b)(7)(C) of the Fort

Lauderdale Police Department on June 16, 2012 (see Attachment 1). According to the IA report, (b)(6), (b)(7)(C) queried the Broward County Florida Sheriff's Office offender database, which identified (b)(6), (b)(7)(C) as receiving multiple citations in 2011 and provided (b)(6), (b)(7)(C), FL, as his address. (b)(6), (b)(7)(C) IA report also stated that (b)(6), (b)(7)(C) provided (b)(6), (b)(7)(C) with a copy of the DAVID entry for (b)(6), (b)(7)(C) which listed (b)(6), (b)(7)(C) as his address.

(b)(6), (b)(7)(C) IA report, however, conflicts with several reports produced by (b)(6), (b)(7)(C) during the investigation, including a memorandum submitted to the United States Attorney's Office on June 18, 2012, and two Memorandum of Activity (MOA) reports, dated June 24 and June 27, 2012, where he memorialized contact with local Florida law enforcement officers (**Attachment 26**). Within the MOAs, (b)(6), (b)(7)(C) documented the meeting with (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C) query of the offender database, but (b)(6), (b)(7)(C) did not report requesting or receiving a DAVID report.

When we interviewed (b)(6), (b)(7)(C) he said that (b)(6), (b)(7)(C) asked him for local address information for (b)(6), (b)(7)(C) (**Attachments 27 and 28**). (b)(6), (b)(7)(C) said he searched for the subject's name in the City of Fort Lauderdale's record management system, which identified information for the correct (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) said he did not search DAVID or provide (b)(6), (b)(7)(C) with a DAVID report for any (b)(6), (b)(7)(C). He added that he does not have a DAVID certificate on his computer, so he could not have accessed the system or performed such a query.

The audit conducted by the Florida Department of Highway Safety and Motor Vehicles to determine which entities had queried driver's license information for the two individuals identified by (b)(6), (b)(7)(C) as (b)(6), (b)(7)(C) revealed that neither the Fort Lauderdale Police Department nor (b)(6), (b)(7)(C) had ever queried (b)(6), (b)(7)(C) in DAVID during (b)(6), (b)(7)(C) investigation (see Attachments 21 and 22). Although (b)(6), (b)(7)(C) IA report indicated that he received a DAVID report from (b)(6), (b)(7)(C) for the wrong (b)(6), (b)(7)(C) on June 16, 2012, the audit showed that no one queried the wrong (b)(6), (b)(7)(C) prior to June 18, 2012.

(b)(6), (b)(7)(C) IA report also stated that a December 12, 2011 query of the National Crime Information Center (NCIC) database identified the wrong (b)(6), (b)(7)(C) under Federal Bureau of Investigation number 345360MA0 (see Attachment 1). He stated that the query did not identify any record for the correct (b)(6), (b)(7)(C)

(b)(6), (b)(7)(C) statement in the IA report implied that he queried NCIC for both the incorrect and correct (b)(6), (b)(7)(C). Based on our review, however, we found that (b)(6), (b)(7)(C) NCIC request only applied to the wrong (b)(6), (b)(7)(C) (**Attachment 29**).

(b)(6), (b)(7)(C) IA report further stated that a December 12, 2011 CP CLEAR query identified the wrong (b)(6), (b)(7)(C) with an address of (b)(6), (b)(7)(C), and the correct (b)(6), (b)(7)(C) with an address of (b)(6), (b)(7)(C) (see Attachment 1). (b)(6), (b)(7)(C) added that a review of both reports showed (b)(6), (b)(7)(C), as a common address for both subjects.

(b)(6), (b)(7)(C) statement implied that two CP CLEAR reports were produced and reviewed during December 2011. Our review determined that only one CP CLEAR report was produced in December 2011, which contained the social security number and personally identifiable information for the

correct ^{b(6), b(7)(C)} [redacted] (see Attachment 17).

