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



## Report of Investigation

**Case Title:** [REDACTED]  
(Private Citizen)

**Case #:** BEP-16-0379-I

**Investigation Initiated:** March 14, 2016

**Case Type:** Criminal ☒  
Administrative ☐  
Civil ☐

**Investigation Completed:** April 27, 2020

**Conducted by:** [REDACTED]  
Special Agent

**Origin:** Rachelle Wright,  
Bureau of Printing & Engraving

**Approved by:** Anthony J. Scott  
Special Agent in Charge

### Summary

On March 14, 2016, the U.S. Department of the Treasury (U.S. Treasury), Office of Inspector General, Office of Investigations (TIG), initiated an investigation based on information received from Rachelle Wright, Bureau of the Fiscal Service (BFS), concerning an allegation that [REDACTED] " [REDACTED] [REDACTED] was using multiple individuals to submit several suspicious claims for reimbursement of suspected intentionally mutilated U.S. currency.

The investigation determined that the allegations could not be connected to a violation of federal statute. The true source of the mutilated currency, determined by the Bureau of Engraving and Printing (BEP) Mutilated Currency Division (MCD) to be intentionally mutilated, could not be uncovered. The mutilated currency was couriered from China to the United States by [REDACTED] on various occasions prior to being submitted to the BEP. TIG was therefore unable to identify a defined Suspicious Unlawful Activity (SUA) that was connected to [REDACTED] and the mutilated currency submissions. In addition, consultation with the BEP MCD revealed that non-judicial measures could be instituted if they deemed the submitted currency was indeed intentionally mutilated.

On February 8, 2018, the United States Attorney's Office for the Central District of California (USAO-CDC) declined to prosecute the matter after being presented with the facts of the case.

This investigation remained open longer than the period of investigative activity due to the case agent awaiting the continued receipt of additional mutilated currency claims to bolster the prospect of prosecution. In addition, as TECS alerts documented [REDACTED] departure from the U.S. but no return, it was unknown if and when [REDACTED] would return.

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Report of Investigation

Case Name: [REDACTED] [REDACTED] [REDACTED]

Case # BEP-16-0379-I

Page 2 of 6

**Basis and Scope of the Investigation**

In March 2016, TIG received information from the Bureau of Engraving and Printing (BEP) Mutilated Currency Division (MCD), regarding several suspicious claims for reimbursement of mutilated currency. In November 2015, the BEP received email correspondence from [REDACTED] [REDACTED] " [REDACTED] [REDACTED] wherein [REDACTED] requested a status update on claims of mutilated currency submitted by [REDACTED], [REDACTED], [REDACTED], [REDACTED] " [REDACTED] y" [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED]ian on his behalf and inquired as to when payment could be expected. TIG performed database and background checks and determined that all involved parties shared some form of connection with [REDACTED] occupationally or through a shared residence. The BEP reviewed all claims for reimbursement of mutilated currency and informed TIG of those claims it deemed suspicious or fraudulent. The total amount of currency submitted as mutilated claims by [REDACTED] and those associated with him to date is \$520,195. These funds are currently in the possession of the BEP.

During the course of the investigation, interviews were conducted with:

- [REDACTED] [REDACTED] Chinese Visa student, American Intercontinental University.
- [REDACTED], Operations Officer, Shanghai Commercial Bank
- [REDACTED], Student, Hospitality Management employed
- [REDACTED], Unemployed
- [REDACTED], Unemployed
- [REDACTED], Unemployed
- [REDACTED], Owner operator of [REDACTED] LLC based in NJ.

In addition, TIG reviewed pertinent documents, including:

- BEP Mutilated Currency Claim Case Numbers:
  - 1509676 submitted by [REDACTED]
  - 1602529 submitted by [REDACTED]
  - 1600619 submitted by [REDACTED]
  - 1510250 submitted by [REDACTED]
  - 1510449 submitted by [REDACTED] [REDACTED]
  - 1512791 submitted by [REDACTED] aka [REDACTED]
  - 1512813 submitted by [REDACTED]
  - 1516181 submitted by [REDACTED]
  - 1517845 submitted by [REDACTED]
  - 1602528 submitted by [REDACTED] Liu
  - 1604608 submitted by [REDACTED]
  - 1607013 submitted by [REDACTED]
  - 1607130 submitted by [REDACTED]

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## Report of Investigation

Case Name: [REDACTED] [REDACTED] [REDACTED]

Case # BEP-16-0379-I

Page 3 of 6

- 1608453 submitted by [REDACTED]
  - 1609221 submitted by [REDACTED]
  - 1611004 submitted by [REDACTED]
  - 1611998 submitted by [REDACTED]
  - 1612450 submitted by [REDACTED]
  - 1612727 submitted by [REDACTED]
- 
- Articles of incorporation for [REDACTED] Collections
  - Articles of Incorporation for [REDACTED] Inc.
  - Articles of Incorporation for [REDACTED] Global Trading
  - Articles of Incorporation for [REDACTED]imate Inc.
  - Physically examined mutilated currency submitted on behalf of [REDACTED]
  - Bank subpoena records from Wells Fargo ICO [REDACTED]
  - Bank subpoena records from Wells Fargo ICO [REDACTED]
  - Bank subpoena records from JPMorgan Chase
  - Bank subpoena records from Bank of America
  - FinCEN supporting documentation
  - BEP Currency Order history for [REDACTED]
  - CBP Encounter List for [REDACTED]
  - CBP Encounter List for [REDACTED]
  - Department of State records ICO [REDACTED] "[REDACTED]e" [REDACTED]

### Investigative Activity

Upon notification by the BEP, TIG conducted an inquiry into the allegations of suspicious claims of mutilated currency and possible money laundering. Each of the mutilated currency claims were submitted with almost identical requests that the bills submitted were "accidentally water damaged". However MCD had opined that the method of destruction is not consistent with water immersion or accidental damage. MCD advised that the majority of the bills appeared to be stacked together and cut or torn off at the three quarters length prior to submission. In addition, one box possessed Customs and Border Protection (CBP) tape revealing the box was examined at a CBP entry control point. This information would later be found relevant as it was discovered that [REDACTED] couriered boxes of mutilated currency from China to Los Angeles, CA. A review of U.S. Customs and Border Protection (CBP) travel records indicated that [REDACTED] made frequent trips from China to California from 2010-2017.

Bank subpoenas were served on Bank of America and Wells Fargo for accounts pertaining to [REDACTED] [REDACTED] an unemployed full-time college student and [REDACTED] [REDACTED]. Analysis of the bank records for accounts belonging to [REDACTED] indicated the following relevant activity: During the month of July 2012, [REDACTED] Bank of America account received three cash deposits totaling \$25,300. The contact phone number on the deposit slip was associated with [REDACTED]. During the month of

Report of Investigation

Case Name: [REDACTED] [REDACTED] [REDACTED]

Case # BEP-16-0379-I

Page 4 of 6

August 2012, [REDACTED] accounts received three cash deposits and four check deposits totaling \$67,200. The four check deposits, totaling \$52,000, were received from [REDACTED]iu and [REDACTED], both individuals known by TIG to have submitted mutilated currency on behalf of [REDACTED]. Between September 2011 and September 2012, [REDACTED] account amassed a total of \$180,559.10 via bank transfers. Information derived from a previous interview with [REDACTED] indicated that these transaction were related to a real estate purchase she made on behalf of her parents who reside in China and are not citizens of the United States. After November 2012, these accounts become relatively dormant and saw little use in terms of deposits and withdrawals. In an interview with TIG, [REDACTED] advised that her parents provide [REDACTED] with Chinese currency and [REDACTED] would in turn provide her with mutilated currency to submit to the BEP. It was noted that [REDACTED] has no reported independent source of income or that she is employed in any capacity. [REDACTED] departs the U.S. in between college semesters and returning to China until the next semester of school begins. During the course of this investigation, [REDACTED] was attending UC Davis College in California but then transferred to a graduate program at American Intercontinental University to complete a graduate program. [REDACTED] stated that her parents funded her education in the United States and claimed to infrequently use the Bank of America account in her name. [REDACTED] did not provide any additional details regarding the source of the funds deposited into her accounts or her interactions with [REDACTED].

TIG reviewed JP Morgan Chase bank account activity for [REDACTED] and discovered the following pertinent information. [REDACTED] made frequent large dollar transactions with BEP. In 2011, [REDACTED] JP Morgan account was used to make over \$90,000 in purchases from BEP. Records received from the BEP documented a longstanding history of purchases for uncut sheets of US Currency. The information provided by the BEP documented that from 2009-2017 [REDACTED] made over \$280,000 in purchases of uncut sheets of U.S. currency. BEP advised that the resale of each sheet includes an inflated costs above the value of the sheet of currency.

TIG investigative actions revealed numerous occasions wherein [REDACTED] exported and imported large amounts of U.S. currency between Shanghai China and Los Angeles, CA. Between 2010 and 2016, [REDACTED] reportedly transported approximately \$382,000 into and out of the U.S. [REDACTED] claimed to be conducting business on behalf of [REDACTED] Collections Inc. and employed as an importer and exporter of coins and currency. A search of the FinCEN Money Service Business (MSB) Registrant database did not reflect [REDACTED] or [REDACTED] as a registered MSB.

TIG conducted multiple interviews of those who submitted mutilated currency claims to the BEP between 2015-2017 under the direction and guidance of [REDACTED]. In addition, TIG reviewed multiple submissions of mutilated currency which were later deemed to have been intentionally mutilated. Based on witness statements it was determined that [REDACTED] couriered mutilated currency into the United States from Shanghai, China. [REDACTED] then delivered amounts of the mutilated currency to his associates throughout California. The associates thereafter submitted the mutilated currency to BEP stating that the currency was water damaged and requested reimbursement. Several witnesses admitted that they were promised a portion of the BEP refund for assisting [REDACTED]. Others

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## Report of Investigation

Case Name: [REDACTED] [REDACTED] [REDACTED]

Case # BEP-16-0379-I

Page 5 of 6

admitted that [REDACTED] was acting as a currency money exchanger wherein they would provide Chinese Yen in China and [REDACTED] would exchange it for mutilated U.S. currency. The mutilated currency claims did not identify [REDACTED] as being associated with the claims. The BEP became suspicious when [REDACTED] requested a status update for several mutilated currency claims submitted in other names. As of the date of this report the true source of the mutilated currency could not be ascertained. Latest reports from Treasury Enforcement Communications System (TECS) alerts indicate that [REDACTED] departed the U.S. upon the conclusion of interviews with claimants and has not returned.

This investigation remained open longer than the period of investigative activity due to the case agent awaiting the continued receipt of additional mutilated currency claims to bolster the prospect of prosecution. In addition, as TECS alerts documented [REDACTED] departure from the U.S. but no return, it was unknown if and when [REDACTED] would return.

### Referrals

On June 18, 2016, the facts of this investigation were presented to USAO-Central District of California for prosecutorial determination. On February 8, 2018, the USAO-CDC declined the case for prosecution due to a lack of evidence to support money laundering. The USAO-CDC also cited the departure and unknown return of [REDACTED] from China.

### Judicial Action

N/A

### Findings

The investigation determined that the source of the mutilated currency could not be determined in order to meet the necessary elements of a specified unlawful activity under 18 USC 1956. In addition, the last TECS reports indicated that [REDACTED] departed the U.S. after TIG conducted interviews involving involved currency submitters. TECS alerts have not indicated that [REDACTED] has since returned to the U.S.

### Distribution

[REDACTED]

Chief of Security

Bureau of Engraving & Printing

Report of Investigation

Case Name: [REDACTED]

Case # BEP-16-0379-I

Page 6 of 6

**Signatures**

**Case Agent:**

[REDACTED] /s/

Date: 4/26/2020

**Supervisor:**

Anthony J. Scott /s/

Date: 4/27/2020



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



## Report of Investigation

**Case Title:** [REDACTED]  
(Private Citizen)

**Case #:** BEP-16-1196-I

**Case Type:** Criminal ☒  
Administrative ☐  
Civil ☐

**Investigation Initiated:** May 12, 2016

**Conducted by:** [REDACTED]  
Special Agent

**Investigation Completed:** January 29, 2020

**Origin:** Bureau of Engraving and Printing

**Approved by:** Anthony J. Scott  
Special Agent in Charge

### Summary

On March 10, 2016, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), received an allegation from the Bureau of Engraving and Printing (BEP), Office of Security, reporting a mutilated currency and structuring violation. Between March 2015 and July 2015, [REDACTED] submitted eleven mutilated currency claims to the BEP for reimbursement. Each submission was less than \$10,000, but together totaled \$65,100.

This investigation determined that the allegation is unsubstantiated. [REDACTED] did submit the currency to BEP in a manner that appeared to be in violation of 31 USC § 5324 - Structuring Financial Transactions to Evade Reporting Requirements, however, all investigative leads revealed insufficient evidence to support criminal prosecution at this time.

This matter was referred for criminal prosecution to the U. S. Attorney's Office, Central District of California. Prosecution was declined due to the lack of prosecutorial merit.

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## Report of Investigation

Case Name: [REDACTED]

Case # BEP-16-1196-I

Page 2 of 3

### **Basis and Scope of the Investigation**

This investigation was initiated on March 10, 2016, after receiving information from [REDACTED], Manager, Security and Investigations Division, Office of Security, BEP, reporting that [REDACTED] submitted eleven mutilated currency claims to the Mutilated Currency Division at BEP. The claims were submitted over a four month period and appeared to be intentionally structured to evade financial reporting requirements.

During the course of the investigation, TIG reviewed pertinent documents, including:

- Currency Examination Reports, BEP, multiple dates
- Claim Letter Submitted by Subject
- Cancelled Treasury Checks, BEP, multiple dates
- [REDACTED] Lexis/Nexis Report
- [REDACTED] NCIC Report

### **Investigative Activity**

TIG conducted a review of case initiation documents provided by BEP that include Claim Letters submitted by [REDACTED] [REDACTED] BEP Currency Examination Reports, copies of Bureau of Fiscal Service (BFS) reimbursement checks negotiated by [REDACTED] and a Lexis/Nexis report.

TIG conducted a document review of [REDACTED] criminal history record provided by the National Crime Information Center (NCIC).

TIG contacted [REDACTED] in order to schedule an interview. [REDACTED] initially agreed to be interviewed and then cancelled the meeting via text and voicemail. No further cooperation could be obtained from [REDACTED]

### **Referrals**

This matter was referred for criminal prosecution to the U. S. Attorney's Office, Central District of California. Prosecution was declined due to a lack of prosecutorial merit.

### **Judicial Action**

N/A

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Report of Investigation

Case Name: [REDACTED]

Case # BEP-16-1196-I

Page 3 of 3

**Findings**

This investigation determined that the allegation is unsubstantiated. [REDACTED] did submit the currency to BEP in a manner that appeared to be in violation of 31 USC § 5324 - Structuring Financial Transactions to Evade Reporting Requirements, however, all investigative leads revealed insufficient evidence to support criminal prosecution at this time.

**Distribution**

[REDACTED], Manager, Security and Investigations Division, Office of Security, Bureau of Engraving and Printing (BEP)

**Signatures**

**Case Agent:**

[REDACTED] /s/

1/29/2020

Date

**Supervisor:**

Anthony J. Scott /s/

1/29/2020

Date

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OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

March 25, 2020

**MEMORANDUM FOR ALVIN E. SHELL, CHIEF OF SECURITY  
SECURITY AND INVESTIGATIONS DIVISION  
BUREAU OF ENGRAVING AND PRINTING**

**FROM:** Anthony J. Scott /s/  
Special Agent in Charge

**SUBJECT:** [REDACTED]  
Document Forgery  
OIG Case Number: BEP-19-0054-I

In June 2019, the Department of the Treasury, Office of Inspector General, Office of Investigations (TIG) initiated an investigation based on information provided by the Bureau of Engraving and Printing (BEP) questioning the authenticity of jury duty documentation submitted by BEP employee [REDACTED], which cited that [REDACTED] was on Jury Duty for six weeks beginning August 6, 2018.

TIG obtained a certified letter from the Seventh Judicial Circuit of Maryland, Jury Commissioner, [REDACTED], which stated that [REDACTED] served Jury Duty a total of one day on August 6, 2018.

TIG's findings were presented for prosecution two times over the course of the investigation. The Department of Justice declined to prosecute [REDACTED] both times and felt that the allegations should be handled administratively.

TIG contacted the Prince George's County (MD) Police Department (PGPD) to explore the possibility of initiating state charges based on the falsification and forgery of the court documents. [REDACTED] subsequently resigned from his position at BEP. PGPD was advised of the resignation and will act according to their departmental policy/procedures.

Due to the [REDACTED]'s resignation from BEP, this matter is being closed. If necessary, should more information become available, TIG will consider re-opening this matter. Should you have any questions or request additional documentation, please feel free to call upon me at (202) 927-[REDACTED].

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Office of Inspector General – Investigations  
Department of the Treasury



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



## Report of Investigation

**Case Title:** [REDACTED]  
Letter and Script Engraver  
Bureau of Engraving and  
Printing  
WE 02

**Case #:** BEP-20-0009-I

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

**Investigation Initiated:** October 15, 2019

**Conducted by:** Damian Bentley-Clokes  
Special Agent

**Investigation Completed:** April 14, 2020

**Approved by:** Anthony J. [REDACTED]  
Special Agent in Charge

**Origin:** Bureau of Engraving and  
Printing  
[REDACTED]

On October 15, 2019, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), received a complaint from [REDACTED], Manager, Product Investigations Branch, Office of Security, Bureau of Engraving and Printing (BEP), involving [REDACTED] Letter and Script Engraver, BEP. The complaint alleged that [REDACTED] misused and stole U.S. government property, attempted fraud and destruction of U.S. government property, and destroyed potential evidence.

The investigation unsubstantiated the allegation of fraud and destruction of evidence. There is no evidence to support [REDACTED] committed fraud against BEP or the U.S. government. In addition, there is no evidence to support [REDACTED] destroyed his personal hard drives in anticipation of a federal investigation.

The investigation substantiated the allegations of misuse and theft of government property. [REDACTED] provided a voluntary sworn statement to BEP Police where he admitted to potentially creating a security breach, as well as the destruction of government property. In addition, in an interview with TIG, [REDACTED] admitted to removing BEP physical property and digital files from the BEP facility and their secured networks, taking them home and uploading the files to his personal computers, a violation of BEP's Information Technology Security Policy and Procedures Manual, Section 5.8, "Employees, Contractors, and Users of BEP Information Systems". [REDACTED] also admitted to TIG that he removed the hard drives from two of his personal computers containing the BEP files and destroyed them. [REDACTED] also stated he erased other personal computer hard drives containing BEP files.

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## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-20-0009-I

Page 2 of 6

TIG concludes by a preponderance of the evidence that [REDACTED] violated 18 USC § 641, "Public Money, Property or Records" and 5 CFR § 2635.704, "Use of Government Property." Further, the evidence establishes a violation of BEP's Information Technology Security Policy and Procedures Manual, Section 5.8, "Employees, Contractors, and Users of BEP Information Systems."

TIG presented this case to the United States Attorney's Office, District of [REDACTED] for Theft of Government Property, a violation of 18 U.S. Code § 641. The Assistant United States Attorney (AUSA) declined to pursue a criminal investigation and referred the case back to TIG for administrative action.

### **Basis and Scope of the Investigation**

This case was initiated on October 15, 2019, based upon a complaint received by [REDACTED], Manager, Product Investigations Branch, Office of Security, BEP regarding [REDACTED] who came into BEP's offices on Sunday, October 6, 2019, and requested to speak with a BEP Police Supervisor. While speaking with BEP Police, [REDACTED] admitted to creating a security violation by removing his work which included digital files and physical property owned by BEP and taking it home to work on in order to meet work deadlines. [REDACTED] also stated that some of the work removed from BEP was for "securities", and he believed it to be classified. [REDACTED] also admitted to BEP Police that the work he performed at home was conducted on his personal computers, and with paperwork and hardcopy files he removed from the BEP. [REDACTED] also stated to BEP Police that some of BEP's files may have been compromised on his personal computer based on the fact that a computer repair technician and his live in girlfriend had access to these computers. [REDACTED] then voluntarily wrote a sworn statement describing his actions. (Exhibit 1)

During the course of the investigation, interviews were conducted with:

- [REDACTED] [REDACTED] Letter and Script Engraver, BEP
- [REDACTED] [REDACTED] Mental Health Nurse Practitioner
- [REDACTED] [REDACTED] Lead Museum Curator, BEP
- [REDACTED] [REDACTED] Chief of Product Development, BEP

### **Investigative Activity**

In an interview with TIG, [REDACTED] [REDACTED] Letter and Script Engraver, BEP, stated that he took work home from the BEP facility in order to complete it in a timely manner. When he realized he had BEP files on his personal computers, he removed the hard drives from two of his personal computers and "submerged them in water" by throwing them into the Chesapeake Bay. [REDACTED] also stated he "erased" other personal computer hard drives. [REDACTED] also stated that he took equipment out of BEP to complete his work, but was not specific to the type

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-20-0009-I

Page 3 of 6

of equipment and did not want to answer questions in reference to the location of the equipment or where the equipment originated from. (Exhibit 2)

Based on the information provided by [REDACTED] during his interviews with BEP Police and TIG, TIG obtained and executed a search warrant on the residence and vehicles registered to [REDACTED] located at [REDACTED] [REDACTED], [REDACTED] [REDACTED], [REDACTED]. Items seized included [REDACTED]'s personal laptop computers, portable USB thumb drives, computer desktop towers, and a metal press plate with "100" stamped in the corner. A forensic analysis of [REDACTED]'s personal computers and thumb drives revealed images which included high definition images of U.S. banknotes, foreign banknotes, as well as images of various historic individuals and places. (Exhibit 3)

In an interview with TIG, [REDACTED] [REDACTED] Mental Health Nurse Practitioner stated she is [REDACTED]'s girlfriend and resides with [REDACTED] at his residence in Severna Park, MD. [REDACTED] stated she believes [REDACTED] is currently suffering from a "stress induced mental breakdown", and the statements [REDACTED] made to BEP's Police were a misunderstanding. [REDACTED] stated that on the week of September, 22, 2019, [REDACTED] and [REDACTED] were watching the 2007 movie "Breach". [REDACTED] stated it was soon after watching the movie when she noticed [REDACTED] becoming increasingly paranoid and quoting lines from the movie such as, 'Lines are becoming blurred between my personal and professional life'. [REDACTED] also stated [REDACTED] believed he was under surveillance while at his desk at the BEP Annex as well as at his home via a hidden camera installed within [REDACTED] body after she underwent a medical procedure.

[REDACTED] stated she recalled an incident that attributed to [REDACTED] paranoia when [REDACTED] changed positions within the BEP, from Bank Note Designer to Engraver the week of September 25, 2019. [REDACTED] stated [REDACTED] became more paranoid during the week of October 1, 2019, when [REDACTED] [REDACTED] Bank Note Design Supervisor, BEP, requested [REDACTED] return a portable USB drive that was issued to [REDACTED] in the course of his Bank Note design duties "years ago". [REDACTED] informed [REDACTED] BEP's IT department told [REDACTED] to keep the drive, however, [REDACTED] advised [REDACTED] that keeping the drive was a security violation.

[REDACTED] stated that on October 3, 2019, she assisted [REDACTED] with burning a Power Point Presentation that was printed on paper, but [REDACTED] was not aware what the presentation consisted of. [REDACTED] reiterated that [REDACTED] is just an artist who enjoys printing and engraving pictures as a hobby. (Exhibit 4)

In an interview with TIG, [REDACTED] [REDACTED] Lead Museum Curator, BEP, stated the metal press plate that was seized in a search of [REDACTED]'s residence was not BEP property. He identified the engraved words, "Northern Bank Note of Chicago" on the bottom of the press plate. [REDACTED] opined the press plate possibly belonged to a private company which was sold to another company or is no longer in business. (Exhibit 5)

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## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-20-0009-I

Page 4 of 6

In an interview with TIG, [REDACTED] [REDACTED] Chief of Product Development, BEP stated on September 16, 2019, [REDACTED] separated from his position in BEP's Banknote Design Division within the Office of Product Development to take a position within the Office of Engraving as an Apprentice Letter and Script Engraver. [REDACTED] stated [REDACTED] remained physically located within the Banknote Design Division for another two weeks. This allowed [REDACTED] to continue and finish working on \$10 banknote redesigns for [REDACTED] office.

[REDACTED] stated that on September 30, 2019, [REDACTED], Banknote Designer, BEP, met with [REDACTED] and informed him she was not able to locate some of the design files related to [REDACTED]'s design work. [REDACTED] and another Banknote Designer, [REDACTED], contacted [REDACTED] in an effort to locate these files. [REDACTED] initially explained to each Designer that he uploaded the files to a BEP database that contains Federal Reserve Note images (ENGWSUS), and that they were available. [REDACTED] and [REDACTED] explained to [REDACTED] that the files did not contain the information they were looking for. [REDACTED] replied that he was not certain where the design files were, and that it would take time for him to locate the files.

[REDACTED] stated on October 1, 2019, he contacted [REDACTED] via email in order to determine where the files were being stored. [REDACTED] stated [REDACTED] mentioned that the files were on ENGWSUS. [REDACTED] reiterated to [REDACTED] that the files were not on ENGWSUS as Illustrator files but rather as composite or flat PDFs. [REDACTED] then stated to [REDACTED] that he was not sure, but the files may be located on the secure USB thumb drive that is used internally in the design room (to transfer files from the Mac to the PC). [REDACTED] stated he reminded [REDACTED] that the thumb drive and contents of the thumb drive were not his property and that they should remain in the design room with files properly stored on ENGWSUS. [REDACTED] indicated that he was "busy" moving into his new role, but that he would try and find the files.

[REDACTED] stated he followed up his conversation with [REDACTED] the next day via email reminding [REDACTED] the BEP issued thumb drive is not intended to be removed from BEP. (Exhibit 6)

### Referrals

TIG presented a case to the United States Attorney's Office, District of [REDACTED] for Theft of Government Property a violation of 18 USC § 641. The Assistant United States Attorney (AUSA) declined to pursue a criminal investigation and referred the case back to TIG for administrative action. (Exhibit 7)

### Judicial Action

N/A

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## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-20-0009-I

Page 5 of 6

### Findings

The investigation unsubstantiated the allegation of fraud and destruction of evidence. There is no evidence to support [REDACTED] committed fraud against BEP or the U.S. government. In addition, there is no evidence to support [REDACTED] destroyed his personal hard drives in anticipation of a federal investigation.

The investigation substantiated the allegations that [REDACTED] misused and stole U.S. government property. [REDACTED] provided a voluntary sworn statement to BEP Police where he admitted to potentially creating a security breach, as well as the destruction of government property and potential evidence. In addition, in an interview with TIG, [REDACTED] admitted to removing BEP physical property and digital files from the BEP facility and their secured networks, taking them home and uploading the files to his personal computers, a violation of BEP's Information Technology Security Policy and Procedures Manual Section 5.8 Employees, Contractors, and Users of BEP Information Systems. [REDACTED] also admitted to TIG that he removed the hard drives from two of his personal computers containing the BEP files and destroyed them. [REDACTED] also stated he erased other personal computer hard drives containing BEP files.

TIG concludes by a preponderance of the evidence that [REDACTED] violated 18 USC § 641, "Public Money, Property or Records" and 5 CFR § 2635.704 "Use of Government Property." Further, the evidence establishes a violation of BEP's Information Technology Security Policy and Procedures Manual, Section 5.8, "Employees, Contractors, and Users of BEP information Systems."

Based on the findings of our investigation regarding [REDACTED] there is evidence sufficient to establish by a preponderance of the evidence a violation of the following standards:

- 18 USC § 641 Public Money, Property or Records
- 5 CFR § 2635.704 Use of Government property
- BEP's Information Technology Security Policy and Procedures Manual section 5.8 Employees, Contractors, and Users of BEP information Systems.

### Distribution

Alvin Shell, Chief, Office of Security, Bureau of Engraving and Printing

### Signatures

Case Agent: [REDACTED] /s/

Date: April 14, 2020

Supervisor: Anthony J. [REDACTED] /s/

Date: April 14, 2020

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # BEP-20-0009-I

Page 6 of 6

**Exhibits**

1. Original Allegation, dated October 7, 2019.
2. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated October 15, 2019.
3. Memorandum of Activity, Forensic Analysis dated, January 14, 2020.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated, October 18, 2019.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated, October 21, 2019.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated, October 21, 2019.
7. Memorandum of Activity, Case Presentation, dated March 3, 2020.



# Report of Investigation



## Case Information:

Complaint Number	BEP-20-0050-I
Complaint Title	[REDACTED]
Date Closed	August 21, 2020
Subject Type	No Affiliation
Allegation Location	California
Confidentiality	No
Congressional Interest	No
Allegation(s)	Bank Secrecy Act/Anti-Money Laundering

## Closing Summary:

On August 17, 2020, the OIG completed its report of investigation for a case initiated upon receipt of information from the Bureau of Engraving and Printing (BEP), Mutilated Currency Division (MCD) that a California subject submitted 47 mutilated currency claims to the MCD in an attempt to evade Bank Secrecy Act reporting requirements. Each claim submitted was \$1,000, totaling \$47,000; however, only one claim was processed because the MCD identified the structuring pattern. Criminal prosecution of the subject was presented on May 13, 2020, and declined by the U.S. Attorney's Office for the Central District of California.

## Approval:

Sonja L. Scott

Digitally signed by Sonja L. Scott  
DN: cn=US, o=U.S. Government, ou=Department of  
the Treasury, ou=Inspector General, ou=People  
serialNumber=d1E14B, cn=Sonja L. Scott  
Date: 2020.08.21 11:47:48 -0400

Special Agent in Charge, Acting

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OIG Form-08 (06/20)

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



# Report of Investigation



## Subject(s) :

[REDACTED]

(H) [REDACTED]

(O) [REDACTED]

## Legal :

[REDACTED] - DECLINED - California, Central District (Federal)



# Report of Investigation



## Subject(s) :

[REDACTED]

(H) [REDACTED]

(O) [REDACTED]

## Legal:

[REDACTED] - DECLINED - California, Central District (Federal)



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

June 10, 2020

**MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS**

**FROM:** Anthony J. Scott /s/  
Special Agent in Charge

**SUBJECT:** [REDACTED]  
OIG Case Number: CYBER-15-1093-I

An investigation was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG) after receiving a request for assistance from the Federal Bureau of Investigation (FBI) for a cyber-actor involved in an organized cyber ring that was employed as a Ricoh contractor at the Treasury Departmental Office (DO).

The case agent provided assistance in the case and access for the FBI inside the DO. The case agents notified TIG they appreciated TIG's assistance but did not need any additional investigative support. The case remains under seal for an undetermined amount of time. Due to the contractor no longer employed at DO, TIG no longer is investigating this case.

As a result, we are closing this matter accordingly.

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Office of Inspector General – Investigations  
Department of the Treasury



# Report of Investigation



## Case Information:

Complaint Number	CYBER-16-0088-I
Complaint Title	[REDACTED]
Date Closed	September 25, 2020
Subject Type	No Affiliation
Allegation Location	Maryland
Confidentiality	No
Congressional Interest	No
Cooperating Agencies	Federal Bureau of Investigation
Allegation(s)	Cyber

## Closing Summary:

On September 24, 2020, a subject was sentenced to one year and one day incarceration, three years' probation, and ordered to pay \$193,258.10 in restitution. The subject was fired from a global organization and then later remotely accessed and damaged the company's computer network. The U.S. Attorney's Office for the District of Maryland prosecuted the joint Federal Bureau of Investigation and Treasury OIG case.

## Approval:

Andrea L.  
Peacock

Digitally signed by  
Andrea L. Peacock  
Date: 2020.09.25  
15:48:19 -04'00'

Special Agent in Charge, Acting



# Report of Investigation



## Subject(s) :

[REDACTED]

## Legal:

[REDACTED] - Indictment - Maryland (Federal)  
18 USC § 1030 - FRAUD AND RELATED ACTIVITY IN CONNECTION WITH  
COMPUTERS (FELONY)  
Conviction  
2 Counts  
Prison  
1 Year  
1 Day  
Probation  
3 Years  
Special Assessment  
\$200.00  
Criminal Restitution  
\$193258.10



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

June 8, 2020

OFFICE OF  
INSPECTOR GENERAL

**MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS**

**FROM:** Anthony J. Scott /s/  
Special Agent in Charge

**SUBJECT:** [REDACTED]  
OIG Case Number: CYBER-16-0876-I

An investigation was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG) after receiving a request for assistance from U.S. Secret Service (USSS) and Federal Bureau of Investigation (FBI) for a network intrusion of a local business.

