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



Report of Investigation

Case Title: [REDACTED] Case #: BEP-14-0836-I
Investigation Initiated: May 19, 2014 Case Type: Criminal X
Investigation Completed: OCT 26 2015 Administrative
Civil
Origin: Bureau of Engraving and Printing Conducted by: [REDACTED] Special Agent
Approved by: Jerry S. Marshall
Special Agent in Charge

Summary

On March 24, 2014, the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), received information from the Bureau of Engraving and Printing (BEP) alleging that a package of 50 tubes, each containing one sheet of 8 uncut \$2 Notes sent by BEP, arrived at the final destination containing only 30 tubes. On March 11, 2014, the package was shipped as part of a larger shipment of six packages via the [REDACTED] from the BEP facility in Washington, D.C. to the facility in Fort Worth, TX. The packages contained various uncut sheets of U.S. currency and other memorabilia to be sold in the BEP gift shop in Fort Worth.

The investigation determined that the allegation was substantiated. During the course of the investigation TOIG was able to determine that the items were likely taken from the package while traveling from the BEP facility in Washington, D.C. to the facility in Fort Worth, TX. However, due to a lack of controls [REDACTED] was unable to identify a suspect, nor determine where and when the items were taken.

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Report of Investigation
Case Name: [REDACTED]
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Basis and Scope of the Investigation

This case was initiated on April 1, 2014, based upon information received from [REDACTED] Supervisory Criminal Investigator and Manager, Product and Investigations Branch, Security and Investigations Division, BEP, alleging that 20 tubes, each containing one sheet of 8 uncut \$2 Notes sent by BEP, were missing from a package shipped via [REDACTED] The package was initially shipped from the BEP facility in Washington to the facility in Fort Worth. The value of the uncut items totaled \$720, however if the items were cut and passed as legal tender, the total would be \$320. (Exhibit 1)

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

- [REDACTED] Manager, BEP
- [REDACTED] Materials Handler, BEP
- [REDACTED] Public Affairs Specialist, BEP
- [REDACTED] Security Representative, [REDACTED]
- [REDACTED] Security Representative, [REDACTED]
- [REDACTED] Driver, [REDACTED]
- [REDACTED] Loader, [REDACTED]
- [REDACTED] Sorter, [REDACTED]
- [REDACTED] Supervisory Security Representative, [REDACTED]

In addition, TOIG reviewed pertinent documents, including:

- [REDACTED] Tracking Information

Investigative Activity

In an interview with TOIG [REDACTED] that BEP Investigators were able to track the package with minimal interruption through the BEP facility in Washington using surveillance cameras. [REDACTED] informed TOIG that employees at the BEP facility in Fort Worth alleged that packages routinely arrived with missing items. [REDACTED] reported that no one had previously informed him of those issues. (Exhibit 2)

TOIG obtained nine CD-Roms featuring surveillance footage of the package at the BEP facility in Washington. TOIG also obtained [REDACTED] Tracking Information for the package's shipment from the BEP facility in Washington to the facility in Fort Worth. TOIG did not view any items being removed from the package while in the facility on the CD-Roms. (Exhibit 3)

In an interview with TOIG [REDACTED] Materials Handler, BEP and [REDACTED] were the only individuals who received packages at the facility in Fort Worth. [REDACTED] stated that [REDACTED] himself accepted the packages then placed them through an X-Ray machine monitored

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by BEP police. [REDACTED] informed TOIG that once a package was scanned, it was placed on a cart and brought to the receiving section. At that point, the intended recipient was contacted to pick up their package. [REDACTED] recalled the package delivered on March 7, 2014, at the Fort Worth facility. [REDACTED] stated that she noticed the tape had been broken and the package was opened when she placed it on the X-Ray machine. [REDACTED] stated that she informed [REDACTED] who was listed as the recipient of the package. [REDACTED] stated that prior to that incident, [REDACTED] had never received an opened package at the facility. (Exhibit 4)

In an interview with TOIG, [REDACTED] confirmed that he received the shipment in March 2014 and that one package was missing items. [REDACTED] reported that he was the point of contact at the Fort Worth facility for the packages. [REDACTED] informed TOIG that he received approximately fifteen shipments per year and had never received a package missing items. [REDACTED] added that each package stated on the label that it was going to the BEP. (Exhibit 5)

In an interview with TOIG, [REDACTED] supplied TOIG with a list of the [REDACTED] and drivers that handled the packages. [REDACTED] stated that [REDACTED] picked the package up from the BEP facility in Washington and delivered it to the [REDACTED] facility. The shipment was then unloaded and loaded onto another truck at the [REDACTED] facility. The loaded truck then traveled from the [REDACTED] facility to the [REDACTED] facility. According to [REDACTED] records, the stop at the [REDACTED] facility was a bypass load that picked up additional packages, but was never unloaded. The truck then transferred the packages from [REDACTED] to the facility in [REDACTED]. At the [REDACTED] facility, the shipment was sorted and loaded. The shipment then [REDACTED] and traveled to the [REDACTED] facility in [REDACTED]. [REDACTED] loaded and loaded the shipment for delivery to the [REDACTED] facility. The package was delivered to the BEP facility in Fort Worth by former [REDACTED] employee First Name Unknown (FNU). [REDACTED] could not supply TOIG with a first name because it was not retained in the [REDACTED] records. (Exhibit 6)

In an interview with TOIG, [REDACTED] TOIG that he was assigned to the BEP facility in Washington for approximately three to four years. [REDACTED] was unaware of any issues regarding packages shipped to or from the BEP facility. [REDACTED] stated that the packages picked up from the BEP facility are secured using a lot of tape and do not come undone easily. [REDACTED] told TOIG that he had not heard any rumors regarding individuals stealing items from packages at the [REDACTED] facility. (Exhibit 7)

In an interview with TOIG, [REDACTED] reported that his duties included removing packages from the trucks and placing them on belts to be sorted. [REDACTED] loaded the sorted packages on to the trucks for the next locations. [REDACTED] informed TOIG that if a package was opened or damaged, he removed the package and put it on the counter for someone else to receive. [REDACTED] told TOIG that if an item was found in the truck that had fallen out of a package, [REDACTED] would place the item in front of the truck or on a crate. [REDACTED] was not familiar with the BEP or its mission. [REDACTED] told TOIG that he had not heard any rumors of items being taken from packages by [REDACTED] employees.

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[REDACTED] believed if items were taken from a package it would occur in the sorting department. (Exhibit 8)

In an interview with TOIG, [REDACTED] advised that he was unaware of the BEP's mission. [REDACTED] worked on the yellow belt since he began working at the [REDACTED] facility. [REDACTED] told TOIG that [REDACTED] had only seen one security camera throughout the [REDACTED] facility. According to [REDACTED], if a package was broken and an item fell out, [REDACTED] placed the item back in the package and re-taped it. [REDACTED] previously witnessed and heard about [REDACTED] employees taking cellphones and tablets from packages at various stages in the shipping process. [REDACTED] stated that the employee removing the cellphones and tablets was caught and fired by [REDACTED] security. [REDACTED] added that he knew [REDACTED] managers had also been known to remove items from packages. [REDACTED] said that there was a high employee turnover rate at the [REDACTED] facility in [REDACTED]. (Exhibit 9)

TOIG received information from [REDACTED] regarding the former [REDACTED] employee with the last name [REDACTED] that delivered the package to the BEP facility. [REDACTED] stated that [REDACTED] had no records of a [REDACTED] employee with the last name of [REDACTED] being terminated for any reason from the Fort Worth facility in the past year. [REDACTED] did not have any additional information regarding the previous employee. (Exhibit 10)

Referrals

N/A

Judicial Action

N/A

Findings

On March 24, 2014, TOIG received information from the BEP alleging that a package of 50 tubes, each containing one sheet of 8 uncut \$2 Notes, arrived at the final destination containing only 30 tubes. On March 11, 2014, the package was shipped as part of a larger shipment via [REDACTED] BEP facility in Washington, D.C. to the facility in Fort Worth, TX. The packages contained various uncut sheets of U.S. currency and other memorabilia to be sold in the BEP gift shop in Fort Worth.

The investigation determined that the allegation was substantiated. During the course of the investigation TOIG was able to determine that the items were likely taken from the package while en route to the Fort Worth facility. However, due to poor controls [REDACTED] TOIG was

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Report of Investigation

Case Name: [REDACTED]

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unable to identify a suspect nor determine with any certainty when and where the items were taken.

Distribution

[REDACTED], Supervisory Criminal Investigator and Manager, Product and Investigations Branch, Security and Investigations Division, BEP

Signatures

Case Agent:

[REDACTED]

10/16/15
Date

Supervisor:

[REDACTED]
Jerry S. Marshall

19 OCT 2015
Date

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Report of Investigation

Case Name: [REDACTED]

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Exhibits

1. Original Allegation, dated March 24, 2014.
2. Memorandum of Activity, Interview of [REDACTED] dated April 28, 2014.
3. Memorandum of Activity, Records Received, dated May 9, 2014.
4. Memorandum of Activity, Interview of [REDACTED] dated June 11, 2014.
5. Memorandum of Activity, Interview of [REDACTED] dated June 26, 2014.
6. Memorandum of Activity, Interview of [REDACTED] dated July 3, 2014.
7. Memorandum of Activity, Interview of [REDACTED] dated November 5, 2014.
8. Memorandum of Activity, Interview of [REDACTED] dated January 7, 2015.
9. Memorandum of Activity, Interview of [REDACTED] dated July 27, 2015.
10. Memorandum of Activity, Information Received from [REDACTED] dated August 31, 2015.

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OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

SEP 09 2015

MEMORANDUM FOR RICHARD A. CESTERO

**SUPERVISORY CRIMINAL INVESTIGATOR AND MANAGER,
PRODUCT AND INVESTIGATIONS BRANCH,
SECURITY AND INVESTIGATIONS DIVISION,
BUREAU OF ENGRAVING AND PRINTING**

FROM: Jerry S. Marshall [REDACTED]
Special Agent in Charge

SUBJECT: [REDACTED]

OIG File Number: BEP-14-1854-I

TOIG initiated an investigation after receiving a complaint from the Bureau of Engraving and Printing (BEP), Mutilated Currency Division (MCD), on June 12, 2014, alleging that [REDACTED] purchased bags of shredded currency from a BEP store and then submitted those same bags to the MCD with redemption claims. The investigation determined that the allegation was substantiated.

On December 18, 2013, a subject using the name [REDACTED] and address [REDACTED], placed an order for two, five pound bags of shredded U.S. Currency from The BEP Store online. A second, identical order was placed on December 27, 2013. On February 6, 2014, the BEP received a MCD claim for four bags of shredded currency from [REDACTED], [REDACTED]. On September 10, 2014, BEP received an email, entitled "Favor for a Favor.txt", from an individual who identified himself as [REDACTED], claiming a friend had purchased four bags of shredded currency for him. [REDACTED] claimed a mitigated currency value of approximately \$52,800.

On May 7, 2014, the BEP declined [REDACTED] submission pursuant to 31 CFR 100, which grants final authority to the Director of the BEP as it pertains to mutilated currency submissions and decisions.

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Office of Inspector General – Investigations
Department of the Treasury

██████ submitted additional shredded currency claims of \$250,000 in September 2014 and \$704,666 in December 2014 to the BEP, but the shredded currency differed from the previous submission. BEP speculated that the shredded currency was obtained from the Federal Reserve. Both claims were denied. On January 12, 2015, ██████ filed an Administrative Tort Claim alleging \$2,881,422 in damages. However, the Tort was filed incorrectly with the Department of Justice instead of the Department of Treasury; therefore, no action was taken.

On April 16, 2015, TOIG and FBI attempted to interview ██████ at his residence in ██████, but he declined. TOIG issued a cease and desist warning to ██████ and advised him that his conduct was a violation of both criminal and civil law. TOIG and FBI also presented ██████' attempts to the U.S. Attorney's Office (USAO) in Oxford, MS and the USAO agreed that civil or criminal charges for false statements or false claims would be initiated for any future fraudulent transactions submitted by ██████. The USAO advised that current evidence and prosecutorial merit is not sufficient to pursue criminal prosecution or civil penalties at this time. As a result, we are closing this matter.

If you have questions or new 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-██████.

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Office of Inspector General – Investigations
Department of the Treasury

REPORT OF INVESTIGATION
BFS-14-2108-I



Office of Inspector General

United States Department of the Treasury



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



Report of Investigation

Case Title: [REDACTED]

Case #: BSF-14-2108-I

Investigation Initiated: March 20, 2015

Case Type: Criminal ☒
Administrative ☐
Civil ☐

Investigation Completed: AUG 10 2015

Origin: David [REDACTED] Chief Security
Officer
Bureau of the Fiscal Service

Conducted by: [REDACTED],
Special Agent

Approved by: Jerry S. Marshall,
Special Agent in Charge

Summary

On July 8, 2014, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) received notification from [REDACTED], Technical Analyst, Treasury Securities Services, Bureau of the Fiscal Service (BFS), regarding the attempted redemption of Treasury bonds that were purportedly stolen. The Compliance and Risk Management Staff (CRMS) previously submitted information concerning 67 Treasury bonds belonging to [REDACTED] (deceased) that were purportedly stolen from her house in November 2009. BFS received the complaint from [REDACTED] daughter of [REDACTED]. On June 18, 2014, [REDACTED] Fresno, CA, submitted 8 of the purportedly stolen bonds for redemption. [REDACTED] request was denied because the bonds were paid in full on a claim previously filed by [REDACTED].

The investigation determined that the allegation was substantiated. [REDACTED] submitted the bonds with a completed and signed form and the death certificates of [REDACTED] and her husband, [REDACTED]. [REDACTED] request was denied because the bonds were paid in full on a claim previously filed by [REDACTED].

On April 1, 2015, after investigating the matter, TOIG presented the case for criminal [REDACTED] to the United States Attorney's Office (USAO) for the Eastern District of California (EDCA), Fresno, CA. USAO declined to [REDACTED] citing a lack of any loss to a victim, including the government. The investigation was later discussed with Fresno Police Department (Fresno PD), Fresno, CA, but Fresno PD displayed a lack of interest in opening a joint investigation with TOIG.

Basis and Scope of the Investigation

On July 8, 2014, TOIG received notification from [REDACTED], Technical Analyst, Treasury Securities Services, Bureau of the Fiscal Service (BFS), regarding the attempted redemption of Treasury bonds that were purportedly stolen. The Compliance and Risk Management Staff (CRMS) previously submitted information concerning 67 Treasury bonds belonging to [REDACTED] (deceased) that were purportedly stolen from her house in November 2009. BFS received the complaint from [REDACTED] daughter of [REDACTED] (Exhibit 1)

On June 18, 2014, [REDACTED] of Fresno, CA, submitted 8 of the purportedly stolen bonds for redemption. [REDACTED] submitted the bonds with a completed and signed PD F 1522 "Special Form of Request for Payment of United States Savings and Retirement Securities Where use of a Detached Request is Authorized" along with the death certificates of [REDACTED] and her husband, [REDACTED]. The request was denied because the bonds were paid in full on a claim previously filed by [REDACTED]

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

- [REDACTED] daughter of [REDACTED]
- [REDACTED] possible associate of [REDACTED]

In addition, TOIG reviewed pertinent documents, including:

- Fresno PD Criminal History Report on [REDACTED] and [REDACTED]
- Fresno PD Investigative Reports – Case #09-093501, 09-097689, 09-093398, and 10-001003

Investigative Activity

In response to TOIG's request, Fresno PD provided information on [REDACTED] and [REDACTED]. According to the information, [REDACTED] was one of several victims of [REDACTED] who was arrested and convicted in California of identity theft and burglary prior to TOIG contacting Fresno PD. No direct link between [REDACTED] and [REDACTED] was found. (Exhibit 2)

In an interview with TOIG, [REDACTED] daughter of [REDACTED] said her mother died on April 3 or 4, 2013 at the age of 96. In November 2008 or 2009, there was a fire at [REDACTED] residence. Shortly before the fire, [REDACTED] residence was burglarized. [REDACTED] assets and personal documents, including Treasury bonds, tax forms and bank statements, were stolen. [REDACTED] residence was vacant at the time of the theft and fire because [REDACTED] was living with [REDACTED]. The theft was promptly reported to Fresno PD and the Treasury Department. The Treasury Department immediately issued Treasury bonds to [REDACTED] to replace the stolen bonds. Sometime

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Case Name: [REDACTED]

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after the theft and fire at [REDACTED] residence, [REDACTED] and [REDACTED] began to see indications that someone was using [REDACTED] identity to conduct fraudulent financial activities. (Exhibit 3)

In response to TOIG's requests, Fresno PD conducted research and reported that [REDACTED] was associated with the burglary at [REDACTED] residence. In September 2010, [REDACTED] was arrested and charged with identity theft and related violations. Fresno PD had in its custody a surveillance video that showed [REDACTED] and an unidentified male negotiating checks using stolen identities. Fresno PD speculated the unidentified male could have been [REDACTED]. The video was destroyed due to adjudication. (Exhibit 4)

In a telephonic interview with TOIG, [REDACTED] stated she had been released from prison. [REDACTED] refused to answer TOIG's questions and did not respond to subsequent attempts by TOIG to obtain information. (Exhibit 5)

Referrals

On April 1, 2015, TOIG presented the case for criminal [REDACTED] to the United States Attorney's Office (USAO) for the Eastern District of California (EDCA), in Fresno, CA. The USAO declined [REDACTED] citing a lack of any loss to a victim. (Exhibit 6)

Judicial Action

N/A

Findings

The investigation determined that the allegation was substantiated. [REDACTED] attempted to redeem Treasury bonds that were reported stolen to the government. [REDACTED] submitted supporting documentation that contained false information and indicated that he was the owner of the bonds. The transaction was declined because the bonds were already paid in full on a claim that was previously filed by the bonds' legitimate owner, [REDACTED]

Based on the findings of the investigation, it appears the following pertinent regulation was violated and can be applied to the case:

- 18 USC § 1001 False Statements
- 18 USC § 1343 Fraud by Wire
- 18 USC § 641 Public Money, Property or Records

Distribution

[REDACTED] Chief Security Officer, Bureau of the Fiscal Service

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Report of Investigation

Case Name: [REDACTED]

Case # BFS-14-2108-I

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Signatures

Case Agent:

[REDACTED]
[REDACTED]

7/16/2015
Date

Supervisor:

Jerry S. [REDACTED] [REDACTED]
[REDACTED]

17 JULY 2015
Date

Report of Investigation

Case Name: [REDACTED] [REDACTED]

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Exhibits

1. Lead Initiation, dated July 8, 2014.
2. Memorandum of Activity, LEO Activity - Record/Information Review, dated November 5, 2014.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated March 25, 2015.
4. Memorandum of Activity, LEO Activity - Record/Information Review, dated March 26, 2015.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated June 16, 2015.
6. Memorandum of Activity, Case Presented for [REDACTED] dated April 3, 2015.