^{b(6), b(7)(C)} [redacted] IA report made no mention of the investigative support he received from ^{b(6), b(7)(C)} [redacted] or ^{b(6), b(7)(C)} [redacted] (see Attachment 1). It also did not mention that another date of birth and social security number was located for ^{b(6), b(7)(C)} [redacted] or that a DAVID report for the correct ^{b(6), b(7)(C)} [redacted] was obtained on November 26, 2012.

^{b(6), b(7)(C)} [redacted]

^{b(6); (b)(7)(C)} [redacted]

^{(b)(5); (b)(6); (b)(7)(C)} [redacted]

^{b(5), b(6), b(7)(C)} [redacted]

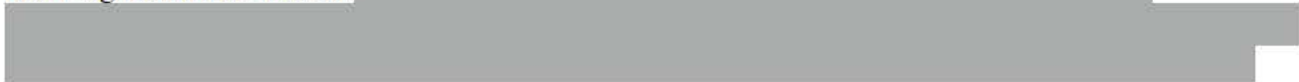
During our case review, we located a Quality Assurance Review of Fed-OIG's Office of Investigations conducted in 2012 by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) (**Attachment 35**). During that review, CIGIE inspectors stated they found no record indicating that ^{b(6), b(7)(C)} [redacted] supervisors conducted a case review of the Grupo case as required by ^{b(7)(E)} [redacted]

^{b(7)(E)} [redacted]

(b)(5); (b)(6); (b)(7)(C)



(b)(6), (b)(7)(C) stated that MOIs should be reviewed and signed by the special agent in charge, and the signed copy should be maintained in the case file and uploaded into the case management database system. According to (b)(6), (b)(7)(C) any unsigned MOIs related to the Grupo case were still in the review process, and that (b)(6), (b)(7)(C) did not take the next step to meet with the special agent in charge to ensure MOIs were signed and reviewed. (b)(5); (b)(6); (b)(7)(C)



(b)(6), (b)(7)(C) said he was first notified that the wrong (b)(6), (b)(7)(C) had been arrested from a December 31, 2012 email, which contained an attachment for a new arrest warrant for the correct subject. (b)(6), (b)(7)(C) said he notified (b)(6), (b)(7)(C) immediately. (b)(6), (b)(7)(C) stated that he was surprised that the wrong subject was arrested and had a brief conversation with (b)(6), (b)(7)(C) about what had happened. According to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) explained that the person they arrested had the same name as the correct subject, and their research incorrectly led them to the wrong subject. (b)(5); (b)(6); (b)(7)(C)



(b)(6), (b)(7)(C) said he did not review the official case file following the wrong arrest. According to (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) directed (b)(6), (b)(7)(C) to turn over the case file as soon as they were advised of the issue, and the case file was given to (b)(6), (b)(7)(C) for internal review.

When asked about the photograph line-up (b)(6), (b)(7)(C) conducted following the wrong arrest, (b)(6), (b)(7)(C) said he did not know who initiated the line-up but assumed it was (b)(6), (b)(7)(C) (b)(6), (b)(7)(C) said he asked (b)(6), (b)(7)(C) why he did not conduct a line-up prior to executing the arrests. (b)(6), (b)(7)(C) told (b)(6), (b)(7)(C) that the AUSA directed that Florida law barred conducting a line-up. (b)(6), (b)(7)(C) said he had worked several cases in Florida and had never heard of such a law.

During our interview with (b)(6), (b)(7)(C), they said (b)(6), (b)(7)(C) was never told not to conduct a line-up (see Attachment 24). The AUSA also said he had no indication from (b)(6), (b)(7)(C) that there was an identity issue and said there is no such Florida law prohibiting the use of photograph line-ups.