The case agent provided expert technical assistance in the case and passed the findings to the case agents at USSS, FBI, and later the Internal Revenue Service, Criminal Investigations Division (IRS-CID). The case agents notified TIG they appreciated TIG's assistance but did not need any additional investigative support.

As a result, we are closing this matter accordingly.

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Office of Inspector General – Investigations  
Department of the Treasury



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



## Report of Investigation

**Case Title:** [REDACTED] LLC, et al

**Case #:** DO-16-1253-I

**Case Type:** Criminal ☒  
Administrative ☒  
Civil ☐

**Investigation Initiated:** March 20, 2017

**Investigation Completed:** May 1, 2020

**Conducted by:** [REDACTED]  
Assistant Special Agent in Charge

**Origin:** General Services Administration  
Office of Inspector General

**Approved by:** Anthony J. Scott  
Special Agent in Charge

### Summary

An investigation was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), after receiving a complaint from the General Services Administration (GSA), Office of Inspector General (OIG) on April 25, 2016. The GSA-OIG informed TIG that the Department of Interior (DOI) OIG was conducting an investigation on a DOI employee who may have received financial kickbacks from contractors involved in furniture and office supply purchases and services. GSA-OIG became involved in the investigation of the contractors. A review of vendor and contract data from the GSA System of Awards Management (SAM) database of [REDACTED] LLC ([REDACTED]), [REDACTED] Inc ([REDACTED]), [REDACTED] LLC ([REDACTED]), [REDACTED], Inc., and [REDACTED] ([REDACTED]) indicated that multiple companies possess identical banking information, Internet Protocol (IP) addresses, and employees. GSA manages several different Multiple Award Schedule Contracts, Federal Strategic Sourcing Initiative (FSSI) Blanket Purchase Agreements (BPA), and Indefinite Delivery Contracts with the aforementioned companies.

The GSA-OIG reviewed all government contracts with these companies and found the following agencies may have been affected by possible collusion and bid rigging: GSA, Department of Interior, Department of the Treasury, Department of Air Force, Department of Navy, Department of Army, Department of Veterans Affairs, Social Security Administration, Department of Justice, and Department of Homeland Security.

The GSA-OIG created an agency working group consisting of an agent from each of these agencies. GSA also presented this investigation to the United States Attorney's Office (USAO), District of Columbia, Criminal and Civil Divisions. The case was accepted criminally and civilly.

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## Report of Investigation

Case Name: [REDACTED] LLC, et al

Case # DO-16-1253-I

Page 2 of 6

The investigation substantiated the allegations of 18 USC § 286 Conspiracy to Defraud the United States with Respect to Claims, 18 USC § 287 False Claims, 18 USC § 1343 Wire Fraud, and 18 USC § 1001 False Statements.

The investigation toward criminal prosecution and civil recovery was discontinued after the USAO, District of Columbia, Criminal and Civil Divisions, declined the matter in March 2020, because several incidents of fraud were no longer within statute. This lengthy investigation was due in part to a prosecution team that changed annually with different Assistant United States Attorneys and agents, and a lengthy subpoena process, document review, and interviews. The GSA-OIG will continue to seek debarment for the companies and their principals. The debarment will keep these companies and individuals from receiving federal contracts for a period of up to three years.

### Basis and Scope of the Investigation

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## Report of Investigation

Case Name: [REDACTED] LLC, et al

Case # DO-16-1253-I

Page 3 of 6

An investigation was initiated by TIG after receiving a complaint from the GSA-OIG on April 25, 2016, regarding potential collusion among federal contractors. Specifically, that several companies utilized by the federal government possess identical banking information, IP addresses, and employees.

During the course of this investigation, relevant interviews were conducted with:

- [REDACTED] Managing Owner, [REDACTED] LLC
- [REDACTED] Former Vice Executive President, [REDACTED]
- [REDACTED] Owner, [REDACTED]
- Contracting Officers from Various Federal Agencies

In addition, TIG reviewed pertinent documents including:

- Contract documents between [REDACTED] LLC; [REDACTED] Inc.; [REDACTED] LLC; [REDACTED]; [REDACTED], Inc.; and [REDACTED] with various Federal agencies
- Emails between [REDACTED] LLC; [REDACTED] Inc.; [REDACTED] LLC; [REDACTED]; [REDACTED], Inc.; and [REDACTED]

### Investigative Activity

In an interview with the GSA-OIG, [REDACTED] Owner of [REDACTED] stated he purchased [REDACTED] in November 2010, and as a result, [REDACTED] became a division of [REDACTED]. [REDACTED] stated when he purchased [REDACTED] it included the pre-existing relationship the company had with [REDACTED]. [REDACTED] stated [REDACTED] handled all the shipping, billing, and was essentially a wholesaler to [REDACTED]. When asked what [REDACTED] relationship was with [REDACTED], [REDACTED] stated he was unaware of any relationship and was unfamiliar with the company.

In an interview with the Defense Criminal Investigative Service, [REDACTED] Managing Owner, [REDACTED] stated that he began with [REDACTED] in the mid 1990's with his brother-in-law [REDACTED] ([REDACTED] and [REDACTED] ([REDACTED])).

Sometime around 2005, [REDACTED] told [REDACTED] that "[REDACTED]" (aka [REDACTED]) and [REDACTED] were searching for all of the then-current Army Blanket Purchase Agreement (BPA) holders. [REDACTED] and [REDACTED] had just started up [REDACTED] and were looking for potential vendors to partner with in participating in the approximately \$100 million Army BPA procurement opportunity. Both [REDACTED] and [REDACTED] reached out to [REDACTED] and asked if they [REDACTED Inc.] were interested in using [REDACTED] sales representatives for the Army BPA. They offered to provide in-person sales representative support and to register the customer. [REDACTED] recalled that, at some point following the discussion, a subcontract was agreed upon, which allowed [REDACTED] to represent itself or do business as [REDACTED] Inc. [REDACTED] spontaneously recalled that [REDACTED] was divided into regional offices.

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## Report of Investigation

Case Name: ██████████ LLC, et al

Case # DO-16-1253-I

Page 4 of 6

██████ explained that ████████ sales representatives would register a customer using their internal mechanism, and the customer would be registered within their system as a ████████ Inc. customer. When executing sales on behalf of ████████ ████████ would hold strictly to the BPA and GSA pricing, stating ████████ had to use those particular prices. When asked how ████████ represented themselves to the government customers, ████████ indicated ████████ should have represented themselves as ████████ but that there was no way he could know for certain. When asked why ████████ would represent themselves as ████████ employees instead of ████████ employees, ████████ indicated he was not sure why and that they may have represented themselves to the customer as both ████████ and ████████ employees concurrently.

██████ stated he believed ████████ and ████████ were open to GSA regarding their relationship, but explained that he did minimize their relationship because he wanted ████████ to be represented as ████████ instead of ████████. He further explained that he "did not want ████████ to take any credit for the company that they weren't involved in." When asked if there was minimization so that GSA would not ask questions regarding the relationship, ████████ replied that there was not.

After ████████ was sold to ████████ ████████ did not receive any ownership stake in ████████ ████████ or other entities owned by these companies. ████████ did not receive profit from Staples' acquisition of ████████ ████████ learned of the acquisition sometime in June 2018, and the ████████ LLC relationship with ████████ ended in August 2018.

In an interview with the Defense Criminal Investigative Service, ██████████ former Executive Vice President of the ████████ stated he began his career in government contracting within the information technology (IT) field in 1989, working as an employee of ████████ Group for approximately sixteen years. After leaving ████████ Group, ████████ started ████████ with his brother, ██████████. Around 2005 or 2006, ████████ was introduced by a ████████ colleague to ██████████, ██████████. ████████ spoke to ████████ about ████████ ████████ sometime around when GSA introduced the second iteration of the Federal Strategic Sourcing Initiative (FSSI). ████████ never met ████████ but explained that ████████ had informed him that ████████ had sold his previous company to Office Depot or one of the large office supply stores for approximately \$150,000,000. ████████ company ended up buying ████████ from ████████ after his non-compete expired. ████████ explained he ████████ met ██████████, ████████ President, through ██████████. ████████ was an attractive partner because they were able to obtain the same product, but at a cheaper price than what ████████ was able to obtain from the wholesaler on its own. When ████████ acquired ██████████ in 2010 or 2011, ████████ entered into an arrangement with ████████ similar to the one they had held with ██████████. ████████ would sell ████████ items for a fee. The percentage of profit retained by ████████ after sale would be 2 percent. He did not know how GSA viewed the relationship, but he does not believe he notified GSA of the relationship, stating, "everybody had one of the three suppliers, so of course GSA had to know everybody had some sort of relationship."

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## Report of Investigation

Case Name: █████ █████ LLC, et al

Case # DO-16-1253-I

Page 5 of 6

Agents from each agency were required to conduct interviews on their agency contracting officers and other personnel. No federal employee was aware of the business and personal relationships between these companies.

A review of copious emails found that several █████ employees possess multiple email accounts, shared between individuals working with █████ █████ and █████. For example, █████ identifies within mail correspondence to federal agencies that he is the Vice President of Government Sales for █████ █████ and █████. In another example, █████ has the title of "Account Executive" at two different companies, and has the following two different emails for these companies: █████@█████.com, and █████@█████.net. There were also multiple email discussions and explanations regarding pricing, requests for quotes, and procurement sensitive information between the companies listed above.

Emails between business officers within █████ indicate that their staff was utilized to fulfill contract requirements such as order fulfillment, tracking, customer service and pricing between the government and █████ █████ █████ and █████ Inc. █████ staff also share and utilize user eBay user names and passwords in order to access government solicitations in different markets such as Service Disabled Veteran Owned Small Business Certification belonging to the █████

GSA-OIG's review of the SAM Certifications found that █████ █████ █████ and the █████ certified to the government on numerous occasions that they did not violate or make false representations regarding the following clauses: Certificate of Independent Price Determination, Taxpayer Identification, Ownership or Control of Offeror, and Audit and Records-Negotiation, did not have a common "parent" and maintained records in accordance with the Federal Acquisition Regulations.

A SAM review also reflected that a █████ Bank account █████ was shared by █████ LLC, █████ Inc., █████ LLC, and █████ Treasury confirmed payments were made to these companies through this bank account.

### Referrals

In January 2016, GSA-OIG and DOI-OIG presented the case to the USAO, Criminal and Civil Divisions, Washington, DC, and the case was accepted for prosecution by the Criminal Division. The Civil Division also opened the matter.

In March 2020, it was decided by the USAO's Criminal And Civil Divisions to no longer prosecute this matter because the statute had tolled on several of the offenses.

### Judicial Action

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## Report of Investigation

Case Name: [REDACTED] LLC, et al

Case # DO-16-1253-I

Page 6 of 6

N/A

### Findings

The investigation substantiated the allegations of 18 USC § 286 Conspiracy to Defraud the United States with Respect to Claims, 18 USC § 287 False Claims, 18 USC § 1343 Wire Fraud, and 18 USC § 1001 False Statements. The investigation found that several [REDACTED] employees possess multiple email accounts, shared between individuals working with [REDACTED] [REDACTED] and [REDACTED]. There were also multiple email discussions and explanations regarding pricing, requests for quotes, and procurement sensitive information between the companies listed above. Finally, [REDACTED] shares a bank account with [REDACTED] [REDACTED] and [REDACTED]. Company principals were interviewed, but claimed that no illegal activity was occurring and that the companies were associated or were subsidiaries of each other, but never bid against each other. They also claimed that they never deliberately misrepresented information to the GSA or their other federal contractors. Contracting officers within the federal government were unaware that these companies were associated. The investigation toward criminal prosecution and civil recovery was discontinued after the USAO, District of Columbia, Criminal and Civil Divisions, declined the matter in March 2020, because several incidents of fraud were no longer within statute. The GSA-OIG will continue to seek debarment for the companies and their principals. The debarment will keep these companies and individuals from receiving federal contracts for a period of up to three years.

### Distribution

NA

### Signatures

#### **Case Agent:**

[REDACTED] /s/

Date: 5/1/2020

#### **Supervisor:**

Anthony J. Scott /s/

Date: 5/1/2020



# Report of Investigation



## Case Information:

Complaint Number	DO-16-1558-I
Complaint Title	(b) (6); (b) (7)(C)
Date Closed	August 4, 2020
Subject Type	Treasury Employee
Allegation Location	District of Columbia
Confidentiality	Yes
Congressional Interest	No
Allegation(s)	Administrative Only

## Closing Summary:

On August 4, 2020, the OIG completed its report of investigation for a case initiated upon receipt of allegations of prohibited personnel practices by a senior Treasury official. The OIG issued a report in 2018 that was disputed by the Office of Counsel at Treasury Departmental Offices. The subsequent investigation by the OIG added additional evidence intended to support the initial findings. In 2020, the OIG conducted a thorough legal analysis of the alleged prohibited personnel practices by a senior Treasury official and found all four allegations unsubstantiated. This final report completes the investigation.

## Approval:

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

Deputy Assistant Inspector General  
for Investigations



# Report of Investigation



Subject(s) :

(b) (6); (b) (7)(C) [REDACTED], Data Center

Administrative Allegation(s) :

5 U.S.C. §2302(b) (8) Prohibited personnel practices

(b) Any employee who has authority to take, direct others to take, recommend, or approve personnel action, shall not, with respect to such authority:

(8) take or fail to take, or threaten to take or fail to take, a personnel action with respect to any employee or applicant for employment because:

- (1) the employee engaged in protected activity
- (2) the supervisor was aware of the protected activity
- (3) the manager took or failed to take a personnel action, and
- (4) the employee's protected activity was a significant factor in the manager's personnel action decision.

Administrative Summary:

While the investigation revealed evidence that could be used to support the first three elements for all four allegations related to 5 U.S.C. §2302(b) (8) and (9), TIG found no evidence to support the fourth element.

The investigation determined that the allegation by CW-1 was unsubstantiated.

The investigation determined that the allegation by CW-2 was unsubstantiated.

The investigation determined that the allegation by (b) (6); (b) (7)(C) was unsubstantiated.

The investigation determined that the allegation by (b) (6); (b) (7)(C) was unsubstantiated.

REPORT OF INVESTIGATION  
DO-17-0199-I



Office of Inspector General

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United States Department of the Treasury



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



## Report of Investigation

**Case Title:** [REDACTED]  
Administrative Specialist  
Departmental Offices  
GS-8

**Case #:** DO-17-0199-I  
**Case Type:** Criminal  
Administrative X  
Civil

**Investigation Initiated:** May 2, 2017

**Conducted by:** [REDACTED]  
Special Agent

**Investigation Completed:** JUL 16 2019

**Approved by:** Anthony J. Scott  
Special Agent in Charge

**Origin:** [REDACTED]  
Assistant Director  
U.S. Government Accountability Office (GAO)

### Summary

On November 2016, U.S. Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (TIG) received an allegation of time and attendance (T&A) fraud from the U.S. Government Accountability Office (GAO) implicating Treasury, Departmental Offices (DO) employee [REDACTED] [REDACTED] [REDACTED] is an administrative employee assigned to International Affairs serving as administrative support for three Deputy Assistant Secretaries at the main Treasury building. TIG reviewed the employee's existing time sheets and compared them to the main Treasury building gate access records. TIG periodically monitored her gate and T&A records.

The investigation determined that the allegation was substantiated. TIG record reviews, interviews, and analysis of [REDACTED] gate and T&A records revealed that [REDACTED] incorrectly reported her time and attendance. The subject interview also revealed that [REDACTED] more often than not, deliberately failed to physically show up to her job at the main Treasury building. Her T&A records did not indicate telework and they were certified by someone other than her supervisor.

## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case #: DO-17-0199-I

### Basis and Scope of the Investigation

On November 2016, TIG received an allegation of time and attendance fraud from GAO implicating Treasury, DO employee [REDACTED] [REDACTED] is an administrative employee assigned to International Affairs serving as an administrative support for three Deputy Assistant Secretaries at the main Treasury building. (Exhibit 1)

During the course of the investigation, interviews were conducted with:

- [REDACTED], DO
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED]ell, DO
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED] DO
- [REDACTED] O
- [REDACTED], DO
- [REDACTED], DO
- [REDACTED], DO

In addition, TIG reviewed pertinent documents, including:

- Main Treasury Gate Records
- [REDACTED] [REDACTED] Time and Attendance Records
- [REDACTED] [REDACTED] Human Resource Records

### Investigative Activity

TIG conducted a review of the gate access records for the main Treasury building for the period of 12/7/2015 through 1/27/2017. TIG also analyzed the time and attendance for the same period and noted that only eight hours of telework was recorded for the approximately 14 month period reviewed. A comparison of the time and attendance against the access records by showed the following discrepancies from the eight hour work days reported on the subject's time sheets:

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case #: DO-17-0199-I

- 40 days where the employee claimed to be working with no gate records to substantiate entry or exit at the main treasury building.
- 13 days in which gate records reflected two hours or less hours present at the main treasury building.
- 51 days in which gate records reflected between two and four hours present at the main treasury building.
- 42 days in which gate records reflected between four and six hours present at the main treasury building (Exhibit 2).

TIG requested computer log in record for remote access from DO IT for [REDACTED] remote computer access but was informed that those records are not maintained.

In November 2017, TIG interviewed the Deputy Assistant Secretaries who the subject supports. Results of the of the interviews with the three Deputy Assistant Secretaries revealed that [REDACTED]'s place of duty is the main Treasury building, and that no alternate work location is authorized. [REDACTED] works a variation of a 9-5 schedule and telework is authorized on an ad-hoc, but not a regular basis. She does not run errands outside of the main Treasury building and would not be tasked with meetings before or after her normal work day causing a late arrival or early release from her office duties. Although she works for the three Deputy Assistant Secretaryies, they are located on a different floor from [REDACTED] and do not have daily or frequent interaction with her. In the Human Resources database, [REDACTED] is listed as reporting to Deputy Assistant Secretary [REDACTED]. When he was informed of this, [REDACTED] was surprised that he was listed as her supervisor. Based upon the three Deputy Assistant Secretary interviews, it was recommended we speak with the Director and Deputy Director of the Office of International Affairs Business office in regard to internal business practices related to teleworking and telework agreements. It was apparent from these interviews that there is limited to no direct oversight of [REDACTED] (Exhibits 3-5)

In an interview with TIG, [REDACTED] stated that she knows [REDACTED] but does not have daily interaction with her and does not manage her. She sees her only a few times a month and is unaware of who her supervisor is. [REDACTED] was unaware of a telework agreement on file for [REDACTED]. [REDACTED] also stated that International Affairs has 13 administrative support positions and these individuals are physically scattered throughout the building. These individuals do not directly report to [REDACTED]. (Exhibit 6)

In an interview with TIG, Deputy Office Director [REDACTED] who stated that [REDACTED] administratively supports the Deputy Assistant Secretaries [REDACTED], [REDACTED], and [REDACTED], whose offices are located on the 3rd floor while [REDACTED] is located on the 5th floor amongst a dozen economists. The other administrative support staff in International Affairs are not concentrated in one area, and are physically dispersed all over the directorate. [REDACTED] has infrequent day to day interaction with [REDACTED]. He certifies her time and attendance records along with about 60 others in International Affairs, but does not oversee her

## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case #: DO-17-0199-I

as a supervisor. [REDACTED] believed that [REDACTED] would approve any employee paperwork, or telework requests. There appears to be a material internal control flaw with [REDACTED] certifying [REDACTED] time sheets when he does not supervise her, work in proximity to her, or oversee her daily duties (Exhibit 7).

TIG interviewed the other administrative support staff to determine if there was consistency between duties, colocation with supervisors, and understanding of telework procedures. Almost all of the administrative support personnel assigned to the Office of International Affairs performed similar duties as [REDACTED] [REDACTED] and were aware of proper telework procedures.

In an interview with TIG, [REDACTED] [REDACTED] stated she is an administrative support specialist and that her boss is [REDACTED]. Her duties include answering the phones for Deputy Assistant Secretaries, DO, and the trade office as well as scheduling meetings, arranging conference rooms, and booking travel. Her workspace is located at 5205 in main treasury, and she does not work elsewhere. She believes that her position is eligible to telework, but is unaware of the terms or frequency allowed. She believes that she is allowed to telework 3-4 days a week, but did not have a written agreement, or arrangement on record, and couldn't not recall if one existed. She stated that she clears her telework days through the bosses by email, but also stated that she does not receive approval for each day she teleworked. In her belief the work day begins when she starts answering emails from home at 6am, or answering the phone. She claimed that since she is always sending emails and "handling her work" she isn't committing time and attendance fraud. She has her issued laptop and phone which enable her to handle her daily duties. She was evaluated as a "5" and wouldn't have received that rating if there was a problem. [REDACTED] did not know that the WebTA system logged telework and that's why she doesn't annotate it and instead records 8 hours of regular duty. (Exhibit 8)

### Referrals

N/A

### Judicial Action

N/A

### Findings

The investigation determined that the allegation was substantiated. TIG record reviews, interviews of witnesses, and the interview of [REDACTED] [REDACTED] substantiate that her time and attendance records did not accurately reflect her hours worked. [REDACTED] telework and building access records substantiate the validity of the allegation by accurately showing that she generally was not present for a full day and also failed to report to work at all on many occasions. Almost all of the administrative support personnel assigned to the Office of International Affairs performed



Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case #: DO-17-0199-I

**Exhibits**

1. Lead Initiation, GAO Referral Letter, dated October 25, 2016.
2. Analysis of building access records compared to time and attendance records.
3. Memorandum of Activity, Interview of Douglas Bell, dated November 17, 2017.
4. Memorandum of Activity, Interview of Amin Mir, dated November 30, 2017.
5. Memorandum of Activity, Interview of Christopher Adams, dated December 1, 2017.
6. Memorandum of Activity, Interview of Diane Klopach, dated January 9, 2018.
7. Memorandum of Activity, Interview of Thomas Funkhouser, dated January 9, 2018.
8. Transcript, Interview of [REDACTED] [REDACTED] dated January 25, 2018.

REPORT OF INVESTIGATION  
DO-17-0874-I



Office of Inspector General

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United States Department of the Treasury



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



## Report of Investigation

**Case Title:** [REDACTED]  
Associate Director  
Data Center, OFR

**Case #:** DO-17-0874-I

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

**Investigation Initiated:** April 21, 2016

**Investigation Completed:** MAR 01 2018

**Conducted by:** [REDACTED]  
Special Agent

**Origin:** U.S. Department of the Treasury

**Approved by:** Anthony J. Scott  
Special Agent in Charge

### Summary

On April 6, 2016, the U.S. Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (TIG), received information from the OIG Office of Counsel regarding an alleged Whistleblower protection violation. On February 16, 2016, Confidential Witness (CW)-1 filed a Request for Relief with the Office of Human Resources regarding their FY 2015 Annual Performance Review. Shortly after filing this request, CW-1 was removed as leader of the Office of Financial Research's (OFR) Data Scope project by CW-1's new supervisor, [REDACTED] and asked to take a detail outside of the OFR. CW-1 perceived these and other events as retaliatory and orchestrated by [REDACTED] Deputy Director, Data Center, OFR. CW-1 subsequently contacted the Treasury Whistleblower Protection Ombudsman and Treasury OIG Counsel to the Inspector General, Richard Delmar, for assistance.

The investigation determined that the allegations are substantiated. TIG determined that [REDACTED] participated in numerous prohibited personnel practices as outlined in 5 U.S.C. § 2302(b)(8)-(9). This statute states that supervisors are prohibited from taking, threatening to take or failing to take, directing, recommending, or approving any personnel action against an employee for making a lawful disclosure. Under this statute, a personnel action is defined as appointment; promotion; disciplinary or corrective action; detail, transfer or reassignment; reinstatement; restoration; performance evaluation; decision concerning pay, benefits or awards, or concerning education or training if the training could lead to promotion; decision to order psychiatric testing or examination; implementation or enforcement of any nondisclosure policy, form, or agreement; any other significant change in duties, responsibilities, or working conditions.

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██████ violated this statute by taking the following actions: Removal of CW-1 from the SCOPE project; Requesting that CW-1 take a detail outside of OFR; Denying CW-1 the opportunity to take a detail of CW-1's request; and participating on an interview panel for a position that CW-1 applied for, but was not selected for. These activities occurred after a protected disclosure was made.

#### **Basis and Scope of the Investigation**

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On April 6, 2016, the U.S. Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (TIG), received information from the Treasury OIG Office of Counsel regarding an alleged Whistleblower protection violation. On February 16 2016, CW-1 filed a Request for Relief regarding their FY 2015 Annual Performance Review. Shortly after filing this request, CW-1 was removed as leader of a high profile project by CW-1's new supervisor, [REDACTED] and asked to take a detail outside of the OFR. CW-1 perceived these and other events as retaliatory and subsequently contacted the Treasury Whistleblower Protection Ombudsman, Richard Delmar, Counsel to the Inspector General, for assistance.

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

- CW-1
- [REDACTED] Supervisory Business Analyst, OFR
- [REDACTED] former Chief Human Capital Officer, Treasury Departmental Offices
- [REDACTED] Director, Office of Human Resources, Treasury Departmental Offices
- [REDACTED] Human Resource Specialist, Office of Human Resources, Treasury Departmental Offices
- [REDACTED] Deputy Director, Board of Governors, Federal Reserve Bank
- [REDACTED] I.T. Specialist, Commodity Futures Trading Commission
- [REDACTED] Associate Director, OFR
- [REDACTED] Advisor to the Director of Web Applications, Internal Revenue Service
- [REDACTED], Associate Director, Data and Business Architect, OFR
- [REDACTED] Deputy Director/Chief Data Officer, OFR
- [REDACTED] Director, Data and Analytical Solutions, Office of Comptroller of the Currency
- [REDACTED] Associate Director, OFR
- Richard [REDACTED] OFR Director
- [REDACTED] Chief Data Officer, Consumer Financial Protection Bureau

In addition, TIG reviewed pertinent documents, including:

- OFR Email Files of Pertinent Individuals
- FY15 Performance Appraisal of CW-1
- FY15 OFR Data Center Performance Ratings
- FY16 OFR Data Center Performance Ratings
- Email from [REDACTED] to [REDACTED]
- Email from CW-1 to [REDACTED] and [REDACTED] ref: OIG Investigation

### Investigative Activity

In an interview with TIG, CW-1 stated that on February 1, 2016, CW-1 was notified by the OFR's Chief Data Officer, [REDACTED] that CW-1 had been selected to be the Data Scope Program Lead. On February 25, 2016, it was publically announced at the OFR's Financial Research Advisory Committee Meeting held at the Treasury Headquarters, and via an internationally available webcast, that CW-1 would be the Lead of the OFR's Data Scope Program and would oversee a series of projects.

Between the aforementioned events, CW-1 filed a Request for Relief regarding their FY 2015 Annual Performance Review. CW-1 had received an "Outstanding" Performance Review for each of the prior two years, but this time, had received an "Exceeds". After filing the grievance, CW-1 felt a change in the atmosphere in the office. CW-1 met with [REDACTED] in late February 2016, and felt some hostility based on the way [REDACTED] spoke and interacted with CW-1. On March 10, 2016, without prior discussion, [REDACTED] removed CW-1 from the SCOPE program lead. According to CW-1, a series of alleged retaliatory unjustified events continued to unfold, such as: exclusion from meetings, denial of requested job or volunteer activities, etc. CW-1 reported a complaint to TIG in April 2016, and notified [REDACTED] and [REDACTED] of the TIG investigation on May 25, 2016. CW-1 believes that since reporting to TIG in April, CW-1 has gone from a highly respected employee at the OFR, to being "subjected to hostility, public humiliation and sabotage of my work." Some of the alleged retaliatory actions are detailed below. (Exhibits 2, 3, 4)

CW-1 reiterated that retaliation has continued since May 25, 2016, and reported the following:

- Exclusion from meetings, even if CW-1 was the Subject Matter Expert
- Ignored/shunned by [REDACTED]
- Cabinets in office were broken into
- Office computer screen was smashed (May 1, 2017); reported to IT
- Current pay at GS-13 level, but should be much higher
- Received no gratitude or bonus for work as lead for Regulatory Data Workshop, even though CW-1 believed others that worked on the program received bonuses
- Subsequently removed from the RDW project
- No performance plan/performance commitments for Data Center employees
- Directed to go on a Detail with an outside agency (Exhibit 19)
- Denied job opportunities and promotions even though highly qualified (Exhibit 19)
- Denied volunteer opportunities even though the best qualified
- Removed from all advisory roles
- Constantly bad mouthed and belittled by [REDACTED] and [REDACTED]

In an interview with TIG, [REDACTED] Supervisory Business Analyst, OFR, stated that he supervised CW-1 for three or four years. [REDACTED] stated that he downgraded CW-1's performance rating. [REDACTED] explained that originally performance goals were imprecise, so he attempted to

introduce more impartiality into the evaluation process through use of survey systems and numbers. Over the timeframe that CW-1 worked for [REDACTED] the evaluation system became more and more measurable. [REDACTED] opined that CW-1 preferred more subjectivity in the evaluation process. [REDACTED] disclosed that CW-1 performed well as an individual, but not as well on a team. [REDACTED] also mentioned that CW-1 received step increases two or three times while he was CW-1's supervisor.

[REDACTED] relayed that he printed out the statistics and went over the numbers with CW-1 at the mid-year point. At the year-end evaluation, CW-1 did not reject the evaluation, but did respond with specific comments. When the Associate Director of Strategic Data Support position was announced, CW-1 told [REDACTED] that his evaluation would hurt CW-1's chance to get the position. CW-1 asked [REDACTED] to reconsider the score. The numbers were not yet final, so there was a small window of opportunity to change them. [REDACTED] advised CW-1 that the score might go up or down and there might be modulation. CW-1 wanted [REDACTED] to take into account an upcoming event that CW-1 was working on. Since the event received high praise the last time CW-1 hosted the event, CW-1 felt that [REDACTED] should account for the upcoming event in the current evaluation. [REDACTED] spoke to [REDACTED], his supervisor, concerning this. [REDACTED] advised against it, saying it would be improper to give CW-1 credit for something that had not yet occurred. [REDACTED] indicated that he feels the performance evaluation was not a problem until the new position was announced. [REDACTED] said that he believes he has a fair evaluation system. CW-1 told [REDACTED] that CW-1 would contest the evaluation. [REDACTED] was asked to provide a response to HR during the grievance, but had no additional involvement in the process.

[REDACTED] stated that he knows [REDACTED] and stated he never directly witnessed vindictive or retaliatory behavior from [REDACTED] against anyone. [REDACTED] disclosed that he heard of problems between CW-1 and [REDACTED]. CW-1 and [REDACTED] worked on a project together and there were issues regarding a meeting they were planning. [REDACTED] stated that he once heard that [REDACTED] was placed in charge of CW-1's group, [REDACTED] expected the problems to start. [REDACTED] opined that CW-1 and [REDACTED] are two strong willed people who may not be able to work together effectively.

[REDACTED] stated that he was never influenced or directed by others in his 2015 evaluation of CW-1. In 2014, [REDACTED] assigned CW-1 to do the RDW event. [REDACTED] advised the event went very well and was a huge success. CW-1 received praise from everyone, including [REDACTED] Director OFR. This event led to a step increase for CW-1. [REDACTED] indicated that he was not only concerned about CW-1, but the others that worked on the team. Since CW-1 received so many accolades for that event, [REDACTED] opined that CW-1 expected that kind of treatment for everything CW-1 did. (Exhibit 5)

In an interview with TIG, [REDACTED] [REDACTED] former Chief Human Capital Officer, Treasury, stated that she worked at Treasury for approximately four years. During this time, [REDACTED] OFR Director, would often seek her guidance if he had concerns about employee engagement results, feedback, etc. Also during this time, [REDACTED] met regularly with the OFR Data Center, Information

Technology, and Research Divisions. CW-1 worked in the Data Center. [REDACTED] recalled that CW-1 was always very vocal during the meetings. [REDACTED] stated her most recent interaction with CW-1 was regarding CW-1's annual performance appraisal. CW-1 disputed the results and asked for reconsideration.

[REDACTED] stated that her staff provided CW-1 timelines in which to file a grievance, but CW-1 missed the timelines. CW-1 requested an extension based on military leave, and [REDACTED] granted the extension. CW-1 missed the second deadline, citing a system outage when CW-1 attempted to submit the grievance paperwork. CW-1 requested another extension, but [REDACTED] did not grant it. [REDACTED] recalled that CW-1 then left a series of agitated messages for [REDACTED] [REDACTED] subsequently granted the extension.