**REPORT OF INVESTIGATION
BEP-15-0266-I**



Office of Inspector General

United States Department of the Treasury



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



Report of Investigation

Case Title: [REDACTED] Civilian

Case #: BEP-15-0266-I

Investigation Initiated: May 1, 2015

Case Type: Criminal

Investigation Completed: OCT 07 2015

Conducted by: [REDACTED]
Special Agent

Origin: Bureau of Engraving and Printing

Approved by: Jerry S. Marshall
Special Agent in Charge

Summary

On March 17, 2015, the U.S. Department of the Treasury (Treasury), Office of Inspector General, Office of Investigations (TOIG), initiated an investigation based on information received from [REDACTED], Manager, Product Investigative Branch (PIB), Office of Security (OS), Bureau of Engraving and Printing (BEP), alleging that [REDACTED] Civilian, intended to defraud the government. Specifically, [REDACTED] claimed that [REDACTED] attempted to defraud the government by inappropriately signing her [REDACTED]'s ([REDACTED]) signature on documents requesting that the BEP reissue a \$20,200 treasury check for mutilated currency. (Exhibit 1)

The investigation determined that the allegation is unsubstantiated. TOIG interviewed [REDACTED] reviewed complaint documents, requested video footage, and consulted with a Bank of America (BOA) Fraud Investigators, and through its efforts did not discover any evidence that [REDACTED] intended to defraud the government.

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Case Name: [REDACTED]

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Basis and Scope of the Investigation

On March 1, 2015, TOIG initiated an investigation based on information received from [REDACTED] inappropriately signing her [REDACTED]'s signature on documents requesting that the BEP reissue a \$20,200 treasury check for mutilated currency. (Exhibit 1)

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

- [REDACTED] Citizen
- [REDACTED], Fraud Investigator, BOA

In addition, TOIG reviewed pertinent documents, including:

- [REDACTED] Death Certificate

Investigative Activity

In an interview with TOIG, [REDACTED], Fraud Investigator, BOA, advised that [REDACTED] cashed the \$20,200 Treasury check at the BOA, Concord, CA, Banking Center on December 24, 2012. [REDACTED] said [REDACTED] was permitted to cash the check based on a valid BOA bank account and a California driver's license. A National Crime Information Center (NCIC) check confirmed that the California driver's license provided to BOA to cash the check belonged to [REDACTED] (Exhibit 2)

In an interview with TOIG, [REDACTED] stated that after her [REDACTED]'s [REDACTED] death on April 15, 2015, she began to inventory assets at [REDACTED] home. [REDACTED] said that during the inventory she noticed a \$20,200 Treasury check addressed to [REDACTED] in the top dresser drawer in [REDACTED] bedroom. [REDACTED] said that the Treasury check did not appear to be cashed so she took the check to a Wells Fargo branch bank for processing. According to [REDACTED] the Wells Fargo employee told her that the Treasury check had expired and she ([REDACTED]) needed to notify the BEP and request the check be reissued.

[REDACTED] said that she contacted the BEP for further guidance and was advised to forward documents proving her relationship to [REDACTED] and the Treasury check. [REDACTED] said she forwarded the required information and was informed by the BEP that the Treasury check she forwarded was a copy.

[REDACTED] explained that during the process of forwarding documents to the BEP, she signed [REDACTED] name on several of the documents only as an attempt to follow the directions given by the BEP. [REDACTED] said that she was not trying to represent herself as [REDACTED] to obtain an additional \$20,200; she was only attempting to obtain the funds which she believed she was

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entitled. [REDACTED] also said she had no intent to defraud the government. [REDACTED] further advised that [REDACTED] did not believe in depositing her money in banks and said [REDACTED] kept large sums of currency at her residence, which she sometimes buried in different places in her yard. (Exhibit 3)

Referrals

On July 23, 2015, the TOIG contacted the United States Attorney's Office (USAO), Central District of California, and presented the case to [REDACTED], Assistant United States Attorney (AUSA), Criminal Division. [REDACTED] declined prosecution of the case due to lack of criminal intent to defraud the government by [REDACTED] (Exhibit 4)

Judicial Action

N/A

Findings

The investigation determined that the allegation is unsubstantiated. TOIG interviewed [REDACTED] reviewed complaint documents, requested video footage, and consulted with a BOA Fraud Investigators, and through its efforts did not discover any evidence that [REDACTED] intended to defraud the government. (Exhibit 2)

N/A

Distribution

[REDACTED], Manager, PIB, OS, BEP

Signatures

Case Agent:

[REDACTED]

9/18/2015
Date

Supervisor:

[REDACTED]
Jerry S. Marshall

23 SEP 2015
Date

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Exhibits

1. Complaint initiation from the BEP, dated November 3, 2014.
2. Memorandum of Activity, regarding [REDACTED] advisement, dated July 9, 2015.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 21, 2015.
4. Memorandum of Activity, regarding Criminal Declination, dated July 23, 2015.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 24, 2015

AUG 04 2015

MEMORANDUM FOR DAVID AMBROSE, CHIEF SECURITY OFFICER
BUREAU OF THE FISCAL SERVICE

FROM: Jerry S. Marshall
Special Agent in Charge

SUBJECT: Senior Mismanagement

OIG Case Number: BFS-15-1144-I

An investigation was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of the Investigations (TOIG) after receiving a referral from an anonymous source regarding potential mismanagement within the senior leadership at the Bureau of the Fiscal Service (BFS).

It was alleged that BFS senior leadership had failed to report that over 2,000 pieces of government furnished equipment, some containing personal identifiable information (PII), was misplaced and not reported to TOIG. Additionally, that BFS senior management had made a decision to pay over \$50 million dollars in rent for a building in San Francisco, CA, that had been vacant for four years.

The investigation determined that the allegations were unsubstantiated.

In September 2011, the Financial Management Service (FMS) senior leadership initiated a memorandum to streamline the payment management Assistant Commissioner Organization. In December 2011, the Office of Management and Budget (OMB) approved an organizational restructure by merging both the FMS and Bureau of Public Debt (BPD) into the BFS. In October 2012, the BFS merger was completed but had no impact with the original FMS reorganization previously proposed in September 2011. Starting, October 2012, BFS management was placed in charge of all FMS assets.

Reference TOIG Case# OIG-15-1836-R, dated June 15, 2015. In this allegation, BFS senior management self-initiated a report to TOIG that on their 2014 Board of

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Survey Summary (BOSS), dated March 13, 2015, there were 466 pieces of unsighted property with 95% of items reviewed misplaced by BFS. Of the 466, 383 items included the potential of containing PII. This case was not accepted for investigation by the TOIG Office of Investigations, but was referred to and accepted by the TOIG Audit Division for a 2016 review. This information of missing government equipment is synonymous with the alleged missing 2,000 pieces of equipment.

The investigation found that pursuant to the allegation of payment of \$50 million dollars in rent for a vacated building in San Francisco, CA; in September 2011, the FMS senior leadership initiated a memorandum to streamline the payment management Assistant Commissioner Organization. The request included closing the San Francisco Regional Finance Center (SFC) by September 2013, abolishing the Check Resolution Division (CRD) in Hyattsville, MD, by September 2013, and abolishing the Accounting and Reporting Division (ARD) in Hyattsville, MD, by 2014.

In June 2012, FMS senior management approved an Action Memorandum to close the SFC and abolish the CRD and ARD. The purpose of the reorganization was to achieve greater Treasury payment and post payment operating efficiencies. The streamlining of the organization and consolidating functions were approved for cost savings and to improve overall service. The memorandum speculated an approximate cost savings of \$14 million dollars per year starting in Fiscal Year (FY) 2014.

In an interview with TOIG, [REDACTED], Realty Specialist, General Service Administration (GSA) who had overseen the SFC facility contracts since 2011, explained that the contract on the SFC became non-cancellable and extended for 12 years due to Tenant Improvements (TI's) costs being amortized into the monthly rent. On November 15, 2004, the non-cancellable contract was accepted for beneficial occupancy and also the lease commencement date. [REDACTED] indicated that the FMS concluded their occupancy in December 2013 due to the streamline reorganization. GSA was able to exercise the government's right to reduce the SFC facility rent in accordance with the "Adjustment for Vacant Premise" clause; this reduced the monthly rent by \$17,277. Numerous efforts to orchestrate a discounted buyout and sub-lease the facility have gone without success with the lessor. [REDACTED] speculated that he believed GSA has come to a financial agreement to conclude a 5% discounted buy-out of the non-cancellable lease by August 15, 2015, due to the lessor wanting to sell the facility.

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Department of the Treasury

In June 2015, BFS produced an audit stipulating that fiscal cost savings to the agency for closing the SFC.

- FY 2014 - \$10,159,000
- FY2015 - \$6,712,501
- FY 2016 \$3,633,192
- FY 2017 to FY 2022 - \$102,523,465

TOIG has not discovered any evidence that BFS senior management failed to report the alleged 2,000 pieces of missing government equipment. From January 2014 to present, FMS, now BFS, has paid out approximately \$4,946,023 in rent for a vacant SFC facility, but has saved approximately \$20,504,693 in reduced rent, facility utilities and parking, and employee salaries. As a result, TOIG conducted an investigative assessment and determined this matter lacks further investigative merit, and we are closing this matter accordingly.

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

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Office of Inspector General – Investigations
Department of the Treasury

REPORT OF INVESTIGATION
DO-13-0546-I



Office of Inspector General

United States Department of the Treasury



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



Report of Investigation

Case Title: Development Bank of [REDACTED]
[REDACTED] – Whistleblower (ARRA)

Case #: DO-13-0546-I

Investigation Initiated: January 22, 2013

Case Type: Criminal _____
Administrative _____
Civil X

Investigation Completed: AUG 21 2015

Conducted by: [REDACTED]
Special Agent

Origin: [REDACTED]
Former Director, [REDACTED]
Economic Stimulus & Recovery Office

Approved by: Jerry S. Marshall
Special Agent in Charge

Summary

TOIG received a complaint from [REDACTED] former director, [REDACTED] Economic Stimulus & Recovery Office ([REDACTED]) that [REDACTED] was removed in reprisal for disclosing fraudulent activities connected with grants awarded under Section 1602 of the American Recovery and Reinvestment Act of 2009. Section 1553 of the American Recovery and Reinvestment Act of 2009 provides for protection of whistleblowers employed by state and local governments and contractors receiving or using Recovery Act funds.

The investigation determined that the allegation was unsubstantiated. The investigation revealed the [REDACTED] Government operated within local laws and guidelines in transferring [REDACTED] to the [REDACTED] Department of Commerce after [REDACTED] was disbanded.

Report of Investigation

Case Name: Development Bank of [REDACTED]
[REDACTED] – Whistleblower (ARRA)

Case # DO-13-0546-I

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Basis and Scope of the Investigation

TOIG received a complaint from [REDACTED] former director, [REDACTED] Economic Stimulus & Recovery Office ([REDACTED]) that [REDACTED] was removed from his position as a reprisal for disclosing fraudulent activities connected with grants awarded under Section 1602 of the American Recovery and Reinvestment Act of 2009. (Attachment 1)

[REDACTED] provided that [REDACTED] Governor of [REDACTED] in the first executive order of his administration, removed [REDACTED] as the director of [REDACTED] [REDACTED] was allegedly removed in retaliation for a report [REDACTED] had released on the Section 1602 program during [REDACTED] gubernatorial election in 2012. Governor [REDACTED] had been the president of the Development Bank of [REDACTED] ([REDACTED]) prior to becoming Governor. The Section 1602 program was administered by [REDACTED] in [REDACTED]

Section 1553 of the American Recovery and Reinvestment Act of 2009 provides for protection of whistleblowers employed by state and local governments and contractors receiving or using Recovery Act funds.

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

- [REDACTED] former Director, [REDACTED]
- [REDACTED] Governor of [REDACTED] Former President of [REDACTED]
- [REDACTED] Director of Human Resources for the [REDACTED] Government
- [REDACTED] Senator

In addition, TOIG reviewed pertinent documents, including:

- Letter from [REDACTED] to [REDACTED] dated April 10, 2013
- Letter from [REDACTED] to [REDACTED], dated March 26, 2013
- Correspondence between [REDACTED] and [REDACTED] dated June 6, 2013

Investigative Activity

In interviews with TOIG, [REDACTED] stated that [REDACTED] was disbanded because of the "Interim Report". The Interim Report was produced by [REDACTED] and cited numerous issues with Section 1602 grants made by [REDACTED] [REDACTED] alleged the [REDACTED] Senate failed to pass a budget for [REDACTED] in retaliation for the Interim Report. The 1602 project of [REDACTED] [REDACTED] Senate President, was one of the projects listed in the Interim Report. [REDACTED] believed [REDACTED] was very powerful and could have convinced other Senators on how to vote. [REDACTED] stated that Senator [REDACTED] would not have gone along with [REDACTED] Former [REDACTED] Governor [REDACTED] [REDACTED] used discretionary funds to support [REDACTED] until

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Report of Investigation

Case Name: Development Bank of [REDACTED]
[REDACTED] - Whistleblower (ARRA)

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his term was over in December 2012. After [REDACTED] was elected governor, [REDACTED] heard that the [REDACTED] administration was going to fire him. [REDACTED] first executive order as governor was to eliminate [REDACTED] by transferring [REDACTED] duties to the [REDACTED] Treasury Department, and [REDACTED] duties to the [REDACTED] Treasurer. The executive order effectively fired [REDACTED] and transferred [REDACTED] employees to the [REDACTED] Treasury Department. All of the employees at [REDACTED] except [REDACTED] were contract employees. [REDACTED] was a career service employee with the Department of Commerce prior to being appointed as the director of [REDACTED]. In January 2013, [REDACTED] was removed from [REDACTED] and sent home while his employment status was being reviewed by the [REDACTED] Government. In mid-June 2013, [REDACTED] finally received a letter instructing him to come back to work at the Department of Commerce. [REDACTED] received the job at the Department of Commerce because he was a career service employee. [REDACTED] received back pay for the time he was off. [REDACTED] new position only paid \$45,000, a substantial decrease from [REDACTED] annual salary as the director of [REDACTED] which was \$59,000. [REDACTED] wanted his salary to be reinstated to \$59,000 and to receive back pay for the two years that his salary was reduced. [REDACTED] didn't believe he should have been demoted. According to [REDACTED] the length of time it took to investigate [REDACTED] employment status was the result of malice. (Attachments 2 and 3)

In an interview with TOIG, [REDACTED] said [REDACTED] was shut down because they had no budget or funds. The [REDACTED] the legislative branch of government for [REDACTED] did not pass a 2013 budget for [REDACTED]. According to [REDACTED] if an agency does not have a budget approved by October 1, then they should be shutdown. To [REDACTED] knowledge no other agency operated without a budget in 2013. [REDACTED] was not sure why Governor [REDACTED] did not shut down [REDACTED]. [REDACTED] did not talk to anyone in the [REDACTED] about not passing [REDACTED] budget. [REDACTED] did not try to make [REDACTED] the scapegoat for the 1602 program. [REDACTED] told his Chief of Staff that the displaced workers should receive assistance in finding jobs once [REDACTED] was disbanded. [REDACTED] recommended that [REDACTED] return to the Department of Commerce. (Attachment 4)

In an interview with TOIG, [REDACTED] said he looked into several issues with the 1602 program as part of the Senate investigative committee. [REDACTED] did not try to influence or persuade other Senators on approving [REDACTED] budget. To [REDACTED] knowledge, the 1602 report was not the reason [REDACTED] budget failed to pass. (Attachment 5)

In an interview with TOIG, [REDACTED] Director of Human Resources for the [REDACTED] Government ([REDACTED]), said [REDACTED] was dismantled in January 2013 because they no longer had any functions or funds. [REDACTED] notified each [REDACTED] employee with a letter from Human Resources. In accordance with [REDACTED] Code Annotated Title VII and Title IV, the Human Resources Department must exhaust all efforts in finding a position for an ASG employee whose position was eliminated. It took approximately one to two months to find positions for displaced [REDACTED] employees, except for [REDACTED] [REDACTED] was a career service

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Report of Investigation

Case Name: Development Bank of [REDACTED]
[REDACTED] – Whistleblower (ARRA)

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employee in the ASG Department of Commerce before Governor [REDACTED] appointed him as a contractor and the head of [REDACTED]. It took six months to reinstate [REDACTED] because [REDACTED] questioned his reduction in pay. [REDACTED] was entitled to his previous pay level as a career service employee, but not the greater amount of pay he received as a contractor. It would have been outside of the law and guidelines to let [REDACTED] continue at the higher salary. [REDACTED] time as the head of [REDACTED] did not count towards his computation of years of service as a career service employee. [REDACTED] had no knowledge of anyone in Governor [REDACTED] administration dismantling [REDACTED] to force [REDACTED] out of government. No one in Governor [REDACTED] administration instructed [REDACTED] to find [REDACTED] a position at the Department of Commerce. The existing law triggered [REDACTED] getting a position at the Department of Commerce. (Attachment 6)

Referrals

N/A

Judicial Action

N/A

Findings

The investigation determined that the allegation was unsubstantiated. The investigation revealed the [REDACTED] Government operated within local laws and guidelines in removing [REDACTED] as [REDACTED] director and setting his level of pay.