(b)(5), (b)(6), (b)(7)(C)



(b)(5); (b)(6); (b)(7)(C)

When we interviewed (b)(6), (b)(7)(C) he said (b)(6), (b)(7)(C) informed him on December 31, 2012, that (b)(6), (b)(7)(C) had arrested the wrong person (**Attachments 40 and 41**). (b)(6), (b)(7)(C) said he told (b)(6), (b)(7)(C) to tell (b)(6), (b)(7)(C) his supervisor, what had happened. (b)(5); (b)(6); (b)(7)(C)

Our interview with (b)(6), (b)(7)(C) revealed that he first learned of the wrong arrest when (b)(6), (b)(7)(C) called him on December 31, 2012 (**Attachments 42 and 43**). (b)(6), (b)(7)(C) had not known that the wrong person had been arrested on December 20, 2012. (b)(6), (b)(7)(C) explained that before Fed-OIG used special agents in charge, he supervised and reviewed all MOIs and MOAs, and was the supervising agent when the Grupo case began in 2011. (b)(6), (b)(7)(C) said (b)(6), (b)(7)(C) became (b)(6), (b)(7)(C) supervisor when (b)(6); (b)(7)(C). He said (b)(6), (b)(7)(C) would have reviewed (b)(6), (b)(7)(C) MOIs and MOAs from then on.

(b)(6), (b)(7)(C) said (b)(6), (b)(7)(C) initial MOIs contained no information indicating that he had identified the wrong (b)(6), (b)(7)(C). When asked if anyone should have reviewed the bank records other than (b)(6), (b)(7)(C) said he would have reviewed them, but only if he had been doing a file review. When questioned further regarding his review of MOIs, specifically a November 21, 2011 MOI written by (b)(6), (b)(7)(C) that included a detailed physical description of the subject given by the complainant, (b)(6), (b)(7)(C) said unsigned MOIs in the file meant that he had not reviewed them (**Attachment 44**).

We showed (b)(6), (b)(7)(C) an email (b)(6), (b)(7)(C) sent to him on January 5, 2012, asking him to review eight attached documents (**Attachment 45**). (b)(6), (b)(7)(C) said that after OIG began investigating this case, he came upon a file folder while cleaning his office that contained a stack of MOIs from (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) acknowledged that he saw the email and may have opened one or two attachments but realized that his review required him to print out the documents. He said he did not print the documents but had intended to do so. (b)(5); (b)(6); (b)(7)(C)

(b)(6), (b)(7)(C) **Resignation From Fed-OIG**

After we began our investigation on March 4, 2013, (b)(6), (b)(7)(C) notified Fed-OIG of his intention to resign from the agency on (b)(6), (b)(7)(C). Before leaving Fed-OIG, (b)(6), (b)(7)(C) ensured that his Government-issued computer was wiped clean of all data.

When we asked Fed-OIG (b)(6), (b)(7)(C) about wiping (b)(6), (b)(7)(C) computer, (b)(6), (b)(7)(C) explained that (b)(6), (b)(7)(C) asked him if his computer was going to be wiped (**Attachments 46 and 47**). (b)(6), (b)(7)(C) said that the computer would be wiped when it was reissued, but that the process could be initiated immediately if (b)(6), (b)(7)(C) preferred. (b)(6), (b)(7)(C) made the request and then stood next to (b)(6), (b)(7)(C) to wait for the process to be completed, which, (b)(6), (b)(7)(C) estimated, took approximately 20 minutes. (b)(6), (b)(7)(C) also wiped (b)(6), (b)(7)(C) BlackBerry cellular telephone while (b)(6), (b)(7)(C) was with him. This action prevented Fed-OIG from providing us with all of (b)(6), (b)(7)(C) deleted emails;

a migration file located on their file server and dating to [REDACTED] receipt of a new computer in February 2013 allowed the retrieval of some emails.

Status of Grupo Case

Currently, the Grupo case is assigned to the Fed-OIG Miami Office to [REDACTED] and Special Agent [REDACTED] (**Attachments 48 and 49**). Upon our interview, they stated that when they received the physical case file, [REDACTED] told [REDACTED] that he had reviewed the reports within [REDACTED] case file but had not signed them. [REDACTED]

SUBJECT(S)

[REDACTED]

DISPOSITION

We are transmitting this report to Fed-OIG for any action deemed appropriate.

ATTACHMENTS

[REDACTED]