[REDACTED] processed CW-1's grievance and sent it to [REDACTED] [REDACTED] former Chief Operations Officer, OFR, to investigate. [REDACTED] did not recommend a change in CW-1's ratings based on the merit of the appeal. [REDACTED] found a lack of veracity on CW-1's part. While coordinating the Regulatory Data Workshop (RDW), CW-1 rescheduled it to make it more convenient for CW-1. [REDACTED] CW-1's supervisor, believed CW-1 lied when asked about the reason for the date change. [REDACTED] stated CW-1 sent emails about [REDACTED] saying he was a fool and asking others not to include him on email messages. [REDACTED] wanted to take disciplinary action against CW-1. [REDACTED] advised that CW-1 believed CW-1's talents were being overlooked. [REDACTED] also advised that a few of CW-1's colleagues reported that CW-1 overrated CW-1's own work.

[REDACTED] advised that she spoke with [REDACTED] a few times regarding CW-1. [REDACTED] told [REDACTED] that he removed CW-1 from one project and assigned CW-1 to a different project and CW-1 was very angry. [REDACTED] was also very upset about the emails CW-1 sent to other employees impugning him. [REDACTED] discussed appropriate actions that could be taken regarding CW-1 and the seeming lack of reliability on the project that CW-1 was removed from. [REDACTED] also told [REDACTED] that when CW-1 was on military leave, the dates were changed for the RDW. [REDACTED] contacted the Office of the Comptroller of the Currency (OCC) to ask about the dates and was advised that CW-1 changed the meeting dates. CW-1 wanted to be removed from [REDACTED] supervision and placed in a different section. [REDACTED] found a good fit for CW-1 in another group. [REDACTED] was not certain which group. CW-1 took it as an insult and as a retaliatory action. (Exhibit 6)

In an interview with TIG, [REDACTED] [REDACTED] Director, Office of Human Resources, Treasury, stated that she had been employed with OFR DO HR since approximately February 2016. [REDACTED] related that she is aware of CW-1 and the grievances. [REDACTED] receives monthly communication from CW-1. [REDACTED] stated that [REDACTED] [REDACTED] DO Labor Relations Specialist, did not find any grievance-eligible issues in CW-1's case. In May 2016, CW-1 filed a grievance and stated she wanted to transfer out from under the supervision of [REDACTED] due to alleged mistreatment. CW-1 was offered other positions within the Treasury Department, but refused to leave OFR.

██████████ was aware that there are personality conflicts between ██████████, OFR Data Center Director, and CW-1. ██████████ spoke with ██████████ and ██████████ and advised them to keep their remarks and comments regarding CW-1 private. ██████████ was told that CW-1 had been spreading the news of their Whistleblower status throughout OFR and making disparaging remarks about ██████████ and ██████████. CW-1 alleged that CW-1 had been denied the opportunity to accept details to other offices and agencies and alleged that this is a form of retaliation. ██████████ stated that she was aware of one detail that CW-1 wanted and was prepared to write the agency release on CW-1's behalf once she received official notification, but she never received it. (Exhibit 7)

In an interview with TIG, ██████████, Human Resource Specialist, Office of Human Resources, Treasury, stated that she is aware of CW-1 and the grievances. ██████████ stated that she did not find any grievance-eligible issues in CW-1's case. In January 2016, CW-1 filed a grievance to have her FY15 performance appraisal rating adjusted. In the end, ██████████, former OFR Operations Officer, made a decision not to change CW-1's performance ratings. In May 2016, CW-1 filed a grievance and stated CW-1 wanted to transfer out from under ██████████ due to alleged mistreatment. CW-1 was offered other positions within the Treasury Department, but refused to leave OFR.

██████████ stated that ██████████ contacted her regarding a situation with CW-1. ██████████ said that CW-1 was facilitating the Regulatory Data Workshop and there was a scheduling conflict. The RDW was supposed to be held at the Office of the Comptroller of the Currency (OCC) building on a certain date, but CW-1 changed the dates and told ██████████ that the date change was due to mold remediation at the OCC building. When ██████████ questioned ██████████, ██████████, Director, Data and Analytical Solutions, OCC, replied that the OCC staff was confused as to why CW-1 called and changed the dates. ██████████ thought CW-1 was being dishonest and spoke to ██████████ to find out what disciplinary options were available.

Sometime later, ██████████ advised that she was invited to sit in on a meeting with CW-1 and ██████████. The primary purpose of ██████████ attendance at the meeting was to serve as a mediator. ██████████ stated the meeting was not productive and there was hostility from both sides of the table. (Exhibit 8)

In an interview with TIG, ██████████, Deputy Director, Board of Governors, Federal Reserve Bank stated that she worked at the OFR for approximately 3 years as Chief Operations Officer. ██████████, OFR Director, was her direct supervisor. ██████████ managed the infrastructure of OFR as well as the Human Resources, Budget and Procurement functions. ██████████ was familiar with CW-1 and stated that she had limited interactions with CW-1 during her time at OFR. ██████████ related that she did not recall a specific grievance submitted by CW-1, but she did recall another incident. ██████████ recalled an instance where CW-1 was concerned about a job CW-1 had applied for, and/or CW-1's role in OFR. CW-1 copied ██████████ on emails to Human Resources (HR) regarding

the matter. [REDACTED] stated she believed the matter was resolved by HR, though she indicated that she is unsure what the resolution was.

[REDACTED] also recalled hearing about a problem concerning CW-1 and a project. [REDACTED] believed that CW-1 made a change to the event date, but the change was not authorized by OFR management. [REDACTED] remembered that the change was disruptive to the project. [REDACTED] could not recall what actions followed that. [REDACTED] stated that [REDACTED] was her direct supervisor, so she would periodically update him on the personnel matters in the OFR. [REDACTED] related that he never seemed to have a negative reaction to the matters or the individuals discussed. When asked about his reaction to news regarding CW-1, [REDACTED] stated that [REDACTED] seemed concerned but not upset or irritated. (Exhibit 9)

In an interview with TIG, [REDACTED] I.T. Specialist, Commodity Futures Trading Commission (CFTC), stated he had been asked to conduct a "360 Review" (performance review) of [REDACTED] [REDACTED] has known [REDACTED] a number of years from a professional relationship at the OFR and at the CFTC. When [REDACTED] was detailed to OFR, he was disappointed in [REDACTED] management of a project, from which [REDACTED] was later removed. [REDACTED] figured out who had given him a negative appraisal on his 360 review and thought that since he had given [REDACTED] favors over the years, that he should have considered that when he did his appraisal. [REDACTED] did not report any negative actions from [REDACTED] as a result of this appraisal. [REDACTED] knew CW-1 from contract work that CW-1 had performed previously for the CFTC. He described CW-1's work as "amazing" and noted that CW-1 was publicly praised by the agency.

[REDACTED] was at OFR from fall of 2014 to July 2015. Before that, he was a contractor at CFTC. In March 2016, [REDACTED] told [REDACTED] that CW-1 was heading a major project, Data Scope, in the Stability Office. [REDACTED] said CW-1 was a "train wreck", indicating that CW-1 could not read a crowd, and that [REDACTED] was going to take over the lead of the project. On September 13, 2016, [REDACTED] sent an email to [REDACTED] Director, Data and Analytical Solutions, OCC, disputing disparaging remarks that [REDACTED] believed [REDACTED] received from [REDACTED] and [REDACTED] regarding CW-1. (Exhibit 10)

In an interview with TIG, [REDACTED] Associate Director, OFR, stated that she has been employed with OFR for approximately seven years. Regarding CW-1, [REDACTED] stated that she was part of the panel that hired CW-1 in 2012. [REDACTED] remarked that CW-1 seemed very capable of performing the job, but she had concerns about CW-1 taking a large reduction in pay to come to the OFR. [REDACTED] said that CW-1 always sees themselves as "the smartest person in the room" and some of [REDACTED] employees had difficulty working with CW-1. [REDACTED] was aware that CW-1 was removed from a high level project and opined it was because both OFR team members and external stakeholders found it difficult to work with her.

[REDACTED] disclosed that in 2017, she interviewed CW-1 for an Associate Director position. Other panel members included [REDACTED], [REDACTED], Associate Director, OFR, and [REDACTED]

(LNU). There was an additional panel member, but [REDACTED] could not recall who it was. [REDACTED] stated that this particular job was canceled due to an OFR reorganization, but that CW-1 would not have been selected anyway. [REDACTED] disclosed that there was an external candidate that outshined everyone, and that individual would have been hired had the hiring process continued. [REDACTED] denied any discussion or collusion regarding not selecting CW-1 for this position. When asked if she had ever heard leadership speaking negatively about CW-1, [REDACTED] stated that she had heard co-workers complain about CW-1 and her demanding management style. [REDACTED] also stated that [REDACTED] seemed to like CW-1 initially, but had concerns later on. [REDACTED] recalled there having been an email sent from [REDACTED] to all of OFR regarding the poor treatment of its employees, particularly CW-1. [REDACTED] believed this incident left a negative impression on many OFR employees regarding CW-1. (Exhibit 11)

In an interview with TIG, [REDACTED] [REDACTED] Advisor to the Director of Web Applications, Internal Revenue Service, stated that she was an employee at the OFR from 2012-2016. [REDACTED] stated that OFR could be a great place to work, but the leaders are "treacherous". Additionally, [REDACTED] described the hiring practices as "crazy". [REDACTED] remarked that OFR leadership makes its own rules for doing things. When asked about CW-1, [REDACTED] remarked that she could recall three instances where CW-1 was either removed from a job certificate, or the hiring process was circumvented, when CW-1 was clearly qualified for the job. Additionally, [REDACTED] opined that CW-1 was discriminated against on the basis of their Reserve Military Status. [REDACTED] observed jobs, duties and tasks being taken away from CW-1, and [REDACTED] believes it was because CW-1 was out of the office on military duty. (Exhibit 12)

In an interview with TIG, [REDACTED] [REDACTED], Associate Director, Data and Business Architect, OFR, stated that he is currently CW-1's supervisor. [REDACTED] disclosed that CW-1 works well and has received multiple commendations. [REDACTED] mentioned that CW-1 gossips often and will frequently disclose personal information to people in the office. [REDACTED] also mentioned that frequently there are personality conflicts between CW-1 and other OFR members because CW-1 is competitive.

[REDACTED] related that [REDACTED] removed CW-1 from the SCOPE project. [REDACTED] stated the removal was because CW-1 did not have knowledge of the job, but it was rumored that [REDACTED] wanted the role for himself. In 2014, CW-1 was the RDW chair and [REDACTED] was on the committee. [REDACTED] stated the relationship between the two was contentious and CW-1 and [REDACTED] "butted heads" often. [REDACTED] was often unresponsive to CW-1's requests concerning the RDW, and would go behind CW-1's back and attempt to change things. [REDACTED] disclosed that lately CW-1's work is still great, but there has been a change in attitude. CW-1 is currently working two major projects with main Treasury and is doing a great job. CW-1 has also been called upon to assist external agencies with projects.

[REDACTED] stated that he knew CW-1 was removed from the RDW last year, but does not know the details. Regarding job applications, CW-1 told [REDACTED] about the senior policy advisor position that CW-1 was not selected for. Shortly thereafter, there was a workforce plan change written which

eliminated the position. [REDACTED] was aware that CW-1 also applied for a deputy chief of staff position and a supervisory business analyst position. [REDACTED] related that he was on the panel for the supervisory business analyst position that CW-1 was not selected for, but he explained his reasons to CW-1. According to [REDACTED], CW-1 was not the best qualified candidate for the position.

[REDACTED] recalled an instance which he found strange. Shortly after CW-1 interviewed for the deputy chief of staff position, [REDACTED] Director, OFR, called a meeting in his office. The meeting attendees included [REDACTED]; [REDACTED] Associate Director, OFR; and [REDACTED] previous Associate Director, OFR. Once the meeting began, [REDACTED] immediately began attacking CW-1. [REDACTED] questioned why CW-1 worked at the OFR and how CW-1 was hired. [REDACTED], [REDACTED] and [REDACTED] all agree that CW-1 would be a great fit for the position, but [REDACTED] was adamant that CW-1 could not communicate and could not do the job. When asked about the hiring manager's authority to hire whomever they thought would fit the job best, [REDACTED] stated that they were free to hire whomever they wanted, but that he would only allow who he wanted to fill the job.

Additionally, [REDACTED] indicated that [REDACTED] verbally directed him to be "tough" on CW-1. [REDACTED] frequently asks [REDACTED] what CW-1 is working on, where CW-1 is, etc. [REDACTED] seemed overly concerned about CW-1. [REDACTED] stated that there is unwarranted attention directed to CW-1. [REDACTED] also disclosed that [REDACTED] and CW-1 have a bad relationship. [REDACTED] placed [REDACTED] in an acting supervisory role over CW-1, and [REDACTED] removed CW-1 from the SCOPE project with [REDACTED] support. (Exhibit 13)

In an interview with TIG, [REDACTED] Deputy Director/Chief Data Officer, OFR, stated that he has known CW-1 since CW-1 joined OFR in 2012 or 2013. [REDACTED] stated that he never directly supervised CW-1, but has been an indirect supervisor for CW-1 since 2015. [REDACTED] disclosed that CW-1 was removed from the SCOPE project because CW-1 was not a good fit for the position; [REDACTED] replaced CW-1 as SCOPE project lead. [REDACTED] related that CW-1 would frequently come to him discuss [REDACTED] CW-1 stated that [REDACTED] was incompetent. [REDACTED] contacted HR to determine if there was some action that he should take, but he was advised by HR that there was none.

[REDACTED] disclosed that the RDW was another project that CW-1 worked on. [REDACTED] recalled an instance during the planning phase for RDW when CW-1 stated the date of the event need to be changed due to mold remediation taking place at the host location on the originally scheduled date. [REDACTED] stated that he later learned from senior individuals at the host location that there was no mold remediation scheduled.

[REDACTED] related that he did interview CW-1 for two jobs: Associate Director for Strategic Data Support and Senior Advisor. Both interviews occurred after May 25, 2016, when [REDACTED] was notified in writing that CW-1 had made a complaint to TIG. [REDACTED] stated that one of the jobs was cancelled. [REDACTED] stated CW-1 was not the strongest candidate regarding the other position. [REDACTED] stated there was no discussion regarding not selecting CW-1 for the position. [REDACTED]

also stated that he had never been directed to remove CW-1 from a position or take responsibilities away from CW-1. [REDACTED] supported [REDACTED] decision to remove CW-1 as SCOPE project lead. [REDACTED] stated he was never directed to downgrade an employee's performance rating. [REDACTED] stated he never spoke negatively about CW-1. [REDACTED] stated that CW-1 told him about this OIG complaint during a meeting. [REDACTED] was not aware that there were allegations against him until his interview with TIG. (Exhibit 14)

In an interview with TIG, [REDACTED] [REDACTED] Director, Data and Analytical Solutions, OCC, stated that she has been employed at the OCC since April 2009. Prior to her arrival at OCC, she was employed at Freddie Mac. [REDACTED] related that she frequently works with individuals from OFR, and has done so since the creation of OFR. Some of the projects that require [REDACTED] to frequently interact with OFR personnel are the Legal Entity Identifier initiative and the Regulatory Oversight Committee. The individuals from OFR that [REDACTED] has the most contact with are: [REDACTED] [REDACTED], OFR Chief Counsel, [REDACTED] and [REDACTED] [REDACTED] (no longer employed with OFR). [REDACTED] stated that she had previously heard complaints from OFR employees regarding the high workload at OFR.

[REDACTED] related that she met CW-1 while working on the RDW; CW-1 had been the coordinator for two years. When asked if she had ever heard anyone speak negatively regarding CW-1, [REDACTED] replied that when she brought up issues regarding the RDW and CW-1, [REDACTED] stated that there were issues with CW-1 and the OFR, but did not provide any further details. [REDACTED] stated that neither [REDACTED] nor [REDACTED] ever spoke about CW-1 in a negative way. When asked if she ever repeated or passed on negative information regarding CW-1, [REDACTED] replied that she did, but it was only frustration in reference to the RDW.

[REDACTED] stated that she was embarrassed in a meeting due to miscommunication by CW-1. In this meeting, [REDACTED] announced that the date for the RDW had to be changed due to a problem with the OCC facility. [REDACTED] was caught off guard by this because she knew nothing about the date change or problem with the facility. [REDACTED] verified this with her employees, who informed her that there was nothing wrong with the facility. [REDACTED] related that her employees stated that CW-1 had called and changed the date. [REDACTED] then reached out to OFR (both [REDACTED] and CW-1) to find out which dates they wanted for the event.

[REDACTED] stated that a back and forth discussion regarding the dates went on for an extended period of time, during which [REDACTED] became increasingly frustrated and irritated with CW-1. [REDACTED] stated that on numerous occasions she contacted CW-1 via email to solidify the dates but never received a response. Instead, CW-1 would call [REDACTED] and attempt to discuss the dates over the phone. [REDACTED] was frustrated by this also, because she wanted to have this in writing. Eventually the date for the RDW was set, and the event was successful. [REDACTED] disclosed that she spoke with [REDACTED] about the experience and asked to never work with CW-1 again. [REDACTED] also disclosed that during a Data Group Happy Hour event, she spoke with [REDACTED] regarding CW-1. [REDACTED] opined that one of CW-1's friends was in attendance, and probably related to CW-1 that CW-1 was being discussed in a negative way.

█████ advised that on September 13, 2016, █████ █████ CFTC, sent an email to █████ disputing disparaging remarks that █████ allegedly verbally received from █████ and █████ regarding CW-1. █████ stated that she did not know █████ nor had she ever worked with him prior to receiving this email. █████ disclosed that she received the email out of the blue, and had no knowledge of the things █████ was referring to. █████ stated that she did not respond to the email or the allegations because the OCC Public Affairs Office and her supervisor advised against it. █████ stated that none of the allegations in the email were true. █████ reiterated that she never heard anyone speak negatively about CW-1, with the exception of her own negative comments about CW-1 and the RDW scheduling conflict. (Exhibit 15)

In an interview with TIG, █████ OFR Director, stated that he has been employed with OFR since the agency was created in 2010 under the Dodd-Frank Act. █████ stated that OFR was set up to look at weak spots in the financial systems. █████ stated that OFR is not a popular agency and has been under attack since its inception and the efforts to dismantle the agency continue.

█████ stated that his job is to uphold the law and fulfill the mission of the OFR, but admits that the agency has legitimate cultural issues that he feels are more perception than reality, however, he does agree that the morale at OFR is low. █████ stated that he has taken numerous steps to correct the perception of poor leadership and the low morale by bringing in multiple experts to address the OFR employees concerns.

█████ described the climate of the OFR as one where the employees were not fulfilling their responsibilities. █████ stated that he brought in the Office of Personnel Management (OPM) to speak to the OFR employees regarding the Federal Viewpoint Survey (FVS) and █████ engaged the office of Human Resources to help interpret the FVS. █████ stated that the FVS identified leadership as an issue within the agency. █████ stated that he initiated an Employee Engagement Program (EEP) and offered management training to all managers and any employee who was interested training through Case Western Leadership School, which was a year and a half long management training program. █████ also offered to all employees the Speed of Trust training which was created by Steven Covey (7 habits of Highly Successful People). █████ stated that none of these programs bore fruit within OFR despite their best efforts.

█████ stated that some employees felt "entitled" and they were less interested in participating in the training. █████ stated that in 2015 he began to rethink the organizational model and organizational structures at OFR. █████ stated that he did not know how to instill good governance within the organization. In the fall of 2016, █████ brought in an outside group from Deloitte to assist OFR managers with clarity around the decision making process and to form a strategic plan. █████ stated that OFR came up with a "decision rights" and who gets to make

the decisions and who is informed about what decisions were made. [REDACTED] said that he took great steps to have OFR managers be more effective and change the culture.

[REDACTED] was asked if he was aware of any retaliation against any OFR employees for filing complaints with TIG or EEOC and if he had personally retaliated against any employee. [REDACTED] stated that has heard rumors or complaints of retaliation in some of his leadership meetings, however, when he pressed his managers for specifics he was never given any instances of retaliation. [REDACTED] stated that he has an open door policy and if an employee could not be heard by a supervisor he would suggest that he or another supervisor or human resources get involved to solve an issue. [REDACTED] stated that he does not recall any Treasury focus group or receiving any input from any focus group as it related to retaliation complaints.

[REDACTED] was questioned about possible Reduction in Force (RIF) within the OFR and if he encouraged his managers to place employees on a Performance Improvement Plan (PIP) as a means of getting rid of employees if a RIF occurred. [REDACTED] state that as the Director of OFR he had the ability to reallocate personnel for personal or professional growth or for efficiency purposes. [REDACTED] stated that he has reallocated OFR personnel before but, that he consulted with the Office of Human Resources (OHR) and OFR General Counsel prior to making any personnel changes. [REDACTED] stated that OFR personnel had legitimate fears about a RIF due to the reduction of the OFR budget and fears of reorganizing the agency.

[REDACTED] stated that some of his managers were not doing their jobs by holding their subordinates accountable for their work performance or conduct. [REDACTED] stated that he gave his mangers clear direction to hold their subordinates accountable and counseled his managers that if their people were not performing up to standards then a PIP was a tool that could be used to help the employees get back on track with their performance. [REDACTED] stated that a PIP is not meant to punish an employee, merely to help them. [REDACTED] stated that most of his direction to his managers was verbal in managers meetings.

[REDACTED] was asked about his relationship with this direct reports to which [REDACTED] stated that some of his relationships were great, mostly good but there were differences in opinions with them and he stated that he always encouraged constructive discussions to work out those differences. [REDACTED] stated that some employees had problems which he was able to address successfully but that some employees wanted to do things their own way. [REDACTED] stated that he also had good interactions with the Associate Directors (AD) and would meet with them monthly with their Directors for an overall leadership meeting. [REDACTED] stated that the AD's would set the agenda for the meetings.

[REDACTED] was asked if he was aware of CW-1 being removed from the lead of a project within OFR. [REDACTED] stated that he was not aware of any action to remove CW-1 from any project until he received an email from CW-1 in September 2016. [REDACTED] stated that he called OHR for CW-1

when he learned of the removal allegations. [REDACTED] stated that he played no part in CW-1's removal and referred the matter to OHR for follow up.

[REDACTED] was asked if he ever downgraded CW-1's performance evaluation. [REDACTED] stated that he reviewed all of the narratives for the outstanding ratings and requested further justification from [REDACTED]. [REDACTED] stated that he was briefed by [REDACTED] about CW-1 being absent from work and [REDACTED] had recommended that CW-1 be downgraded to a fully successful, however, [REDACTED] was worried about an EEO grievance and didn't change the appraisal. [REDACTED] stated that [REDACTED] had already notified employees of their ratings and that nobody was downgraded.

[REDACTED] was asked if he had ever questioned CW-1's character in a managers meeting. [REDACTED] stated that he had heard rumors about her performance but that CW-1 had performed admirably in the past. After he received CW-1's email he heard chatter about the allegations and told his staff what actions had been taken and referred the matter to OHR and TIG. [REDACTED] stated that CW-1 never came to him to discuss unfair treatment.

[REDACTED] was asked if he ever told [REDACTED] to place CW-1 on a PIP. [REDACTED] stated that he advised [REDACTED] that if he was concerned about CW-1's performance that a PIP was a useful tool that could be used to assist an employee on corrective action so that they could be successful in their position. [REDACTED] stated that he merely advised [REDACTED] on the resources available to him as a supervisor.

[REDACTED] was asked if he ever prevented CW-1 from being selected for a Deputy Chief of Staff position within OFR. [REDACTED] stated that he recalls CW-1 applying for the position, however, he did not participate in the interview, nor was he the selecting official for the position. [REDACTED] stated that CW-1 had a one on one interview with his Chief of Staff and that CW-1 was not selected as the best qualified candidate. [REDACTED] stated that he had one prior meeting with CW-1 in which they discussed career opportunities and [REDACTED] gave CW-1 career advice. [REDACTED] stated that CW-1 did not voice any concerns to him until he was copied on the September 2016 email. (Exhibit 17)

In an interview with TIG, [REDACTED] Chief Data Officer, Consumer Financial Protection Bureau (CFPB), stated that she had been employed at CFPB since December 2014. Prior to CFPB, [REDACTED] was Chief Data Officer at the OFR. [REDACTED] was employed at the OFR from November 2012 to November 2014. [REDACTED] related that during her employment at OFR, [REDACTED] OFR Director, was her direct supervisor. [REDACTED] stated that [REDACTED] was a challenging boss. [REDACTED] disclosed that [REDACTED] changed direction often and that he was difficult to manage. [REDACTED] stated that she interacts with OFR employees approximately once per month. Specifically she meets interacts with [REDACTED], Counsel, OFR, and [REDACTED] Associate Director, OFR.

[REDACTED] described OFR as "not highly organized" and stated that the OFR "changed direction a lot". [REDACTED] stated it is a difficult environment to be productive. [REDACTED] disclosed that when she

first arrived at OFR, the staff used the term "hostile work environment" often. [REDACTED] said that during her first week in the OFR, she had three people crying in her office. The employee frustrations were because employees felt they were not able to get work done because of poor processes. [REDACTED] described the environment as "business territorial". [REDACTED] stated she was told that morale has decreased since she left.

When asked about CW-1 and [REDACTED] [REDACTED] [REDACTED] stated that both of them worked for her, either directly or indirectly, during her time at OFR. She mentioned that CW-1 was hired in 2012. [REDACTED] related that she was aware that CW-1 was removed from the RDW and SCOPE programs, but remarked that the removal occurred after [REDACTED] departed the OFR. [REDACTED] stated that CW-1 did a great job on the RDW. [REDACTED] also mentioned that CW-1 is a great employee but is difficult at times and does not like feedback.

When asked if she ever interviewed CW-1 for a job, [REDACTED] stated that she interviewed CW-1 for the Special Assistant to the Chief Data Officer position. In this position, CW-1 would report directly to [REDACTED] did not select CW-1, but another OFR employee for this position. [REDACTED] spoke to CW-1 about the selection and explained her reasons for hiring someone else. [REDACTED] disclosed that CW-1 is very capable and qualified, but CW-1 does not interview well.

[REDACTED] was also aware that CW-1 interviewed for the Deputy Chief of Staff position in [REDACTED] OFR Director, office. It was [REDACTED] impression that the interview did not go well. After this interview, [REDACTED] met with a few supervisors ([REDACTED] [REDACTED] and [REDACTED] [REDACTED], Associate Director, OFR) to discuss CW-1. During this meeting, [REDACTED] was clearly frustrated with CW-1 and spoke negatively about CW-1. [REDACTED] could not remember all of the details but at one point [REDACTED] told the group to "just get rid of CW-1". Regarding those two positions, [REDACTED] stated CW-1 did not get the assistant position because someone else had qualifications that CW-1 did not have. [REDACTED] opined that CW-1 did not get the deputy position because the interview was bad.

When asked if she had ever heard anyone speak negatively about CW-1, [REDACTED] stated that [REDACTED] had (see above). [REDACTED] also mentioned that she occasionally heard other employees mention that CW-1 was "pushy" and "a bulldozer". [REDACTED] did not recall specifics. [REDACTED] stated that she never spoke negatively about CW-1, other than meetings with CW-1 to discuss CW-1's behavior. [REDACTED] opined that CW-1 had high expectations in a chaotic environment. (Exhibit 18)

In an interview with TIG, [REDACTED] [REDACTED] Associate Director, stated that he supervised CW-1 from February 2016 – September 2016. [REDACTED] stated that he removed CW-1 from the SCOPE project because he was verbally directed to do so by [REDACTED] [REDACTED] disclosed that [REDACTED] said CW-1 was the wrong person to lead the SCOPE project. [REDACTED] felt that CW-1 was more focused on military collection tactics than data collection methods, and agreed that CW-1 should be removed. [REDACTED] could not recall whether or not he fully explained to CW-1 why CW-1 was removed from the project.

██████ acknowledged that he was part of a five person interview panel for a position CW-1 applied for in September 2016 (Senior Business Analyst). Another candidate, ██████, was selected for the position. ██████ stated CW-1 was not selected because CW-1 was not the strongest candidate. ██████ disclosed there was a unanimous decision among the selection panel that ██████ was the ideal candidate. ██████ stated that he was not told or directed not to select CW-1 for the position.

██████ stated that with the exception of the SCOPE program, he had never been directed to remove CW-1 from a position or relieve CW-1 of any responsibilities. ██████ stated that he never spoke negatively about CW-1 to co-workers or individuals from outside agencies. When asked about the email that ██████ sent to all of OFR on September 13, 2016, alleging such, ██████ denied saying and doing what ██████ alleged. ██████ alleged that CW-1 and ██████ are in a romantic relationship, and cited that as the reason for the email.

██████ stated he was notified by CW-1 in September 2016 that a complaint had been filed against him. He recalled a meeting between him, ██████ and CW-1 in September 2016, where CW-1 informed them of the complaint. When asked about the email that CW-1 sent ██████ and ██████ in May 2016, notifying them of the complaint, ██████ stated he did not remember it. ██████ stated he did not know what a whistleblower was and what whistleblower retaliation meant. ██████ stated he was unaware that he was not permitted to take any personnel action (promotion, reassignment, etc.) or to be part of an interview panel pertaining to CW-1 because there was a complaint. (Exhibit 19)

In addition to the interviews detailed above, TIG reviewed over 250,000 emails and associated files. The email files contained information pertaining to the allegations, as well as information pertaining to the overall climate of the OFR. (Exhibit 16)

The following information was discovered in the email files:

- Email from ██████ to ██████ dated October 19, 2016, containing a discussion between ██████ and ██████ titled FY16 Data Center Performance Ratings. This email shows ██████ directing ██████ to change the performance ratings of some people in the Data Center, including CW-1
- Email from ██████ to ██████ dated August 30, 2016, which confirmed appointments for CW-1 to meet an interview board where ██████ was part of the interview panel
- Email from ██████ to ██████ dated August 17, 2016 which confirmed an appointment for CW-1 to meet an interview board where ██████ was part of the interview panel
- Email from ██████ to ██████ dated May 25, 2016, containing a discussion between CW-1 and ██████ where ██████ suggested CW-1 go on a detail for one year

- Email from [REDACTED] to [REDACTED] dated June 14, 2016, containing a discussion between CW-1 and [REDACTED] where [REDACTED] denied CW-1 the opportunity to go on a career enhancement detail.
- Email from CW-1 to [REDACTED] and [REDACTED] dated May 25, 2016, containing a discussion between CW-1 and [REDACTED] and [REDACTED] where CW-1 notified both that there was an OIG investigation.

### Referrals

NA

### Judicial Action

NA

### Findings

The investigation determined that the allegation is substantiated. TIG determined that [REDACTED] participated in prohibited personnel practices as outlined in 5 U.S.C. 2302(b)(8)-(9). This statute states that supervisors are prohibited from taking, threatening to take or failing to take, directing, recommending, or approving any personnel action against an employee for making a lawful disclosure. [REDACTED] violated this statute by taking the following actions: Removal of CW-1 from the Data Scope project; Requesting that CW-1 take a detail outside of OFR; Denying CW-1 the opportunity to take a detail of CW-1's request; and participating on an interview panel for a position that CW-1 applied for after protected disclosures were made. The predicated protected disclosures were the filing of a formal grievance with OHR and a whistleblower retaliation complaint to TIG.

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:

- Whistleblower Protection
- Prohibited Personnel Practices
- 5 U.S.C. 2302(b)(8)-(9)

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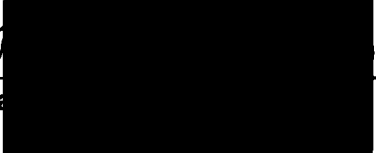
Report of Investigation

DO-17-0874-I

Page 18 of 19

Signatures

Case Agent:

Signature 

28 Feb 18  
Date

Supervisor:

Signature 

3/1/18  
Date

**Exhibits**

1. Lead Initiation, dated April 19, 2016.
2. CW-1 Request for Relief, dated February 12, 2016.
3. CW-1 F15 Performance Appraisal.
4. Memorandum of Activity – Interview of CW-1, dated June 29, 2016.
5. Memorandum of Activity – Interview of [REDACTED] dated July 11, 2016.
6. Memorandum of Activity – Interview of [REDACTED] dated July 8, 2016.
7. Memorandum of Activity – Interview of [REDACTED] dated December 7, 2016.
8. Memorandum of Activity – Interview of [REDACTED] dated August 12, 2016.
9. Memorandum of Activity – Interview of [REDACTED] dated May 26, 2017.
10. Memorandum of Activity – Interview of [REDACTED], dated July 7, 2016.
11. Memorandum of Activity – Interview of [REDACTED] dated August 17, 2017.
12. Memorandum of Activity – Interview of [REDACTED] dated August 9, 2017.
13. Memorandum of Activity – Interview of [REDACTED] dated August 21, 2017.
14. Memorandum of Activity – Interview of [REDACTED] dated October 10, 2017.
15. Memorandum of Activity – Interview of [REDACTED] dated October 23, 2017.
16. Memorandum of Activity – OFR Email Review, dated October 30, 2017.
17. Memorandum of Activity – Interview of [REDACTED] dated December 7, 2017.
18. Memorandum of Activity – Interview of [REDACTED] dated January 12, 2018.
19. Memorandum of Activity – Interview of [REDACTED] dated September 22, 2017.