Distribution

Mike Lewis, Senior Advisor, Departmental Offices

Report of Investigation

Case Name: Development Bank of [REDACTED]
[REDACTED] - Whistleblower (ARRA)

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Signatures

Case Agent: [REDACTED]

E. [REDACTED]

8/5/15

Date

6 AUG 2015

Date

Marshall

Report of Investigation

Case Name: Development Bank of [REDACTED]
[REDACTED] – Whistleblower (ARRA)

Case # DO-13-0546-I

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Exhibits

1. Lead Initiation, dated January 15, 2013.
2. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated March 3, 2015.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated March 5, 2015.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated February 25, 2015.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated March 5, 2015.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated March 4, 2015.

REPORT OF INVESTIGATION
DO-14-2151-I



Office of Inspector General

United States Department of the Treasury



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



Report of Investigation

Case Title: [REDACTED]
(Former Employee)
Office of Debt Management
Departmental Offices
GS-15

Origin: Departmental Offices

Case #: DO-14-2151-I

Case Type: Criminal X
Administrative X
Civil

Investigation Initiated: October 1, 2014

Investigation Completed: DEC 28 2015

Conducted by: [REDACTED]
Special Agent

Approved by: Jerry S. Marshall
Special Agent in Charge

Summary

On October 1, 2014, the U.S. Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (TOIG), initiated an investigation based on information received from the Treasury Departmental Offices (DO) reporting that [REDACTED] Interest Rate Risk Manager, Office of Debt Management (ODM), Treasury, co-authored an academic research paper without authorization and disclosed non-public Treasury auction data to his co-author, [REDACTED] Professor, University at Buffalo (SUNY).

The investigation determined that the allegation was substantiated. [REDACTED] co-authored an academic research paper without authorization and [REDACTED] provided non-public Treasury auction data to [REDACTED] both in violation of ODM procedures. [REDACTED] and [REDACTED] developed a "research" scheme in order for [REDACTED] to not possess or view Treasury auction data which indicated [REDACTED] was aware the data was not to be transmitted outside of Treasury. [REDACTED] later provided Treasury auction data directly to [REDACTED]. The investigation further discovered that [REDACTED] drafted and transmitted a letter, on Treasury letterhead, as part of an application to work on a National Science Foundation grant. [REDACTED] did not receive authorization to work on the grant or use Treasury letterhead as part of the application.

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Basis and Scope of the Investigation

On July 24, 2014, the U.S. Department of the Treasury (Treasury), Office of Inspector General (OIG), Office of Investigations (TOIG), received information from the Treasury Departmental Offices (DO) that [REDACTED] [REDACTED] co-authored an academic research paper without authorization and disclosed non-public, Treasury data to his co-author, [REDACTED] [REDACTED] (Exhibit 1)

TOIG received a copy of [REDACTED] research paper from the Treasury Office of Debt Management (ODM) and a memorandum prepared by ODM detailing the non-public Treasury data contained in [REDACTED] paper. (Exhibit 2)

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

- Fred [REDACTED] Director, ODM, DO.
- Allen [REDACTED] Supervisor, Quantitative Strategies Group (QSG), ODM, DO.
- [REDACTED] Professor, SUNY.
- [REDACTED] Private Citizen, (former employee in QSG, ODM, DO).

In addition, TOIG reviewed pertinent documents, including:

- Email Correspondence between [REDACTED] and [REDACTED]
- ODM Guideline on Research, dated January 28, 2013.
- ODM Review Regarding [REDACTED] Paper Sensitivities, dated July 24, 2014.

Investigative Activity

In an interview with TOIG, [REDACTED] recalled [REDACTED] proposal for a joint-research project on Treasury auctions. [REDACTED] said he asked [REDACTED] for a timeline and deliverables and related they had some "back and forth" in regards to [REDACTED] proposal. [REDACTED] asserted in approximately January 2013, he told [REDACTED] he could not conduct the joint-research project with an external academic. [REDACTED] said after telling [REDACTED] he could not work on the joint-research project with an external author, he did not know [REDACTED] continued to work on the project until recently when ODM discovered [REDACTED] jointly-authored paper. [REDACTED] provided an email he sent to [REDACTED] dated April 23, 2013, with the subject line "projects for FY 13" which indicate [REDACTED] was unaware [REDACTED] was working on the auction project with anyone outside of Treasury including [REDACTED]. In the email, [REDACTED] writes, in part:

Auction theory. The Office will benefit from in-house expertise in auction theory, particularly related to the Treasury auction market. We understand that the theoretical work may take a long time before it materializes. It may be too premature at this stage to discuss deliverables, but please keep

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us informed of your progress. We should consider your research results when forming joint projects with external academic. [Emphasis added]

[REDACTED] stated his email to [REDACTED] indicated Treasury was "only aware of his [REDACTED] solo research on auction, and would 'consider his research results when forming joint projects with external academics'. We [Treasury] did not know that he was working on a joint project already." (Exhibits 3 & 4)

In an interview with TOIG, [REDACTED] acknowledged he drafted a paper on Treasury auctions with [REDACTED] and was aware of the importance of data security. [REDACTED] stated he and [REDACTED] developed a research "scheme" for [REDACTED] to work on the project without reviewing or possessing any Treasury auction data. [REDACTED] explained he was to work on simulated data provided by [REDACTED] and develop a MATLAB program based on the hypothetical data. [REDACTED] would then send the MATLAB program to [REDACTED] for him to run on real Treasury auction data. Finally, [REDACTED] was supposed to receive the aggregate results of the MATLAB program run by [REDACTED]. [REDACTED] stated he received hypothetical auction data files from [REDACTED]. [REDACTED] said the files contained names of banks but he believed the names to be random and of banks that have never bid on Treasury auctions. (Exhibit 5)

[Agent's Note: [REDACTED] agreed to search his computer and email account for the referenced hypothetical auction data. [REDACTED] provided several data files to TOIG and stated he received the files directly from [REDACTED].

In a meeting with TOIG, ODM was provided with copies of three "hypothetical" auction data spreadsheets obtained from [REDACTED] who asserted he received them from [REDACTED]. ODM reviewed the spreadsheets and reported two of the spreadsheets contain real, non-public, Treasury auction data to include the names of Treasury auction bidders. ODM later conducted a full validation of the two spreadsheets and reported that all of the values in the spreadsheets are exactly the same as those in a Treasury auction database. In addition, ODM asserted the third spreadsheet appeared to have auction bidder names replaced with numbers, but it still contained aggregate auction data in violation of ODM guidelines. (Exhibits 3, 6 & 7)

On September 15, 2014, TOIG contacted [REDACTED] to schedule an interview and [REDACTED] agreed to meet with TOIG on September 16, 2014. Later in the day on September 15, 2014, [REDACTED] sent an email to several DO officials with the subject line of "Resignation Notice - Effective 9/15/2014" and wrote, in part, "To Whom It May Concern, It has been a great honor to work for the US Department of the Treasury. But as of today, 9/15/2014, I resign from all my duties at this Department. This decision is effective immediately." (Exhibit 8).

TOIG later contacted [REDACTED] and in an interview with TOIG, [REDACTED] stated he used his personal USB drive to give Treasury auction data to [REDACTED] on approximately two or three

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Report of Investigation

Case Name: [REDACTED]

Case # DO-14-2151-I

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occasions. [REDACTED] also admitted he co-authored a research paper with [REDACTED] using the Treasury auction data. [REDACTED] said he deleted all of his emails and the Treasury auction data on his flash drives per request by Treasury. [REDACTED] added he believed no one else had access to the Treasury auction data aside from [REDACTED] (Exhibit 9)

On October 23, 2014, TOIG was informed by [REDACTED] that a Treasury-owned MATLAB software license had been transferred to a non-Treasury computer. MATLAB is a "powerful and expensive analytical software package" worth approximately \$8,000 - \$10,000 per license. Reportedly, three days after [REDACTED] submitted his resignation to Treasury, a MATLAB software transfer license assigned to [REDACTED] was used to re-assign the license. On October 23, 2014, ODM deactivated the license preventing the non-Treasury computer from using the license. Although the Media Access Control (MAC) address used to transfer the license was recorded, there is no associated Internet Protocol (IP) address associated with the transfer. (Exhibits 10 & 11)

Referrals

On September 15, 2014, this investigation was referred to [REDACTED], Assistant United States Attorney (AUSA), Fraud and Public Corruption Section, Department of Justice, for criminal prosecution of [REDACTED] in connection with unauthorized disclosure of non-public, Treasury auction data. On June 17, 2015, this investigation was declined for criminal prosecution by [REDACTED], AUSA, Chief, Fraud and Public Corruption Section, Department of Justice. (Exhibit 12)

Judicial Action

N/A

Findings

The investigation determined that the allegation was substantiated. [REDACTED] co-authored an academic research paper without authorization and [REDACTED] provided non-public Treasury auction data to [REDACTED] both in violation of ODM procedures. [REDACTED] and [REDACTED] developed a "research" scheme in order for [REDACTED] to not possess or view Treasury auction data which indicated [REDACTED] was aware the data was not to be transmitted outside of Treasury. [REDACTED] later provided Treasury auction data directly to [REDACTED]. The investigation further discovered that [REDACTED] drafted and transmitted a letter, on Treasury letterhead, as part of an application to work on a National Science Foundation grant. [REDACTED] did not receive authorization to work on the grant or use Treasury letterhead as part of the application.

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Report of Investigation

Case Name: [REDACTED]

Case # DO-14-2151-I

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Distribution

Mike Lewis, Senior Advisor, Departmental Offices

Signatures

Case Agent:

[REDACTED] _____
Ja [REDACTED] e [REDACTED]

12/11/15
Date

Supervisor:

A/SAC [REDACTED]
FOR Je [REDACTED] _____

12/23/2015
Date

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Exhibits

1. Complaint Initiation, dated July 11, 2014.
2. Information Memorandum on Auction Data Breach, dated July 14, 2014.
3. MOA Interview of [REDACTED] [REDACTED] dated August 11, 2014.
4. Email from [REDACTED] [REDACTED] to [REDACTED] [REDACTED] Subject "projects for FY 13", dated April 23, 2014.
5. MOA Interview of [REDACTED] [REDACTED] dated August 18, 2014.
6. MOA TOIG Meeting with ODM, dated August 20, 2014.
7. Email from [REDACTED] Data Validation, dated August 18, 2014.
8. Email from [REDACTED] [REDACTED] Resignation Notice, dated September 15, 2014.
9. MOA Interview of [REDACTED] [REDACTED] dated September 29, 2014.
10. Email from [REDACTED] MATLAB software license, dated October 21, 2014.
11. Email from [REDACTED] MATLAB MAC address, dated October 27, 2014.
12. MOA AUSA Referral, Declination, dated June 18, 2015.



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



Report of Investigation

Case Title: [REDACTED] (ARRA) (Qui
Tam)

Case #: DO-15-0405-I

Investigation Initiated: March 19, 2015

Case Type: Criminal _____
Administrative _____
Civil x

Investigation Completed: SEP 10 2015

Conducted by: [REDACTED]
Special Agent

Origin: Relator

Approved by: Jerry S. Marshall
Special Agent in Charge

Summary

A qui tam filed against [REDACTED] owner of [REDACTED] Inc. ([REDACTED] built solar projects and then sold them to related companies for a price substantially higher than what it actually cost to complete the projects. The related companies then applied for grants under Section 1603 of the American Recovery and Reinvestment Act of 2009 (Section 1603) regarding Payments for Specified Energy Property in Lieu of Tax Credits. The grants were allegedly not based on the actual cost of the project, but on the inflated price paid to [REDACTED]. The relator alleged that [REDACTED] created numerous shell companies to increase the grant funding received under Section 1603.

The investigation determined that the allegation was unsubstantiated. The relator filed a Voluntary Dismissal of the Qui Tam claim on May 1, 2015, with the consent of United States Attorney's Office, Southern District of Ohio.

Report of Investigation

Case Name: [REDACTED] (ARRA) (Qui Tam)

Case # DO-15-0405-I

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Basis and Scope of the Investigation

On September 4, 2015, a qui tam was filed against [REDACTED] [REDACTED] and 22 companies owned by [REDACTED]. The relator alleged that [REDACTED] [REDACTED] created numerous shell companies to increase the grant funding received under Section 1603. The U.S. Department of the Treasury (Treasury) reimburses eligible Section 1603 applicants 30% of the cost basis for new solar projects placed in service.

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

- Qui Tam Relator
- [REDACTED] [REDACTED] former chief financial officer of [REDACTED]
- [REDACTED] [REDACTED] former [REDACTED] president.

In addition, TOIG reviewed pertinent documents, including:

- Solar Advocate Development – 25, LLC Accounts' Report on Applying Agreed Upon Procedures, Appendix B.
- Section 1603 application materials

Investigative Activity

The relator alleged that [REDACTED] built solar projects and then sold them to related companies for a price substantially higher than what it actually cost to complete the projects. The related companies then applied for the Section 1603 grants based not on the actual cost of the project, but on the inflated price paid to [REDACTED]. The relator indicated that [REDACTED] and the related companies were all owned and controlled by [REDACTED]. A related company was formed for each individual solar project. The relator informed TOIG that [REDACTED] [REDACTED] former president of [REDACTED] and [REDACTED] [REDACTED] former chief financial officer, would be willing to cooperate against [REDACTED].

In an interview with TOIG, [REDACTED] said that she worked with an outside CPA firm to determine a fair markup of [REDACTED] cost when preparing invoices. [REDACTED] stated that [REDACTED] wanted to do everything correct and did not want to make the total cost unreasonable. TOIG attempted to interview [REDACTED] but he refused to speak to TOIG.

During a review of [REDACTED] Section 1603 application materials, TOIG identified the relationship between [REDACTED] [REDACTED] and the Section 1603 applicant. The Section 1603 applications also included invoices from [REDACTED]. The [REDACTED] invoices listed the markup percentage and amount for each line item expense that [REDACTED] charged the related company. The relator and [REDACTED] both stated during the course of their interviews that the total project cost submitted to Treasury was below average.