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



## Report of Investigation

**Case Title:** Thomas Laretto  
(Private Citizen)

**Case #:** DO-18-0060-I

**Investigation Initiated:** March 12, 2018

**Case Type:** Criminal   X    
Administrative         
Civil       

**Investigation Completed:** JAN 7 2020

**Conducted by:** [REDACTED]  
Special Agent

**Origin:** Special Agent [REDACTED]  
Homeland Security Investigations  
(HSI)

**Approved by:** Anthony J. Scott  
Special Agent in Charge

### Summary

In February 2018, the Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), through its participation as a Task Force member of Homeland Security Investigations' (HSI) Document & Benefit Fraud Task Force (DBFTF), Dulles, VA, received a request from HSI, for a joint investigation regarding Thomas Laretto, a U.S. Treasury contractor, who allegedly distributed and/or possessed child pornography in violation of Title 18 U.S.C. §2252(a)(2) and (b)(1).

The investigation determined that the allegation was substantiated. Forensic examination of Laretto's electronic devices seized during a search warrant, revealed numerous electronic images and videos of child pornography. Laretto worked full-time at the Treasury Secure Data Network (TSDN) section of Treasury Departmental Offices (DO), Washington, DC, under a U.S. Treasury/Blue Canopy Group (BCG) contract. The U.S. District Court for the Eastern District of Virginia found Laretto guilty of Receipt of Child Pornography and sentenced him to 72 months in prison, ten years of probation upon release, and he was ordered to pay a \$5,000 criminal penalty.

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## **Basis and Scope of Investigation**

In February 2018, TIG, through its participation as a Task Force member of HSI DBFTF, Dulles, VA, received a request from HSI, for a joint investigation regarding Thomas Laretto, a U.S. Treasury contractor, who allegedly distributed and/or possessed child pornography in violation of Title 18 U.S.C. §2252(a)(2) and (b)(1).

During the course of the investigation, interviews were conducted with:

- [REDACTED] Field Security Officer, BCG
- [REDACTED] Office of Security Programs, DO
- [REDACTED] TSDN Program Manager, DO
- Thomas Laretto, Contractor, BCG

In addition, TIG reviewed pertinent documents, including, but not limited to:

- Blue Canopy Contract #TIRNO-11-D-00047 0004 Mod 18
- TSDN Support Services' Performance Work Statement
- Information pertaining to Laretto's government-issued cellular telephone
- Laretto's call-out log to the U.S. Treasury Secretary's Office

## **Investigative Activity**

TIG, through its participation as a Task Force member of HSI DBFTF, Dulles, VA, received a request for assistance from Special Agent (SA) [REDACTED], HSI, regarding a U.S. Treasury contractor's alleged involvement in child pornography. In October 2015, HSI identified an IP address on the eDonkey network with suspected child abuse material files available for sharing. The IP address led HSI to Laretto's residence located in Reston, VA. In January 2016, an HSI-led search warrant executed at Laretto's residence revealed more than 2,000 images of suspected child pornography in Laretto's personal computers. Laretto consented to an interview with HSI during the execution of the search warrant and stated he had a security clearance as a U.S. Treasury contractor.

In an interview with TIG, [REDACTED], Field Security Office, BCG, Reston, VA, stated Laretto worked on the Enterprise Content Management Program Services for DO, from May 14, 2014 through on or about February 2017. In March 2018, TIG obtained and served a Grand Jury subpoena on BCG for Laretto's employment records. TIG was not added to the 6(e) list and did not review the employment records.

In an interview with TIG, [REDACTED], Office of Security Programs (OSP), DO, stated Thomas Laretto had an active Top Secret clearance. Laretto's clearance was sponsored by the Department of Defense. Laretto's security clearance and physical access to U.S. Treasury was immediately revoked by OSP.

TIG obtained and reviewed BCG Contract #TIRNO-11-D-00047 0004 Mod 18 and Performance Work Statement (PWS) for TSDN Support Services. The review, focusing on requirements pertaining to BCG's employees conduct during work, revealed that the original contract and its modifications were issued by the Internal Revenue Service (IRS), Oxon Hill, MD, to BCG. The contract disclosed funding requirements and delivery of services to the Office of Chief Information Officer (CIO), U.S. Treasury, however, it did not contain any information related to employee conduct.

In an interview with TIG, Laretto's supervisor, [REDACTED], Program Manager, TSDN stated Laretto worked at U.S. Treasury, 1500 Pennsylvania Ave, NW, Washington, DC. Laretto had physical access to the U.S. Treasury building and its Information Technology (IT) infrastructure. Laretto was allowed to telework from his residence, and on those days, Laretto accessed U.S. Treasury's network via a Virtual Private Network (VPN). Laretto was no longer working in [REDACTED]'s group and his access to the U.S. Treasury building and network was revoked by OSP. [REDACTED] stated Laretto's only government issued electronic device was an Apple iPhone for after-hours duty calls. The duty phone was utilized by [REDACTED]'s entire work group for that purpose and was still in service. Due to the fact that the phone was regularly rotated amongst the entire group, it was not sought by TIG for analysis.

Child Exploitation and Obscenity Section (CEOS), Department of Justice (DOJ), conducted a forensic examination of Laretto's computer.

### **Referrals**

The case was presented by HSI and accepted for criminal prosecution at the U.S. Attorney's Office for the Eastern District of Virginia prior to TIG's case initiation.

### **Judicial Action**

On November 29, 2018, HSI and TIG executed an arrest warrant on Laretto at his residence in Reston, VA. Laretto was taken into custody without incident. After being advised of his rights, TIG attempted to interview Laretto but Laretto declined to answer questions and wanted to speak to an attorney.

On January 24, 2019, Laretto was indicted by a Grand Jury in the U.S. District Court for the Eastern District of Virginia on one count 18 U.S.C. §2252(a)(2) and (b)(1) Receipt of Child Pornography and one count 18 U.S.C. §2252(a)(4)(B) and (b)(2) Possession of Child Pornography.

On April 12, 2019, Laretto pled guilty to one count Receipt of Child Pornography in violation of 18 U.S.C. §2252(a)(2) and (b)(1) in the U.S. District Court for the Eastern District of Virginia.

On July 12, 2019, Laretto was sentenced to seventy-two (72) months in prison, given a probationary period of ten years, and ordered to pay a criminal penalty of \$5,000 along with a \$100 assessment fee.

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## **Findings**

The investigation determined that the allegation was substantiated. Forensic examination of Laretto's electronic devices seized during a search warrant, revealed numerous electronic images and videos of child pornography. Laretto worked full-time at the Treasury Secure Data Network (TSDN) section of Treasury Departmental Offices (DO), Washington, DC, under a U.S. Treasury/Blue Canopy Group (BCG) contract. The U.S. District Court for the Eastern District of Virginia found Laretto guilty of Receipt of Child Pornography and sentenced him to 72 months in prison, ten years of probation upon release, and he was ordered to pay a \$5,000 criminal penalty.

## **Distribution**

N/A

## **Signatures**

### **Case Agent:**

\_\_\_\_\_  
\_\_\_\_\_

09 Oct 2019

Date

### **Supervisor:**

\_\_\_\_\_/s/\_\_\_\_\_  
Anthony J. Scott

1/7/2020

Date

**REPORT OF INVESTIGATION  
DO-19-0044-I**



**Office of Inspector General**

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**United States Department of the Treasury**



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



## Report of Investigation

Case Title: [REDACTED]

Economist  
Departmental Offices  
GS-15

Case #: DO-19-0044-I

Case Type: Criminal  
Administrative ☒  
Civil ☐

Conducted by: [REDACTED]  
Investigator

Investigation Initiated: December 14, 2018

Approved by: Anthony J. Scott  
Special Agent in Charge

Investigation Completed: JUL 15 2019

Origin: Departmental Offices (DO)

### Summary

The U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), received a complaint from the Treasury Departmental Offices (DO) regarding [REDACTED] Economist, Office of Macroeconomic Analysis. [REDACTED] travelled to [REDACTED] in December 2018, to attend a conference sponsored by the [REDACTED] Society/Institute of Development Economists (PSDE/PIDE). The American Embassy in [REDACTED] had received a report that the PSDE/PIDE paid for [REDACTED] airfare. [REDACTED] advised Treasury ethics attorney [REDACTED] that he did not accept any payment for any of his expenses associated with the trip, beyond those provided to all "dues paying members." If the Embassy's report is correct then [REDACTED] affirmatively misrepresented the source of the funding for his flight to [REDACTED] (Exhibit 1)

The investigation determined that the allegation is unsubstantiated. [REDACTED] denied accepting any payments for airfare or hotel while in [REDACTED] and provided TIG with copies of his credit card statement with which he paid for two airline tickets to [REDACTED] and then on to [REDACTED]. [REDACTED] additionally stated that he stayed with his mother in [REDACTED], [REDACTED] and with his cousin in [REDACTED] and did not incur any lodging costs. The investigation further determined that [REDACTED] failed to seek proper Treasury approval with the Ethics office prior to him accepting a speaking engagement with the PSDE/PIDE, as required by the Department of the Treasury Ethics Handbook.

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### **Basis and Scope of the Investigation**

On December 14, 2018, TIG received a complaint from Treasury, Departmental Offices (DO) regarding [REDACTED] Economist, Office of Macroeconomic Analysis. [REDACTED] travelled to [REDACTED] to attend a conference sponsored by the [REDACTED] Society/Institute of Development Economists (PSDE/PIDE). The American Embassy in [REDACTED] received a report that the PSDE/PIDE paid for [REDACTED] airfare.

During the course of the investigation, interviews were conducted with:

- [REDACTED] Economist, DO - Subject
- [REDACTED] Acting Director, Office of Macroeconomics Policy , Witness

In addition, TIG reviewed pertinent documents, including:

- Email correspondence from DO and U.S. State Department
- Copy of Credit Card Statement of [REDACTED]
- Copy of Foreign Travel Reporting Form
- Copy of Flight Itinerary for [REDACTED] on Qatar Airways

### **Investigative Activity**

A TIG document review of [REDACTED] DO Office of Security Programs, Security File reflects that [REDACTED] submitted a Foreign Travel Form via email with Treasury on November 27, 2018. (Exhibit 2)

A TIG document review of [REDACTED] emails between Ethics Attorney Advisor [REDACTED] reflects that she advised [REDACTED] on the proper guidance he must follow relating to invitations, gifts, and speaking engagements in emails dated August 6, 2018; October 18, 2018, and December 11, 2018. All of these dates were prior to [REDACTED] attending a PSDE/PIDE conference in [REDACTED] where he had agreed to be a panel speaker.

In an interview with TIG, [REDACTED] Acting Director, Office of Macroeconomic Analysis, DO, stated that he was unaware that [REDACTED] was going to be speaking at a conference in [REDACTED] and that he believed [REDACTED] was taking personal leave. [REDACTED] stated that he was made aware of [REDACTED] activities by [REDACTED], Acting Assistant Secretary of Economic Policy, who was contacted by the U.S. State Department and the U.S. Treasury Attaché in [REDACTED]

[REDACTED] stated a U.S. State Department employee saw a flier for a conference hosted by the [REDACTED] Institute of Development Economics (PIDE) December 12-14, 2018, for the [REDACTED] Society of Development Economists (PSDE). [REDACTED] stated that [REDACTED] was listed as a U.S. Treasury representative and was a speaker at the conference. [REDACTED] stated that [REDACTED] should have received clearance with the U.S. Department of Treasury Ethics Office prior to participating in any speaking

Report of Investigation

Case Name: [REDACTED]

Case # DO-19-0044-I

Page 3 of 5

engagement or representing the U.S. Treasury in an official capacity. [REDACTED] stated that he advised [REDACTED] not to attend the conference at the request of the U.S. State Department. (Exhibit 3)

In an interview with TIG, [REDACTED] was afforded the opportunity to explain his actions relating to his attendance at a conference hosted by the PIDE December 12-14, 2018 for the PSDE. [REDACTED] was advised of his rights (Kalkines) and agreed to be interviewed by TIG. [REDACTED] interview was videotaped and transcribed. [REDACTED] stated the following: He was invited to be a panel speaker on export potential by one of his former students, [REDACTED], who is a Joint Director of the PIDE. The PIDE was hosting a conference in [REDACTED] December 12-14, 2018 for the PSDE. [REDACTED] stated that he is a dues paying member (\$50.00 a year) of the PSDE and as part of his membership the PSDE offered to pay for all overseas members' accommodations.

[REDACTED] stated that he was planning a personal trip to [REDACTED] to visit his family from December 10, 2018, through December 22, 2018. [REDACTED] stated that he visited his mother in [REDACTED] on December 10, 2018, and then drove to [REDACTED] on December 11, 2018. [REDACTED] stated that even though the PSDE offered to pay for his accommodations, he stayed with his cousin [REDACTED] in [REDACTED] and stated that his family would have considered it an insult if he had not stayed with them. [REDACTED] provided TIG with a copy of his credit card statement which shows he paid for two tickets to [REDACTED] from Dulles International Airport.

[REDACTED] stated that he submitted his travel itinerary to the U.S. Department of Treasury, Office of Counterintelligence approximately two weeks prior to his departure for [REDACTED] [REDACTED] stated that he also coordinated with [REDACTED], General Counsel on what he could and could not do at the conference. [REDACTED] stated that he was told to distance himself from the conference and he was not allowed to mention that he was a U.S. Treasury employee. [REDACTED] stated that he told his former student ([REDACTED]) that he could not be listed as a speaker in the PSDE program or participate in the panel discussion. [REDACTED] name was subsequently removed from the program prior to the conference.

[REDACTED] stated that he attended the conference on the first day December 12, 2018, but was ordered to leave the conference by the U.S. Embassy [REDACTED] Deputy Chief of Station, [REDACTED], due to the fact that [REDACTED] failed to file a country clearance form with the Embassy.

[REDACTED] was questioned about a planned trip to Beijing for a similar conference in May 2018, where he was invited to speak on a panel. [REDACTED] stated that he was advised by [REDACTED] to disassociate himself with the conference. [REDACTED] stated that he was offered hotel accommodations by the hosting agency however, he did not attend this conference. (Exhibit 4)

Referrals

N/A

Report of Investigation

Case Name: [REDACTED]

Case # DO-19-0044-I

Page 4 of 5

**Judicial Action**

N/A

**Findings**

The investigation determined that the allegation is unsubstantiated. [REDACTED] denied accepting any payments for airfare or hotel while in [REDACTED] and provided TIG with copies of his credit card statement with which he paid for two airline tickets to [REDACTED] and then on to [REDACTED], [REDACTED] additionally stated that he stayed with his mother in [REDACTED], [REDACTED] and with his cousin in [REDACTED] and did not incur any lodging costs. The investigation further determined that [REDACTED] failed to seek proper Treasury approval with the Ethics office prior to him accepting a speaking engagement with the PSDE/PIDE as required by the Department of the Treasury Ethics Handbook.

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:

Department of the Treasury Ethics Handbook.

**Distribution**

Mike Lewis, Senior Advisor, DO

**Signatures**

Case Agent

[REDACTED]  
[REDACTED]

7/15/19  
Date

Supervisor:

[REDACTED]  
Anthony W. Scott

7/15/19  
Date

Report of Investigation

Case Name: [REDACTED]

Case # DO-19-0044-I

Page 5 of 5

**Exhibits**

1. Original Complaint from Departmental Offices, dated December 14, 2018.
2. Copy of DO Office of Security Programs, Foreign Travel Form dated November 27, 2018.
3. Memorandum of Activity, interview of [REDACTED] dated, May 16, 2019.
4. Memorandum of Activity, interview of [REDACTED] [REDACTED] dated, April 5, 2019.

REPORT OF INVESTIGATION  
DO-19-0057-I



Office of Inspector General

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United States Department of the Treasury



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



## Report of Investigation

**Case Title:** [REDACTED]  
Supervisory IT Specialist (GS-15)  
Departmental Offices

**Case #:** DO-19-0057-I

**Case Type:** Criminal  
Administrative

**Investigation Initiated:** July 30, 2019

**Conducted by:** [REDACTED]  
Special Agent

**Investigation Completed:** OCT 25 2019

**Origin:** Proactive

**Approved by:** Anthony J Scott  
Special Agent in Charge

### Summary

The U.S. Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (TIG), initiated an investigation to determine how and why digital evidence (Treasury issued computers) requested by TIG in a criminal investigation (DO-19-0025-I) came to be destroyed. The investigation determined that Office of the Chief Information Officer (OCIO) Supervisory IT Specialist [REDACTED] was responsible for providing the digital evidence to TIG and that [REDACTED] had been informed of TIG records request approximately two weeks prior to the subject of the investigation being placed on administrative leave and escorted from Main Treasury. [REDACTED] took no action to secure the digital evidence for approximately three weeks, then called the Treasury Desk Side Support team and learned that the digital evidence had been transferred to the IT Asset Management team and wiped (erased by overwriting the internal storage).

The investigation was referred to the United States Attorney's Office for the District of Columbia (USAO-DC) which did not identify a criminal violation of 18 U.S.C. §1505 "Obstruction of proceedings before departments, agencies and committees."

The investigation did not identify a deliberate attempt by [REDACTED] to obstruct a TIG records request. However, her lack of responsiveness allowed the digital evidence to be destroyed which was effectively a violation of 31 Code of Federal Regulations (CFR) § 207, Treasury Order (TO) 114-01 and Treasury Directive (TD) 40-01. In addition, the behavior of contractors working for the OCIO in response to a TIG investigation suggests that a culture of compliance does not exist within OCIO with respect to cooperation with TIG investigations.

### **Basis and Scope of the Investigation**

In March 2019, an investigation was initiated when [REDACTED] informed TIG that [REDACTED] Treasury issued laptop had been wiped in spite of an existing TIG records request. (Exhibit 1)

During the course of the investigation, interviews were conducted with:

- [REDACTED] Counterintelligence Officer, Office of Counterintelligence (OCI)
- [REDACTED] Administrative Specialist, Office of Terrorist Financing and Financial Crimes (TFFC)
- [REDACTED], Administrative Specialist, TFFC
- [REDACTED] Acting Director of Global Affairs, TFFC
- [REDACTED] Supervisory IT Specialist, OCIO
- [REDACTED] Lead Contractor, OCIO Desk Side Support Team
- [REDACTED] Contractor, OCIO Desk Side Support Team
- [REDACTED] Contractor, OCIO Desk Side Support Team

In addition, TTIG reviewed pertinent documents, including but not limited to:

- OCIO electronic communications
- OCIO Help Desk logs

### **Investigative Activity**

TIG reviewed the email and instant messaging communications from February 1, 2019 through March 30, 2019 of [REDACTED] (OCIO Cybersecurity), [REDACTED] (OCIO Enterprise Operations) and [REDACTED] (OCIO Enterprise Operations) to identify communication pertaining to TIG 's request for [REDACTED] Treasury issued iPhone and computers.

#### **February 12, 2019**

OCI Counterintelligence Officer [REDACTED] [REDACTED] emailed [REDACTED] to begin coordinating OCIO's support for the [REDACTED] investigation.

#### **February 13, 2019**

A conference call attended by Hill, [REDACTED] [REDACTED] [REDACTED] (OCI) and [REDACTED] (OIC) was held.

#### **February 15, 2019**

[REDACTED] forwarded the email from [REDACTED] with the initial request for assistance to [REDACTED]

Report of Investigation

Case Name: [REDACTED]

Case # DO-19-0057-I

Page 3 of 9

**February 25, 2019**

[REDACTED] was involved in a series of emails regarding the fact that [REDACTED] [REDACTED] was unexpectedly out of the office for the foreseeable future. [REDACTED] staff had already disabled [REDACTED] classified (Secret) Treasury account and was informed that [REDACTED] access to his unclassified Treasury account was denied.

**March 1, 2019**

No relevant communication from [REDACTED], [REDACTED] or [REDACTED] was located until TIG SA [REDACTED] emailed [REDACTED] to request the iPhone and computers assigned to [REDACTED]

**March 6, 2019**

[REDACTED] replied to SA [REDACTED] requesting written documentation.

**March 14, 2019**

SA [REDACTED] emailed her with a written request.

**March 14, 2019**

[REDACTED] emailed SA [REDACTED] requesting a telephone call to coordinate and forwarded SA [REDACTED] email to [REDACTED].

**March 19, 2019**

SA [REDACTED] emailed [REDACTED] to inform her that TIG had possession of [REDACTED] Treasury-issued iPhone and to further request [REDACTED] Treasury-issued laptop. Five minutes after SA [REDACTED] email, [REDACTED] replied that [REDACTED] laptop had been removed from his office and wiped. SA [REDACTED] replied to her email five hours later with a series of questions.

**March 20, 2019**

[REDACTED] replied to SA [REDACTED]' email.

No additional relevant communications were identified. (Exhibit 2)

In an interview with TIG, OCI Counterintelligence Officer [REDACTED] [REDACTED] provided the following information. Approximately, one week prior to the administrative search of [REDACTED] office in the Main Treasury building on February 13, 2019, [REDACTED] began to coordinate taking possession of [REDACTED] Treasury-issued mobile phone and computers with Supervisory IT Specialist [REDACTED] and one of her subordinates, Supervisory IT Specialist [REDACTED]

When [REDACTED] was placed on administrative leave and walked out of the building by Treasury Human Resources on February 25, 2019, OCI obtained [REDACTED] Treasury-issued mobile phone from Treasury Human Resources. [REDACTED] Treasury-issued laptop, to the best of [REDACTED] recollection, remained in [REDACTED] office.

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Report of Investigation

Case Name: [REDACTED]

Case # DO-19-0057-I

Page 4 of 9

[REDACTED] advised that he called [REDACTED] or her subordinate [REDACTED] to request status a couple of times. On March 18, 2019, [REDACTED] emailed SA [REDACTED] to inform him that [REDACTED] had allowed OCI to provide [REDACTED] mobile phone to TIG. [REDACTED] stated that he had a telephone call with [REDACTED] on either March 19, 2019 or March 20, 2019 during which she stated that she didn't know how it happened, but when the new "guy" came into [REDACTED] office, the laptop was turned in and re-imaged. According to [REDACTED] [REDACTED] is the person who took over [REDACTED] office. (Exhibit 3)

In an interview with TIG, [REDACTED] Acting Director of Global Affairs, TFFC provided the following information. [REDACTED] an administrative assistant in TFFC handled the details pertaining to the office move. [REDACTED] did not ask for [REDACTED] laptop to be removed and did not remember seeing the laptop when she moved into the office on or about February 26, 2019. [REDACTED] observed that [REDACTED] personal items remained in the office. (Exhibit 4)

Following the [REDACTED] interview, TIG attempted to interview OCIO Desk Side Support team personnel. [REDACTED] the lead contractor, informed TIG SA [REDACTED] that he had called [REDACTED] and that SA [REDACTED] would have to call [REDACTED] before [REDACTED] would speak to him. When SA [REDACTED] informed [REDACTED] that TIG did not have to ask permission to conduct interviews, [REDACTED] told him to leave his office and refused to identify his employer. (Exhibit 5)

In an interview with TIG, Administrative Specialist [REDACTED] provided the following information. [REDACTED] work space is immediately outside of [REDACTED] office and her field of view includes the office doorway. [REDACTED] was not present on February 25, 2019 when [REDACTED] was placed on administrative leave and escorted from the building. On February 26, 2019, Assistant Secretary (AS) [REDACTED] directed [REDACTED] to move [REDACTED] into [REDACTED] office. [REDACTED] initiated a "P4P" move with the Treasury Help Desk the same day. Beginning on March 4, 2019, [REDACTED] would sit in [REDACTED] office for a few hours a day, but had not officially changed offices. When the office was unoccupied the door was closed. [REDACTED] best recollection is that she last observed [REDACTED] Treasury-issued laptop around March 4, 2019, but stressed that her recollection was vague. On March 14, 2019, [REDACTED] received a telephone call from [REDACTED] asking about [REDACTED] Treasury-issued laptop. Based on that call, [REDACTED] entered [REDACTED] office, looked for the laptop and reported that she could not find it.

[REDACTED] had no contact with Treasury IT staff pertaining to [REDACTED] Treasury-issued computers between February 25 and [REDACTED] call on March 14, 2019. [REDACTED] did not observe anyone taking a laptop from [REDACTED] office. [REDACTED] stated that she did not take the laptop, nor did anyone suggest, direct or imply that she was to take the laptop or prevent anyone from accessing it. (Exhibit 6)

In an interview with TIG, Administrative Specialist [REDACTED] provided the following information. [REDACTED]'s work space is immediately outside of [REDACTED] office. Her field of view does not include the office doorway, but anyone entering or leaving that office would have to walk by her desk. [REDACTED] was not present on February 25, 2019 when [REDACTED] was placed on administrative leave and escorted from the building.

[REDACTED] recalled that she observed Treasury IT staff with a cart taking computer equipment from [REDACTED] office, but did not recall the date. [REDACTED] could not confirm whether the computer equipment included a laptop. [REDACTED] stated that she did not take [REDACTED] Treasury-issued laptop, nor did anyone suggest, direct or imply that she was to take the laptop or prevent anyone from accessing it. (Exhibit 7)

In an interview with TIG, Supervisory IT Specialist [REDACTED] provided the following information. [REDACTED] manages Infrastructure Operations and explained that the OCIO did not have a policy or standard operating procedure with respect to TIG information requests. Requests would come to either to her or her OCIO counterpart, [REDACTED], however there was no centralized tracking of information requests and their status.

[REDACTED] could not recall specifics of her mid-February meeting with OCI Counterintelligence Officer [REDACTED] regarding the [REDACTED] investigation and TIG's first request to obtain [REDACTED] Treasury issued computers and mobile phone. [REDACTED] was shown an email to her dated February 25, 2019 that stated that [REDACTED] would be out of the office until further notice and to have his voicemail and email greetings changed. [REDACTED] was then shown an email from TIG dated March 1, 2019, again requesting [REDACTED] Treasury issued computers and mobile phone. Finally, [REDACTED] was shown an email from TIG dated March 14, 2019 with an attached memo formally requesting [REDACTED] Treasury issued computers and mobile phone.

[REDACTED] did not know how [REDACTED] Treasury issued laptop ended up with OCIO IT Asset Management and reimaged.

[REDACTED] stated that OCIO had dispatched contractors to [REDACTED] office to secure his Treasury issued computers and mobile phone but they were not allowed into his office by an administrative specialist. [REDACTED] did not recall the date this attempt was made, but recalled that sometime after that attempt, contractors received a help desk ticket to support moving someone into [REDACTED] office. [REDACTED] suggested that during the office move, OCIO contractors would have removed the previous occupants Treasury issued computers and returned them to IT Asset Management for wiping and re-issuance.

[REDACTED] stated when OCIO Help Desk Manager [REDACTED] called her on July 2, 2019 regarding inquiries by TIG, she told him to refer TIG to her. She stated she did not tell him to impede TIG, nor was she aware of any such guidance being made to OCIO contractors. (Exhibit 8)

Report of Investigation

Case Name: [REDACTED]

Case # DO-19-0057-I

Page 6 of 9

In an interview with TIG, [REDACTED] [REDACTED] a contractor on the Desk Side Support team provided the following information. There are no formal policies, procedures or tracking mechanisms for TIG record requests. Requests to sequester computer equipment for TIG primarily came from [REDACTED] [REDACTED] via telephone or email. The Desk Side Support staff would obtain the requested item, store it in their office space, tag it and then report back that it was in their possession. [REDACTED] did not indicate that these requests were of any particular urgency.

Contractors [REDACTED] [REDACTED] and [REDACTED] [REDACTED] were the two Desk Side Support team members who handled the vast majority of office moves. [REDACTED] explained that during a move, if contractors located computers in the room not assigned to the incoming occupant they would take them and turn it into the IT Asset Management Team, which would re-assign the computers to the general inventory, wipe them and reinstall the Treasury software environment so that they could be re-issued. The process above was dependent on the volume of computers being turned in to IT Asset Management at any given time, therefore, a computer could be re-imaged the day it was turned in or some days later.

[REDACTED] explained that the Desk Side Support team moved [REDACTED] [REDACTED] into [REDACTED] [REDACTED] office, per a Help Desk request initiating a "P4P" move. [REDACTED] could not recall specifics of the [REDACTED] move or if any equipment was taken to IT Asset Management at the time of the move.

[REDACTED] stated that on March 8, 2019, [REDACTED] tasked Desk Side Support to secure [REDACTED] [REDACTED] Treasury-issued computers via a phone call. That day [REDACTED] determined that the laptop had been provided to IT Asset Management by contractor [REDACTED] [REDACTED] on March 1, 2019 and had been re-imaged. He did not inform [REDACTED] of this until March 14, 2019 when he received a telephone call from her asking for it. When [REDACTED] reported that it had been taken to IT Asset Management and re-imaged, he did not recall any reaction by [REDACTED]

[REDACTED] stated that no one directed him to ensure that [REDACTED] Treasury-issued laptop was turned over to IT Asset Management.

On July 2, 2019 [REDACTED] called [REDACTED] when SA [REDACTED] attempted to interview [REDACTED] in the Desk Side Support office space. [REDACTED] stated that [REDACTED] told him to have SA [REDACTED] call her. [REDACTED] stated that he did not recall telling SA [REDACTED] that he would not speak with him and to leave his office after he told SA [REDACTED] to call [REDACTED] (Exhibit 9)

In an interview with TIG, [REDACTED] [REDACTED] provided the following information. [REDACTED] stated that she was the only Desk Side Support contractor who moved [REDACTED] [REDACTED] into [REDACTED] [REDACTED] office. Aside from [REDACTED] needing some carpentry work for her standing desk, [REDACTED] did not recall anything unusual about the move.

Report of Investigation

Case Name: [REDACTED]

Case # DO-19-0057-I

Page 7 of 9

[REDACTED] did not recall if [REDACTED] Treasury-issued laptop was in the office when she performed the move and stated that it was not unusual to find computers and other IT equipment in offices when she performed moves. [REDACTED] confirmed that she would have taken any computers in [REDACTED] office and turned them into IT Asset Management, as per the standard practice. [REDACTED] uses a cart for the computers and IT equipment involved in the move.

No one directed or suggested that [REDACTED] take [REDACTED] Treasury-issued laptop to IT Asset Management to frustrate a TIG records request. [REDACTED] was unaware of any pending TIG records requests and seemed relatively unfamiliar with the practice.

[REDACTED] did not recall any unusual concern by anyone on the Desk Side Support staff when it was discovered that [REDACTED] laptop had been turned in to IT Asset Management and wiped. (Exhibit 10)

In an interview with TIG, [REDACTED] provided the following information. [REDACTED] has worked on the Treasury contract for 3 years and was promoted from the Help Desk team to the Desk Side Support team on or about March 1, 2019. [REDACTED] role is to support and facilitate the technology component of office moves and provide other support as required. [REDACTED] was trained in her duties by fellow contractor [REDACTED]. The training consisted of shadowing [REDACTED].

[REDACTED] noted that when computers or other IT equipment was located in an office that they were moving someone in to, they (Desk Side Support) would take the computers to the Asset Management team (located in the Main Treasury basement across the hall from Desk Side Support). The Asset Management team would update the inventory, transfer the computers to the wiping team to have the internal storage wiped and the Treasury standard software environment reinstalled.

[REDACTED] did not take [REDACTED] laptop to Asset Management and had no direct recollection of being involved with anything involving [REDACTED] laptop.

[REDACTED] stated that Desk Side Support supervisor [REDACTED] told her he recalled that she took [REDACTED] laptop to Asset Management not [REDACTED] told [REDACTED] that he was mistaken and that a search of her notes and records corroborated that. When asked, [REDACTED] confirmed that [REDACTED] and [REDACTED] had a close relationship. (Exhibit 11)

### Referrals

On July 29, 2019, TIG referred the investigation to the USAO-DC. USAO-DC did not identify a criminal violation of 18 U.S.C. §1505 "Obstruction of proceedings before departments, agencies and committees" and declined to open a case. (Exhibit 12)

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Report of Investigation

Case Name: [REDACTED]

Case # DO-19-0057-I

Page 8 of 9

Judicial Action

N/A

Findings

The investigation did not identify a deliberate attempt by [REDACTED] to frustrate a TIG records request. However, lack of responsiveness to TIG 's records request allowed digital evidence to be destroyed which was effectively a violation of 31 Code of Federal Regulations (CFR) § 207, TO 114-01 and TD 40-01. In addition, the behavior of contractors working for the OCIO in response to a TIG investigation suggests that a culture of compliance does not exist within OCIO with respect to cooperation with TIG investigations.

Distribution

Mike Lewis, Principal Senior Advisor, Department of the Treasury

Signatures

Case Agent:

Signature [REDACTED]

10/21/19  
Date

Supervisor: [REDACTED]  
Signature Anthony J. Scott

10/25/19  
Date

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**Exhibits**

1. Lead Initiation Document, dated March 22, 2019
2. Memorandum of Activity, Email Review, dated June 12, 2019
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated March 27, 2019
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 2, 2019
5. Email reporting TIG attempt to interview contractors, dated July 2, 2019
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 9, 2019
7. Memorandum of Activity, Interview of [REDACTED] [REDACTED], dated July 9, 2019
8. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 5, 2019
9. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 16, 2019
10. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 16, 2019
11. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 24, 2019
12. Memorandum of Activity, Presentation to USAO-DC, dated July 29, 2019



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

April 8, 2020

MEMORANDUM FOR RICHARD K. DELMAR  
DEPUTY INSPECTOR GENERAL

FROM: Sally Luttrell /s/  
Assistant Inspector General for Investigations

SUBJECT: Inquiry into the U.S. Department of the Treasury Receipt, Handling,  
and Responses to Chairman Richard E. Neal of the House Ways &  
Means Committee

OIG Inquiry Number: DO-20-0026-I

Introduction and Background

On September 30, 2019, the U.S. Department of the Treasury (Treasury), Office of Inspector General (OIG), received a letter from Chairman Richard Neal regarding Treasury's actions concerning the mandatory audit program – the mandatory examination by the Internal Revenue Service (IRS) of the President's tax returns. Following correspondence between Treasury OIG and Chairman Neal's office, Treasury OIG clarified its proper role regarding oversight and review of Treasury programs and operations, as well as the scope of its jurisdiction under the Inspector General Act. The Treasury OIG Office of Investigations (TIG) initiated an inquiry into Treasury's receipt, processing, and responses to Chairman Neal's requests to Treasury for U.S. President Donald J. Trump's Federal tax information. Although peripheral to the understanding between Chairman Neal's office and Treasury OIG as to the scope of the inquiry, TIG also reviewed within a limited scope the Treasury's handling of Chairman Neal's later request for records pertaining to 6103(f) and the mandatory audit program.

Scope of Inquiry and Methodology

The scope of the inquiry: (a) examined the Treasury process for handling Congressional correspondence and requests; (b) identified Treasury officials substantively involved or solicited in connection with Chairman Neal and Treasury's correspondence; (c) asked about any unsolicited input on the correspondence or process; and (d) inquired about the production of records, or lack thereof, to Chairman Neal's office.

The scope of the inquiry did not examine the legal opinions in formulating responses to Chairman Neal, nor attempt to identify or interpret the basis for Treasury's decisions to

produce, or not produce, records. It is our understanding that the underlying issue regarding production is currently in litigation.<sup>1</sup>

Initially, TIG obtained pertinent documents from Chairman Neal's office in addition to a Treasury official's email records. TIG conducted targeted queries of the email records and identified Treasury officials who appeared to be substantively involved in the receipt, processing, and responses from Treasury to Chairman Neal's office. Interviews were conducted of those key individuals, many of whom were, or still are, within the Treasury Office of General Counsel (OGC). Other Treasury officials who received or sent emails relating to Chairman Neal's correspondence, for example, those within Treasury Public Affairs, were not interviewed as there was no evidence those individuals had any substantive involvement in the process.

In total, TIG interviewed eight Treasury officials: one in the Office of Legislative Affairs (OLA) and seven in the OGC. A second OLA official assisted with some research on the matter and an eighth OGC official received, sent, or was copied, on related emails. Neither of those officials still work for Treasury and there was no indication either significantly influenced Treasury's actions.

TIG interviews determined of the seven OGC officials a) four worked on the review, processing, and responses b) one was involved in connection with Chairman Neal's requests for records and subpoena and c) two had limited involvement in the process and primarily assisted with compiling information for various appendices attached to Treasury's responses.

### Factual Findings of the Inquiry

#### 1. The Treasury Process for Handling Congressional Correspondence and Requests

TIG interviews of OLA and OGC officials determined there is a general, but undocumented, process, in which the OLA primarily receives Congressional correspondence.

Upon receipt of Congressional correspondence, the Deputy Assistant Secretary (DAS) for OLA notifies their counterparts in OGC, ExecSec, and the Office of Public Affairs (Public Affairs). OLA works with OGC to ensure the information provided by Treasury is legally correct and sufficient and within the appropriate scope. OLA consults OGC when anything other than a policy position is conveyed in response to Congressional correspondence. One Treasury official noted when a Congressional request only addresses policy, but is significant enough to reach the levels of a DAS to an Under Secretary, OGC will also review the matter.

The Treasury office responsible for drafting responses to Congress varies on the nature of the matter. The OLA opines on legislative matters and the OGC makes a final determination regarding to legal issues or questions that arise. As referenced, this process is not formally

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<sup>1</sup> *Committee on Ways and Means, United States House of Representatives v. United States Department of the Treasury, et al.* 1:19-cv-01974-TNM (D.D.C.)

documented, however, OLA reported Treasury Directive 28-02 provides the legal requirements for legislative matters. Treasury Directive 28-02, titled "Legislative Procedures", establishes, in part:

...procedures and assigned responsibilities that govern Departmental review and coordination of the following documents and transmittals that express official legislative views of the Department of the Treasury...

The specified list of "documents and transmittals" include "congressional correspondence" and "congressional testimony."

## 2. The Treasury Process for Handling Chairman Neal's Requests for Presidential Tax Records

The TIG inquiry determined Treasury's receipt, handling, and responses to Chairman Neal's letters and requests followed the general process with the occasional change in Treasury officials involved. TIG found these changes expected based on statements made by OLA and OGC employees, the transition of Chairman Neal's requests for records into his subpoena to compel production of the records, the scope of the records requested and subpoenaed, and the addition or departure of officials in the OLA and OGC.

The OGC collaboratively reviewed and processed Chairman Neal's letters, requests, and subpoena to Treasury. On occasion, an OGC official would assume a lead role but as an OGC official stated, "no matter is handled by one person in the OGC." A number of OGC officials similarly reported a collaborative process. The General Counsel for OGC maintains the authority to make final legal decisions.

## 3. The Treasury Decision to Consult the U.S. Department of Justice, Office of Legal Counsel

Upon receipt and review of Chairman Neal's requests for Presidential tax returns, the OGC, in consultation with Secretary Steven Mnuchin, decided to consult the DOJ OLC. OGC officials stated DOJ OLC is the counsel for the Executive Branch of the government.<sup>2</sup> The TIG inquiry did not examine the legal bases for decisions made by Treasury or OGC, however, one OGC official said DOJ OLC was consulted due to the legality of Chairman Neal's request. TIG notes the specific reasons for OGC consulting DOJ OLC were provided in letters from Secretary Mnuchin to Chairman Neal dated April 10, 2019 and April 23, 2019.

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<sup>2</sup> 28 U.S.C. 512

#### 4. The Treasury Decision to Rely on DOJ OLC's Legal Opinion

In order for OGC to submit a timely response to Chairman Neal, the DOJ OLC provided OGC with a legal opinion on the matter prior to publicly publishing the opinion. One OGC official stated it is routine for DOJ OLC to do so. The DOJ OLC opinion given to Treasury was to deny Chairman Neal's request for the President's tax information. Notwithstanding the language of 26 U.S.C. § 6103(f), OLC opined that Chairman Neal's request lacked a legitimate legislative purpose and absent the legitimate purpose, 26 U.S.C. § 6103(a) barred Treasury from disclosing the President's tax information in response to Chairman Neal's requests or his subpoena.

An OGC official stated Secretary Mnuchin, informed by legal advice from OGC, made the final decision to rely on DOJ OLC's opinion. The same official said the DOJ OLC opinion is "binding" because, as described, DOJ OLC is the counsel for the Executive branch. A second OGC official specified it was a matter of "complying with the law" in respect to Treasury's actions to rely DOJ OLC's opinion.

#### 5. Unsolicited Opinions and Effect on Treasury's Decision

The OGC received an unsolicited letter from the President's attorney, William Consovoy, regarding Chairman Neal's requests for the President's tax information. OGC leadership stated the letter did not affect Treasury or OGC in any manner. In addition, all of the OGC officials we asked about, or who were aware of the letter, stated it had no effect on Treasury or OGC's processing, decisions, or responses. Treasury produced a copy of this letter from Consovoy in response to one of Chairman Neal's requests for records.

Upon conclusion of the OGC and OLA interviews, we conducted a broader review of the referenced Treasury official's email records, and located two additional and presumed unsolicited contacts to Treasury regarding Chairman Neal's requests for the President's tax information. The two contacts were of opposite opinions regarding Treasury complying with Chairman Neal's request.

On April 3, 2019, a letter was sent from Representative Kevin Brady of the House Ways and Means Committee to Secretary Mnuchin. Representative Brady detailed his concerns with Chairman Neal's requests for the President's tax returns and relayed appreciation of Treasury's consideration of his concerns.

On May 14, 2019, a letter was sent from Senator Ron Wyden, Ranking Member, Senate Finance Committee, expressing Senator Wyden's concerns with Treasury not producing the President's tax return information to Chairman Neal. The letter asked a number of questions and requested documentation from Treasury.

Outside of the unsolicited letter received by Treasury from William Consovoy and the letters from Representative Brady and Senator Wyden, there was no indication from the interviews

we conducted, or from our review of emails, of any other unsolicited opinions or attempts to influence the process.

TIG notes that notwithstanding these contacts, the apparent fundamental basis for Treasury to consult and rely on DOJ OLC appears to have originated from within OGC. For example, TIG located an email from an official in OGC leadership distributed to OGC and OLA in which the legal concerns for consulting DOJ OLC were specified in detail. The supporting appendix attached to the letter also appears to have been prepared by the OGC. The final draft of this letter and appendix was sent from Secretary Mnuchin to Chairman Neal on April 23, 2019.

## 6. Chairman Neal's Request to Treasury for 6103(f) Information

As described, TIG conducted a limited scope inquiry into the Treasury handling of Chairman Neal's request for records pertaining to 6103(f) and the mandatory audit program. In connection with Chairman Neal's request, the OGC contacted the appropriate Treasury individuals. One OGC official stated most of the documents produced in response to Chairman Neal's request were generated by Treasury as a result of previous requests made by Chairman Neal.

### Conclusions of the Inquiry

Based on the interviews conducted and review of relevant emails, TIG found Treasury's receipt, processing, and responses to Chairman Neal's requests for records and subpoenas to be consistent with Treasury's general process for handling Congressional correspondence and requests to include Secretary Mnuchin supervising the matter. OGC reported that matters arise to various levels in Treasury dependent upon the significance of the request.

Ultimately, Treasury consulted with, and relied on, the legal opinion of DOJ OLC to withhold the President's tax records. OGC reported that Secretary Mnuchin made the decision to rely on DOJ OLC's legal opinion, however, it was a matter of "complying with the law" in deciding to adhere to the opinion.



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



## Report of Investigation

**Case Title:** Emmanuel Omega Robinson  
(Private Citizen)

**Case Type:** Criminal   X    
Administrative         
Civil       

**Investigation Initiated:** October 13, 2017

**Conducted by:** [REDACTED]  
Special Agent

**Investigation Completed:** January 31, 2020

**Origin:** [REDACTED]  
Special Agent  
Federal Bureau of Investigation

**Approved by:** Anthony J. Scott  
Special Agent in Charge

**Case #:** FinCEN-18-0015-I

### Summary

In October 2017, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), initiated an investigation based on a request for assistance from the Federal Bureau of Investigation (FBI), concerning allegations that Emmanuel Robinson was operating a large scale narcotics trafficking organization and laundering the proceeds through the U.S. Treasury regulated financial institutions.

The investigation determined that the allegation was substantiated. Robinson was identified as a source of heroin laced with fentanyl that was linked to numerous overdose deaths in and around the Fredericksburg, VA region.

On October 17, 2017, Robinson was charged with violating 21 USC 841 – Possession with the intent to Distribute Heroin in a Criminal Complaint in the Eastern District of Virginia, Richmond Division. On November 1, 2017, Robinson was indicted for five counts of 21 USC 841 – Possession with intent to Distribute Heroin and one count of 18 USC 922(g)(1) – Possession of a Firearm by Felon, in the Eastern District of Virginia, Richmond Division. On March 6, 2018, a Superseding Indictment reduced the 21 USC 841 – Possession with intent to Distribute Heroin charges against Robinson to three counts and one count of 18 USC 922(g)(1) – Possession of a Firearm by Felon.

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Report of Investigation

Case Name: Emmanuel Robinson

Case # FinCEN-18-0015-I

Page 2 of 5

On March 30, 2018, Robinson pleaded guilty to one count of 21 USC 841 – Possession with intent to Distribute Heroin and one count of 18 USC 922(g)(1) – Possession of a Firearm by Felon, in U.S. District Court in the Eastern District of Virginia, Richmond Division.

On July 10, 2018, Robinson was sentenced to 151 months in prison for Possession with intent to Distribute Heroin and 120 months in prison for Possession of a Firearm by Felon, to run concurrently for a total of 151 months in prison, three years of supervised release, and a \$200 special assessment in U.S. District Court in the Eastern District of Virginia, Richmond Division.

### **Basis and Scope of the Investigation**

On October 13, 2017, TIG initiated an investigation based on a request for assistance from the FBI, concerning allegations that Emmanuel Robinson was operating a large scale narcotics trafficking organization and laundering the proceeds through U.S. Treasury regulated financial institutions. Robinson was identified as a source of heroin laced with fentanyl that was linked to numerous overdose deaths in and around the Fredericksburg, VA region.

During the course of the investigation, TIG and FBI agents were unable to conduct interviews due to the significant public safety threat associated with fentanyl.

TIG and FBI agents reviewed pertinent documents, including:

- BofI Federal Bank account statements
- Civista Bank account statements
- WesternUnion user information for Emmanuel Robinson
- GreenDot account information

### **Investigative Activity**

A TIG document review of Robinson's financial accounts identified the use of money remitters to transfer various amounts of funds from Robinson to unidentified recipients in New York and New Jersey.

On October 18, 2017, TIG, FBI, Virginia State Police (VSP), Drug Enforcement Administration (DEA) and members of the Fredericksburg Regional Narcotics Task Force (FRNTF) executed search and arrest warrants at Robinson's home at 813 Belt Blvd., Richmond, VA. Agents seized two firearms, narcotics and paraphernalia and approximately \$3,500 in U.S. currency. Robinson was taken into custody and transferred to the U.S. Marshall's Service in Richmond, VA.

### **Referrals**

On [REDACTED] Steven Miller, Eastern District of Virginia, Richmond Division, and it was accepted for prosecution.

On October 17, 2017, AUSA [REDACTED] declined money laundering violations due to the time required to establish these charges and the threat to public safety caused by fentanyl.

## Report of Investigation

Case Name: Emmanuel Robinson

Case # FinCEN-18-0015-I

Page 4 of 5

### **Judicial Action**

On October 17, 2017, Robinson was charged with violating 21 USC 841 – Possession with the intent to Distribute Heroin in a Criminal Complaint in the Eastern District of Virginia, Richmond Division.

On October 18, 2017, TIG, FBI, Virginia State Police (VSP), Drug Enforcement Administration (DEA) and members of the Fredericksburg Regional Narcotics Task Force (FRNTF) executed search and arrest warrants at Robinson's home at 813 Belt Blvd., Richmond, VA. Agents seized two firearms, narcotics and paraphernalia and approximately \$3,500 in U.S. currency. Robinson was taken into custody and transferred to the U. S. Marshall's Service in Richmond, VA.

On November 1, 2017, Robinson was indicted for five counts of 21 USC 841 – Possession with intent to Distribute Heroin and one count of 18 USC 922(g)(1) – Possession of a Firearm by Felon, in the Eastern District of Virginia, Richmond Division.

On March 6, 2018, a Superseding Indictment reduced the 21 USC 841 – Possession with intent to Distribute Heroin charges against Robinson to three counts and one count of 18 USC 922(g)(1) – Possession of a Firearm by Felon.

On March 30, 2018, Robinson pleaded guilty to one count of 21 USC 841 – Possession with intent to Distribute Heroin and one count of 18 USC 922(g)(1) – Possession of a Firearm by Felon.

On July 10, 2018, Robinson was sentenced to 151 months in prison for Possession with intent to Distribute Heroin and 120 months in prison for Possession of a Firearm by Felon, to run concurrently for a total of 151 months in prison, three years of supervised release, and a \$200 special assessment in U.S. District Court in the Eastern District of Virginia, Richmond Division.

### **Findings**

The investigation determined that the allegation was substantiated. Robinson was identified as a source of heroin laced with fentanyl that was linked to numerous overdose deaths in and around the Fredericksburg, VA region.

On October 17, 2017, Robinson was charged with violating 21 USC 841 – Possession with the intent to Distribute Heroin in a Criminal Complaint in the Eastern District of Virginia, Richmond Division. On November 1, 2017, Robinson was indicted for five counts of 21 USC 841 – Possession with intent to Distribute Heroin and one count of 18 USC 922(g)(1) – Possession of a Firearm by Felon, in the Eastern District of Virginia, Richmond Division. On March 6, 2018, a Superseding Indictment reduced the 21 USC 841 – Possession with intent to Distribute Heroin

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Report of Investigation

Case Name: Emmanuel Robinson

Case # FinCEN-18-0015-I

Page 5 of 5

charges against Robinson to three counts and one count of 18 USC 922(g)(1) – Possession of a Firearm by Felon.

On March 30, 2018, Robinson pleaded guilty to one count of 21 USC 841 – Possession with intent to Distribute Heroin and one count of 18 USC 922(g)(1) – Possession of a Firearm by Felon, in U.S. District Court in the Eastern District of Virginia, Richmond Division.


On July 10, 2018, Robinson was sentenced to 151 months in prison for Possession with intent to Distribute Heroin and 120 months in prison for Possession of a Firearm by Felon, to run concurrently for a total of 151 months in prison, three years of supervised release, and a \$200 special assessment in U.S. District Court in the Eastern District of Virginia, Richmond Division.

**Distribution**

N/A

**Signatures**

**Case Agent:**

	1/14/2020
Signature	Date

**Supervisor:**

Anthony J. Scott /s/	1/14/2020
Signature	Date

**REPORT OF INVESTIGATION**  
**FinCEN-19-0017-I**



**Office of Inspector General**

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**United States Department of the Treasury**



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



## Report of Investigation

**Case Title:** [REDACTED]  
Intelligence Research Analyst

**Case #:** FinCEN-19-0017-I

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

**Investigation Initiated:** October 23, 2018

**Conducted by:** [REDACTED],  
Special Agent

**Investigation Completed:** DEC 20 2018

**Approved by:** Anthony Scott,  
Special Agent in Charge

**Origin:** Financial Crimes Enforcement  
Network (FinCEN)

### Summary

On October 23, 2018, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG) received a complaint from the Financial Crimes Enforcement Network (FinCEN) that the whereabouts of [REDACTED] Intelligence Research Analyst, FinCEN, were unknown from June 27, 2018 to July 9, 2018. Although the [REDACTED] timesheet indicated he was working, he had limited correspondence with FinCEN personnel by phone and email. Additionally, it was alleged that [REDACTED] had intentionally listened in on classified conversations without a need to know on previous occasions. For these reasons, [REDACTED] was placed on administrative leave and his access to classified information was temporarily suspended.

This investigation determined that the allegation of time and attendance fraud is substantiated. TIG found ten specific instances over a 12 month period were [REDACTED] coded his timesheet as regular work hours, but did not scan into the FinCEN facility. These instances represent a \$4,051.33 loss to the government. Additionally, [REDACTED] admitted to teleworking from a different location than was authorized on his telework agreement. Lastly, [REDACTED] did not contact his supervisor to discuss his whereabouts on July 9, 2018. This matter was presented to the U.S. Department of Justice, Public Integrity Section, but was declined for criminal prosecution because appropriate administrative actions are available to the agency.

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### **Basis and Scope of the Investigation**

This investigation was initiated on October 23, 2018, based upon information that the whereabouts of [REDACTED] were unknown from June 27, 2018 to July 9, 2018, even though his timesheets reflected he was working. [REDACTED] had limited correspondence with FinCEN personnel by phone and email during this time period. [REDACTED] unexplained absence combined with information that [REDACTED] may have intentionally listened in on a classified telephone conversation without a need to know resulted in the temporary suspension of his access to classified information on July 12, 2018. (Exhibit 1)

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

- J [REDACTED] former Acting Director, Terrorism Proliferation Network, FinCEN
- CW-1 [REDACTED]
- [REDACTED] Section Chief, Terrorism and Proliferation Section, FinCEN
- [REDACTED] Senior Intelligence Research Specialist, Elicit Finance Section, FinCEN
- [REDACTED] Intelligence Research Specialist, FinCEN

### **Investigative Activity**

In an interview with TIG, [REDACTED] Acting Director, Terrorism Proliferation Network, FinCEN, related that [REDACTED] had been on administrative leave since July 12, 2018. [REDACTED] was [REDACTED] supervisor during the events under investigation.

[REDACTED] stated that he had concerns about [REDACTED] based on his frequent overseas travel and his outside employment. [REDACTED] traveled overseas often and had traveled to numerous countries such as Greece, Croatia, and Italy. [REDACTED] had also travelled through Turkey, but claimed that he never stayed overnight or left the airport while there. [REDACTED] was concerned by this because [REDACTED] works classified issues at FinCEN pertaining to Turkey. [REDACTED] also related that he was informed by various FinCEN employees that [REDACTED] had traveled to countries that he did not report or receive approval from FinCEN or Treasury's Office of Security.

[REDACTED] was concerned about [REDACTED] outside employment because he works part time as contractor/role player for [REDACTED] (formerly [REDACTED]). This company provides background screening, risk assessment, information security and counter-terrorism support services to government agencies and commercial entities. Additionally, [REDACTED] owns an antique business. [REDACTED] also disclosed that [REDACTED] once bragged to him that he makes more money selling antiques than he does in his work for FinCEN.

[REDACTED] stated that [REDACTED] never requested approval for an alternate telework location, nor was [REDACTED] aware that [REDACTED] worked in a location other than his approved telework location in Arlington, VA.

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[REDACTED] stated that employees were expected to notify him before they planned to telework, either via email or in WebTA. [REDACTED] stated he had no idea that [REDACTED] was traveling to Pennsylvania while in telework status. [REDACTED] stated that he appointed [REDACTED] to act in his supervisory capacity while [REDACTED] was traveling overseas. [REDACTED] agree to perform the supervisory role from 1pm on June 28, 2018, to June 29, 2018. During that time period, [REDACTED] assigned someone else to act in the supervisory role, and then departed the office for what appeared to be unexcused absences.

[REDACTED] related that he was aware of the incidents in which [REDACTED] was found to be eavesdropping on classified conversations. Around June 19, 2018, [REDACTED], Intelligence Research Specialist, FinCEN, placed a secure call to another agency to receive a country status brief. [REDACTED] was also sitting in the secure area at the time, a few desks away from [REDACTED]. During this conversation, [REDACTED] mentioned the possibility of travel to that location in the near future. Once the conversation was over, [REDACTED] bombarded [REDACTED] with questions that made [REDACTED] feel uncomfortable. In a separate incident a few weeks prior, [REDACTED] received a secure call from a DoD element inquiring about a possible deployment. After that call, [REDACTED] also bombarded him with questions (Exhibit 1). [REDACTED] opined that [REDACTED] was upset because he was not asked to go on the trip to that specific country. (Exhibit 2)

In an interview with TIG, CW-1 disclosed that CW-1 became [REDACTED] supervisor in May 2012. CW-1 stated that there were immediate issues with timecard accuracy. CW-1 provided training to [REDACTED] and adjusted his work schedule for better accountability. Regarding telework, CW-1 stated that [REDACTED] never requested an alternate work location, nor had [REDACTED] ever mentioned teleworking from an alternate location. CW-1 provided a detailed outline of events that took place while CW-1 was [REDACTED] supervisor.

When asked about [REDACTED] personal life, CW-1 remarked that [REDACTED] was passionate about travel to Africa. CW-1 also related that [REDACTED] had an antique business on E-Bay related to his travels. CW-1 was uncertain what [REDACTED] sold on E-Bay. CW-1 also believed that [REDACTED] taught Lacrosse and worked for PAE as a contractor. (Exhibit 3)

In an interview with TIG, [REDACTED] Section Chief, Terrorism and Proliferation Section, FinCEN, disclosed that he had behavioral issues with [REDACTED] while he was under his supervision. [REDACTED] stated that [REDACTED] did not take counseling, correction, or criticism well. [REDACTED] was also defensive and argumentative when counseled or corrected. [REDACTED] stated that he never gave [REDACTED] written counseling regarding any of his behavior; [REDACTED] only counseled him [REDACTED]

[REDACTED] stated that he was warned about [REDACTED] time and attendance behavior by his previous supervisor. [REDACTED] disclosed that [REDACTED] would book travel with little regard for his leave balance. [REDACTED] would then request leave from a negative leave balance and reference the fact that he already booked the trip as the reason his leave request should be approved. [REDACTED] also stated that [REDACTED] would manipulate his telework and alternate work schedule (AWS) days off. [REDACTED]

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counseled [REDACTED] on proper documentation of AWS and telework, but the behavior continued. [REDACTED] gave an example of such behavior: [REDACTED] called in sick on a Friday, and also said he was sick the following Monday. A colleague reported that [REDACTED] had posted on Facebook that he was in California with friends. [REDACTED] contacted [REDACTED] and confronted him about it. [REDACTED] stated that he was already in California when he got sick. [REDACTED] also immediately removed the Facebook posts. [REDACTED] ordered [REDACTED] to return to the office the following day, and [REDACTED] complied.

[REDACTED] disclosed that [REDACTED] father passed away in 2016. [REDACTED] stated that he became lenient with [REDACTED] regarding AWS and telework in the aftermath of his father's passing. [REDACTED] stated that he still monitored [REDACTED] telework, but he was less firm because [REDACTED] had suffered a death in the family. [REDACTED] admitted to having granted [REDACTED] permission to telework from Pennsylvania so that [REDACTED] could help his mother.

[REDACTED] stated that [REDACTED] has an outside business where he sells antiques. [REDACTED] opined that [REDACTED] has done well in the business and makes lots of money. [REDACTED] disclosed that [REDACTED] travels a lot, approximately three big vacations per year. [REDACTED] also related that [REDACTED] periodically works for a company called [REDACTED]. [REDACTED] is a role player for the company, and helps build security capabilities for the company's clients. (Exhibit 4)

In an interview with TIG, [REDACTED] Senior Intelligence Research Specialist, Elicit Finance Section, FinCEN, disclosed that he coached lacrosse at a local high school with [REDACTED] prior to [REDACTED] working at FinCEN. [REDACTED] related that once [REDACTED] was hired by FinCEN, he never worked directly with [REDACTED] or supervised him. [REDACTED] was aware of an incident where [REDACTED] was released early from a detail with the Treasury Undersecretary due to misbehavior, etc.

[REDACTED] related the conversation he had with [REDACTED] after he was released from the Treasury detail. [REDACTED] did not seem to understand why he was released; he seemed to believe that he was friends with the Treasury Secretary and that meant that he could do whatever he wanted. [REDACTED] attempted to explain to [REDACTED] the rules and order associated with meetings, chain of command, etc. Additionally, [REDACTED] stated that [REDACTED] would call him to complain when he didn't receive an outstanding performance rating or was not selected for a job.

[REDACTED] stated that [REDACTED] sold antique toys. [REDACTED] would travel to flea markets to purchase old toys and then sell them on eBay. When [REDACTED] inquired, [REDACTED] said that he learned about old toys from his parents, who had been selling antiques since he was young. Aside from antiques and coaching lacrosse, [REDACTED] was not aware of any other outside employment for [REDACTED]. [REDACTED] stated that he vaguely recalled that [REDACTED] previously worked for an outside security company, [REDACTED]. [REDACTED] also disclosed that [REDACTED] started traveling abroad approximately four years ago. Sometimes [REDACTED] would travel to foreign countries on FinCEN-related business, but would add leave to the end of the trip and stay longer. (Exhibit 5)

In an interview with TIG, [REDACTED] Intelligence Research Specialist, FinCEN, disclosed that he flew to California and Oregon with his mother over the 4th of July holiday. When he returned to Pennsylvania on Saturday, July 7th, [REDACTED] drove to Sturbridge, MA for the Brimfield Antique Show. [Agent Note: A review of the Brimfield Antique Show website show that they July show dates were July 10-15, 2018.] [REDACTED] stated that he planned to drive back home to Virginia the next day, July 8th. Upon his arrival in Sturbridge, [REDACTED] stated that he got sick and was not able to drive back. [REDACTED] then contacted his supervisor, [REDACTED] to let him know that he was sick and would not be in the office. [REDACTED] returned to the office on July 12, 2018 and was placed on Administrative Leave.

On July 3, 2018, [REDACTED] declined a meeting request from [REDACTED], FinCEN Security Director, which [REDACTED] was attempting to schedule for July 9, 2018. [REDACTED] stated that he would be out of the office that day. When questioned by TIG regarding this, [REDACTED] stated that he did not recall cancelling the meeting. [REDACTED] later stated that he thought the appointment was for a day that he was going to be on leave, which is why he declined.

[REDACTED] stated that he did attend the Brimfield Antique Show, even though he was sick. [REDACTED] stated that he was sure he had contacted his supervisor on Monday, July 9th to let him know that he was sick. It was a mistake if he did not.

TIG showed [REDACTED] ten instances where he certified that he was in the office at FinCEN but there was no scan data in the building for the entire day. [REDACTED] stated that he teleworked on those days and coded his timesheet incorrectly (Exhibit 6). [Agent Note: A review of [REDACTED] timecards reveal that [REDACTED] has coded his time card for telework on other occasions.] [REDACTED] stated that his previous supervisor, [REDACTED] granted him permission to telework from his mother's house in Pennsylvania. Additionally, [REDACTED] stated that he never eavesdropped on a colleague's conversation while in a secure area. (Exhibit 7)

### Referrals

This matter was presented to the U.S. Department of Justice, Public Integrity Section, but was declined for criminal prosecution because appropriate administrative actions are available to the agency.

### Judicial Action

N/A

### Findings

This investigation determined that the allegation of time and attendance fraud is substantiated. TIG found ten specific dates over a 12 month period were [REDACTED] coded his timesheet as Regular work hours, but did not scan into the FinCEN facility. These instances represent a \$4,051.33 loss to the government. Additionally, [REDACTED] admitted to teleworking from a different location than was authorized on his telework agreement. Lastly, [REDACTED] did not contact his supervisor to discuss his whereabouts on July 9, 2018.

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

- 5 CFR, 2635.101(b) (12) - Basic Obligation of Public Service
- 31 CFR 0.213 - General Conduct Prejudicial to the Government
- 18 USC 1001 - False Statements
- 18 USC 641 - Theft

### Distribution

Jimmy Kirby, Chief Counsel, Financial Crimes Enforcement Network (FinCEN)

### Signatures

Case Agent:

[REDACTED]

12/20/18  
Date

Supervisor:

Anthony Scott [REDACTED]

12/20/18  
Date

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**Exhibits**

1. FinCEN Office of Security ROI IR-005-18, dated August 28, 2018.
2. Memorandum of Activity, Interview of [REDACTED] dated October 25, 2018.
3. Memorandum of Activity, Interview of CW-1, dated October 30, 2018.
4. Memorandum of Activity, Interview of [REDACTED] dated November 13, 2018.
5. Memorandum of Activity, Interview of [REDACTED] dated November 13, 2018.
6. Memorandum of Activity, Timecard\_Access Records Review – [REDACTED] dated November 29, 2018.
7. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated December 11, 2018.

**REPORT OF INVESTIGATION**  
**FinCEN-19-0042-I**



**Office of Inspector General**

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**United States Department of the Treasury**



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



## Report of Investigation

**Case Title:** [REDACTED]  
Attorney Advisor  
Financial Crimes Enforcement  
Network (FinCEN)

**Case #:** FinCEN-19-0042-I

**Case Type:** Criminal  
Administrative ☒  
Civil

**Investigation Initiated:** March 13, 2019

**Conducted by:** [REDACTED]  
Special Agent

**Investigation Completed:**

**Origin:** [REDACTED]  
Director of Security  
FinCEN

**Approved by:** Anthony J. Scott  
Special Agent in Charge

### Summary

On March 7, 2019, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), received a complaint from [REDACTED] Director of Security, Financial Crimes Enforcement Network (FinCEN). The complaint alleged that [REDACTED] Attorney Advisor, FinCEN, was falsifying the reporting of her time and attendance (WebTA) by reporting more hours than actually worked. This conduct, if substantiated, would violate administrative provisions 31 CFR 0.211, "Falsification of Official Records," and 5 CFR 2635.705, "Use of Official Time"; and would potentially violate 18 USC 1001, "Statements or Entries Generally" (false official statements).