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In an interview with TOIG, the relator said that he worked at [REDACTED] from September 2010 to January 2014. Since leaving [REDACTED] the relator has started his own company and is building solar projects. The relator also claimed that [REDACTED] owes him money for unreimbursed expenses and incentives. The relator's role was in the engineering aspect of the projects. The relator was only concerned with the development and design of projects, not costs. The quantification of soft costs was beyond the relator, but the relator knew that soft costs were low. Soft cost are expense items that are not considered direct construction cost. Soft costs include architectural, engineering, financing, and legal fees, and other pre- and post-construction expenses. The relator was only aware of the financial aspects of the systems from conversations with [REDACTED] was the main financial person at [REDACTED]. The relator was exposed to an audit report that the CPA firm [REDACTED] prepared. The relator was surprised at the line items in the soft costs as they were not what he experienced. In September 2013, [REDACTED] replacement reluctantly showed the relator a spreadsheet with all of the project costs. The relator thought all of the projects costs were very reasonable. The cost of the solar projects built by [REDACTED] were low because the staff at [REDACTED] worked so hard to keep them low. The relator believed that [REDACTED] could offer the most information as [REDACTED] met with [REDACTED] several times per week. The relator said that [REDACTED] is disgruntled, but is not uncivil towards [REDACTED]. The relator said [REDACTED] would be the second most helpful, and stated that in early 2013, [REDACTED] was fired because she would not sign documents that [REDACTED] wanted signed.

In an interview with TOIG, [REDACTED] said that she left [REDACTED] after her position was eliminated. [REDACTED] said [REDACTED] sought expert guidance from consultants with experience in building and maintaining solar projects. [REDACTED] indicated that she did not believe [REDACTED] would purposely do anything wrong as he tried very hard not to cross the line. [REDACTED] used an attorney knowledgeable in the Section 1603 program and also hired the CPA firm Novagradac as a consultant on the 1603 program. [REDACTED] directed [REDACTED] to ask Novagradac or the attorney whenever there was a gray area with Section 1603.

According to [REDACTED] [REDACTED] role was to purchase the materials, build the solar projects, and maintain ownership of the projects until they were sold to another entity owned by [REDACTED]. [REDACTED] consulted with Novogradac in determining the amount [REDACTED] marked up their actual cost when preparing invoices to the related company. [REDACTED] overhead costs were not reflected in the actual costs. [REDACTED] recouped their overhead costs in the markup. [REDACTED] purchased a large number of solar panels at a low price, which made their costs low. [REDACTED] did not want to charge anything unreasonable.

TOIG attempted to interview [REDACTED] initially agreed to be interviewed by TOIG, but later changed his mind and refused to answer any questions.

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Referrals

A referral was made to the United States Attorney's Office, Southern District of Ohio.

Judicial Action

The relator filed a Voluntary Dismissal on May 1, 2015.

Findings

The investigation determined that the allegation was unsubstantiated. The investigation revealed that [REDACTED] operated within the guidelines of the 1603 program.

Distribution

Mike Lewis, Senior Advisor, Departmental Offices

Signatures

Case Agent: [REDACTED]

8/18/15
Date

Supervisor: [REDACTED]

27 AUG 2015
Date

Jerry S. Marshall

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Exhibits

1. Memorandum of Activity, Interview of the Relator dated December 2, 2014.
2. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated February 2, 2015.
3. Memorandum of Activity, Miscellaneous – Attempt to Interview [REDACTED] [REDACTED] dated February 6, 2015.

REPORT OF INVESTIGATION
OCC-15-0096-I



Office of Inspector [REDACTED]

United States Department of the Treasury



Office of the Inspector [REDACTED] U.S. Department of the Treasury



Report of Investigation

Case Title: [REDACTED] et al.
Former Examiner
Office of the Comptroller of the
Currency
U.S. Department of Treasury

Case #: OCC-15-0096 - I

Case Type: Criminal
Administrative ☒
Civil ☐

Conducted by: [REDACTED]
Special Agent

Investigation Initiated: December 12, 2014

[REDACTED]
Special Agent

Investigation Completed: AUG 07 2015

Origin: Thomas C. Melo
Office of the Comptroller of the
Currency

Approved by: Jerry S. Marshall
Special Agent in Charge

Summary

On October 15, 2014, the U.S. Department of Treasury, Office of Inspector [REDACTED] (TOIG) received a referral from the Office of the Comptroller of the Currency (OCC), concerning a complaint from [REDACTED]. The bank alleged that [REDACTED] a former OCC bank examiner, potentially tainted the findings in Supervisory Letter (SL) [REDACTED] and pursued employment with the bank to resolve fabricated issues developed during the examination. [REDACTED] argued the SL should not be relied upon due to [REDACTED] unethical behavior and questioned whether information regarding the potential taint was provided to the OCC supervision review committees. (Exhibit 1) During the course of the investigation, [REDACTED] alleged improper conduct against Examiner in Charge (EIC) [REDACTED] Assistant Deputy Comptroller (ADC) - [REDACTED] [REDACTED] and Deputy Comptroller (DC) - [REDACTED] [REDACTED]

The investigation determined that the allegations were unsubstantiated. TOIG was not able to identify sufficient evidence to prove [REDACTED] undermined the bank examination, because he was immediately recused from [REDACTED] and because of the nature of the OCC supervisory review process. Since the taint of the bank examination findings was unsubstantiated, failure to relay information regarding the [REDACTED] recusal to the OCC supervision review committees was not material. TOIG was unable to identify sufficient evidence to support any improper conduct by [REDACTED] [REDACTED] or [REDACTED]

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Basis and Scope of the Investigation

On October 15, 2014, TOIG was referred a matter from the OCC, concerning an allegation it received from [REDACTED] after the bank was notified that OCC would pursue a Cease and Desist (C&D) order against the bank for Bank Secrecy Act/Anti-Money Laundering (BSA/AML) violations stemming from their 2012 BSA/AML Target Examination. These findings were initially reported in a draft SL to the bank, SL [REDACTED] dated June 24, 2013.

On July 12, 2013, after the SL had been provided to [REDACTED] and before the bank responded to the SL, [REDACTED] met with the bank as the Functional Examiner in Charge (FEIC) in preparation for the 2013 BSA/AML Target Examination. While providing updates and inquiring about the bank's progress towards filling the open Compliance Officer Position, [REDACTED] made comments to bank representatives that left them with the impression that he was interested in the position. The bank notified [REDACTED] about its impression the next business day, and [REDACTED] was immediately recused from the bank. After the bank was notified of the C&D order in September 2014, [REDACTED] contacted the OCC with an allegation that [REDACTED] conspired to document BSA violations and alleged incompetence by [REDACTED] the bank's BSA/Compliance Officer, during the 2012 examination process, so [REDACTED] would be removed from her position and so [REDACTED] could offer himself as the solution to their BSA issues. They also alleged that material information regarding the taint was not conveyed to the OCC supervision review committees responsible for determining enforcement action. (Exhibit 1)

During the course of the investigation, [REDACTED] alleged that [REDACTED] and [REDACTED] pressured them to fire [REDACTED] in early 2013 and wrongfully advised the bank regarding how to respond to SL [REDACTED] after it was issued on June 24, 2013. [REDACTED] was/is assigned as the EIC who supervises the regulatory functions for [REDACTED] and is assigned to the Charlotte, NC, area. [REDACTED] supervises [REDACTED] and is assigned to the Washington, DC area.

[REDACTED] also alleged that [REDACTED] initially advised them not to contact OCC legal counsel directly regarding enforcement actions. [REDACTED] is the [REDACTED] and is stationed in Chicago, IL. He supervises [REDACTED] and [REDACTED]

Title 5 CFR 2635.101(b) (10) – Basic Obligation of Public Service, prohibits government employees from seeking or negotiating employment that conflicts with official government duties and responsibilities.

OCC Policy & Procedures Manual, PPM 3110-36 (REV), Workforce Effectiveness, Discipline and Adverse Action Program, prohibits improper conduct, on or off duty, that adversely affects the OCC's reputation, including criminal, dishonest, notoriously disgraceful conduct, or conduct prejudicial to the government.

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

- [REDACTED] Deputy Chief Counsel, OCC
[Agent's Note: [REDACTED] reports to [REDACTED]
- [REDACTED]
- [REDACTED] Chairman & Chief Executive Officer, [REDACTED]
- [REDACTED] Chief Financial Officer, [REDACTED]
- [REDACTED] Enterprise Risk Executive, [REDACTED], [REDACTED]
- [REDACTED] National Bank Examiner, OCC
- [REDACTED] Senior [REDACTED], OCC
- [REDACTED] Deputy Comptroller – [REDACTED] OCC
- [REDACTED] Assistant Deputy Comptroller - MBS, OCC
- [REDACTED] National Bank Examiner, OCC
- [REDACTED] former OCC examiner (Declined)

In addition, TOIG reviewed pertinent documents, including:

- Predication Documents referenced in Memorandum of Activity, dated October 24, 2014.
- OCC personally stored Outlook files (PST) for [REDACTED] and [REDACTED] former OCC BSA EIC for the [REDACTED] 2012 examination.
- OCC Examiner View system files for [REDACTED]
- E-mails forwarded by [REDACTED] external counsel, Richard Kim.

Investigative Activity

TOIG reviewed predication documents, timelines and other records provided during the investigation into the [REDACTED] allegations and examinations. The following timeline of relevant dates and facts is provided for clarity due to the protracted time period and complex details:

April 9, 2012 – Thomas J. Curry was sworn in as the Comptroller of the Currency, OCC.

April 23, 2012 – [REDACTED] assumed duties as interim EIC of [REDACTED]

Week of August 13, 2012 – [REDACTED] received word that Lead BSA Examiner [REDACTED], MSB, OCC, would be delayed arriving at [REDACTED] for its 2012 BSA Target Examination due to competing duties at another bank. [REDACTED] was assigned to the exam as the lead assist with [REDACTED] and [REDACTED].

August 20, 2012 – First BSA Target Examination of [REDACTED] conducted in Homestead, Florida.

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August 26, 2012 – Tropical Storm/Hurricane Isaac hit south Florida and Florida Keys. Onsite work discontinued due to the storm.

October 12, 2012 – [REDACTED] created an initial conclusion comment in Examiner View, indicating that internal controls needed to improve.

December 7, 2012 – [REDACTED] received a draft examination report from [REDACTED] that included one Matter Requiring Attention (MRA) for Internal Controls and concluded that the bank's BSA program was minimally acceptable.

December 19, 2012 – [REDACTED] drafted a SL for the bank that was heavily based on [REDACTED] and district counsel concerns.

January 2, 2013 – [REDACTED] assumed duties as interim EIC. [REDACTED] assumed duties as FEIC.

January 16, 2013 – [REDACTED] and [REDACTED] visited [REDACTED] to discuss examination findings, which included six MRAs. [REDACTED] notified the bank that additional acquisitions would not be approved until BSA deficiencies were addressed.

April 16, 2013 – [REDACTED] and [REDACTED] attended [REDACTED] Board meeting.

April 30, 2013 – [REDACTED] assumed the new BSA Officer position while [REDACTED] continued its search for a Compliance Director.

[Agent's Note: During this time period, [REDACTED] BSA and Compliance duties were divided into two different positions. [REDACTED] became the Compliance Director until her departure.]

June 24, 2013 – SL [REDACTED] delivered to [REDACTED] Subject line stated Bank Secrecy Act/Anti-Money Laundering (Draft Findings), and the content stated that OCC was considering citing for a BSA program violation for three pillar violations (internal controls, designated officer, training) and a Suspicious Activity Report (SAR) violation for failure to file certain SARs.

July 11, 2013 – [REDACTED] e-mailed [REDACTED], OCC Ethics Attorney, and asked how long of a recusal must be observed if an examiner discusses employment with a bank. [REDACTED] responded the same day and indicated for "some period of time."

July 12, 2013 – [REDACTED] met with [REDACTED] in Raleigh, NC, provided updates and prepared for the upcoming 2013 BSA Target Examination. [REDACTED] allegedly expressed interest in employment with the bank during meetings.

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July 15, 2013 – [REDACTED] was notified that [REDACTED] inquired about employment with the bank. [REDACTED] notified [REDACTED] and [REDACTED] was immediately recused from [REDACTED] through Dickey.

July 18, 2013 – [REDACTED] was notified that [REDACTED] had been recused.

July 24, 2013 – [REDACTED] responded to SL [REDACTED] but did not challenge the examination findings. Instead, the bank provided detailed information regarding the actions it is taking to remediate the program.

[Agent's Note: [REDACTED] response to SL [REDACTED] is dated after the [REDACTED] alleged conflict of interest; however, the bank did not assert any claims of fabrication or conflict of interest until after it was notified of the C&D on September 11, 2014.]

September 9, 2013 – MBS started the 2013 BSA/AML Target examination. Proposed final findings indicated that the bank's BSA/AML program had improved and met the minimum regulatory requirements; however, the aggregate BSA/AML risk remained moderate.

November 15, 2013 – [REDACTED] and [REDACTED] met with [REDACTED] in Chicago, IL, during a conference. [REDACTED] alleges that [REDACTED] discouraged having [REDACTED] counsel contact OCC legal department.

December 19, 2013 – MBS and District Legal recommended citing an internal controls pillar violation and initiating a Part 30 Safety and Soundness plan in a draft memo to the Washington Supervision Review Committee (WSRC).

July 17, 2014 – [REDACTED] [REDACTED] matter was presented to the WSRC with alternative recommendations from MBS (Part 30) and E&C (C&D). Six members voted for a Part 30, and two voted for a C&D.

August 6, 2014 – MBS submitted a Major Matters Supervision Committee (MMSRC) memo recommending a Part 30.

August 10, 2014 – E&C submitted MMSRC memo recommending a C&D.

August 15, 2014 – [REDACTED] matter was presented to MMSRC. Three members voted for a Part 30, and two members voted for a C&D.

September 11, 2014 – Comptroller Curry exercised his reservation of authority and cited a BSA program violation based on the results of the 2012 target examination and issued a C&D. [REDACTED] was notified about the decision.

September 25, 2014 – [REDACTED] former OCC Chief Counsel and current [REDACTED] official, contacted [REDACTED] on behalf of [REDACTED] via e-mail.

September 29, 2014 – [REDACTED] informed [REDACTED] of the [REDACTED] matter and [REDACTED] allegations, and requested a meeting for the bank with OCC executives.

October 6, 2014 – [REDACTED] submitted a letter and PowerPoint presentation to [REDACTED] and [REDACTED] in advance of the meeting.

October 7, 2014 – [REDACTED] met with OCC officials, including [REDACTED] from E&C, and [REDACTED] and [REDACTED] from MBS.

October 10, 2014 – [REDACTED] recommended the allegations be referred to TOIG.

In an interview with TOIG, [REDACTED] explained that [REDACTED] was a shelf charter, a new mechanism that involved the granting of preliminary approval to investors for a national bank charter that remains inactive, or "on the shelf," until such time as the investor group is in a position to acquire a troubled institution. By granting the preliminary approval, OCC expands the pool of potential buyers available to buy troubled financial institutions. He compared shelf charters to a rehabilitation project and noted the benefit to the Federal Deposit Insurance Corporation (FDIC), because they address the failing banks and minimize the FDIC role in purchase and assumption transactions.

[REDACTED] explained that when Curry took office in 2012, policy shifted to a more strict interpretation of regulatory responsibilities compared to a historical sentiment allowing a more collaborative approach to compliance. [REDACTED] noted that the [REDACTED] BSA Target Examination occurred during this transition, and MBS was still operating under previous guidelines.

[REDACTED] advised that E&C's legal research determined that 12 USC 1818 requires a Cease and Desist (C&D) order, when a program violation is cited, and speculated [REDACTED] and others at MBS may not have been aware of this opinion. The MBS and E&C disagreed on whether there was a BSA program violation and presented opposing arguments to the WSRC and MMSRC. [REDACTED] commented that this was very unusual and the only time he could recall MBS and E&C presenting opposing memorandums and recommendations. The MBS recommended citing an Internal Controls violation and introducing a Part 30 Safety and Soundness Plan. E&C recommended a C&D. The majority of members for both committees voted for the lesser Part 30 action; however, Comptroller Curry exercised his reserved authority to issue a C&D against [REDACTED]

[Agent's Note: Two years had lapsed from the 2012 BSA Target Examination to the final decision to issue a C&D].

[REDACTED] contacted [REDACTED] on behalf of [REDACTED] to arrange a meeting between OCC and the bank and disclosed the [REDACTED] allegation. The Bank presented its case and disclosed its theory that [REDACTED] potentially tainted the 2012 BSA Target Examination, contributed fabricated information in support of SL [REDACTED] and structured the removal of [REDACTED] so that he could offer himself as a solution to gain employment with the bank. [REDACTED] advised that the bank did not respond to the SL because it was told by the examiners they did not need to respond and that information in the SL contained material inaccuracies. [REDACTED] advised that Comptroller Curry rescinded his decision to proceed with the C&D order based on this new information. (Exhibit 2)

[Agent's Note: [REDACTED] did respond to the letter, but offered solutions to the MRAs instead of contesting the findings. MBS reported that [REDACTED] did contest findings orally and that examiners used this information to amend the findings in SL 2013-04.]