The investigation substantiated that [REDACTED] falsely certified the accuracy of hours worked. We concluded by a preponderance of the evidence that the subject violated 31 CFR 0.211, "Falsification of official records." Further, we find the evidence establishes a violation of 5 CFR 2635.705, "Use of Official Time," specifically subsection (a), which provides that, unless authorized in accordance with law or regulations to use such time for other purposes, an employee shall use official time in an honest effort to perform official duties. The evidence adduced in the investigation indicates by a preponderance of the evidence that, regarding the hours the subject was absent without excuse from her duty station, she was not using official time in an honest effort to perform official duties.

## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # FinCEN-19-0042-I

Page 2 of 6

### Basis and Scope of the Investigation

This case was initiated on March 13, 2019, based upon a complaint received by [REDACTED] [REDACTED] Director of Security, FinCEN. The complaint alleged that [REDACTED] [REDACTED] Attorney Advisor, FinCEN, was falsifying her time and attendance (WebTA) by reporting more hours than actually worked. (Exhibit 1)

During the course of the investigation, interviews were conducted with:

- [REDACTED] Deputy Chief Counsel, FinCEN
- [REDACTED] Attorney Advisor, FinCEN
- [REDACTED] [REDACTED] Attorney Advisor, FinCEN

During the course of the investigation, the following documents were reviewed:

- [REDACTED] [REDACTED] Personal Identity Verification Badge (PIV) Access Log of entering and leaving the Main Treasury building.
- [REDACTED] [REDACTED] PIV Access Log of entering and leaving FinCEN's secured spaces.
- FinCEN Directive 920.02, Alternative Work Schedule Program.
- FinCEN Chief Counsel's Office Memorandum on Schedule and Leave Policies.

### Investigative Activity

In an interview with TIG, [REDACTED] [REDACTED] Deputy Chief Counsel, FinCEN, stated she has been [REDACTED] supervisor since [REDACTED] joined FinCEN in 2014. [REDACTED] stated she recalled an instance where [REDACTED] was unable to locate [REDACTED] in the FinCEN VA office and was not aware of [REDACTED] status. [REDACTED] stated on November 30, 2018, at 3:30 pm, she observed [REDACTED] office was unoccupied with the lights off and the door closed. [REDACTED] stated she emailed [REDACTED] inquiring about her location. [REDACTED] stated later that evening at 6:30 pm, [REDACTED] responded to [REDACTED] email stating she was with clients.

(Agent's note: A review of [REDACTED] PIV access data for November 30, 2018 show [REDACTED] first PIV access for November 30, 2018 was 9:59 am for the 5<sup>th</sup> floor. The last PIV access for [REDACTED] on this day was at 1:02 pm for the 5<sup>th</sup> floor.)

[REDACTED] stated she recalled another instance where she was unable to locate [REDACTED] [REDACTED] stated on February 7, 2019, [REDACTED] was unable to locate [REDACTED] as [REDACTED] was not in her office the entire day. [REDACTED] stated she sent an email to [REDACTED] at 3:07 pm inquiring [REDACTED] about her location and status. [REDACTED] stated [REDACTED] replied the next day on February 8, 2019, stating she teleworked February 7th, so [REDACTED] could work on a project. [REDACTED] also stated on February 13, 2019, [REDACTED] submitted a request to use 4 hours of Sick Leave for February 7, 2019. (Exhibit 2)

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # FinCEN-19-0042-I

Page 3 of 6

(Agents note: There was no record of [REDACTED] entering four hours of teleworking in her WebTA or any record of [REDACTED] logging-in remotely via her work issued laptop.)

In an interview with TIG, [REDACTED] [REDACTED] Attorney Advisor, FinCEN stated her office's core working hours are between 10 AM and 5 PM and she would normally arrive between 9:00 am and 9:30 am. [REDACTED] stated she did not have a set time of arrival or departure, but was on FinCEN's Maxiflex schedule, which allows an employee to establish their own hours.

(Agent's note: FinCEN's policy on alternative work schedules (AWS) define "Maxiflex" as a *"Flexible Work Schedule that allows an employee to choose his or her time of arrival and departure each day, the days of the pay period he or she will work, or both. An employee may vary the hours per day and the number of days per week within the limits established by the employee's manager. The nature of the employees work and the operational needs of FinCEN must lend itself to this type of schedule."*)

[REDACTED] stated she did not always use her PIV to enter or exit her work space. [REDACTED] stated the doors she utilized to enter and exit her work space are doors that are regularly used by other employees therefore she would "piggyback" off of other employees PIV access. "Piggybacking" is when another employee uses their PIV to access the door and allows another person to enter as well.

[REDACTED] stated she performed almost all of her work with [REDACTED] [REDACTED] Attorney Advisor, FinCEN. [REDACTED] stated [REDACTED] would commonly open the secured doors for her and she would walk through.

[REDACTED] stated she does not badge out because the door to exit the secured office spaces would open without using a badge. [REDACTED] stated the instances she did use her badge to leave the office before 5 pm, she was sure she came back and just "followed someone in". [REDACTED] stated she did this routinely.

[REDACTED] stated on the days she teleworked, instead of logging-in utilizing her agency issued laptop, she would utilize her smartphone to review documents, participate in teleconferences and to review emails. [REDACTED] also stated would have prepared things to work on for that day. TIG also requested [REDACTED] to supply TIG with dates, times and calendar events of meetings, which she failed to provide. (Exhibit 3)

In an interview with TIG, [REDACTED] [REDACTED] Attorney Advisor, FinCEN, stated he does not recall ever using his PIV to open doors in order to allow co-workers to enter and exit secured spaces and that he takes his security obligations fairly seriously. [REDACTED] stated during weekly meetings while walking through FinCEN's secured spaces, someone would hold the door out of courtesy and let everyone else walk through. [REDACTED] also stated he frequently works with [REDACTED] on different projects and it is possible that he could have scanned his PIV, opened and held the door

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # FinCEN-19-0042-I

Page 4 of 6

to allow [REDACTED] to walk through without [REDACTED] scanning her PIV. [REDACTED] also denied that this was a regular practice between him and [REDACTED] (Exhibit 4)

TIG reviewed [REDACTED] PIV access for entering/leaving the secured spaces of FinCEN's VA building between April 2018 and April 2019. During this time, [REDACTED] PIV was recorded entering FinCEN's VA's office once on October 2, 2019. Video surveillance captured [REDACTED] entry, and [REDACTED] is not observed accompanying [REDACTED] into the secured spaces. (Exhibit 5)

TIG reviewed [REDACTED] PIV Access Log of entering and leaving the Main Department of Treasury building from October 2018 to April 2019. During this period, [REDACTED] PIV was recorded entering and leaving Main Treasury only on March 19, 2019. (Exhibit 6)

TIG reviewed [REDACTED] PIV access log into FinCEN's office space for February 1, 2019. [REDACTED] WebTA was entered for 8 hours of regular duty pay. [REDACTED] PIV first registered access into FinCEN at 10:10 am was observed on camera. [REDACTED] last PIV registered access was 12:47 pm at FinCEN DC. [REDACTED] was observed on camera leaving the secured spaces at 1:19 pm and there were no PIV access logs re-entering any FinCEN secured spaces thereafter. [REDACTED] was also not observed on video re-entering FinCEN DC for the rest of the day. A review of the Chief Counsel's Outlook calendar did not display any off-site training, official travel, teleworking or any other work related absence for [REDACTED] on this day. (Exhibit 7)

TIG reviewed [REDACTED] PIV access log into FinCEN's office space for March 6, 2019. [REDACTED] WebTA was entered for 8 hours of regular duty pay. [REDACTED] PIV badge first registered access at 10:13 am into FinCEN DC as well as observed on camera. [REDACTED] last PIV registered access was 2:11 pm at FinCEN DC. [REDACTED] was observed on camera leaving the secured spaces at 2:50 pm and there were no PIV access logs re-entering any FinCEN secured space thereafter. [REDACTED] was also not observed by video re-entering FinCEN DC for the rest of the day. A review of the Chief Counsel's Outlook calendar did not display any off-site training, official travel, teleworking or any other work related absence for [REDACTED] on this day. (Exhibit 8)

(Agent's Note: These dates were reviewed specifically because these dates showed more egregious disparity in hours claimed versus those seen in video and badge readings.)

TIG reviewed FinCEN Chief Counsel's Office Memorandum on Schedule and Leave Policies. The memorandum states, *"For attorneys whose assigned duty station is FinCEN's Washington, D.C. office, core hours will be from 10:00 a.m. to 5:00 p.m."* There is also a footnote that denotes *"Maxiflex schedules are subject to these core hours"*. (Exhibit 9)

TIG contacted FinCEN's Chief Counsel Office and requested to review [REDACTED] Alternative Work Schedule Request and Agreement form (FIN 030A). [REDACTED] was not able to locate [REDACTED] FIN 030A and it is unknown if [REDACTED] submitted the request.

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Report of Investigation

Case Name: [REDACTED]

Case # FinCEN-19-0042-I

Page 5 of 6

**Referrals**

On April 8, 2019, this case was presented and declined for criminal prosecution at the U.S. Attorneys Office for the District of Washington, D.C.

**Judicial Action**

N/A

**Findings**

The investigation substantiated that [REDACTED] falsely certified the accuracy of hours worked. We concluded by a preponderance of the evidence that the subject violated 31 CFR 0.211, "Falsification of official records." Further, we find the evidence establishes a violation of 5 CFR 2635.705, "Use of Official Time," specifically subsection (a), which provides that, unless authorized in accordance with law or regulations to use such time for other purposes, an employee shall use official time in an honest effort to perform official duties. The evidence adduced in the investigation indicates by a preponderance of the evidence that, regarding the hours the subject was absent without excuse from her duty station, she was not using official time in an honest effort to perform official duties.

**Distribution**

Jimmy Kirby, Chief Counsel, Financial Crimes Enforcement Network

**Signatures**

Case Agent:

[REDACTED]

6/19/19

Date

Supervisor:

[REDACTED]  
Anthony J. Scott

6/19/19

Date

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**Report of Investigation**

**Case Name:** [REDACTED] [REDACTED]

**Case #** FinCEN-19-0042-I

**Page 6 of 6**

**Exhibits**

1. Initial complaint, dated March 6, 2019.
2. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 4, 2019.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 22, 2019.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 17, 2019.
5. Video Capture of [REDACTED] at FinCEN's VA Office.
6. Memorandum of Activity, Records Obtained, [REDACTED] [REDACTED] Personal Identity Verification Badge (PIV) Access Log of entering and leaving the Main Treasury building, dated April 10, 2019.
7. Video Capture of [REDACTED] departing FinCEN VA on February 1, 2019.
8. Video Capture of [REDACTED] departing FinCEN VA on March 6, 2019.
9. FinCEN Chief Counsel's Office Memorandum on Schedule and Leave Policies.
10. FinCEN Directive 920.02, Alternative Work Schedule Program.



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

March 20, 2020

**MEMORANDUM FOR OFFICE OF INVESTIGATIONS**

**FROM:** Anthony J. Scott /s/  
Special Agent in Charge

**SUBJECT:** [REDACTED], et al ([REDACTED])  
OIG Case Number: OCC-16-0211-I

An investigation was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), after receiving a request from the Federal Bureau of Investigations (FBI), Joint Terrorism Task Force (JTTF), on March 7, 2016, to assist with their investigation of [REDACTED], Inc. in West Palm Beach, FL.

The JTTF's case identified several companies acting as unlicensed Money Service Businesses (MSB), including [REDACTED]. Homeland Security Investigations (HSI), West Palm Beach, FL, was also investigating [REDACTED], independent of the JTTF, and another company acting as an MSB, [REDACTED] LLC. The HSI investigation determined that both companies were receiving large volumes of third party checks from Israel and that checks were written from [REDACTED] to [REDACTED] prior to the funds being wired to back to Israel.

The JTTF turned their case over to HSI, and HSI requested TIG remain on the case. TIG has made multiple requests to HSI to share investigative information, but HSI has not complied and/or responded to these requests.

As a result, TIG determined that this case does not merit additional TIG investigative resources, and this matter is being closed.

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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

January 29, 2020

**MEMORANDUM FOR OFFICE OF INVESTIGATIONS**

**FROM:** Anthony J. Scott /s/  
Special Agent in Charge

**SUBJECT:** Terrabank, N.A.

OIG Case Number: OCC-17-0261-I

An investigation was initiated by the Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), after receiving a request for assistance from Homeland Security Investigations (HSI), on February 22, 2016, in their investigation of [REDACTED] N.A. located in Miami, FL.

HSI was assisting the El Salvadorian Attorney General's Office (AG) in investigating Banco [REDACTED], for Bank Secrecy Act/Anti-Money Laundering (BSA/AML) violations and Office of Foreign Asset Control (OFAC) violations. El Salvador is a U.S. dollar based economy, which has similar BSA laws as the United States. By El Salvadorian law, financial institutions are required to file a report similar to the U.S. Currency Transaction Report (CTR), which requires reporting for cash transactions over \$10,000. The AG notified HSI that Banco [REDACTED] failed to file CTRs on many occasions and designated a select group of customers as exempt from filing, allowing these depositors to make unlimited cash deposits without filling the required BSA paperwork. This failure to file created a loophole for money laundering and ability to deposit illicit currency anonymously.

Banco [REDACTED] had a correspondent banking relationship in the U.S. with [REDACTED], which was terminated due to BSA/AML concerns. After [REDACTED] terminated the relationship, Banco [REDACTED] began banking with [REDACTED] N.A, which is regulated by the Office of the Comptroller of the Currency (OCC). HSI noted [REDACTED] was not filing any required reporting documents on Banco [REDACTED] compared to how [REDACTED] was prior to terminating its relationship with Banco [REDACTED]. HSI notified the OCC of potential BSA failures.

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Office of Inspector General – Investigations  
Department of the Treasury

In November 2016, the OCC conducted an exam and determined [REDACTED] was in compliance. Following this exam, HSI attempted to develop other leads relating to [REDACTED] and Banco [REDACTED]'s banking activities in the U.S.

In May 2019, HSI closed its case, as it was unable to develop additional leads to continue their investigation into [REDACTED]'s relationship with Banco [REDACTED].

As a result, absent any new information or developments, TIG determined that the allegations do not merit additional investigative resources and is closing this matter.

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



## Report of Investigation

**Case Title:** [REDACTED]

**Case #:** OFAC-19-0051-I

**Investigation Initiated:** May 30, 2019

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

**Investigation Completed:** April 15, 2020

**Origin:** Government of [REDACTED]  
Fiscalía General de la Nación

**Conducted by:** [REDACTED],  
Special Agent

**Approved by:** Anthony J. Scott,  
Special Agent in Charge

### Summary

In April 2019, the Department of Justice, Legal Attaché assigned to the U.S. Embassy in [REDACTED] [REDACTED] contacted the Department of the Treasury (Treasury), Office of Inspector General (TIG) to forward a complaint made by the Government of [REDACTED] [REDACTED] Fiscalía General de la Nación (Fiscalía) against [REDACTED] [REDACTED] Sanctions Investigator, Treasury Office of Foreign Assets Control (OFAC). Specific complaints indicated that [REDACTED] was involved in removing individuals and entities from the Specially Designated Nationals (SDN) list without cause to do so. The complaint also alleges that [REDACTED] leaked a conversation between the Fiscalía and U.S. Embassy personnel regarding an allegedly corrupt prosecutor, Monica [REDACTED] [REDACTED]

The investigation determined that the allegations are unsubstantiated. Through interviews and reviews of documents and electronic devices, no information has been discovered that shows that [REDACTED] improperly removed [REDACTED] entities or persons from the SDN list or leaked information provided by the Fiscalía to a corrupt prosecutor.

During the course of this investigation, [REDACTED] documents with classification markings were discovered on [REDACTED] government-issued cell phone. Therefore, an additional allegation of mishandling classified information was investigated and substantiated. Also, during this investigation, [REDACTED] admitted to accepting a gift of approximately 12 soccer jerseys from Luis Valero, a lawyer who regularly works with OFAC to remove entities from the SDN list. Due to Valero's work with OFAC he is a prohibited source. The allegation that [REDACTED] accepted a gift from a prohibited source is substantiated.

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OFAC-19-0051-I

Page 2 of 10

**Basis and Scope of the Investigation**

In April 2019, Department of Justice, Legal Attaché [REDACTED] [REDACTED] assigned to the U.S. Embassy in [REDACTED] [REDACTED] contacted TIG to forward complaints made by the Government of [REDACTED] (Fiscalía General de la Nación (Fiscalía)) against employees of OFAC. Specific complaints indicated that OFAC Sanctions Investigator [REDACTED] [REDACTED] was involved in the removal of [REDACTED] Futbol Club ([REDACTED] Futbol Club [REDACTED] [REDACTED] and [REDACTED] from the SDN list; and that these entities should not have been removed. The complaint also alleges that [REDACTED] leaked a conversation between the Fiscalía and U.S. Embassy personnel regarding an allegedly corrupt prosecutor, [REDACTED] [REDACTED] allegedly took a bribe of 600 Million [REDACTED] Pesos ([REDACTED]). (Exhibit 1).

During the course of this investigation, [REDACTED] documents containing classification markings were discovered on [REDACTED] government-issued cell phone, therefore the allegation that [REDACTED] mishandled classified information was investigated. Also during the course of this investigation it was discovered that [REDACTED] may have accepted gifts from a prohibited source, which was also investigated.

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

- [REDACTED], Director, OFAC
- [REDACTED] [REDACTED] Sanctions Investigator, OFAC
- [REDACTED] [REDACTED] Sanctions Investigator, OFAC
- [REDACTED] [REDACTED] Judicial Attaché, DOJ
- [REDACTED], Assistant Judicial Attaché, DOJ
- [REDACTED], Foreign Service National (FSN), OFAC
- [REDACTED], FSN, OFAC
- [REDACTED] Assistant Director, OFAC
- [REDACTED], Sanctions Investigator, OFAC
- [REDACTED], Sanctions Investigator, OFAC
- [REDACTED], Sanctions Investigator, OFAC
- [REDACTED], Deputy Director, Fiscalía
- [REDACTED], Prosecutor, Fiscalía
- [REDACTED], Chief, Fiscalía
- [REDACTED], Chief, Fiscalía
- [REDACTED] Special Prosecutor, Fiscalía
- [REDACTED] [REDACTED] Prosecutor, Fiscalía

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## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OFAC-19-0051-I

Page 3 of 10

In addition, TIG reviewed pertinent documents and electronic devices, including:

- Documents relating to OFAC designations in [REDACTED] and associated with [REDACTED] Football Club ([REDACTED])
- Declaration of [REDACTED] [REDACTED] received from [REDACTED]
- Line sheets from intercepted conversations of [REDACTED] and [REDACTED] [REDACTED] received from [REDACTED]
- iPhone X assigned to [REDACTED] [REDACTED]
- iPhone X assigned to [REDACTED] [REDACTED]
- iPhone 6s assigned to [REDACTED] [REDACTED]
- iPhone 7 assigned to [REDACTED]
- iPhone 8 plus belonging to [REDACTED] [REDACTED] [REDACTED]
- Huawei CUN-LO3 phone belonging to [REDACTED] [REDACTED] [REDACTED]
- Samsung Galaxy 8 + belonging to [REDACTED]
- Samsung Galaxy J1 belonging to [REDACTED]
- Forensic image of one 16 GB Kingston DataTraveler USB drive
- Forensic image of one unknown SIM card
- Website: [sanctionssaerch.ofac.treas.gov](http://sanctionssaerch.ofac.treas.gov)

### Investigative Activity

Allegation #1: [REDACTED] Conspired to Remove Individuals from SDN List (31 CFR 536.204)

Allegation #2: [REDACTED] Accepted a Gift from a Prohibited Source (5 CFR 2635.202)

TIG conducted a review of documents including a list of additions and removals from the OFAC SDN list from 2016 through 2018. These document reviews reveal that [REDACTED] was not added to or removed from the list during this time period and that [REDACTED] and [REDACTED] were removed from the list in March of 2017 and April of 2018 respectively. A review of the OFAC website, on February 3, 2019 indicates that [REDACTED] is currently on the SDN list. A review of the memorandum removing [REDACTED] from the SDN list was written by [REDACTED] and was not routed through [REDACTED] for approval. This memorandum details that [REDACTED] was previously designated for its associations with SDN entities La Oficina De [REDACTED] and [REDACTED], but that [REDACTED] is no longer controlled or owned by either entity or any SDN. (Exhibit 2-3).

In an interview with TIG, [REDACTED] stated that she has strong concerns regarding the integrity of [REDACTED] and that she will no longer work with him. Some of [REDACTED] mistrust of [REDACTED] stems from his constant defense of [REDACTED] about whom she has relayed concerns to [REDACTED]. [REDACTED] defense of [REDACTED] has led to raised voices and [REDACTED] fearing reprisals from [REDACTED]. [REDACTED] alleged that [REDACTED] jerseys were prominently displayed in the OFAC office at the U.S. Embassy during a meeting in which [REDACTED] asked on several occasions if [REDACTED] was planning to open an investigation on [REDACTED] and tried to paint [REDACTED] in the best light possible.

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Report of Investigation

Case Name: [REDACTED]

Case # OFAC-19-0051-I

Page 4 of 10

[REDACTED] felt this was abnormal and linked this meeting to the release of a report from the [REDACTED] Financial Intelligence Unit (Unidad de Informacion y Analisis Financiero or UIF) that contained information about [REDACTED] continuing their illicit activity that she believes was provided to OFAC via [REDACTED]. [REDACTED] stated that she is a strong proponent of the OFAC mission, but that due to the lack of trust she is delaying at least one case that could be worked together. (Exhibit 4).

In an interview with TIG, [REDACTED] stated that although [REDACTED] has been removed from the SDN list, the money laundering unit investigation into [REDACTED] was continuing. [REDACTED] stated that [REDACTED] wanted to explain to the prosecutor, [REDACTED], why the case against [REDACTED] should not move forward. [REDACTED] has refused meeting requests made by [REDACTED] and [REDACTED] which was supported by [REDACTED], her supervisor. (Exhibit 5).

In an interview with TIG, [REDACTED] stated that [REDACTED] wrote a letter to the Fiscalía asking them to open up an investigation into [REDACTED] and to move it under the investigation they had into [REDACTED], leading to [REDACTED] being assigned both cases. [REDACTED] was assigned to assist [REDACTED] in these cases. The Fiscalía seized four properties belonging to [REDACTED] and made an offer to forfeit one of the properties through his lawyer [REDACTED] in exchange for removal from the SDN list. During her investigation, [REDACTED] stated that she found assets belonging to [REDACTED] that [REDACTED] failed to identify, so she set up a meeting with [REDACTED] to show him the results and try to convince him that [REDACTED] was not doing her job properly. [REDACTED] provided [REDACTED] a list of assets that she identified that had been held by a fiduciary for a significant amount of time and told [REDACTED] that they intended to move forward on forfeiture of these assets. About a week later, [REDACTED] claimed to have received a call from the fiduciary indicating that [REDACTED] wanted to move a plot of land that had been held by the fiduciary for many years. [REDACTED] stated that [REDACTED] told [REDACTED] that these assets had been identified, and that [REDACTED] subsequently told [REDACTED]. (Exhibit 6).

In an interview with TIG, [REDACTED] explained the role of OFAC personnel in [REDACTED] in adding and removing individuals and entities of the SDN. [REDACTED] stated that these decisions are made by OFAC headquarters employees, not OFAC personnel in [REDACTED]. [REDACTED] explained that OFAC personnel in [REDACTED] would work at the direction of OFAC headquarters employees to conduct interviews of petitioners to be removed from the SDN list. (Exhibit 7).

In an interview with TIG, [REDACTED] explained that designations are reviewed at multiple levels at OFAC and are heavily scrutinized. [REDACTED] indicated that designations can take many months and that removals are just as difficult. [REDACTED] explained that there are too many levels of review for a corrupt OFAC officer to be able to get an entity added to or removed from the SDN list. (Exhibit 8).

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Report of Investigation

Case Name: [REDACTED]

Case # OFAC-19-0051-I

Page 5 of 10

In an interview with TIG, [REDACTED] stated that all removals from the SDN list are initially reviewed at OFAC headquarters and that this process is initiated when the designated entity petitions for removal. Headquarters-based personnel decide whether a petitioner should be interviewed, and at that point, the OFAC Attaché's Office would conduct the interview. [REDACTED] stated that he has never been approached by anyone requesting information that would help a petitioner be removed from the SDN list. [REDACTED] indicated that he was involved in the [REDACTED] designation along with the removal from the SDN list. He explained that this particular delisting was difficult because [REDACTED] would need to be sold to be removed from the SDN list, but that no buyers were willing to purchase an entity on the SDN list. [REDACTED] stated that both the sale of [REDACTED] and the removal from the SDN were conducted at the same time, which was legal and allowed. After [REDACTED] was removed from the SDN list, [REDACTED] came to the U.S. Embassy and gave [REDACTED] approximately 12 [REDACTED] jerseys. [REDACTED] is a lawyer involved in the petition to remove [REDACTED] from the SDN list and at the time of [REDACTED] removal from the list became a large shareholder in [REDACTED] both personally and through his company, [REDACTED] y Asociados. [REDACTED] was unsure of what to do with them so he called [REDACTED] who indicated it was acceptable for him to keep the jerseys. [REDACTED] gave them to a number of people including the Ambassador and Deputy Chief of Mission (DCM). [REDACTED] displayed an [REDACTED] jersey in his office, but not for any particular meeting. [REDACTED] described the relationship between OFAC and the Fiscalía as cordial and was surprised that there were prosecutors that did not want to work with him, but added that this would not affect OFAC's mission and that it is in the Fiscalía's best interest to work with OFAC since they can and do use the OFAC list to open up cases. (Exhibit 9).

[REDACTED] jerseys are available on the open market for a price exceeding \$20 per item.<sup>1</sup>

In a second interview with TIG, [REDACTED] expressed concerns regarding [REDACTED]. [REDACTED] stated that [REDACTED] married a [REDACTED] national who was previously Special Assistant to the [REDACTED] Attorney General and that this provided [REDACTED] with special access and privileges within the Fiscalía. [REDACTED] claimed that [REDACTED] pushed the narrative to the Ambassador and DCM in [REDACTED] that [REDACTED] and [REDACTED] were corrupt. [REDACTED] stated that he believes the allegations against himself and [REDACTED] came from the Fiscalía and that [REDACTED] readily believed them. [REDACTED] also stated that [REDACTED] went out of his way to disparage OFAC to an acting DCM and that he witnessed [REDACTED] yelling at former OFAC Attaché [REDACTED] in an open hallway at the embassy in [REDACTED]. [REDACTED] stated that he has done nothing wrong and that [REDACTED] pushing unfounded allegations has been disruptive to OFAC investigations and has led to the removal of OFAC investigators from the country. [REDACTED] added that [REDACTED] has been selected to an SES-level position in Washington DC that will allow him insight into potential SDN listings and delistings. [REDACTED] is concerned that [REDACTED] contempt for OFAC might impact this process. (Exhibit 10).

<sup>1</sup> [https://es-la.facebook.com/\[REDACTED\]photos/ya-puedes-conseguir-la-camiseta-de-local-y-visitante-oficial-de-\[REDACTED\]fc-en-n/1017237331646182/](https://es-la.facebook.com/[REDACTED]photos/ya-puedes-conseguir-la-camiseta-de-local-y-visitante-oficial-de-[REDACTED]fc-en-n/1017237331646182/)

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Report of Investigation

Case Name: [REDACTED]

Case # OFAC-19-0051-I

Page 6 of 10

Allegation #3: [REDACTED] Leaked Information to a Prosecutor Under Investigation (31 CFR 0.209)

In an interview with TIG, [REDACTED] stated that she has been the Chief of the Asset Forfeiture Unit at the Fiscalfa since August 1, 2018 and that [REDACTED] is one of the prosecutors that works for her. [REDACTED] attended a meeting at the U.S. Embassy in January of 2019 with [REDACTED] along with DEA and FBI agents. During this meeting, [REDACTED] told the group that [REDACTED] took a bribe of approximately 600 million [REDACTED]. Although [REDACTED] was aware that [REDACTED] was under investigation, she was not aware of any particular bribes [REDACTED] may have taken. [REDACTED] believed that [REDACTED] provided this information to [REDACTED] (Exhibit 4).

In an interview with TIG, Special Prosecutor [REDACTED] stated that his office monitored a phone call between [REDACTED] and an unknown male. During this intercepted call [REDACTED] said there was an investigation open on her and that a female investigator has her ([REDACTED] in her crosshairs. [REDACTED] further stated that the female investigator said [REDACTED] received a 600 million [REDACTED] bribe. [REDACTED] was aware of other bribes that [REDACTED] had allegedly taken, but none that were in the amount of 600 million [REDACTED]. [REDACTED] office monitored a second call between [REDACTED] and the same unknown male. During this call [REDACTED] again mentions the 600 million [REDACTED] figure. She stated that the female investigator invented this number and told it to [REDACTED] and [REDACTED] (Exhibit 11).

TIG conducted a review of line sheets provided by [REDACTED] including the two telephone calls mentioned above. These records indicate that the two calls occurred on January 25, 2019 and January 30, 2019 and were with two different individuals employed by the [REDACTED] government. The line sheets provided correspond to the information provided during the interview of [REDACTED]. These line sheets do not suggest that [REDACTED] received this information from [REDACTED] (Exhibit 12).

In an interview with TIG, [REDACTED] indicated that he was at the meeting where [REDACTED] told him and others from the FBI and DEA that [REDACTED] was corrupt and took a 600 million [REDACTED] bribe, but does not recall mentioning this to anyone outside of the meeting. (Exhibit 9).

In an interview with TIG, [REDACTED] stated that she was told about the allegation that she took a 600 million [REDACTED] bribe by [REDACTED], who is the boss of [REDACTED]. [Note: E [REDACTED] is a Fiscalfa investigator in [REDACTED], who [REDACTED] tasked to shadow [REDACTED] (Exhibit 13).

TIG conducted a review of WhatsApp messages located on [REDACTED] iPhone X. During this review, screenshots of a conversation between [REDACTED] and an unknown person, believed to be DEA Agent [REDACTED], were forwarded to [REDACTED] by [REDACTED]f. These screenshots allege that an "investigadora" told [REDACTED] and [REDACTED] that [REDACTED] took a 600 million [REDACTED] bribe from [REDACTED]. [REDACTED] indicates that she heard this from the "investigadora's" boss and that it is not accurate. These screenshots were forwarded to [REDACTED] on January 31, 2019. (Exhibit 12).

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Report of Investigation

Case Name: [REDACTED]

Case # OFAC-19-0051-I

Page 7 of 10

Allegation #4: [REDACTED] Mishandled Classified Information (Executive Order 13526 Section 4.1(h))

TIG conducted a forensic analysis of an iPhone X assigned to [REDACTED]. During this analysis, four documents marked as either "SECRETO" or "RESERVADO" were located in WhatsApp messages sent from [REDACTED] to [REDACTED] and [REDACTED] between October 2, 2018 and March 2, 2019. During one of these instances, [REDACTED] replied to [REDACTED] transmission of a document marked "SECRETO" in a manner that indicated that he had viewed the attachment. (Exhibit 14).

TIG conducted an interview with [REDACTED] who stated that he had no knowledge or training regarding classification systems or markings for classified documents used by the [REDACTED] government and noted that OFAC did not deal with classified information in [REDACTED]. When [REDACTED] was shown several documents containing markings "RESERVADO" and "SECRETO" in a manner similar to U.S. classification markings, he stated that since WhatsApp is not a classified system he believes the implication is that anything received via WhatsApp is not classified. [REDACTED] also stated that he was not aware of any handling protocols for [REDACTED] classified materials. [REDACTED] is aware of handling protocols for U.S. classified documents. (Exhibit 10).

TIG conducted an interview with a counterintelligence officer from the Department of the Treasury's Office of Counterintelligence, and provided him/her copies of the documents marked "SECRETO" and "RESERVADO" on [REDACTED] cell phone. He/she made the following comments and statements regarding these documents. The documents appear to originate from [REDACTED] and follow typical conventions and markings found on legitimate [REDACTED] classified documents. [REDACTED] classified documents marked "RESERVADO" must be handled in the same manner as U.S. documents at the Confidential level, and documents marked "SECRETO" must be handled in the same manner as U.S. documents at the Secret level. [REDACTED] does not have segregated networks for their classified documents and it is not an irregular occurrence for a U.S. government employee to receive a classified ([REDACTED] document from a [REDACTED] government official through unsecured channels such as WhatsApp. These occurrences need to be treated as classified document spills with remediation conducted to remove traces of classified documents from unclassified systems. (Exhibit 15).

Referrals

N/A

Judicial Action

N/A

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## Findings

The investigation determined that the allegations that [REDACTED] was involved in the removal of entities from the SDN list are unsubstantiated. Interviews conducted during this investigation do not allege any malfeasance on the part of [REDACTED] in relation to [REDACTED] Futbol Club or [REDACTED]. While [REDACTED] was removed from the SDN list and [REDACTED] was involved in this delisting, evidence gathered during this investigation does not support the allegation that [REDACTED] was removed from the SDN list for the benefit of [REDACTED]. Evidence gathered during this investigation also shows that [REDACTED] remains on the SDN list.

The investigation determined that the allegation that [REDACTED] leaked a conversation about an allegedly corrupt prosecutor taking a bribe to that prosecutor is unsubstantiated. Text message exchanges at that time, along with interviews indicate that [REDACTED], a [REDACTED] investigator was the individual who most likely provided this information to [REDACTED].

The investigation resulted in two additional allegations, the first being that [REDACTED] mishandled classified [REDACTED] information, which was substantiated. In 2018 and 2019, [REDACTED] received information marked "RESERVADO" and SECRETO" from [REDACTED] on his government iPhone via the WhatsApp messaging application. [REDACTED] acknowledges receiving these documents but believes that since they were received via WhatsApp they do not require handling as classified. No evidence was found that [REDACTED] further distributed these documents. In consultation with OCI, it was determined that these documents are and need to be treated as classified as described in Executive Order 13526 Section 4.1(h), but that [REDACTED] does not have segregated networks for their classified information. Treasury Security Manual – TD P 15-71 (TSM) Chapter III Section 7 provides an equivalency chart used to determine U.S. government classification levels for foreign government information. This chart indicates that [REDACTED] classified documents marked "Secreto" and Reservado" need to be handled at the "Secret" and "Confidential" U.S. classification levels respectively. TIG cannot show that [REDACTED] handled these documents in a manner that differs from the way they were sent to [REDACTED] by a [REDACTED] employee, however the Treasury Security Manual provides specific handling procedures for [REDACTED] classified documents, therefore the allegation that [REDACTED] mishandled classified information in violation of Executive Order 13526 Section 4.1(h) and TSM Chapter III, Section 7 is substantiated.

The second additional allegation, that [REDACTED] accepted impermissible gifts is substantiated. [REDACTED] was identified during this investigation as a previous SDN and a lawyer who now assists other entities in getting removed from the SDN list. As part of this process, OFAC works with [REDACTED]. [REDACTED], personally and through one of his companies was found to be the majority shareholder in [REDACTED] which was removed from the SDN list in 2018. Due to these facts, [REDACTED] should be treated as a prohibited source since he conducts business with OFAC and has interests that may be substantially affected by the performance or nonperformance of an OFAC

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OFAC-19-0051-I

Page 9 of 10

employee's official duties (see 5 C.F.R. 2635.203 (d)(2) and 5 C.F.R. 2635.203 (d)(4)). Shortly after [REDACTED] was removed from the SDN list, [REDACTED] accepted a gift of approximately 12 [REDACTED] jerseys from [REDACTED] in violation of 5 C.F.R 2635.202(b)(1).

**Distribution**

Bradley Smith, Deputy Director  
Office of Foreign Assets Control

**Signatures**

**Case Agent:** [REDACTED] /s/

**Date:** 04/13/2020

**Supervisor:** Anthony J. Scott /s/

**Date:** 04/15/2020

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OFAC-19-0051-I

Page 10 of 10

**Exhibits**

1. Initial Complaint Document, dated April 8, 2016.
2. Memorandum of Activity, OFAC SDN list search, February 7, 2020.
3. OFAC Evidentiary Memorandum, Case FNK-4843, dated April 25, 2018.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED], May 8, 2019.
5. Memorandum of Activity, Interview of [REDACTED], May 8, 2019.
6. Memorandum of Activity, Interview of [REDACTED], May 8, 2019.
7. Memorandum of Activity, Interview with [REDACTED] [REDACTED] June 3, 2019.
8. Memorandum of Activity, Interview with [REDACTED] [REDACTED] May 30, 2019.
9. Memorandum of Activity, Interview with [REDACTED] [REDACTED] May 31, 2019.
10. Memorandum of Activity, Interview with [REDACTED] [REDACTED] September 6, 2019.
11. Memorandum of Activity, Interview with [REDACTED] May 8, 2019.
12. Memorandum of Activity, WhatsApp Conversations between [REDACTED] [REDACTED] and [REDACTED]  
[REDACTED], February 11, 2020.
13. Memorandum of Activity, Interview with [REDACTED] [REDACTED] July 16, 2019.
14. Memorandum of Activity, Forensic Analysis of OFAC Cell Phones, January 16, 2020.
15. Memorandum of Activity, Information Received from OCl, October 7, 2019.

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



## Report of Investigation

**Case Title:** [REDACTED]

**Case #:** OFAC-20-0032-I

**Investigation Initiated:** May 30, 2019

**Case Type:** Criminal ☐  
Administrative ☒  
Civil ☐

**Investigation Completed:** June 18, 2020

**Origin:** Government of [REDACTED]  
Fiscalía General de la Nación

**Conducted by:** [REDACTED],  
Senior Special Agent

**Approved by:** Anthony J. Scott,  
Special Agent in Charge

### Summary

In April 2019, the Department of Justice, Legal Attaché assigned to the U.S. Embassy in Bogota, [REDACTED] contacted the Department of the Treasury, Office of Inspector General, Office of Investigations (TIG) to forward a complaint made by the Government of [REDACTED] (Fiscalía General de la Nación (Fiscalía) against [REDACTED] Sanctions Investigator, Office of Foreign Assets Control (OFAC). Specific complaints indicated that [REDACTED] was involved in removing individuals and entities from the Specially Designated Nationals (SDN) list without cause to do so.

The investigation determined that the allegations are unsubstantiated. Through interviews and reviews of documents and electronic devices, no information has been discovered that shows that [REDACTED] improperly removed [REDACTED] entities or persons from the SDN list.

During the course of this investigation, [REDACTED] documents with classification markings were discovered on [REDACTED] government-issued cell phone. These documents were found to have been further distributed through unclassified channels by [REDACTED]. Therefore, an additional allegation of mishandling classified information was investigated and substantiated.

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Report of Investigation

Case Name: [REDACTED]

Case # OFAC-20-0032-I

Page 2 of 9

**Basis and Scope of the Investigation**

In April 2019, Department of Justice, Legal Attaché [REDACTED] assigned to the U.S. Embassy in Bogota, [REDACTED] contacted TIG to forward complaints made by the Government of [REDACTED] (Fiscalía General de la Nación (Fiscalía)) against employees of the Office of Foreign Assets Control (OFAC). Specific complaints indicated that OFAC Sanctions Investigator [REDACTED] was involved in the removal of [REDACTED] Futbol Club ([REDACTED] Futbol Club [REDACTED] and [REDACTED] from the SDN list; and that these entities should not have been removed (Exhibit 1).

During the course of this investigation, [REDACTED] documents containing classification markings were discovered on [REDACTED] government-issued cell phone, therefore the allegation that [REDACTED] mishandled classified information was investigated.

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

- [REDACTED], Director, OFAC
- [REDACTED] Sanctions Investigator, OFAC
- [REDACTED] Sanctions Investigator, OFAC
- [REDACTED] Judicial Attaché, DOJ
- [REDACTED]
- [REDACTED] Foreign Service National (FSN), OFAC
- [REDACTED] FSN, OFAC
- [REDACTED] Assistant Director, OFAC
- [REDACTED], Sanctions Investigator, OFAC
- [REDACTED], Sanctions Investigator, OFAC
- [REDACTED], Sanctions Investigator, OFAC
- [REDACTED] Deputy Director, Fiscalía
- [REDACTED] Prosecutor, Fiscalía
- [REDACTED] Chief, Fiscalía
- [REDACTED] Chief, Fiscalía
- [REDACTED] Special Prosecutor, Fiscalía
- [REDACTED] Prosecutor, Fiscalía

In addition, TIG reviewed pertinent documents and electronic devices, including:

- Documents relating to OFAC designations in [REDACTED] and associated with [REDACTED] Football Club ([REDACTED])
- Declaration of [REDACTED] received from [REDACTED]
- Line sheets from intercepted conversations of [REDACTED] and [REDACTED] received from [REDACTED]

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## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OFAC-20-0032-I

Page 3 of 9

- iPhone X assigned to [REDACTED] [REDACTED]
- iPhone X assigned to [REDACTED] [REDACTED]
- iPhone 6s assigned to [REDACTED] [REDACTED]
- iPhone 7 assigned to [REDACTED] [REDACTED]
- iPhone 8 plus belonging to [REDACTED] [REDACTED]
- Huawei CUN-LO3 phone belonging to [REDACTED] [REDACTED]
- Samsung Galaxy 8 + belonging to [REDACTED]
- Samsung Galaxy J1 belonging to [REDACTED]
- Forensic image of one 16 GB Kingston DataTraveler USB drive
- Forensic image of one unknown SIM card
- Website: [sanctionssaerch.ofac.treas.gov](http://sanctionssaerch.ofac.treas.gov)

### Investigative Activity

Allegation #1: [REDACTED] Conspired to Remove Individuals from SDN List (31 CFR 536.204)

TIG conducted a review of documents including a list of additions and removals from the OFAC SDN list from 2016 through 2018. These document reviews reveal that [REDACTED] was not added to or removed from the list during this time period and that [REDACTED] and [REDACTED] were removed from the list in March of 2017 and April of 2018 respectively. A review of the OFAC website, on February 3, 2020 indicates that [REDACTED] is currently on the SDN list. A review of the memorandum removing [REDACTED] from the SDN list was written by [REDACTED] and was not routed through [REDACTED] for approval. This memorandum details that [REDACTED] was previously designated for its associations with SDN entities La Oficina De Envigado and Juan Pablo Upegui, but that [REDACTED] is no longer controlled or owned by either entity or any SDN (Exhibit 2-3).

In an interview with TIG, [REDACTED] stated that she has strong concerns regarding the integrity of [REDACTED] and that she will no longer work with him. Some of [REDACTED] mistrust of [REDACTED] stems from his constant defense of [REDACTED] about whom she has relayed concerns to [REDACTED]. [REDACTED] stated that while she felt abnormal pressure from [REDACTED] to keep [REDACTED] on specific cases, he was not demanding and did not use forceful tones. [REDACTED] alleged that [REDACTED] jerseys were prominently displayed in the OFAC office at the U.S. Embassy during a meeting in which [REDACTED] asked on several occasions if [REDACTED] was planning to open an investigation on [REDACTED] and tried to paint [REDACTED] in the best light possible. [REDACTED] felt this was abnormal and linked this meeting to the release of a report from the [REDACTED] Financial Intelligence Unit (Unidad de Informacion y Analisis Financiero or UIF) that contained information about [REDACTED] continuing their illicit activity that she believes was provided to OFAC via [REDACTED]. [REDACTED] stated that she is a strong proponent of the OFAC mission, but that due to the lack of trust she is delaying at least one case that could be worked together (Exhibit 4).

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Report of Investigation

Case Name: [REDACTED]

Case # OFAC-20-0032-I

Page 4 of 9

In an interview with TIG, [REDACTED] stated that although [REDACTED] has been removed from the SDN list, the money laundering unit investigation into [REDACTED] was continuing. [REDACTED] stated that [REDACTED] wanted to explain to the prosecutor, [REDACTED], why the case against [REDACTED] should not move forward. [REDACTED] has refused meeting requests made by [REDACTED] and [REDACTED] which was supported by [REDACTED] her supervisor (Exhibit 5).

In an interview with TIG, [REDACTED] explained the role of OFAC personnel in [REDACTED] in adding and removing individuals and entities of the SDN. [REDACTED] stated that these decisions are made by OFAC headquarters employees, not OFAC personnel in [REDACTED]. [REDACTED] explained that OFAC personnel in [REDACTED] would work at the direction of OFAC headquarters employees to conduct interviews of petitioners to be removed from the SDN list (Exhibit 6).

In an interview with TIG, [REDACTED] stated that he has been assigned to the U.S. Embassy in [REDACTED] with OFAC since September of 2018 and that prior to that he was assigned to U.S. Southern Command in Miami, Florida. [REDACTED] explained that designations are reviewed at multiple levels at OFAC and are heavily scrutinized. [REDACTED] indicated that designations can take many months and that removals are just as difficult. [REDACTED] explained that there are too many levels of review for a corrupt OFAC officer to be able to get an entity added to or removed from the SDN list. [REDACTED] explained that the OFAC Attaché's Office has a strained relationship with [REDACTED] who worked a case involving [REDACTED] prior to [REDACTED] arriving in [REDACTED]. According to [REDACTED] [REDACTED] became involved in that case which caused problems leading to a reputation within OFAC as someone that can't be trusted. [REDACTED] also stated that [REDACTED] had replaced [REDACTED] as the prosecutor for multiple cases, which is surprising since she [REDACTED] does not have a background in asset forfeiture. [REDACTED] has told [REDACTED] that [REDACTED] is corrupt and has taken bribes, but has not provided additional details. [REDACTED] alleges that [REDACTED] is corrupt and stated that [REDACTED] agreed to remove some properties from [REDACTED]'s (currently on the SDN list) asset forfeiture case if she paid a fee to [REDACTED]. [REDACTED] indicated that he has traded several innocuous messages with [REDACTED] but nothing more and that he has never leaked sensitive information to her. [REDACTED] believes that [REDACTED] is out to get him and that [REDACTED] has previously tried to get the Ambassador to issue "Lack of Confidence" letters related to other federal agents assigned to the Embassy. [REDACTED] also alleged that [REDACTED] is married to a [REDACTED] national who is the director of the Procuaduria's Criminal Division, which has oversight over [REDACTED] government employees similar to that of a U.S. Inspector General's Office and that prior to that she worked directly for the [REDACTED] Attorney General at the Fiscalía (Exhibit 7).

In an interview with TIG, [REDACTED] stated that all removals from the SDN list are initially reviewed at OFAC headquarters and that this process is initiated when the designated entity petitions for removal. Headquarters-based personnel decide whether a petitioner should be interviewed, and at that point, the OFAC Attaché's office would conduct the interview. [REDACTED] indicated that he was involved in the [REDACTED] designation along with the removal from the SDN list. He explained

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Report of Investigation

Case Name: [REDACTED]

Case # OFAC-20-0032-I

Page 5 of 9

that this particular delisting was difficult because [REDACTED] would need to be sold to be removed from the SDN list, but that no buyers were willing to purchase an entity on the SDN list. [REDACTED] stated that both the sale of [REDACTED] and the removal from the SDN were conducted at the same time, which was legal and allowed. After [REDACTED] was removed from the SDN list, [REDACTED] came to the U.S. Embassy and gave [REDACTED] approximately 12 [REDACTED] jerseys. [REDACTED] gave them to a number of people including the Ambassador and Deputy Chief of Mission (DCM). [REDACTED] displayed an [REDACTED] jersey in his office, but not for any particular meeting. [REDACTED] described the relationship between OFAC and the Fiscalía as cordial and was surprised that there were prosecutors that did not want to work with him, but added that this would not affect OFAC's mission and that it is in the Fiscalía's best interest to work with OFAC since they can and do use the OFAC list to open up cases (Exhibit 8).

In a second interview with TIG, [REDACTED] expressed concerns regarding [REDACTED]. [REDACTED] stated that [REDACTED] married a [REDACTED] national who was previously Special Assistant to the [REDACTED] Attorney General and that this provided [REDACTED] with special access and privileges within the Fiscalía. [REDACTED] claimed that [REDACTED] pushed the narrative to the Ambassador and DCM in [REDACTED] that [REDACTED] and [REDACTED] were corrupt. [REDACTED] stated that he believes the allegations against himself and [REDACTED] came from the Fiscalía and that [REDACTED] readily believed them. [REDACTED] also stated that [REDACTED] went out of his way to disparage OFAC to an acting DCM and that he witnessed [REDACTED] yelling at former OFAC Attaché [REDACTED] in an open hallway at the embassy in [REDACTED]. [REDACTED] stated that he has done nothing wrong and that [REDACTED] pushing unfounded allegations has been disruptive to OFAC investigations and has led to the removal of OFAC investigators from the country. [REDACTED] added that [REDACTED] has been selected to an SES-level position in Washington, DC that will allow him insight into potential SDN listings and delistings. [REDACTED] is concerned that [REDACTED] contempt for OFAC might impact this process (Exhibit 9).

In a second interview with TIG, [REDACTED] stated that the DEA reached out to him at one point about [REDACTED] who they believed may be corrupt. [REDACTED] shared [REDACTED] contact information with them but never heard anything back. [REDACTED] indicated that he was not particularly close to [REDACTED] and that she was not the go-to prosecutor for OFAC. [REDACTED] described the corruption within the Fiscalía as pervasive and detailed links between [REDACTED] and [REDACTED], [REDACTED] (the former [REDACTED] anti-corruption chief, arrested in Miami, Florida in 2018), and [REDACTED] (Exhibit 10).

Allegation #2: [REDACTED] Mishandled Classified Information (Executive Order 13526 Section 4.1(h))

TIG conducted a forensic analysis of an iPhone X assigned to [REDACTED]. During this analysis, four documents marked as either "SECRETO" or "RESERVADO" were located in WhatsApp messages sent to [REDACTED] from an individual stored in [REDACTED] phone as "Juan". At least two

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## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OFAC-20-0032-I

Page 6 of 9

of these messages, both marked "SECRETO" were subsequently forwarded to [REDACTED] and [REDACTED]. These documents were also forwarded to a telephone number later identified as [REDACTED] personal cell phone via WhatsApp (Exhibit 11).

TIG conducted an interview with [REDACTED] who stated that "Juan" was a member of a United Kingdom vetted military unit called CECAT. [REDACTED] described these documents marked "SECRETO" and "RESERVADO" as after-action reports that he did not believe to be classified. [REDACTED] stated that "Juan" prepared these documents on his iPad and sent them to [REDACTED] via WhatsApp. [REDACTED] added that "Juan" brought this iPad to locations where he would meet [REDACTED] for coffee and would discuss information contained in these documents in public settings. [REDACTED] stated that he treated these documents he received from Juan as "Law Enforcement Sensitive" and believed that [REDACTED] does not have segregated networks to handle classified information. [REDACTED] also added that he has not received any training on the handling of [REDACTED] classified documents and is not aware of any U.S. Embassy policies that cover this situation. [REDACTED] stated that he did not have access to his Department of State or Treasury email accounts from his government-issued iPhone X, so when he received these documents he would send them via WhatsApp to his personal phone and then use his personal email address to send them to his Treasury Department email account (Exhibit 9).

TIG conducted an interview with a counterintelligence officer from the Department of the Treasury's Office of Counterintelligence (OCI), and provided him/her copies of the documents marked "SECRETO" and "RESERVADO" on [REDACTED] cell phone. He/she made the following comments and statements regarding these documents. The documents appear to originate from [REDACTED] and follow typical conventions and markings found on legitimate [REDACTED] classified documents. [REDACTED] classified documents marked "RESERVADO" must be handled in the same manner as U.S. documents at the Confidential level, and documents marked "SECRETO" must be handled in the same manner as U.S. documents at the Secret level. [REDACTED] does not have segregated networks for their classified documents and it is not an irregular occurrence for a U.S. government employee to receive a classified ([REDACTED]) document from a [REDACTED] government official through unsecured channels such as WhatsApp. These occurrences need to be treated as classified document spills with remediation conducted to remove traces of classified documents from unclassified systems (Exhibit 12).

### Referrals

N/A

### Judicial Action

N/A

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## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OFAC-20-0032-I

Page 7 of 9

### Findings

The investigation determined that the allegations that [REDACTED] was involved in the removal of entities from the SDN list are unsubstantiated. Interviews conducted during this investigation do not allege any malfeasance on the part of [REDACTED] in relation to [REDACTED] Futbol Club or [REDACTED]. While [REDACTED] was removed from the SDN list, evidence gathered during this investigation does not support the allegation that [REDACTED] was removed from the SDN list for the benefit of [REDACTED] or that [REDACTED] had started his assignment as the OFAC Assistant Attaché in [REDACTED] when [REDACTED] was removed from the SDN list. Evidence gathered during this investigation also shows that [REDACTED] remains on the SDN list.

The investigation resulted in an additional allegation, that [REDACTED] mishandled classified [REDACTED] information, which was substantiated. In 2018 and 2019, [REDACTED] received information marked "RESERVADO" and SECRETO" from a [REDACTED] contact on his government iPhone via the WhatsApp messaging application. [REDACTED] then transferred these documents to other OFAC employees, his personal email account and his unclassified Treasury Department email account. [REDACTED] believed that since these documents did not come from a segregated network and that they were sent to him from an iPad in a public setting that they did not need to be treated as classified. In consultation with OCI, it was determined that these documents are and need to be treated as classified as described in Executive Order 13526 Section 4.1(h), but that [REDACTED] does not have segregated networks for their classified information. Treasury Security Manual – TD P 15-71 (TSM) Chapter III Section 7 provides an equivalency chart used to determine U.S. government classification levels for foreign government information. This chart indicates that [REDACTED] classified documents marked "Secreto and Reservado" need to be handled at the "Secret" and "Confidential" U.S. classification levels respectively. Evidence and interviews reveal that [REDACTED] handled these documents in a manner that substantially differs from the way he received them from a [REDACTED] employee, including sending them to his personal cell phone and transmitting them via a personal, unclassified email address, therefore the allegation that [REDACTED] mishandled classified information in violation of Executive Order 13526 Section 4.1(h) and TSM Chapter III, Section 7 is substantiated.

### Distribution

Bradley Smith, Deputy Director  
Office of Foreign Assets Control

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Report of Investigation

Case Name: [REDACTED]

Case # OFAC-20-0032-I

Page 8 of 9

**Signatures**

**Case Agent:** [REDACTED] /s/

**Date:** 6/12/2020

**Supervisor:** Anthony J. Scott /s/

**Date:** 6/18/2020

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # OFAC-20-0032-I

Page 9 of 9

**Exhibits**

1. Initial Complaint Document, dated April 8, 2016.
2. Memorandum of Activity, OFAC SDN list search, February 7, 2020.
3. OFAC Evidentiary Memorandum, Case FNK-4843, dated April 25, 2018.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Toro, May 8, 2019.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] May 8, 2019.
6. Memorandum of Activity, Interview with [REDACTED] [REDACTED] June 3, 2019.
7. Memorandum of Activity, Interview with [REDACTED] [REDACTED] May 30, 2019.
8. Memorandum of Activity, Interview with [REDACTED] [REDACTED] May 31, 2019.
9. Memorandum of Activity, Interview with [REDACTED] [REDACTED] September 6, 2019.
10. Memorandum of Activity, Interview with [REDACTED] [REDACTED] September 6, 2019.
11. Memorandum of Activity, Forensic Analysis of OFAC Cell Phones, January 16, 2020.
12. Memorandum of Activity, Information Received from OCI, October 7, 2019.

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DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

**MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS**

**FROM:** Sean A. McDowell  
Deputy Assistant Inspector General  
For Investigations

**Sean A.  
McDowell**

Digitally signed by Sean A. McDowell  
DN: c=US, o=U.S. Government,  
ou=Department of the Treasury, ou=Inspector  
General, ou=People, serialNumber=345348,  
cn=Sean A. McDowell  
Date: 2020.07.27 12:21:03 -04'00'

**SUBJECT:** Notification of FY 2020 Jacksonville, Florida General Case  
Activities File Closure (OIG-20-0006-I)

In October 2019, the Office of Investigations (OI) opened a general case file for law enforcement activities in the Northern Florida Resident Office (NOFL). The general case file intended to memorialize time and work conducted by the NOFL Special Agents (SAs) not associated with open OI cases.

On January 29, 2020, OI closed the NOFL. OI no longer has SAs assigned to NOFL and no need to maintain a general case file for Jacksonville, Florida.

Effective this date, OIG-20-0006-I, Jacksonville, Florida General Case Activities is closed.

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Office of Inspector General – Investigations  
Department of the Treasury

## North Carolina Financial Task Force Closure

Luttrell, Sally <LuttrellS@oig.treas.gov>

Wed 02/26/2020 01:05 PM

To: OIG-OI All <OIG-OIAll@oig.treas.gov>

OI,

The North Carolina Financial Task Force is closing. Management has decided to close the North Carolina office, in lieu of, filling it with agents and auditors, and to further align with our budget appropriated mission. With the likelihood of the United States Secret Service (USSS) coming back to Treasury, efforts to locate a field office location west of the Mississippi have commenced for a joint OI/OA office to reduce budget impacts.

SA Carter Catlett will be relocated to an office at another Federal Agency in Greensboro, NC.

The Task Force Officers will no longer be members of the task force, effective March 31, 2020. All TIG issued equipment will be returned.

The internet and Kastle cards will be turned off on April 1, 2020.

OM will complete closure of the NC office on June 25, 2020.

Thank you,  
Sally

Sally Luttrell  
Assistant Inspector General for Investigations  
US Department of the Treasury  
Office of Inspector General  
Office of Investigations  
(202) 927-7135  
875 15<sup>th</sup> ST NW  
Washington, DC 20005

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# Report of Investigation



## Case Information:

Complaint Number	OIG-20-0023-I
Complaint Title	██████████ Contracting, LLC, et al.
Date Closed	September 1, 2020
Subject Type	Contractor
Allegation Location	Florida
Confidentiality	No
Congressional Interest	No
Cooperating Agencies	Air Force Office of Special Investigations, Defense Contract Audit Agency, United States Attorney's Office, United States Secret Service
Cooperating IG Offices	Small Business Administration
Allegation(s)	Bank Secrecy Act/Anti-Money Laundering, Contract Fraud, False Claims, False Statements

## Closing Summary:

On September 1, 2020, the OIG completed its report of investigation for a case initiated upon receipt of a request for assistance from the Air Force, Office of Special Investigations (AFOSI), regarding potential contract fraud. On August 27, 2020, AFOSI determined their case lacked sufficient evidence and closed their investigation. As a result, OIG closed its investigation.

## Approval:

Andrea L.  
Peacock

Digitally signed by Andrea L.  
Peacock  
Date: 2020.09.01 18:12:09 -0400

Special Agent in Charge, Acting



# Report of Investigation



## Subject(s) :

[REDACTED]

[REDACTED]

## Legal:

[REDACTED] - DECLINED - Florida, Northern District (Federal)

[REDACTED] - DECLINED - Kentucky, Western District (Federal)

[REDACTED] - DECLINED - Kentucky, Western District (Federal)

[REDACTED] - DECLINED - Florida, Northern District (Federal)



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



## Report of Investigation

**Case Title:**

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

Office of Inspector General  
Office of Management  
GS-9

**Case #:**

OIG-21-0011-I

**Case Type:**

Criminal

Administrative ☒

Civil ☐

**Investigation Initiated:**

November 9, 2020

**Conducted by:**

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

Senior Special Agent

**Investigation Completed:**

November 24, 2020

**Approved by:**

Matthew Creager

Special Agent in Charge  
(Acting)

**Origin:** Private Citizen

### Summary

On November 4, 2020, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), received a complaint against U.S. Department of the Treasury, Office of Inspector General, Office of Management (OM), (b) (6); (b) (7)(C). The complainant alleged that (b) (6); (b) (7)(C) used his official government email and title to enhance a complaint made, via email, to the Lycoming County, PA, Court Administrator (b) (6); (b) (7)(C).

The investigation determined that the allegation was substantiated. (b) (6); (b) (7)(C) admitted sending an email on October 8, 2020, where he mentioned his status as a Federal employee so that his concerns might be taken more seriously. (b) (6); (b) (7)(C) actions violated 5 CFR § 2635.702, *Use of public office for private gain*.

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## **Basis and Scope of the Investigation**

On November 4, 2020, TIG received an online complaint through the hotline regarding (b) (6); (b) (7)(C) Office of Inspector General, Office of Management (OM). The complainant alleged that (b) (6); (b) (7)(C) used his official government email address and title to enhance a complaint (b) (6); (b) (7)(C) made to the Lycoming County, PA, Court Administrator.

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

- (b) (6); (b) (7)(C) Lycoming County, PA, complainant
- (b) (6); (b) (7)(C) OM, GS-9

In addition, TIG reviewed pertinent documents, including:

- (b) (6); (b) (7)(C) signed telework agreement
- (b) (6); (b) (7)(C) signed Policy Directive 715-04, *Use of OIG Information Technology Resources*

## **Investigative Activity**

Prior to interviewing the complainant, TIG requested a copy of the email in question. The complainant emailed a picture of an email with the following characteristics [Exhibit 1]:

- Dated October 8, 2020;
- From (b) (6); (b) (7)(C)
- To (b) (6); (b) (7)(C) lyco.org;
- (b) (6); (b) (7)(C) wrote that he hopes to bring concerns to (b) (6); (b) (7)(C) attention;
- (b) (6); (b) (7)(C) refers to himself as a Federal employee twice;
- (b) (6); (b) (7)(C) explains his experience with early voting at the Lycoming County courthouse;
- (b) (6); (b) (7)(C) took issue with signage and the behavior of an officer at the courthouse;
- (b) (6); (b) (7)(C) compliments the patience and effort of the Voter Services Department;
- (b) (6); (b) (7)(C) name, title, and office are in the signature block of the email.

In an interview with TIG, (b) (6); (b) (7)(C), Lycoming County, PA, Sheriff's Department (LCSD), (b) (6); (b) (7)(C) stated that he was the officer to whom (b) (6); (b) (7)(C) referred in (b) (6); (b) (7)(C) email. (b) (6); (b) (7)(C) was shown (b) (6); (b) (7)(C) email by a few employees as he was one of the officers who worked on that day.

(b) (6); (b) (7)(C) stated that he was assigned to court security at the Lycoming County courthouse on October 7, 2020, when (b) (6); (b) (7)(C) came into the building to drop off his election ballot. The ballots had the courthouse address, but actually go to a drop box in another building. (b) (6); (b) (7)(C) disputed (b) (6); (b) (7)(C) account of their interaction, and received no repercussions from the complaint. (b) (6); (b) (7)(C) wanted TIG to be aware that (b) (6); (b) (7)(C) filed a complaint using his government email and title. [Exhibit 2]

Report of Investigation

Case Name: (b) (6); (b) (7)(C)

Case # OIG-21-0011-I

Page 3 of 5

A TIG review of documents provided by OM showed [Exhibit 3]:

- (b) (6); (b) (7)(C) telework agreement was signed by both him and his supervisor on August 3, 2020. The approved alternate address is (b) (6); (b) (7)(C)
- (b) (6); (b) (7)(C) signed the Acceptance of User Responsibility portion of Treasury OIG Policy Directive (PD) 715-04, *Use of OIG Information Technology Resources*. The form showed that (b) (6); (b) (7)(C) signed it on February 7, 2020.

In an interview with TIG, TIG read (b) (6); (b) (7)(C) his rights under Kalkines and notified him that the interview would be recorded. (b) (6); (b) (7)(C) admitted sending the email. He stated that he emphasized his status as a Federal employee with the hope that his concerns would be taken more seriously, and not just as a random resident. He stated he did not intend to represent the Office of Inspector General, but understood how his email could be construed otherwise. He regretted sending it, was apologetic, and stated that he knew better.

(b) (6); (b) (7)(C) stated that this was a one-time occurrence. He has not used his status as a Federal employee in any other correspondence outside of official business, to include online reviews or comments on articles.

Finally, (b) (6); (b) (7)(C) acknowledged signing PD 715-04. [Exhibit 4]

### Referrals

None.

### Judicial Action

N/A

### Findings

The investigation determined that the allegation was substantiated. (b) (6); (b) (7)(C) admitted sending an email on October 8, 2020, where he mentioned his status as a Federal employee so that his concerns might be taken more seriously. (b) (6); (b) (7)(C) actions violated 5 CFR § 2635.702, *Use of public office for private gain*.

Report of Investigation

Case Name: (b) (6); (b) (7)(C)

Case # OIG-21-0011-I

Page 4 of 5

**Distribution**

Jeffrey Lawrence, Assistant Inspector General for Management, Office of Inspector General, U.S. Department of the Treasury

**Signatures**

Case Agent:

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

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

Supervisor:

Matthew Creager

Report of Investigation

Case Name: (b) (6); (b) (7)(C)

Case # OIG-21-0011-I

Page 5 of 5

**Exhibits:**

1. Digital photograph of email (b) (6); (b) (7)(C) sent on October 8, 2020.
2. Memorandum of Activity, Interview of (b) (6); (b) (7)(C), Lycoming County, PA, dated November 10, 2020.
3. Memorandum of Activity, Record Review, dated November 10, 2020.
4. Memorandum of Activity, Interview of (b) (6); (b) (7)(C) dated November 12, 2020.