In an interview with TOIG, [REDACTED] advised that [REDACTED] hired the [REDACTED] as a financial consultant on September 12, 2014, after it was notified of the C&D. [REDACTED] noted that it was very unusual for a bank not to respond to a SL with BSA Program Violation allegations. [REDACTED] advised them to counter the findings in an official letter to OCC. (Exhibit 3)

In an interview with TOIG, [REDACTED] discussed his 38 year experience with Bank of America and its legacy institutions, positive experiences with OCC, and an understanding of the supervisory process. He affirmed his allegations and expressed frustration with the EIC turnover, changes in the draft findings from one to six MRAs for the 2012 BSA Target Examination, and the inability to invest \$400 million in capital to grow the bank since early 2013.

[REDACTED] articulated that between January and April 2013, [REDACTED] and [REDACTED] began to pressure the bank to replace [REDACTED] the BSA/Compliance Officer. Then, prior to a board meeting at [REDACTED] in April, [REDACTED] told [REDACTED] and [REDACTED] that he could not technically tell them to terminate [REDACTED] and that it is the bank's decision how to address the BSA deficiencies. [REDACTED] indicated that he felt like replacing [REDACTED] was still the expectation. [REDACTED] argued that [REDACTED] came to the bank with an exemplary record as a BSA/Compliance officer and is now with another OCC regulated bank in that position without any concerns.

[Agent's Note: [REDACTED] and [REDACTED] could not recall if [REDACTED] was the only OCC representative present when the comments were allegedly made outside of the board meeting, but [REDACTED] recalled that [REDACTED] and [REDACTED] were present. The designated officer and associated staffing and processes are paramount to a successful BSA Program. It is customary for examiners to identify any weaknesses and point out deficiencies and potential solutions.]

[REDACTED] admitted that OCC did not directly advise him to fire [REDACTED] but felt that was the inference. When asked why he did not contest the 2012 BSA Target Examination findings until

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late 2014, [REDACTED] stated that [REDACTED] and [REDACTED] advised that the wording in SL [REDACTED] was typical and recommended listing their plans to address the MRAs. When it was suggested that he should have known to contest the findings and the potential exposure to the bank based on his experience and knowledge of the OCC process, he indicated that he had always operated with the mindset to cooperate with examiners. [REDACTED] never considered that there was a potential for a C&D order being issued and was adamant that he would never consent to this enforcement action.

When pressed for the exact wording communicated about firing [REDACTED] [REDACTED] admitted that neither [REDACTED] nor [REDACTED] ever directly used those words. However, he believed that was the inference. When questioned about the wording communicated when he was told not to contact OCC legal directly, [REDACTED] explained that [REDACTED] explained that it would be unusual, could be counterproductive or perceived in a negative manner, and that a final resolution was expected soon. In addition, after the C&D was issued and communicated to [REDACTED] [REDACTED] supported a meeting for [REDACTED] with E&C. (Exhibit 4)

In an interview with TOIG, [REDACTED] echoed [REDACTED] complaints and highlighted how heated the January 16, 2013, meeting with [REDACTED] was because of the significant change from one to six MRAs. The bank was only expecting one MRA. [REDACTED] claimed that [REDACTED] discouraged the bank from contesting the findings and suggested they focus on program improvements. (Exhibit 5)

In an interview with TOIG, [REDACTED] also echoed [REDACTED] allegations; however, she explained that she was told the reason the number of MRAs changed from one to six was to enable easier mitigation and resolution. She explained that a six part MRA could take a substantial amount of time to resolve, but six MRAs could be individually addressed.

When asked about the [REDACTED] allegation from July 12, 2013, [REDACTED] explained that [REDACTED] provided wrap up on Fair Lending Risk Assessment and [REDACTED] updates on upcoming compliance examinations scheduled for August. He then asked for a status update on the search for a replacement for the Compliance Director position vacated by [REDACTED] on June 28, 2013. [REDACTED] shared her interview plans during the week of August 5 and explained that the position would be based in Raleigh or Miami.

[REDACTED] shared that he and his wife had visited Miami, FL, and Raleigh, NC, because he was considering relocating to another city and shared his interest in applying for the Compliance Director position. [REDACTED] stated that she told [REDACTED] that she did not believe that an examiner could seek employment with a bank he examines. She stated that [REDACTED] responded that the policy only applied to an EIC, not a FEIC. [REDACTED] acknowledged that [REDACTED] was immediately recused after she notified [REDACTED] (Exhibit 6)

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In an interview with TOIG, [REDACTED] detailed the recusal of [REDACTED] was reassigned immediately after OCC was informed that [REDACTED] believed [REDACTED] was seeking employment with the bank. The formal e-mail with notice of official recusal for the appearance of a conflict of interest by allegedly attempting to gain employment was sent on July 31, 2015. [REDACTED] also provided official ethical advisement to [REDACTED] (Exhibit 7)

TOIG reviewed [REDACTED] Examiner View files received from the OCC on January 26, 2015. [REDACTED] was identified as the BSA EIC and was listed as the "Owner" of the majority of the documents. [REDACTED] was only identified as the "Owner" of 4 documents out of 100 plus work papers. (Exhibit 8)

In an e-mail sent to TOIG, [REDACTED] outside counsel [REDACTED] provided select e-mails between the bank and MBS. The e-mails included a complaint from [REDACTED] to [REDACTED] regarding the lack of a formal exit interview after the 2012 BSA Target examination. In addition, SL 2013-04 was sent via e-mail to bank managers with instructions to respond to the findings within 30 days. [REDACTED] forwarded the e-mail to bank executives indicating that she had [REDACTED] with [REDACTED] who described the wording in the SL as standard language being used for BSA/AML issues, and [REDACTED] stated that [REDACTED] advised to update the plan previously provided to [REDACTED] and [REDACTED] and forward within the 30 day period. Additional e-mails provided indicated an ongoing discussion between [REDACTED] and [REDACTED] regarding the findings in the SL. (Exhibit 9)

[Agent's Note: The emails received from [REDACTED] were not forensically obtained by TOIG from the [REDACTED] server, and the emails provided are only a very small, select sample of the email communication between [REDACTED] and the OCC. Any editing, omissions or deletion of the e-mail content by [REDACTED] prior to them being provided to TOIG would be difficult or impossible to detect.]

In an interview with TOIG, [REDACTED] noted that [REDACTED] had become a \$6 Billion bank through the acquisition of failing banks over a 2 year period. He described the 2012 BSA Target Examination as a disaster due to unavoidable deviations from the planned supervisory strategy, personnel allocations, and the impact of Hurricane Isaac. The team included [REDACTED] as lead examiner, [REDACTED] as lead assist, [REDACTED] and [REDACTED]. [REDACTED] was delayed due to another ongoing bank examination, so [REDACTED] acted in her absence during the initial onsite stage of the examination. The onsite work was limited, and a large portion of the exam was conducted through the bank's self-assessment of BSA weaknesses and corrective action plan. [REDACTED] and [REDACTED] compared the data with their preliminary observations and obtained additional supporting documents from the bank to verify findings and ensure strengthening of the program.

Examiners collaborated with MBS Compliance Lead Expert [REDACTED] who provided advice and recommendations. Because the bank's BSA program had foundational BSA components required by 12 CFR 21.21, [REDACTED] suggested concluding that a pillar violation for

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internal controls existed under the OCC's emerging interpretation of pillar violations. Because the new pillar violation guidelines were not in place and were developing at the time of the 2012 BSA Target Examination, the timeframe for concluding and issuing a SL was delayed.

[Agent's Note: There are four pillars of a bank's BSA/AML program referenced in 12 CFR 21.21 (c) *Contents of compliance program*: (1) Provide for a system of **Internal Controls** to assure ongoing compliance, (2) Provide for **Independent Testing** (sometimes referred to as Audit) for compliance to be conducted by bank personnel or by an outside party, (3) Designate an individual or individuals responsible for coordinating and monitoring day-to-day compliance (or **BSA Officer**), and (4) Provide **Training** for appropriate personnel. For additional understanding of BSA/AML Examinations, please refer to the Federal Financial Institutions Examination Council (FFIEC) Bank Secrecy Act/Anti-Money Laundering Examination Manual.]

[REDACTED] finished a draft SL containing one MRA based on findings from the examination and discussions with bank management since the examination. The letter was heavily based upon [REDACTED] conclusions and addressed [REDACTED]'s recommendations. Draft findings were communicated to the bank and passed to [REDACTED] during his transition as the EIC for the bank. [REDACTED] stated that it would have been impossible for [REDACTED] to taint the examination without co-conspirators within the MBS chain of command. (Exhibit 10)

In a witness interview with TOIG, [REDACTED] provided details regarding the [REDACTED] recusal and forwarded relevant e-mails documenting the recusal. In the e-mails, [REDACTED] claimed that the bank misunderstood his comments and denied seeking employment with the bank. (Exhibit 11)

In a subject interview with TOIG, [REDACTED] provided the July 30, 2013, timeline prepared by [REDACTED] with his personal comments added, dated March 24, 2015. [REDACTED] noted several significant BSA deficiencies identified in both the 2012 and 2013 BSA Target Examinations. [REDACTED] adamantly denied ever instructing [REDACTED] to remove [REDACTED] but stated that he and [REDACTED] did discuss BSA deficiencies that needed to be corrected and suggested that [REDACTED] obtain additional training or personnel in order to be compliant with the regulations. [REDACTED] described the relationship with [REDACTED] as positive and professional with open lines of communication. After he submitted a copy of the draft SL in June 2013, he did not hear any concerns from the bank regarding the [REDACTED] recusal until after the bank was notified of the C&D in September 2014. (Exhibit 12)

In a subject interview with TOIG, [REDACTED] discussed the timing of the [REDACTED] recusal and advised that it would be extremely difficult for [REDACTED] to negatively impact the 2012 BSA Target Examination due to the number of examiners and the numerous of checks and balances during the supervisory review process. He explained that each report or finding is supported by documents submitted by [REDACTED] and its systems, and all conclusions are vetted by MBS subject matter experts and supervisors. He identified [REDACTED] as the author of the draft SL, not [REDACTED]. [REDACTED] also adamantly denied ever instructing the bank to fire [REDACTED].

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Report of Investigation

Case Name: [REDACTED] et al.

Case # OCC-15-0096-I

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[REDACTED] indicated that [REDACTED] only identified BSA deficiencies and suggested additional training or personnel to improve the BSA program. (Exhibit 13)

In a subject interview with TOIG, [REDACTED] admitted that the 2012 BSA Target Examination was poorly executed due to limited personnel, their lack of experience, turnover of EIC personnel and travel complications as a result of a hurricane. He also highlighted the Comptroller turnover in 2012 and regulatory guidance evolution. He explained that the BSA regulations had been enforced for about ten years; however, how OCC applied the different enforcement mechanisms developed after the 2012 exam, but before the issuance of the SL. The issuance of SL [REDACTED] was delayed to ensure its compliance with the new guidance. [REDACTED] addressed the [REDACTED] refusal and advised that he did not believe that [REDACTED] could manipulate the BSA findings due to the number of examiners and the numerous checks and balances in place throughout the review process. [REDACTED] denied ever advising [REDACTED] not to respond to SL [REDACTED] and explained that he provided [REDACTED] with a status of their case, the normal course of business, inclusive of checks and balances, and advised that contacting E&C directly would be unusual. (Exhibit 14)

TOIG located [REDACTED] and attempted to schedule a subject interview with the former OCC examiner; however, he is no longer a federal employee and he declined to be interviewed. (Exhibit 15).

In the "September 2013 BSA/AML Target" conclusion memo prepared by MBS and included in the predication documents, MBS reported that the bank's overall BSA/AML program had improved and met the minimum regulatory requirements, as outlined in 12 CFR 21.21, *Procedures for Monitoring Bank Secrecy Act (BSA) Compliance*; however, the aggregate BSA/AML risk remained moderate. The examination leading to this finding was conducted after [REDACTED] was recused. These findings indicate ongoing BSA/AML concerns; therefore, the bank's assertions that [REDACTED] tainted the 2012 BSA Target cannot be substantiated. (Exhibit 16).

Referrals

NA

Judicial Action

NA

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Findings

TOIG's investigation determined that the [REDACTED] allegations relating to [REDACTED] were not supported by evidence sufficient to constitute any criminal or administrative offenses. [REDACTED] is no longer an employee of the Government. [REDACTED] was one of several examiners who participated in the 2012 BSA/AML Target examination. [REDACTED] [REDACTED] was the BSA Lead examiner, reviewed findings from [REDACTED] and other examiners, uploaded the majority of documents into Examiner View, and submitted the BSA Target examination report to EIC [REDACTED] with relevant facts supporting the draft findings in SL [REDACTED]. In addition, [REDACTED] did not participate in the 2013 BSA Target examination after July 12, 2013, and similar findings, with noted improvements, were reported in the September 2013 BSA/AML Target Conclusion Memorandum. Because the taint of the examination findings was unsubstantiated, failure to relay information regarding the [REDACTED] recusal to the OCC supervision review committees was not material.

TOIG's investigation determined that the [REDACTED] allegation regarding improper conduct by [REDACTED] and [REDACTED] was not supported by evidence sufficient to constitute any criminal or administrative offenses. Conversations and instructions described by the bank did not rise to the level of improper conduct.

TOIG's investigation determined that the [REDACTED] allegation regarding improper conduct by [REDACTED] was not supported by evidence sufficient to constitute any criminal or administrative offenses. The supervisory process involves open communication and candid discussions, and the conversations described by the bank did not rise to the level of improper conduct.

Based on the findings in 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:

Title 5 CFR 2635.101(b) (10) – Basic Obligation of Public Service

OCC Policy & Procedures Manual, PPM 3110-36 (REV) Workforce Effectiveness, Discipline and Adverse Action Program

Distribution

Thomas C. Melo, Director, Enterprise Governance, Office of the Comptroller of the Currency.

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Case Name: [REDACTED] et al.

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Signatures

Case Agents:

for [REDACTED]

24 JULY 2015

Date

[REDACTED]

for [REDACTED]

24 JULY 2015

Date

[REDACTED]

Supervisor:

[REDACTED]

24 JULY 2015

Date

Jerry S. Marshall

Report of Investigation

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Exhibits

1. Memorandum of Activity, Lead Predication documents, dated October 24, 2014.
2. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated November 4, 2014, with timeline.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated November 6, 2014.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED] dated November 14, 2014.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated November 18, 2014.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated November 18, 2014.
7. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 29, 2015.
8. Memorandum of Activity, Record/Information Review – OCC Examiner View records, dated March 4, 2015.
9. Memorandum of Activity, Record Review of select [REDACTED] e-mails, dated March 25, 2015.
10. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated November 6, 2014.
11. Memorandum of Activity, Record Review – Recusal e-mails and [REDACTED] Examiner Assignments from [REDACTED] [REDACTED] dated March 25, 2015.
12. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 13, 2015.
13. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 29, 2015.
14. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 22, 2015.
15. Memorandum of Activity, Interview of [REDACTED] [REDACTED] (declined), dated March 30, 2015.
16. Memorandum of Activity, Review of Predication Documents, dated June 25, 2015.

REPORT OF INVESTIGATION
OCC-15-1891-I



Office of Inspector General

United States Department of the Treasury



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



Report of Investigation

Case Title: [REDACTED]
Associate National Bank
Examiner
Office of the Comptroller of the
Currency

Case #: OCC-15-1891-I

Case Type: Criminal
Administrative ☒
Civil ☐

Conducted by: [REDACTED]
Special Agent

Investigation Initiated: July 9, 2015

Investigation Completed: SEP 10 2015

Approved by: Jerry S. Marshall
Special Agent in Charge

Origin: Office of the Comptroller of the
Currency

Summary

In June 2015, the Office of the Comptroller of the Currency (OCC) contacted the U.S. Department of Treasury Office of Inspector General (TOIG) regarding [REDACTED] Associate National Bank Examiner, OCC, and his misuse of his government issued travel credit card. OCC noted that [REDACTED] was suspended for similar misuse in 2010 and 2013.

The investigation determined that the allegation regarding [REDACTED] misusing his government issued travel credit card was substantiated. It was found that [REDACTED] knowingly used his government issued travel credit card numerous times while not in official travel status and failed to pay his official travel card bill in a timely manner. [REDACTED] admitted to the misuse and claimed he used the card for personal reasons and cash advances because of financial problems.

On August 3, 2015, this case was presented to the United States Attorney's Office (USAO), Northern District of OK, Criminal Division, and declined for prosecution in lieu of administrative remedies.