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



## Report of Investigation

**Case Title:** TTB Tax Disclosure

**Investigation Initiated:** July 1, 2020

**Investigation Completed:**

**Origin:** Outside Complaint

**Case #:** TTB-20-0061-I

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

**Conducted by:** [REDACTED]  
Special Agent

**Approved by:** Andrea Peacock  
Special Agent in Charge  
(Acting)

### Summary

On March 22, 2019, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), received a complaint from [REDACTED] Esq. of [REDACTED] Law Group, PLLC, New York, NY, corporate counsel for [REDACTED] Wine Imports, LLC. [REDACTED] alleged that unknown Alcohol and Tobacco Tax and Trade Bureau (TTB) agents improperly disclosed tax information to the New York State Liquor Authority (NYSLA).

The investigation found that the allegations are unsubstantiated. TIG reviewed documents and conducted interviews, but found no information to support [REDACTED] claims of improperly disclosed tax information by TTB employees.

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### **Basis and Scope of the Investigation**

This case was initiated based upon a complaint received from [REDACTED] Esq., corporate counsel for [REDACTED] Imports, LLC. The complaint alleged improper disclosure of tax information by unknown TTB agents to New York state alcohol licensing agency. (Exhibit 1)

During the course of the investigation, interviews were conducted with:

- [REDACTED] Alcohol and Tobacco Tax and Trade Bureau
- [REDACTED] New York State Liquor Authority

In addition, TIG reviewed pertinent documents, including:

- Records and Interviews provided by [REDACTED] TTB Counsel

### **Investigative Activity**

TIG obtained records, photos, and interviews from [REDACTED] TTB Counsel. According to [REDACTED] TTB began investigating the [REDACTED], LLC, in Florida ([REDACTED] based on information provided by the Florida Department of Alcoholic Beverages and Tobacco (FABT). FABT suspected that [REDACTED] was operating without the proper permits and was engaging in unlawful consignment sales.

[REDACTED], LLC, in New York ([REDACTED] held a basic permit under the Federal Alcohol Administration Act (FAA Act) to wholesale alcohol beverage products. [REDACTED] ([REDACTED] had a basic permit under the FAA Act to produce or blend wine and a registration under the Internal Revenue Code of 1986 (IRC). [REDACTED] operated as a wholesaler of alcohol beverage products and obtained a basic permit to do so in August 2017. [REDACTED] is the sole owner of both [REDACTED] and [REDACTED] [REDACTED] is 50% owner of [REDACTED]

Wholesalers have certain record-keeping requirements under the IRC, but they do not pay excise taxes on alcohol at the federal level and do not file reports of operation with TTB. Wineries, by contrast, have record-keeping requirements under the IRC, are liable for federal alcohol excise taxes on wine removed from their premises, and file reports of operations. In addition to the permitting requirements, the FAA Act also prohibits certain trade practices. TTB significantly intensified its trade practice education and enforcement program beginning in 2017 after receiving Congressional appropriations specifically earmarked toward these efforts.

Based on the information provided by the FABT, TTB investigators made an unannounced visit to [REDACTED] in June 2017. TTB's investigation focused solely on violations of the FAA Act, including [REDACTED] apparent operation without a permit and alleged consignment sale violations.

TTB's Office of Special Operations (OSO) visited [REDACTED] in September 2017, specifically focusing on potential FAA Act trade practice violations. OSO arrived at [REDACTED] and the location was under construction, but a worker directed OSO to [REDACTED] TTB subsequently interviewed [REDACTED] and [REDACTED]

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Foreman [REDACTED]. During those interviews, TTB determined that [REDACTED] was making distilled spirits (grappa) without the proper permit.

TTB investigators frequently identify potential IRC violations during the course of their limited-scope FAA Act investigations. In those instances, the investigators either broaden the scope of their investigation or refer the potential IRC violations to a separate team. OSO referred the IRC violations relating to [REDACTED] to another component of TTB's Trade Investigations Division, the Northeast regional office (Northeast TID). Northeast TID visited [REDACTED] several times from October 2017 to June 2019. New York State Liquor Authority (NYSLA) officials did not accompany Northeast TID on any of its visits to [REDACTED]. NYSLA officials did accompany Northeast TID investigators in April 2018 to several other industry members affiliated with [REDACTED] businesses, but not [REDACTED] [REDACTED] or [REDACTED] (Exhibit 2)

TIG interviewed [REDACTED] [REDACTED] Director, Criminal Investigations for TTB. [REDACTED] explained that TTB has agreements with many state and local authorities to share information due to similar interests by TTB and those authorities. Each state agreement is different and is held with TTB's counsel office. [REDACTED] stated that it is not uncommon for TTB to visit locations together with state and local authorities due to the shared interests. (Exhibit 3)

TIG interviewed [REDACTED] Senior Investigator, New York State Liquor Authority (SLA) regarding his interactions with TTB investigators during the [REDACTED] investigations. [REDACTED] understood that the case at TTB originated as a consignment sales prohibition, meaning that manufacturers were giving their wine on consignment to [REDACTED] which is a prohibited action. During the various visits, TTB recognized a still used in the production of grappa, to which [REDACTED] had no permits. TTB provided the information regarding the still to SLA, but TTB did not provide documents to SLA. [REDACTED] said any documents that were obtained by SLA were done so by SLA thru [REDACTED] and no tax information was provided to his office by TTB. (Exhibit 4)

### **Referrals**

None

### **Judicial Action**

None

### **Findings**

The investigation found that the allegations are unsubstantiated. TIG reviewed documents and conducted interviews, but found no information to support [REDACTED] claims of improperly disclosed tax information by TTB employees.

**Distribution**

██████████ Deputy Director, Criminal Enforcement, Alcohol and Tobacco Tax and Trade Bureau

**Signatures**

**Case Agent:**

██████████ /s/ 09/24/2020

**Supervisor:**

Andrea Peacock /s/ 09/24/2020

**Exhibits**

1. Initial complaint, dated March 22, 2019.
2. Memorandum from [REDACTED] TTB, dated July 9, 2019.
3. Report of Interview, [REDACTED] TTB, dated March 25, 2020.
4. Report of Interview, [REDACTED] dated July 29, 2020.



OFFICE OF  
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

July 10, 2020

**MEMORANDUM FOR THE OFFICE OF INVESTIGATIONS**

**FROM:** [REDACTED] /s/  
Special Agent in Charge (Acting)

**SUBJECT:** [REDACTED]  
OIG File Number: USM-15-0212-I

In October 2014, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG) initiated an investigation into potential fraud by coin vendors involving the U.S. Mint Mutilated Coin Program.

In June 2014, the Customs and Border Control's New York Laboratory completed a lengthy / scientific test at the request of the Homeland Security Investigations Newark, NJ FO, to determine if coins from a recent mutilated coin shipment were genuine or counterfeit. The test from the certified lab concluded the mutilated coins examined did not match the specifications of genuine coins received directly from the U.S. Mint.

In February 2017, TOIG initiated an additional investigation (USM-18-0073-I) based on a request for assistance from the South Florida Organized Fraud Task Force in Plantation, Florida. A company, [REDACTED], purports to operate under a business model of purchasing mutilated United States coinage in China at a steeply discounted rate, due to the inability of these coins to be exchanged in China for Yuan. Upon purchase, these coins are shipped to the United States and deposited into banks. Money is then wired back to China for the purchase of more United States coinage. The United States Secret Service was contacted by [REDACTED] Bank when one of these deposits did not weigh the correct amount to match what was listed on the deposit slip. [REDACTED] Bank made further analysis and suspected the deposit contained counterfeit coins. The United States Secret Service sent a sample of the coins to the United States Mint for analysis. Only a small portion of the coins were determined to be counterfeit and no charges were filed, however [REDACTED] Bank closed the accounts.

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Office of Inspector General – Investigations  
Department of the Treasury

The USSS noted that [REDACTED] . operated out of an Asian Massage Parlor named [REDACTED] . While the USSS was unable to prosecute a case for counterfeit currency, they turned this case over to the Federal Bureau of Investigation (FBI) for further investigation due to the suspicious location of the business.

Preliminary analysis of the case suggests that [REDACTED] . is operating as an Informal Value Transfer System (Hawala) for the purposes of International Money Laundering to support Human Trafficking. Initial estimates of laundered funds exceed \$4 million. This investigation is ongoing and the previous case USM-15-0212-I has been incorporated into the investigation.

As a result, this matter is being closed accordingly.

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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

March 4, 2020

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

**FROM:** Anthony J. Scott /s/  
Special Agent in Charge

**SUBJECT:** [REDACTED]  
United States Mint (USM)

OIG Case Number: USM-19-0047-I

An inquiry was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), after the U.S. Mint Police reported that that [REDACTED], a Denver Mint employee, was arrested for luring a child via the internet. Our investigation substantiated the allegations.

TIG reviewed all documents relating to [REDACTED]'s arrest and verified that on March 26, 2019, [REDACTED] was arrested by the [REDACTED] County, CO Sheriff's Office for luring a child via the internet.

On October 11, 2019, [REDACTED] pled guilty to Sexual Exploitation of a Child, a Class 4 Felony.

On November 22, 2019, [REDACTED] was sentenced to 60 days incarceration, 10 years' probation, and required to register as a sex offender.

On December 12, 2019, [REDACTED] was served with a Proposal for Removal from Federal Service, which he acknowledged and responded with a rebuttal. Based on this information, no further investigation is warranted by our office. All documentation can be provided to your office upon your request.

If you have any questions concerning this matter, 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-[REDACTED].



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



## Report of Investigation

**Case Title:** [REDACTED]  
Police Officer  
U.S. Mint (USM)  
TR 08

**Case #:** USM-20-0019-I

**Case Type:** Criminal ☒  
Administrative ☒  
Civil ☐

**Investigation Initiated:** December 20, 2019

**Conducted by:** [REDACTED]  
Special Agent

**Investigation Completed:** March 4, 2020

**Approved by:** Anthony J. Scott  
Special Agent in Charge

**Origin:** USM Police

### Summary

In December 2019, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG) initiated an investigation based on an allegation received from the USM Police reporting that [REDACTED] participated in hiring a private investigator in order to determine if Inspector [REDACTED] USM, and Sergeant (SGT) [REDACTED] USM, were engaged in an inappropriate relationship.

The investigation determined the allegation is substantiated. Through subject and witness interviews it was revealed that [REDACTED] while on duty at the USM, participated in hiring a private investigator in order to determine if [REDACTED] and [REDACTED] were involved in an inappropriate relationship.

The investigation determined [REDACTED] to be in violation of 18 USC § 2261(A)(1) - Stalking, by hiring a private investigator to follow [REDACTED] and [REDACTED] however, the U.S. Attorney's Office (USAO) for the Western District of Kentucky (WDKY) declined to prosecute in lieu of administrative remedies.

The investigation determined [REDACTED] to be in violation of 5 CFR § 2635.705 - Use of Official Time. [REDACTED] while on duty at the USM, participated in hiring a private investigator.

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## Report of Investigation

Case Name: [REDACTED]

Case # USM 20-0019-I

Page 2 of 6

The investigation determined [REDACTED] to be in violation of 31 CFR § 0.218 - General Conduct Prejudicial to the Government. [REDACTED] while on duty at the USM, discussed and solicited others to participate in hiring a private investigator.

The investigation determined [REDACTED] to be in violation of 18 USC § 1001 - Providing False Statements to the Government. During a TIG interview, [REDACTED] provided false statements to TIG investigators, however, the WDKY declined to prosecute in lieu of administrative actions.

The investigation determined [REDACTED] to be in violation of 31 CFR § 0.207 - Employee Rules of Conduct. During a TIG interview, [REDACTED] provided false statements to TIG investigators and did not fully cooperate with an official inquiry.

### **Basis and Scope of the Investigation**

In December 2019, the USM Police contacted TIG and requested an investigation into USM Police Officer [REDACTED] for allegedly participating in hiring a private investigator to determine if [REDACTED] and [REDACTED] were involved in an inappropriate relationship. The purpose of the USM Police request is to determine if [REDACTED] violated any law, policy or procedure. (Exhibit 1)

During the course of this investigation, interviews were conducted with:

- [REDACTED] Sergeant, USM
- Subject 2
- [REDACTED] Police Officer, USM

### **Investigative Activity**

In an interview with TIG, [REDACTED] stated that [REDACTED] was upset about the results of the Lieutenant's exam and thought Inspector [REDACTED] had scored him low due to the fact he had an open Equal Employment Opportunity (EEO) complaint against her. [REDACTED] also felt [REDACTED] should not have been on his promotional board for the same EEO complaint. [REDACTED] had spoken to [REDACTED] on the gun range about hiring an investigator or lawyer to investigate the promotional process. Officer [REDACTED] and Subject 2 were seen whispering in the Police Command Center (PCC), and once [REDACTED] left, Subject 2 showed [REDACTED] a text message he/she was sending to the private investigator they had hired. The text message included personal information about [REDACTED] and [REDACTED] to include their work schedules, where they lived, and how far they lived apart. At this point, [REDACTED] knew [REDACTED] and Subject 2 were hiring a private investigator to look into [REDACTED] and [REDACTED]. On December 10, 2019, [REDACTED] received a text message from [REDACTED] which said, "The investigator has been hired. If you want to help with this and make it a three way split, then you'll owe \$100." [REDACTED] understood this message to mean [REDACTED] and Subject 2 had already hired the private investigator and wanted to know if he wanted to participate in covering the expenses. [REDACTED] declined to participate and did not provide any money for the hiring of the private investigator. (Exhibit 2)

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # USM 20-0019-I

Page 3 of 6

In an interview with TIG, Subject 2 admitted that he/she and [REDACTED] hired a private investigator from Radcliff, Kentucky named [REDACTED] to investigate [REDACTED] and [REDACTED] to determine if they were having an inappropriate relationship. Subject 2 stated he/she and [REDACTED] believed they were having a relationship for approximately 1.5 years and that it needed to be reported. The basis for their thoughts was that both [REDACTED] and [REDACTED] transferred to the Bullion Depository from the Denver Mint within two months of each other. They both purchased homes within seven miles of each other, but forty miles away from the Bullion Depository. They also very seldom speak at work, acting like they do not know each other. Subject 2 advised TIG that he/she did not see any type of behavior at work that made him/her think [REDACTED] and [REDACTED] were in a relationship. The goal of hiring the private investigator was to have enough evidence to send it to DC for review. Subject 2 also believed [REDACTED] was targeting him/her at the job in a negative way, such as talking about Subject 2, and has brought up Subject 2's smoking problem on occasions. Subject 2 stated he/she believed [REDACTED] was upset because [REDACTED] was on his promotion board for Lieutenant and he scored poorly. At this same time, there was a promotional board for a Sergeant's position and [REDACTED] scored very high.

[Agent's Note: TIG determined through USM Police management that [REDACTED] did not serve on [REDACTED] promotional board for Sergeant.]

Subject 2 admitted to approaching [REDACTED] with the idea to hire a private investigator to investigate [REDACTED] and [REDACTED] and [REDACTED] agreed to do it. They attempted to recruit a third person to do it, however, that individual refused to cooperate or go along with it. Subject 2 and [REDACTED] evenly split the \$300 cost of hiring the private investigator. [REDACTED] paid Subject 2 \$150 cash on a night shift, during a post change, on the roof of the Bullion Depository. Subject 2 also stated she paid the private investigator \$300 via PayPal. Subject 2 reiterated to TIG that [REDACTED] was involved in the hiring of the private investigator and that he knew the \$150 he provided was to pay his part of the private investigator's fee. (Exhibit 3)

In an interview with TIG, [REDACTED] denied participating in the hiring of a private investigator to follow and investigate [REDACTED] and [REDACTED] for having an inappropriate relationship. [REDACTED] also stated he did not know why Subject 2 had hired a private investigator to investigate [REDACTED] and [REDACTED]. [REDACTED] also advised that Subject 2 had made mention of hiring a private investigator, but he could not advise if he/she had done so or not. [REDACTED] denied knowing [REDACTED], the private investigator who Subject 2 admitted to hiring for \$300. He also denied paying Subject 2 \$150 for half of the private investigator's fee. [REDACTED] denied communicating verbally or via text message with anyone in regards to hiring a private investigator to investigate [REDACTED] and [REDACTED]. The idea had been mentioned in the PCC, but he did not think anything of it. (Exhibit 4)

## **Referrals**

On January 7, 2020, TIG presented this investigation for criminal prosecution to the USAO-WDKY. Assistant United States Attorney (AUSA) [REDACTED] declined prosecution of [REDACTED] and Subject 2 for violating 18 USC § 2261(A)(1) Stalking, in lieu of administrative remedies. (Exhibit 5)

On January 10, 2020, TIG presented this investigation for criminal prosecution to the USAO-WDKY. AUSA [REDACTED] declined prosecution of [REDACTED] for violating 18 USC § 1001 Providing False Statements to the Government, in lieu of administrative remedies. (Exhibit 6)

## **Judicial Action**

N/A

## **Findings**

The investigation determined [REDACTED] to be in violation of 18 USC § 2261(A)(1) - Stalking, by hiring a private investigator to follow [REDACTED] and [REDACTED] however, the U.S. Attorney's Office (USAO) for the Western District of Kentucky (WDKY) declined to prosecute in lieu of administrative remedies.

The investigation determined [REDACTED] to be in violation of 5 CFR § 2635.705 - Use of Official Time. [REDACTED] while on duty at the USM, participated in hiring a private investigator.

The investigation determined [REDACTED] to be in violation of 31 CFR § 0.218 - General Conduct Prejudicial to the Government. [REDACTED] and Subject 2, while on duty at the USM, discussed and solicited others to participate in hiring a private investigator. TIG also determined this conduct was an attempt to seek revenge against [REDACTED] and [REDACTED] for what [REDACTED] and Subject 2 believed were negative actions perpetrated against them.

The investigation determined [REDACTED] to be in violation of 18 USC § 1001 - Providing False Statements to the Government. During a TIG interview, [REDACTED] provided false statements about his knowledge and involvement to TIG investigators, however, the WDKY declined to prosecute in lieu of administrative actions.

The investigation determined [REDACTED] to be in violation of 31 CFR § 0.207 - Employee Rules of Conduct. During a TIG interview, [REDACTED] provided false statements to TIG investigators and did not fully cooperate with an official inquiry.

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.

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Report of Investigation

Case Name: [REDACTED]

Case # USM 20-0019-I

Page 5 of 6

- 18 USC § 2261(A)(1) - Stalking
- 5 CFR § 2635.705 - Use of Official Time
- 31 CFR § 0.218 - General Conduct prejudicial to the government
- 31 CFR § 0.207 - Employee Rules of Conduct – Cooperation with official inquiries
- 18 USC § 1001 - Providing False Statements to the Government

**Distribution**

Dennis O'Connor, Chief, United States Mint Police

**Signatures**

**Case Agent:**

[REDACTED] /s/

Date: 3/3/2020

**Supervisor:**

Anthony J. Scott /s/

Date: 3/3/2020

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # USM 20-0019-I

Page 6 of 6

**Exhibits:**

1. Complaint from the USM, dated December 18, 2019.
2. Memorandum of Interview with Sergeant [REDACTED] [REDACTED] USM, dated January 10, 2020.
3. Memorandum of Interview with Subject 2, USM, dated January 22, 2020.
4. Memorandum of Interview with Police Officer [REDACTED] [REDACTED] USM, dated January 23, 2020.
5. Memorandum of Activity, First Case declination, dated January 22, 2020.
6. Memorandum of Activity, Second Case declination, dated January 22, 2020.



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



## Report of Investigation

**Case Title:** [REDACTED]  
Senior Advisor  
U.S. Mint

**Case #:** USM-20-0025-I

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

**Investigation Initiated:** December 2, 2019

**Investigation Completed:** January 31, 2020

**Conducted by:** [REDACTED] oles  
Special Agent

**Origin:** Dennis O'Connor  
Chief of Police  
U.S. Mint

**Approved by:** Anthony J. Scott  
Special Agent in Charge

### Summary

On December 2, 2019, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG), received a complaint from Dennis O'Connor, Chief of Police, U.S. Mint (Mint). The complaint alleged [REDACTED] Senior Advisor, Mint, received transit subsidy benefits while on a full time telework schedule. The transit subsidy benefits consist of a monthly stipend of \$249.00 issued in the form of Virginia Railway Express (VRE) passes. This conduct, if substantiated, would violate administrative provisions 31 CFR 0.211, "Falsification of Official Records,"; 5 CFR 735.203, "Conduct Prejudicial to the Government", and would potentially violate 18 USC 641 "Theft of Government Money".

The investigation unsubstantiated that [REDACTED] intentionally falsely certified the accuracy of her telework agreement. [REDACTED] Telework Agreement signed, January 29, 2019, authorized her to telework 2 days a week. On May 10, 2019, [REDACTED] supervisor, [REDACTED], Associate Director (Retired), Mint, granted [REDACTED] a limited, interim work schedule adjustment to a full time telework schedule to facilitate her medical requirements while her Reasonable Accommodation request was being evaluated via email. On November, 22, 2019, [REDACTED] requested to cancel her transit subsidy and receive a Mint issued handicap parking placard as part of her Reasonable Accommodation request.

VRE was contacted about [REDACTED] transit subsidy use. VRE verified [REDACTED] transit subsidy account automatically debited \$249.00 each month whether [REDACTED] used VRE or not. In addition, any unused subsidy is automatically credited back to the government.

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## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # USM-20-0025-I

Page 2 of 4

Although [REDACTED] was on a temporary full time telework schedule as authorized by her supervisor's email, she was still a valid and legitimate participant in the transit subsidy program. Further investigation determined [REDACTED] did not use the benefits during the time she was on the temporary full time telework schedule.

### **Basis and Scope of the Investigation**

This case was initiated based upon a complaint received by Dennis O'Connor, Chief of Police, Mint. The complaint alleged [REDACTED] Senior Advisor, Mint, received transit subsidy benefits while on a full time telework schedule. The transit subsidy benefits consist of a monthly stipend of \$249.00 issued in the form of Virginia Railway Express (VRE) passes (Exhibit 1).

During the course of the investigation, interviews were conducted with:

- [REDACTED] Senior Advisor, Mint

### **Investigative Activity**

In an interview with TIG, [REDACTED] Senior Advisor, Mint, stated on May 13, 2019, her supervisor, [REDACTED], Associate Director (Retired), Mint, emailed her giving [REDACTED] permission to work a limited, interim work schedule adjustment to a full time telework schedule to facilitate her medical requirements while her Reasonable Accommodation request was being evaluated. [REDACTED] stated in October of 2019 she returned to her signed telework agreement of teleworking one to two days per pay period.

[REDACTED] stated while on the interim full time telework, she continued to receive Virginia Railway Express (VRE) passes as per her transit subsidy. [REDACTED] stated these passes were not used and since the passes expired months from the date they are issued, she held on to them until she returned to commuting into Washington, D.C. in October 2019.

[REDACTED] provided the unused VRE passes in addition to her VRE account which confirms any unused monetary portion of that VRE pass was refunded back to the government (Exhibit 2).

### **Referrals**

NA

### **Judicial Action**

N/A

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # USM-20-0025-I

Page 3 of 4

**Findings**

The investigation unsubstantiated that [REDACTED] received and used transit subsidy benefits while on an interim full time telework schedule. From May 2019 to October 2019, [REDACTED] VRE account was credited each month with transit benefits. Although [REDACTED] was on a interim full time telework schedule as authorized by her supervisor's email, she was still a valid and legitimate participant in the transit subsidy program. Further investigation determined [REDACTED] did not use the benefits during the time she was on the temporary full time telework schedule.

**Distribution**

Dennis O'Connor, Chief of Police, U.S. Mint

**Signatures**

**Case Agent:**

\_\_\_\_\_/s/\_\_\_\_\_  
[REDACTED]

1/29/2020

Date

**Supervisor:**

\_\_\_\_\_/s/\_\_\_\_\_  
Anthony J. Scott

1/29/2020

Date

Report of Investigation

Case Name: [REDACTED]

Case # USM-20-0025-I

Page 4 of 4

**Exhibits**

1. Initial complaint, dated September 30, 2019.
2. Memorandum of Activity, Interview of [REDACTED] dated December 2, 2019.



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



## Report of Investigation

**Case Title:** [REDACTED]  
Police Officer  
U.S. Mint (USM)  
TR 08

**Case #:** USM-20-0027-I

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

**Investigation Initiated:** December 20, 2019

**Conducted by:** [REDACTED]  
Special Agent

**Investigation Completed:** March 4, 2020

**Approved by:** Anthony J. Scott  
Special Agent in Charge

**Origin:** USM Police

### Summary

In December 2019, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TIG) initiated an investigation based on an allegation received from USM Police reporting that [REDACTED] participated with hiring a private investigator in order to determine if Inspector [REDACTED] USM, and Sergeant (SGT) [REDACTED] USM, were engaged in an inappropriate relationship.

The investigation determined the allegation is substantiated. Through subject and witness interviews it was revealed that [REDACTED] while on duty at the USM, participated in hiring a private investigator in order to determine if [REDACTED] and [REDACTED] were involved in an inappropriate relationship.

The investigation determined [REDACTED] to be in violation of 18 USC § 2261(A)(1) - Stalking, by hiring a private investigator to follow [REDACTED] and [REDACTED] however, the U.S. Attorney's Office (USAO) for the Western District of Kentucky (WDKY) declined to prosecute in lieu of administrative remedies.

The investigation determined [REDACTED] to be in violation of 5 CFR § 2635.705 - Use of Official Time. [REDACTED] while on duty at the USM, participated in hiring a private investigator.

The investigation determined [REDACTED] to be in violation of 31 CFR § 0.218 - General Conduct Prejudicial to the Government. [REDACTED] while on duty at the USM, discussed and solicited others to participate in hiring a private investigator.

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Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # USM 20-0027-I

Page 2 of 5

**Basis and Scope of the Investigation**

In December 2019, the USM Police contacted TIG and requested an investigation into USM Police Officer [REDACTED] for allegedly participating in hiring a private investigator to determine if [REDACTED] and [REDACTED] were involved in an inappropriate relationship. The purpose of the USM Police request is to determine if [REDACTED] violated any law, policy or procedure. (Exhibit 1)

During the course of this investigation, interviews were conducted with:

- [REDACTED] [REDACTED] Sergeant, USM
- [REDACTED] [REDACTED] Police Officer, USM
- Subject 2

**Investigative Activity**

In an interview with TIG, [REDACTED] stated that Subject 2 was upset about the results of the Lieutenant's exam and thought Inspector [REDACTED] had scored he/she low due to the fact there was an open Equal Employment Opportunity (EEO) complaint against her. Subject 2 also felt [REDACTED] should not have been on his promotional board for the same EEO complaint. Subject 2 spoke to [REDACTED] on the gun range about hiring an investigator or lawyer to investigate the promotional process. Subject 2 and [REDACTED] were seen whispering in the Police Command Center (PCC), and once Subject 2 left, [REDACTED] showed [REDACTED] a text message she was sending to the private investigator they had hired. The text message included personal information about [REDACTED] and [REDACTED] to include their work schedules, where they lived, and how far they lived apart. At this point, [REDACTED] knew Subject 2 and [REDACTED] were hiring a private investigator to look into [REDACTED] and [REDACTED]. On December 10, 2019, [REDACTED] received a text message from Subject 2 which said, "The investigator has been hired. If you want to help with this and make it a three way split, then you'll owe \$100." [REDACTED] understood this message to mean Subject 2 and [REDACTED] had already hired the private investigator and wanted to know if he wanted to participate in covering the expenses. [REDACTED] declined to participate and did not provide any money for the hiring of the private investigator. (Exhibit 2)

In an interview with TIG, [REDACTED] admitted she and Subject 2 hired a private investigator from Radcliff, KY named [REDACTED] to investigate [REDACTED] and [REDACTED] to determine if they were having an inappropriate relationship. [REDACTED] stated she and Subject 2 believed they were having a relationship for approximately 1.5 years and that it needed to be reported. The basis for their thoughts is that both [REDACTED] and [REDACTED] transferred to the Bullion Depository from the Denver Mint within two months of each other. They both purchased homes within seven miles of each other, but forty miles away from the Bullion Depository. They also seldom speak at work acting like they do not know each other. [REDACTED] advised TIG she did not see any type of behavior at work that made her think [REDACTED] and [REDACTED] were in a relationship. The goal of hiring the private investigator was to have enough evidence to send it to DC for review. [REDACTED] also believes [REDACTED] is targeting her at her job in a negative way, such as talking about her and brought up her

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## Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # USM 20-0027-I

Page 3 of 5

smoking problem on occasions. [REDACTED] stated she believed Subject 2 was upset because [REDACTED] was on his/her promotion board for Lieutenant and he/she scored poorly. At this same time, there was a promotional board for a Sergeant's position and [REDACTED] scored very high.

[Agent's Note: TIG determined through USM management that [REDACTED] did not serve on the [REDACTED] promotional board for the Sergeant.]

[REDACTED] admitted she approached Subject 2 with the idea to hire the private investigator to investigate [REDACTED] and [REDACTED] and Subject 2 agreed to do it. They attempted to recruit a third person to do it, however, that individual refused to cooperate or go along with it. [REDACTED] and Subject 2 evenly split the \$300 cost of hiring the private investigator. Subject 2 paid [REDACTED] \$150 cash on a night shift, during a post change, on the roof of the Bullion Depository. [REDACTED] also stated she paid the private investigator \$300 via PayPal. [REDACTED] reiterated to TIG that Subject 2 was involved in the hiring of the private investigator and he/she knew the \$150 he provided was to pay his part of the private investigator's fee. (Exhibit 3)

In an interview with TIG, Subject 2 denied participating in the hiring of a private investigator to follow and investigate [REDACTED] and [REDACTED] for having an inappropriate relationship and did not know why [REDACTED] had hired a private investigator. Subject 2 also advised that [REDACTED] made mention of hiring a private investigator, but could not advise if he/she had done so or not. Subject 2 denied knowing [REDACTED], the private investigator who [REDACTED] admitted to hiring for \$300. Subject 2 denied paying [REDACTED] \$150 for half of the private investigator's fee. Subject 2 denied communicating verbally or via text message with anyone in regards to hiring a private investigator to investigate [REDACTED] and [REDACTED]. Subject 2 stated that the idea had been mentioned in the PCC, but he did not think anything of it. (Exhibit 4)

### Referrals

On January 7, 2020, TIG presented this investigation for criminal prosecution to the USAO-WDKY. Assistant United States Attorney (AUSA) [REDACTED]loun declined prosecution of [REDACTED] for violating 18 USC § 2261(A)(1) - Stalking, in lieu of administrative remedies. (Exhibit 5)

### Judicial Action

N/A

### Findings

The investigation determined [REDACTED] to be in violation of 18 USC § 2261(A)(1) - Stalking, by hiring a private investigator to follow [REDACTED] and [REDACTED] however, the U.S. Attorney's Office (USAO) for the Western District of Kentucky (WDKY) declined to prosecute in lieu of administrative remedies.

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Report of Investigation

Case Name: [REDACTED]

Case # USM 20-0027-I

Page 4 of 5

The investigation determined [REDACTED] to be in violation of 5 CFR § 2635.705 - Use of Official Time. [REDACTED] while on duty at the USM, participated in hiring a private investigator

The investigation determined [REDACTED] to be in violation of 31 CFR § 0.218 - General Conduct Prejudicial to the Government. [REDACTED] while on duty at the USM, discussed and solicited others to participate in hiring a private investigator. TIG also determined this conduct was an attempt to seek revenge against [REDACTED] and [REDACTED] for what [REDACTED] and Subject 2 believed were negative actions perpetrated against them.

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.

- 18 USC § 2261(A)(1) - Stalking
- 5 CFR § 2635.705 - Use of Official Time
- 31 CFR § 0.218 - General Conduct Prejudicial to the Government

**Distribution**

Dennis O'Connor, Chief, United States Mint Police

**Signatures**

**Case Agent:**

[REDACTED] /s/

Date: 3/3/2020

**Supervisor:**

Anthony J. Scott /s/

Date: 3/3/2020

Report of Investigation

Case Name: [REDACTED] [REDACTED]

Case # USM 20-0027-I

Page 5 of 5

**Exhibits:**

1. Complaint from the USM, dated December 18, 2019.
2. Memorandum of Interview with Sergeant [REDACTED] [REDACTED] USM, dated January 10, 2020.
3. Memorandum of Interview with Police Officer [REDACTED] [REDACTED] USM, dated January 22, 2020.
4. Memorandum of Interview with Subject 2, USM, dated January 23, 2020.
5. Memorandum of Activity, Case declination, dated January 22, 2020.