Basis and Scope of the Investigation

In June 2015, TOIG was notified by the OCC of alleged misuse of a government travel card by [REDACTED] (Exhibit 1)

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

- [REDACTED] Human Resources Consultant, OCC
- [REDACTED] Assistant Deputy Comptroller, OCC
- [REDACTED] Associate National Bank Examiner, OCC

In addition, TOIG reviewed pertinent documents, including:

- [REDACTED] travel vouchers from May 2014 to May 2015
- [REDACTED] government issued travel credit card statements from May 2014 to May 2015
- [REDACTED] OCC training records

Investigative Activity

A review of [REDACTED] government travel credit card statements and vouchers from May 2014 to May 2015, noted 25 travel vouchers, 14 of which had credit card charges that exceeded their claims. The review showed the total amount claimed as \$37,840.27, the amount charged as \$31,896.58, and cash advances of \$5,793.36. In addition, an e-mail from [REDACTED], Financial Management Analyst, OCC to [REDACTED] dated May 13, 2015, reflected that as of May 3, 2015, [REDACTED] was past due \$1,829.52 on his credit card payment. After a payment and a subsequent review, [REDACTED] was still past due \$661.90. The review also found 20 cash advances taken while not on travel status, personal purchases noted in [REDACTED] review (grocery store purchase and airline ticket), and one day of per diem received after the last day of travel was completed. (Exhibits 2 and 3)

In a review of [REDACTED] OCC training records, it was determined that [REDACTED] completed Ethics training in 2012, 2013, and 2014. [REDACTED] completed Government Travel Charge Card training in 2012 and 2015. (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that she has been employed with the OCC Southern District for 16 years. [REDACTED] believes [REDACTED] has been with the OCC for approximately 10 years. OCC hired him with several others, and he was assigned to the Tulsa, OK office. [REDACTED] stated that they are in different offices, but she sees [REDACTED] at meetings several times per year and communicates with him regularly via e-mail and telephone regarding human resource matters.

[REDACTED] explained that OCC employees submit their travel authorizations and vouchers into the Expense Reporting Online (ERO) System. Employees' supervisors authorize travel and vouchers

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Case Name: [REDACTED]

Case # OCC-15-1891-I

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through the ERO. OCC employees use a government travel credit card issued by Citibank. When an employee is 45 days delinquent on the payment of their government credit card, Citibank will send a notice to the OCC's Financial Management Office, which will then send a notice to the employee and the employee's supervisor. [REDACTED] also gets notified because of her human resources role and her role in potential future discipline. In May 2015, Citibank notified OCC that [REDACTED] was delinquent with a balance of over \$1,800 on his government travel credit card. A review of his account the same month found that [REDACTED] had made a payment bringing the debt to approximately \$600. [REDACTED] indicated that she has spoken to [REDACTED] supervisor, [REDACTED] who has advised her that [REDACTED] has personal issues involving a divorce and raising children alone, to include a special needs child. [REDACTED] stated that [REDACTED] has been investigated previously for credit card misuse and was suspended in 2010 and 2013 as a result of those investigations. [REDACTED] was aware of these incidents because she wrote the necessary disciplinary documents, but she never counseled him. [REDACTED] added that [REDACTED] has had all the required OCC ethics and credit card training. (Exhibit 5)

In an interview with TOIG, [REDACTED] stated that [REDACTED] like most OCC bank examiners, travels frequently. [REDACTED] said that [REDACTED] has had ethics and travel card training, but has misused his government issued travel credit card previously, and was suspended in 2010, and 2013, for credit card misuse. Specifically, [REDACTED] indicated that [REDACTED] uses the credit card for cash advances frequently, and on many occasions, this use is against OCC policy because cash is taken while [REDACTED] is not on travel. In May 2015, [REDACTED] was made aware by OCC's Financial Management Office that [REDACTED] owed over \$4,000 on his government issued travel credit card. [REDACTED] conducted a review of [REDACTED] vouchers and credit card statements. He found that in January 2015, [REDACTED] used the credit card to purchase \$87 in groceries at Reasor's, a local grocery store. In May 2015, [REDACTED] charged a plane ticket in the amount of \$400 and baggage fees to the credit card. [REDACTED] asked [REDACTED] about the cost and [REDACTED] stated that he was on-site at a bank in NE for two weeks, and wanted to attend a friend's wedding in FL. [REDACTED] understood that he was allowed transportation home to OK for the weekend, and informed [REDACTED] that he believed the purchase of a ticket to FL instead of OK was allowable. [REDACTED] stated that the credit card review also found numerous cash advances, and occasions when [REDACTED] used the credit card for gasoline purchases when he also claimed mileage for his personally owned vehicle.

[REDACTED] stated that he has spoken to [REDACTED] about this misuse, and [REDACTED] has apologized for misusing the government issued travel credit card. [REDACTED] stated that [REDACTED] is divorced and raising two children, and advised that he has had financial issues and is now residing in an apartment. [REDACTED] said that [REDACTED] and his son also have health issues, and [REDACTED] has very little annual or sick leave. [REDACTED] stated that [REDACTED] is a good bank examiner, but [REDACTED] has not learned from his past suspensions and is still misusing his government issued travel credit card. (Exhibit 6)

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Case # OCC-15-1891-I

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In an interview with TOIG, [REDACTED] stated that he has been employed with the OCC since 2007. [REDACTED] stated that he travels frequently, and traveled more than anyone in the office in 2014. [REDACTED] stated that he has had no issues with his employment at the OCC, but was suspended twice, in 2010 and 2013, for misuse of his government issued travel credit card. [REDACTED] stated that he has had ethics training and travel credit card training, and has been counseled by [REDACTED] on the proper use of the card. [REDACTED] claims he understands the proper use of the credit card, and knows that cash advances are to be taken no more than two days prior to travel. He also stated that he must pay the credit card bill within 30 days of receipt. He stated that he normally pays the bill in a timely manner, but was late in May 2015. He did not have a reason for the lateness. [REDACTED] conceded that he has financial problems resulting from a divorce and medical problems. He only has a personal debit card and credit card with a \$1,500 limit, and admits that he has used the government issued travel credit card for personal use and cash advances.

[REDACTED] admitted that he used the government issued travel credit card in January 2015, to purchase \$87 in groceries at Reasor's grocery store. He stated that some of the groceries were for an upcoming work trip and some were for his household. He also admitted to purchasing a \$400 plane trip from NE to FL in May 2015, to attend a friend's wedding. He stated that he was on a two week bank examination in NE and knew that the OCC would allow him to purchase a flight home to OK for the weekend, so he did not believe, at the time, it was an issue to purchase a ticket to FL.

[REDACTED] was asked about a travel voucher to TX from April 20, 2015 to April 23, 2015 in the amount of \$1,167.62. The voucher reflects that he left the bank and traveled home on April 23, 2015, but he claims per diem of \$53.25 on April 24, 2015. [REDACTED] stated that he believed this was an occasion when he left the work site early because he was ill, and the additional per diem was an oversight. (Exhibit 7)

Referrals

On August 3, 2015, TOIG presented the case to [REDACTED], Assistant United State Attorney, USAO, Northern District of OK, Criminal Division. [REDACTED] declined prosecution due to the low dollar loss and the OCC's ability to take corrective/punitive action administratively. (Exhibit 8)

Judicial Action

NA

Findings

The investigation determined that the allegation regarding [REDACTED] misusing his government issued travel credit card was substantiated. It was found that [REDACTED] knowingly used his

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government issued travel credit card numerous times while not in official travel status and failed to pay his official travel card bill in a timely manner.

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:

- US CFR., 2635.101(b) (12) - Basic Obligation of Public Service. Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those-such as Federal, State, or local taxes-that are imposed by law.
- 31 CFR 0.213 - General conduct prejudicial to the Government. Employees shall not engage in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the Government.

Distribution

Thomas C. Melo, Director, Enterprise Governance, OCC

Signatures

Case Agent:

[REDACTED]

9/2/15
Date

Supervisor:

[REDACTED]

Jerry S. Marshall

8 SEP 2015
Date

Exhibits

1. Complaint sent by OCC dated June 23, 2015.
2. Memorandum of Activity, Review of credit card and travel documents of [REDACTED] dated July 21, 2015.
3. Memorandum of Activity, Review of [REDACTED] travel vouchers, dated July 24, 2015.
4. Memorandum of Activity, Review of training records, dated July 23, 2015.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Human Resources Consultant, OCC, dated August 4, 2015.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Assistant Deputy Comptroller, OCC, dated August 18, 2015.
7. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Associate National Bank Examiner, OCC, dated August 18, 2015.
8. Memorandum of Activity, Case presentation dated August 3, 2015.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

JUN 23 2015

OFFICE OF
INSPECTOR GENERAL

**MEMORANDUM FOR DENNIS O' CONNOR, CHIEF
U.S. MINT POLICE**

FROM: Jerry S. Marshall [REDACTED]
Special Agent in Charge

SUBJECT: [REDACTED]

TOIG Case Number: USM-14-0185-I
U.S. Mint Police Incident Number: 13-PM-148

Attached for your review is our Report of Investigation (ROI) concerning allegations that former U.S. Mint (USM) Facilities Management Division (FMD) Supervisor, [REDACTED], had purchased \$7,045.81 in unauthorized items with his Government purchase card in November 2013. The purchased items included one tomahawk, two machetes, one ax, one parang [a Malaysian knife], one garage light, one pair of binoculars, and one night-vision monocular.

Although this matter was closed in December 2013 after [REDACTED] resigned his position, the case was re-opened after the USM reported that it could not locate \$6,033.91 of the items that were purchased. [REDACTED] also had a negative leave balance of 226 hours when he resigned in November 2013.

The investigation determined that the allegations are substantiated. [REDACTED] admitted to misusing his Government purchase card to purchase multiple items. [REDACTED] denied keeping any of the items and provided return receipts for most of the missing property. The case was declined for Federal criminal prosecution by the U.S. Attorney's Office, Philadelphia, PA. Subsequent inventories conducted by the USM determined that the loss amount for unaccounted property was \$2,373.59.

USM verified with the Bureau of the Fiscal Service (BFS) that a repayment agreement had been received by the National Finance Center (NFC) from [REDACTED] to repay the government the value of the 226 hours of negative leave that he had accrued before his resignation.

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Office of Inspector General - Investigations
Department of the Treasury

The full report and attached documentation are provided to your office for informational purposes only and any attachments that are referenced in the ROI exhibits can be made available upon your request.

If you have any questions concerning this matter, or require any attachments referenced in the ROI exhibits, 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-██████.

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Office of Inspector General – Investigations
Department of the Treasury

REPORT OF INVESTIGATION
USM-14-0185-I



Office of Inspector General

United States Department of the Treasury



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



Report of Investigation

Case Title: [REDACTED]
Former Utility Systems Repairer
Operator Supervisor, WS-10

Case #: USM-14-0185-I

Investigation Initiated: December 13, 2013

Case Type: Criminal _____
Administrative X
Civil _____

Investigation Completed: JUN 23 2015

Conducted by: [REDACTED]
Senior Special Agent

Origin: Dennis O'Connor Chief
U.S. Mint (USM) Police

Approved by: Jerry S. Marshall
Special Agent in Charge

Summary

On November 13, 2013, the USM Philadelphia, Investigations and Intelligence Branch, notified the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG) that a Facilities Management Division (FMD) Supervisor, [REDACTED] had purchased \$7,045.81 in unauthorized items with his Government purchase card. The purchased items included one tomahawk, two machetes, one ax, one parang [a Malaysian knife], one garage light, one pair of binoculars, and one night-vision monocular. The purchases had been discovered by the Division Head of the FMD. [REDACTED] resigned on November 15, 2013. (Exhibit 1)

[Agent's Note: This matter was closed by the TOIG on December 23, 2013, after [REDACTED] resigned his position. The case was re-opened on June 6, 2014, after the USM reported that it could not locate \$6,033.91 of the items that were purchased. [REDACTED] also had a negative leave balance of 266 hours when he resigned.]

The investigation determined that the allegation was substantiated. [REDACTED] admitted to misusing his purchase card but denied that he kept any of the purchased property or equipment. [REDACTED] provided TOIG with credit memos of items he said he returned to the vendor. Subsequent inventories conducted by the USM determined that the loss amount of unaccounted property was \$2,373.59. The case was declined for criminal prosecution.

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Basis and Scope of the Investigation

TOIG initiated an investigation after it was notified that USM Supervisor, [REDACTED] had purchased \$7,045.81 in unauthorized items. When [REDACTED] was questioned about the purchases, he abruptly resigned and the matter was closed. The investigation was re-opened after the USM conducted an inventory and advised TOIG that it could not locate \$6,033.91 of the originally purchased items and believed that [REDACTED] still held the items. TOIG investigated whether [REDACTED] still possessed the unauthorized purchases.

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

- [REDACTED], Officer, USM Police
- [REDACTED] Officer, USM Police
- [REDACTED], Utility Systems Operator, USM
- [REDACTED], Maintenance Mechanic, USM
- [REDACTED], Pipefitter, USM
- [REDACTED], Utility Systems Repairer Operator Supervisor, USM
- W.W. Grainger, Inc., Federal Government Team
- [REDACTED] Branch Head, FMD, USM
- [REDACTED] Former Utility Systems Repairer Operator Supervisor, USM
- [REDACTED], Human Resources (HR) Officer, USM

In addition, TOIG reviewed pertinent documents, including:

- Credit card statements
- Inventory records
- USM Police Incident Report
- E-mails between [REDACTED] and the USM
- Amazon and Grainger credit memos
- [REDACTED] personnel file

Investigative Activity

In an interview with TOIG, [REDACTED] admitted that the misuse of his Government purchase card to purchase the items was wrong. He told the TOIG that he returned all of the unauthorized purchases to Amazon.com and W.W. Grainger, Inc., in November 2013. [REDACTED] sent the TOIG copies of the refund receipts for items he purchased from Amazon.com. He also sent copies of refund credit memos for the items that he returned to W.W. Grainger, Inc. (Exhibit 2)

TOIG verified the credit returns with W.W. Grainger, Inc., which confirmed that [REDACTED] returned six items credits totaling \$2,671.31. The returns were credited to [REDACTED] USM government purchase card. (Exhibit 3)

Report of Investigation

Case Name: [REDACTED]

Case # USM-14-0185-I

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In an interview with TOIG, [REDACTED] maintained that he returned all of items that had not been confiscated to Grainger. [Agent's Note: On November 24, 2014, the USM advised TOIG that \$3,841.79 in property had not been recovered.]

[REDACTED] also advised that the U.S. Department of Agriculture (USDA) had contacted him to arrange repayments of the negative leave balance of 226 hours that he had when he left the government. The USDA advised him that he has a debt of approximately \$5,868 as a result of his negative leave balance and [REDACTED] sent a certified letter to the USM four months ago agreeing to the repayment plan. [REDACTED] said he had not heard back from the USDA. [REDACTED] maintained that he returned all of the items or that they had been put into service at the USM. (Exhibit 4)

In an interview with TOIG, [REDACTED] said she had checked with the Bureau of the Fiscal Service (BFS), Administrative Resources Center (ARC) regarding the status of [REDACTED] repayment of his negative leave balance. BFS reported that a repayment agreement had been received by the National Finance Center (NFC). [REDACTED] advised that she would verify with the NFC about the status of [REDACTED] repayment plan and when it would go into effect. (Exhibit 5)

In an interview with TOIG, [REDACTED] said that when he asked [REDACTED] about the unauthorized purchases, [REDACTED] said they were sent to him by mistake. After he ordered [REDACTED] to return the items to Amazon.com and W.W. Grainger, Inc., [REDACTED] said he learned later that [REDACTED] brought several of the unaccounted for purchased items back into the Mint over the weekend in November 2013. Among the questioned items that were purchased were a bulldog door knocker and digital thermostats, which [REDACTED] noted were not equipment that is used in the Mint. (Exhibit 6)

[REDACTED] conducted an inventory before [REDACTED] resigned and determined several items were missing. [REDACTED] asserted that the missing items were issued to the employees in the division.

TOIG interviewed several USM employees in [REDACTED] former division. Several of the employees thought the items may have been issued to them but they were not certain. (Exhibits 7-10)

After [REDACTED] resigned, [REDACTED] and the other division employees conducted a second inventory and found that equipment such as a battery charger, a Milwaukee brand cordless drill, a Bosch brand oscillating tool kit, and military flashlights were missing and were still unaccounted for. The original loss of the unaccounted equipment was approximately \$7,000.

Report of Investigation

Case Name: [REDACTED]

Case # USM-14-0185-I

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Referrals

On November 22, 2013, TOIG presented the facts of the investigation to Assistant U.S. Attorney (AUSA) [REDACTED], U.S. Attorney's Office, District of Eastern Pennsylvania. AUSA [REDACTED] declined criminal prosecution of the case. (Exhibit 11)

Judicial Action

N/A

Findings

The investigation determined that the allegation was substantiated. [REDACTED] admitted to misusing his purchase card but denied that he kept any of the purchased property or equipment. [REDACTED] provided TOIG with credit memos of items he said he returned to the vendor. Subsequent inventories conducted by the USM determined that the loss amount of the unaccounted property was \$2,373.59. The case was declined for criminal prosecution.

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

- 5 CFR 735.203, Conduct Prejudicial to the Government

Distribution

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

Signatures

Case Agent: [REDACTED]

6/17/15
Date

Supervisor:

Jerry S. Marshall

18 JUN 15
Date

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Exhibits

1. Lead initiation document from USM Philadelphia, dated November 13, 2013.
2. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated July 21, 2014.
3. Memorandum of Activity, Interview of W. W. Grainger, Inc., Federal Government Team Customer Representative, dated April 20, 2015.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated April 20, 2015.
5. Memorandum of Activity, Interview of [REDACTED], dated April 23, 2015.
6. Memorandum of Activity, Interview of [REDACTED] dated April 22, 2015.
7. Memorandum of Activity, Interview of [REDACTED], dated April 22, 2015.
8. Memorandum of Activity, Interview of [REDACTED], dated April 22, 2015.
9. Memorandum of Activity, Interview of [REDACTED], dated April 22, 2015.
10. Memorandum of Activity, Interview of [REDACTED], dated April 27, 2015.
11. Memorandum of Case Presented for Prosecution - Criminal (Declined), dated November 25, 2013.

OFFICE OF
INSPECTOR GENERALDEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

APR 06 2015

MEMORANDUM FOR DENNIS O'CONNOR, CHIEF
U.S. MINT POLICEFROM: Jerry S. Marshall [REDACTED]
Special Agent in ChargeSUBJECT: [REDACTED] et. al.
[REDACTED]
U.S. Mint
Case Number: USM-15-0356-I

Attached for your review is our Report of Investigation (ROI) into allegations that [REDACTED], [REDACTED], USM, San Francisco (SF), CA used his position to influence activities of the Employee Association Board (EAB), that USM SF management obtained EAB funds and gave them to the USM Union, that USM SF management misused the EAB funds, and disposed of EAB property. Our investigation substantiated these allegations.

[REDACTED] was tasked by [REDACTED], [REDACTED], USM SF, to discern the status of the EAB because the EAB had not been active in several months and USM SF employees were asking management about the status. USM SF management informed the Treasury Office of Inspector General that they believed that the EAB was disbanded because the EAB had not met the State of CA charter requirements, the EAB had provided no employee functions for months, and the EAB no longer had a bank account because the previous EAB President had closed the account. The investigation determined that the USM SF management did give remaining EAB funds to the USM SF Union and asked that the funds be kept in a separate account from other union funds. The USM SF management did request a donation of \$500 be given by the union from the EAB funds to pay for an employee activity. The USM SF management also had an EAB room cleaned for remodeling at the USM SF, and some of the EAB items were moved to a warehouse and some were discarded. The USM SF management should have sought out the remaining EAB members, requested assistance with the aforementioned activities, and came to an agreement how funds in the account should be spent.

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Office of Inspector General - Investigations
Department of the Treasury

The ROI and attached documentation are provided to assist you in determining whether corrective administrative action may be warranted. Please provide a written response within ninety (90) days of the date on this memorandum advising what administrative actions, if any, you have taken in response to this ROI's finding(s) and/or recommendations, and explaining either why those actions were taken or why no action was taken. When responding, please identify this matter by its case number, USM-15-0356-I, and transmit your response to the TOIG electronic mail intake at OIGINTAKE@oig.treas.gov.

If you have any staff requests, questions concerning this matter, or require any attachments referenced in the ROI exhibits, 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-██████.

This report is the property of the Office of Inspector General, and is For Official Use Only. It contains sensitive law enforcement information, the use and dissemination of which is subject to the Privacy Act, 5 U.S.C. § 552a. This information may not be copied or disseminated without the written permission of the OIG, which will be granted only in accordance with the Privacy Act and the Freedom of Information Act, 5 U.S.C. § 552. Any unauthorized or unofficial use or dissemination of this information will be penalized.

Office of Inspector General - Investigations
Department of the Treasury

REPORT OF INVESTIGATION
USM-15-0356-I



Office of Inspector General

United States Department of the Treasury



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



Report of Investigation

Case Title: [REDACTED] et al.
Deputy Plant Manager
U.S. Mint
GS-15

Case #: USM-15-0356-I

Case Type: Criminal
Administrative X
Civil

Conducted by: [REDACTED]
Special Agent

Investigation Initiated: March 3, 2015

Investigation Completed: APR 06 2015

Approved by: Jerry S. Marshall
Special Agent in Charge

Origin: Confidential

Summary

In November 2014, a confidential source contacted the U.S. Department of Treasury Office of Inspector General (TOIG) regarding mismanagement of the U.S. Mint (USM) Employee Association Board (EAB). Specifically, alleging that [REDACTED] Deputy Plant Manager, USM, San Francisco (SF), CA used his position to influence activities of the EAB, that USM SF management obtained EAB funds and gave them to the USM Union, that USM SF management misused the EAB funds, and improperly disposed of EAB property. (Exhibit 1)

The investigation determined that the allegations were substantiated. [REDACTED] was tasked by [REDACTED] Plant Manager, USM SF, to discern the status of the EAB because the EAB had not been active in several months and USM SF employees were asking management about the status of the EAB. The investigation determined the USM SF management did give remaining EAB funds (\$6,000) to the USM SF Union and asked that the funds be kept in a separate account from other union funds. The USM SF management did request a donation of \$500 be given by the union from the EAB funds to pay for an employee activity. The USM SF management also directed the cleaning of an EAB room for remodeling at the USM SF. Some of the EAB items in that area were moved to a warehouse, and some were discarded. The USM SF management should have sought out the remaining EAB members regarding the remaining EAB funds and requested assistance with the aforementioned activities. The USM SF management was also given advice by USM Counsel which was not fully observed. Although the intentions of USM SF management was to safeguard the former EAB funds and continue to use them for the benefit of the employees, it was determined that the funds should remain in an EAB account operated by the employees who decide how the funds are spent.

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Basis and Scope of the Investigation

In November 2014, a confidential source contacted TOIG regarding mismanagement of the EAB funds and property. TOIG investigated the matter to discern the status of the funds and property, and USM SF management's role in the matter.

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

- [REDACTED] Plant Manager, USM
- [REDACTED] Deputy Plant Manager, USM
- [REDACTED] Employee Development Specialist, USM
- [REDACTED] Safety Support Coordinator, USM
- Veronica Valdez, Coin and Assembly Machine Operator, USM
- [REDACTED] Accountant and USM Union President, USM
- Carissa [REDACTED] Accounting Automation Assistant, USM

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

- The Treasury Personnel Manual Chapter 712 dated May 21, 1982
- Bayco contract

Investigative Activity

TOIG obtained and reviewed the U.S. Treasury Personnel Manual Chapter 712 regarding Organizations and Activities. This document was provided by [REDACTED] USM Counsel. The Treasury Personnel Manual Chapter 712, was dated May 21, 1982. The chapter describes an "employee recreation association" as an organization to "help meet employees' recreational and social needs." The document reflects: "the organization must be democratically organized and must operate in accordance with a written constitution and bylaws...Membership must be limited to present and former Treasury employees and their immediate families. The record also reflects: "The organization must have adequate written procedures for safeguarding funds, merchandise, and other negotiable items (tickets etc). Upon request of the Assistant Secretary (Administration), Head of Bureau, or the Inspector General, each recreation association shall submit its annual financial report...Failure to comply with any of the above requirements may result in loss of privileges." (Exhibit 2)

TOIG obtained and reviewed the Bayco Vending Company contract with the USM SF and the monthly vending machine earnings. The documents reviewed were as follows:

- Bayco Vending Company contract which reflected that Bayco had a contract with the USM San Francisco from June 2012 to June 2013, and then on a month by month basis to provide

vending machines to the facility. The contract showed that a commission would be paid by the contractor to the USM in "a single monthly payment derived from multiplying the commission of 10-20% times the individual item gross monthly sales." (The percentages shown in an attachment reflect 20% for all items.) The contract was not signed, but listed the name of [REDACTED] Acting President, EAB, for the USM and [REDACTED] for Bayco. The document was undated.

- 2012 monthly statements reflecting the following commissions: May 2012 - \$142.18, June 2012 - \$379.55, July 2012 - \$343.22, August 2012 - \$527.07, September 2012 - \$426.21, October 2012 - \$513.47, November 2012 - \$419.26, December 2012 - \$383.24.

- 2013 monthly statements reflecting the following commissions: January 2013 - \$480.95, February 2013 - \$412.35, March 2013 - \$439.12, April 2013 - \$463.69, May 2013 - \$528.85, June 2013 - \$400.69, July 2013 - \$376.12, August 2012 - \$667.75, September 2013 - \$467.21, October 2013 - \$636.27, November 2013 - \$403.20, December 2013 - \$570.17.

- 2014 monthly statements reflecting the following commissions: January 2014 - \$488.53, February 2014 - \$529.45, March 2014 - \$547.48, April 2014 - \$536.85, May 2014 - \$490.30.

[Agent's Note: Bayco informed TOIG that there were no records after May 2014 because the EAB was disbanded and services with Bayco were terminated.] (Exhibit 3)

In an interview with TOIG, [REDACTED] stated that he has been the Plant Manager at the USM SF since 1999. [REDACTED] stated that when he began, there was an active EAB operated by [REDACTED], EAB President, and a few employees. The organization raised funds by earning a commission on the vending machines within the USM. They also obtained coins placed in "amnesty boxes." He explained that amnesty boxes were located in an area before employees went through security before leaving the USM and allowed employees to place personal coins in the box that should not have been brought into the USM. The funds obtained through the vending machines and the amnesty boxes were used by the EAB for employee functions like holiday parties and retirement luncheons.

[REDACTED] advised that in approximately 2010, Matthews retired. Since then, the EAB seemed to be "floundering" because it was unclear who was operating the EAB, and no events were occurring. [REDACTED] wrote a memorandum in September 2012, to the EAB explaining the USM's rules regarding an EAB. He thought the memo was necessary so that any future EAB President would know that he or she would need to advise management of meetings and events for staffing and security concerns. [REDACTED] also asked [REDACTED] to look into the EAB status in approximately 2012. [REDACTED] informed [REDACTED] that the EAB had disbanded because it did not comply with all of the CA charter requirements. The funds raised by the EAB were

transferred to the USM union, but [REDACTED] indicated that he did not know the details. In 2013, [REDACTED] said that he requested \$500 from the union funds for an employee event that was to be held in December.

[Agent's Note: The event was actually held in December 2014, based on other testimonies and the date on a check receipt from the USM SF Union President.] (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that he has been with the USM SF since 1999. He has been the [REDACTED] since September 2013. [REDACTED] indicated that when he began, there was an active EAB operated by [REDACTED] and a few employees. The funds obtained through the vending machines and other fundraisers like selling t-shirts were used for employee functions like holiday parties and retirement luncheons, and occasional giveaways. When [REDACTED] was President, he said that she would attend the annual USM town hall meeting and show the employees what funds were raised and how the funds were used. In 2011, Matthews retired and the EAB "died out." [REDACTED] advised that there were no functions and no one provided any information regarding the EAB at the town hall meeting.

In 2012, [REDACTED] was promoted to Production Manager and wanted to ascertain what happened to the EAB because employees were asking him what had happened to the EAB, and why there were no events. [REDACTED] said that he contacted [REDACTED] because she was an EAB member. [REDACTED] stated that he has been her direct and indirect supervisor, and is currently her direct supervisor. [REDACTED] provided him some information, but did not want to follow some requests made by [REDACTED]. For example, [REDACTED] informed her that the EAB was not following their own by-laws by not providing USM employees with yearly financial reports so the EAB should not elect new members before resolving the by-law issues. [REDACTED] indicated that [REDACTED] then immediately sent an e-mail to all the staff for an election of a new board. [REDACTED] asked USM Counsel, [REDACTED] for advice, and [REDACTED] advised that management should leave the EAB alone and allow the election. [REDACTED] advised that [REDACTED] became the EAB President in 2012, but resigned from the position in the Fall of 2013 when she transferred to the USM in Denver. At that time, according to [REDACTED], [REDACTED] closed the EAB bank account and gave a check to [REDACTED] in the amount of \$5,000 to \$6,000. [REDACTED] gave the check to the USM union and they opened a separate account for the funds. From January 2014 to May 2014, the vending company, Bayco Vending, provided the USM with the USM's vending machine commission. [REDACTED] advised these checks were also given to the Union. [REDACTED] was uncertain of the current status of the vending commission. In December 2014, USM management asked the union for a donation toward the employee holiday party. The union provided \$400 from the EAB account for a photo booth used at the party. [REDACTED] added that management recently moved many EAB items like popcorn poppers, cotton candy machines, [REDACTED] to the warehouse from their former space because the USM is conducting a remodeling / re-sizing that will last several months. (Exhibit 5)

Report of Investigation

Case Name: [REDACTED] et al.

Case # USM-15-0356-I

Page 5 of 10

In an interview with TOIG, [REDACTED] said that she has been with the USM SF since 1980. She stated that the EAB began at the USM SF in 2001. [REDACTED] advised that at that time, the EAB President was [REDACTED]. The funds obtained through the vending machines and other fundraisers like selling t-shirts were used for employee functions like holiday parties and retirement luncheons, and occasional giveaways of hats and shirts. Matthews retired in approximately 2011. [REDACTED] indicated that she was President from 2011 to 2012, but had a knee injury so she was off for some time and could no longer serve in the role effectively. [REDACTED] said that [REDACTED] became the President in July 2012, and served in the role until the Fall of 2013, when she transferred to the USM in Denver, CO. [REDACTED] was the Treasurer under [REDACTED] (no relation).

[REDACTED] explained that when the EAB became chartered in CA in 2001, part of the agreement was that the USM EAB would give 17.5% of the vending machine commissions to the State of CA. The EAB would also file tax documents annually reflecting their earnings. [REDACTED] said that [REDACTED] performed these administrative requirements well from 2001 to 2011. [REDACTED] also filed the correct paperwork. However, after [REDACTED] became President, and [REDACTED] became Treasurer, the payments and the forms were not sent to the state of CA. [REDACTED] informed them both that the payments and filing were necessary to keep the charter active, and was not certain of the reason why they did not perform these tasks. [REDACTED] also believes that [REDACTED] sent the documents to the wrong office. These issues caused the CA franchise office to state that the USM EAB was in violation of their charter.

[REDACTED] stated that [REDACTED] has been unnecessarily involved in EAB business since 2012. In 2012, he began sending her e-mails requesting copies of the EAB by-laws and asking for names of EAB members and asking to be involved in future EAB nominations and elections. [REDACTED] felt that such inquiries were inappropriate because he was not only part of management, but also her supervisor. She contacted [REDACTED]. [REDACTED] informed them both that USM management should not be involved in EAB business. However, in September 2014, [REDACTED] announced at a staff meeting that former EAB funds would be released from the union for an Employee Appreciation Day to be held in December 2014. [REDACTED] then learned that former EAB funds were placed in a union account; she also learned that [REDACTED] Union President, had returned commission checks to the Bayco Vending Company. Finally, according to [REDACTED] in December 2014, USM management cleared a room that held EAB items (dishes, popcorn poppers, cotton candy machine etc) and placed the items in the USM warehouse. The aforementioned activities by USM management annoyed her because there were still EAB members ([REDACTED] and [REDACTED] and [REDACTED] and [REDACTED] and were never consulted. (Exhibit 6)

In an interview with TOIG, [REDACTED] indicated that he has been with the USM SF since 2010. He stated that the EAB was once very active at the USM. [REDACTED] stated that Matthews was the President of the EAB until approximately 2011 when she retired. Afterward, [REDACTED] filled the role for a short period, and [REDACTED] was the President from approximately 2012 to 2013. [REDACTED] was the Treasurer under [REDACTED]. According to [REDACTED] during that last time period,

Report of Investigation

Case Name: [REDACTED] et al.

Case # USM-15-0356-I

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[REDACTED] changed the EAB's name to the Employees Association of the San Francisco Mint, [REDACTED] stated that the new EAB was handled poorly by [REDACTED] and [REDACTED]. [REDACTED] stated that he and [REDACTED] informed them that they had to pay the State of CA a percentage of the commission earned from the vending machines as per the charter agreement. [REDACTED] and [REDACTED] also informed them that they had to file an annual tax form stating that they owed no taxes because of the amounts earned were less than what was required to pay taxes. According to [REDACTED], [REDACTED] and [REDACTED] did not follow [REDACTED] advice, but did hire an attorney using \$3,000 of the EAB funds. [REDACTED] advised that in late 2013, [REDACTED] transferred to the USM in Denver, CO. She withdrew the funds from the EAB SF's bank account in the form of a cashier's check in the amount of \$5,000 to \$6,000 and gave the check to [REDACTED]. [REDACTED] believes the union now has the funds. [REDACTED] said that [REDACTED] also informed him in the spring of 2014, to tell Bayco Vending Company to discontinue the monthly vending machine commission checks because [REDACTED] did not know what to do with the checks. [REDACTED] stated that the EAB has not been active for more than two years, but has never been disbanded, and that he and [REDACTED] are still members. It upset [REDACTED] that management took the former EAB funds and transferred them to the union without consulting him or [REDACTED]. (Exhibit 7)

In an interview with TOIG, [REDACTED] stated that she has been with the USM SF since 2006. [REDACTED] indicated that when she began at the USM, the EAB was very active. [REDACTED] advised that [REDACTED] was the President of the EAB until approximately 2011, when she retired. [REDACTED] filled the role for a short period, and [REDACTED] was the President from July 2012 to the fall of 2013. [REDACTED] said she became the Treasurer in July 2012, because she wanted to be part of the organization and get some background in bookkeeping. At that time, [REDACTED] and [REDACTED] closed the former EAB account because they wanted to have a "clean start" with a new organization with a new name and new books. They received a check in the amount of \$3,000 from the former EAB and opened an account at the Wells Fargo Bank in the name of the Employees Association of the San Francisco Mint. [REDACTED] stated that they immediately had problems with the State because the CA State employee with whom the former EAB had dealt was no longer in the same position, so they had difficulties paying the State fees and tax paperwork. They hired an attorney and paid him approximately \$500, but he could not resolve the state issues either. [REDACTED] resigned in 2013 because she was uncomfortable having her name on the board as the treasurer when they could not satisfy the State's requirements. [REDACTED] provided the financial documents to [REDACTED]. At that time, the account had approximately \$3,000. Shortly thereafter, [REDACTED] transferred to the USM in Denver, CO. [REDACTED] was uncertain what happened to the financial documents. In 2013, the board had the following active members: the [REDACTED], [REDACTED], [REDACTED] and [REDACTED], although all USM employees are technically members. The last activity by the board was in 2012 when hats were given to the employees. The board has not been active and has not had a President since 2013. [REDACTED] was uncertain what happened to the board's funds. (Exhibit 8)

In an interview with TOIG, [REDACTED] indicated that he has been with the USM SF since 1991. He recalled that the EAB was once very active at the USM. Emesewedy said that [REDACTED] was the President of the EAB until approximately 2011 when she retired. [REDACTED] filled the role for a short period and [REDACTED] was the President from approximately 2012 to 2013. [REDACTED] changed the EAB's name to the Employees Association of the San Francisco Mint, [REDACTED] recalled the last EAB event being in the fall of 2013 when hats were given to the employees. According to [REDACTED] in late 2013, [REDACTED] transferred to the USM in Denver, CO, and withdrew the funds from the EAB SF's bank account in the form of a cashier's check in the amount of \$5,040.06 to the "Employee Association of the SF Mint." [REDACTED] advised that from January 2014 to May 2014, the vending machine company, Bayco, continued to give the USM the monthly commission checks of approximately \$400 each. The USM has not received any additional funds since May 2014, because [REDACTED] informed Bayco to hold future checks because the USM no longer has an EAB that is chartered by the State of CA. [REDACTED] stated that in the fall of 2014, [REDACTED] asked him to open an account in the name of the EAB and have the union oversee it because the former EAB no longer had any members. [REDACTED] worked with the former attorney of the EAB (name not recalled) to have a check written from the Employees Association of the San Francisco Mint to the AFGE Local 51 in the amount of \$6,000 in October 2014. This amount included the original \$5,040.06 in the EAB account when it was closed plus the Bayco Vending checks from January to May 2014, minus attorney fees. The \$6,000 check was deposited into a separate account managed by the union on October 14, 2014. In late October 2014, USM management asked the union for a donation for a holiday party so the union donated \$500 from the funds. (Exhibit 9)

In a telephonic interview with [REDACTED] she stated she has been with the USM since 2007. She was in the Denver, CO site from 2007 to 2009. [REDACTED] said that she was then at the SF site from January 2010 to December 2013, and then returned to the Denver USM.

[REDACTED] indicated that from approximately the fall of 2012 to the fall of 2013, she was the President of the Employee Association of the SF Mint. She stated that the organization was formerly called the Employee Association Board and the president was [REDACTED] and then [REDACTED]. She stated that when she began at the USM, the EAB was very active. [REDACTED] stated that when [REDACTED] became the president in 2012, [REDACTED] was very protective of the records and did not give [REDACTED] all of the records. [REDACTED] also closed the EAB bank account and provided [REDACTED] with a check for approximately \$3,000.00. [REDACTED] and her Treasurer, [REDACTED] opened a new account in the name of the Employee Association of the SF Mint. They continued to collect commissions from the vending machine company and deposit the funds in the account. They had only one event for the employee which was a "Day at the Races" which was held on a weekend. [REDACTED] and [REDACTED] attempted to pay the State of CA a percentage of the commission to keep their charter, but the personnel in the CA office could find no record of an agreement with the USM SF. [REDACTED] and [REDACTED] hired an attorney and paid him a \$2,500 (amount discrepant with [REDACTED] statement) retainer and an hourly rate, but he could not resolve issues with the State. In the fall of 2013, [REDACTED] transferred to

the USM in Denver, CO. Before leaving, she closed the bank account for the Employee Association of the SF Mint and gave a check in the amount of \$5,000 to [REDACTED]. She has had no further contact with the Association. (Exhibit 10)

Referrals

NA

Judicial Action

NA

Findings

The investigation determined that the allegations were substantiated. [REDACTED] was tasked by [REDACTED] to discern the status of the EAB because the EAB had not been active in several months and USM SF employees were asking management about the status. USM SF management believed that the EAB was disbanded because the EAB had not met the State of CA charter requirements and no longer had a bank account because the previous EAB President had closed the account. USM SF management did give remaining EAB funds (\$6,000) to the USM SF union and asked that the funds be kept in a separate account from other union funds. The former EAB funds are still with the USM SF Union. The USM SF management did request a donation of \$500 be given by the union from the EAB funds to pay for an employee activity. USM SF management also cleaned an EAB room for remodeling at the USM SF. Some of the EAB items were moved to a warehouse and some were discarded. USM SF management should have sought out the remaining EAB members and requested assistance in determining what to do with the remaining EAB funds and removal of EAB items. USM SF management was given advice by USM Counsel which was not fully observed. Although the intentions of USM SF management was to safeguard the former EAB funds and continue to use them for the benefit of the employees, the funds should remain in an EAB operated by the employees who decide how the funds are spent.

Distribution

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

Report of Investigation

Case Name: [REDACTED] et al.

Case # USM-15-0356-I

Page 9 of 10

Signatures

Case Agent:

[REDACTED]

4/1/15
Date

Supervisor:

[REDACTED]

2 APR 2015
Date

Exhibits

1. Confidential complaint sent to USM, dated November 14, 2014.
2. Memorandum of Activity, Record Review of U.S. Treasury Personnel Manual Chapter 712, dated January 26, 2015.
3. Memorandum of Activity, Record Review of Bayco Vending contract, dated February 3, 2015.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED], USM SF, dated February 9, 2015.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED], USM, dated February 10, 2015.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Employee Development Specialist, USM, dated February 10, 2015.
7. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Safety Support Coordinator, USM, dated February 10, 2015.
8. Memorandum of Activity, Interview of [REDACTED] Coin and Assembly Machine Operator, USM, dated February 10, 2015.
9. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Accountant and USM Union President, USM, dated February 10, 2015.
10. Memorandum of Activity, Interview of [REDACTED] [REDACTED] Accounting Automation Assistant, USM, dated February 23, 2015.

OFFICE OF
INSPECTOR GENERALDEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

SEP 09 2015

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

FROM: Jerry S. Marshall [REDACTED]
Special Agent in Charge

SUBJECT: Inspector [REDACTED] and Field Chief [REDACTED]
United States Mint
OIG Case Number: USM-15-0976-I

Attached for your review is our Report of Investigation (ROI) into allegations that Inspector [REDACTED] and Field Chief [REDACTED] authorized the shooting of an unauthorized/unapproved Semi-Automatic Pistol Course for qualification during a quarterly pistol re-qualification in September 2014 in Ft. Knox, KY. Our investigation unsubstantiated the allegations.

The ROI and attached documentation are provided to assist you in determining whether corrective administrative action may be warranted. Please provide a written response within ninety (90) days of the date on this memorandum advising what administrative actions, if any, you have taken in response to this ROI's finding(s) and/or recommendations, and explaining either why those actions were taken or why no action was taken. When responding, please identify this matter by its case number, USM-15-0976-I, and transmit your response to the TOIG electronic mail intake at OIGINTAKE@oig.treas.gov.

If you have any questions concerning this matter, or require any attachments referenced in the ROI exhibits, 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]

REPORT OF INVESTIGATION
USM-15-0976-I



Office of Inspector General

United States Department of the Treasury



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



Report of Investigation

Case Title:

Inspector
United States Mint (USM)
TR-12

Field Chief
United States Mint (USM)
TR-14

Origin: Dennis P. O'Connor, Chief

Case #: USM-15-0976-I

Case Type: Criminal _____
Administrative X
Civil _____

Conducted by: Investigator

Investigation Initiated: March 17, 2015

Approved by: Jerry S. Marshall
Special Agent in Charge

Investigation Completed: SEP 09 2015

Summary

On October 3, 2014, the Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), received a referral from the United States Mint (USM) alleging that USM firearms instructors at the United States Bullion Depository (USBD), Ft. Knox, KY, conducted firearm qualifications using an unapproved Semi-Automatic Pistol Course (SPC), without the prior approval or knowledge of the USM Headquarters, in violation of Mint Directives MD10D-6 Weapons and Use of Force and MD 10D-9 Training. (Exhibit 1)

The investigation determined that the allegation was unsubstantiated. A TOIG review of Mint Directives MD10D-6 Weapons and Use of Force, and MD 10D-9 Training, as well as interviews conducted of USM Police personnel revealed that no unauthorized SPC was shot for qualification by any USM Police personnel and that USM Police personnel complied with Mint Directive MD10D-6 - Weapons and Use of Force, Section 7(d) Para 6 (a) (2) Training Ammunition, 1,000 rounds per FTE per year. The USM Directive does not dictate how the ammunition should be used, nor does it identify any specific course of fire be used while training with this ammunition.

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Basis and Scope of the Investigation

On October 3, 2014, TOIG received information from the USM alleging that [REDACTED] and [REDACTED] authorized USM firearms instructors to use an unauthorized SPC for quarterly qualifications.

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

- [REDACTED] Police Inspector, National Training Coordinator, USM - Witness
- [REDACTED] Field Chief, USM - Subject
- [REDACTED] Police Inspector, USM - Subject
- [REDACTED] Police Sergeant, USM - Witness
- [REDACTED] Police Officer, USM - Witness
- [REDACTED] Police Officer, USM - Witness
- [REDACTED] Police Lieutenant, USM - Witness

In addition, TOIG reviewed pertinent documents, including:

- USM Police Incident Report 14-HQ-038
- USM Mint Directives MD10D-6 - Weapons and Use of Force
- USM MD 10D-9 - Training
- USM emails between Inspector [REDACTED] and USM Police training staff

Investigative Activity

TOIG conducted a review of the emails between [REDACTED] and the USM Training officers advising them not to shoot a newly proposed SPC for qualification because the SPC had not been approved by the USM Police Chief. TOIG also reviewed a copy of the USM Police Incident Report as well as copies of USM Mint Directives MD10D-6 Weapons and Use of Force and MD 10D-9 Training. (Exhibit 2)

In an interview with TOIG, [REDACTED] stated that the USM has been reviewing a new firearms course of fire for some time but indicated that it has not been approved. [REDACTED] stated that he sent out an email to all USM training officers (TO's) advising that until this course of fire was approved that no one should fire the proposed SPC. [REDACTED] stated that he never asked anyone for feed back on the proposed SPC, nor did he authorize anyone to shoot this proposed SPC. (Exhibit 3)

In an interview with TOIG, [REDACTED] stated that the USM has been reviewing a new SPC for some time and the National Training Coordinator (NTC) [REDACTED] sent out an email on August 15, 2014, to all USM TO's with a copy of the proposed SPC and asked that all Firearms Instructor's (FI's) evaluate the SPC and give him feedback. [REDACTED] stated that the newly proposed SPC was

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essentially the same as the currently authorized SPC, but added 4 extra rounds to each magazine.

[REDACTED] stated that [REDACTED] was the Acting Training Officer (ATO) for Ft. Knox at the time and thought it would be a good idea for the FI's to shoot the SPC for familiarization and to provide feed back to Inspector [REDACTED]. [REDACTED] stated that on August 18, 2014, he sent an email to [REDACTED] and [REDACTED] stating that Ft. Knox was going to run an evaluation on the proposed SPC and would provide feedback to [REDACTED]. On August 20, 2014, [REDACTED] sent an email to [REDACTED] and others stating that FI's would shoot the authorized SPC and then evaluate the proposed SPC to provide feedback to [REDACTED]. [REDACTED] stated that only FI's participated in this evaluation process.

[REDACTED] stated that he received an email from [REDACTED] on September 5, 2014, advising him that the proposed SPC had not been approved yet and to shoot the existing authorized SPC for qualifications. [REDACTED] stated that [REDACTED] was not copied on this email. [REDACTED] stated that all FI's shot the authorized SPC for qualification and then shot the proposed SPC for evaluation purposes only. [REDACTED] stated that the email did not specifically state not to shoot the proposed SPC, just don't use the proposed SPC for qualifications. (Exhibit 4)

In an interview with TOIG, [REDACTED] stated that he has worked for the USM for approximately 18 years and is a FI. [REDACTED] stated the NTC [REDACTED] sent out an email on August 15, 2014, to all USM TO's with a copy of the proposed SPC and asked that all FI's evaluate the SPC and provide feedback.

[REDACTED] stated that [REDACTED] was the ATO for Ft. Knox at the time and thought it would be a good idea for the FI's to shoot the proposed SPC for familiarization and to provide feed back to [REDACTED]. [REDACTED] stated that on September 11, 2014, all of the FI's at the range that day shot the authorized SPC for qualification and then shot the proposed SPC for evaluation purposes only. [REDACTED] stated that his feedback of the proposed SPC was that it was not a very good course of fire and needed tweaking. (Exhibit 5)

In an interview with TOIG, [REDACTED] stated that prior to [REDACTED] taking over the training division duties; [REDACTED] was the ATO just prior to his being promoted in July 2014. [REDACTED] stated that the NTO [REDACTED] had asked all the TO's and FI's to review and evaluate a proposed SPC that had officers loading their magazines to a full 10 round capacity prior to the SPC instead of their currently authorized 6 round capacity.

[REDACTED] stated that she had been copied on numerous emails regarding the change to the proposed SPC, and knew that it was planned to be implemented in the fall of 2014 around September or October. [REDACTED] stated as far as she knows the USM never changed over to the proposed SPC. [REDACTED] stated that she was aware of her officers conducting an evaluation of the proposed SPC after they completed their authorized SPC for qualification in September 2014. [REDACTED] stated that she was never told by USM HQ or by [REDACTED] not to shoot the

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proposed SPC. [REDACTED] stated that the NTO uses Ft. Knox frequently to test out problems with weapons and to evaluate new weapons training due to the experienced FI's at the Ft. Knox facility and the fact that they have access to the military ranges. (Exhibit 6)

In an interview with TOIG, [REDACTED] stated that he has worked for the USM for approximately 16 years and is a FI. [REDACTED] stated the NTC, [REDACTED] sent out an email on August 15, 2014, to all USM TO's with a copy of the proposed SPC and asked that all FI's evaluate the SPC for him and give him feedback. [REDACTED] stated that on September 11, 2014, all of the FI's at the range that day shot the authorized SPC for qualification and then shot the proposed SPC for evaluation purposes only. [REDACTED] stated that he did not provide feedback to [REDACTED] but believes Sergeant [REDACTED] did. (Exhibit 7)

In an interview with TOIG, [REDACTED] stated that he has worked for the USM for approximately 28 years and is a FI as well as the Operations Training Officer (OTF). [REDACTED] stated as the OTF he is responsible for coordinating the long term training goals for Ft. Knox and coordinates with the NTO and provides statistics for monthly and quarterly training he has conducted for the USM Police.

[REDACTED] stated that on September 11, 2014, he was not a certified FI and merely ran the range as the Officer in Charge (OIC). [REDACTED] stated that in June of 2014, he had become the OTF and was in the process of becoming an FI. [REDACTED] stated that when the USM Police use the outdoor ranges at FT. Knox, they are required to have an OIC, Safety Officer and a medic or an EMT.

[REDACTED] stated that [REDACTED] sent out an email on August 20, 2014, with a copy of the proposed SPC and asked that all FI's evaluate the SPC for [REDACTED] and give him feedback. [REDACTED] stated that they try to have the FI's shoot separately from the officers in order to have their training completed since they all work different schedules.

TOIG showed [REDACTED] an email from [REDACTED] from September 5, 2014, advising him that the newly proposed SPC had not been approved yet and to shoot the existing authorized SPC for qualifications. [REDACTED] stated that he had recently taken over as OTF and was receiving a lot of emails and training materials and does not recall seeing the email from [REDACTED]. [REDACTED] stated that he would not have changed anything if he had seen the email since it said not to shoot the proposed SPC for qualification, which they did not. [REDACTED] stated that all FI's shot the authorized SPC for qualification and then shot the proposed SPC for evaluation purposes only. (Exhibit 8)

In an interview with TOIG, [REDACTED] was afforded the opportunity to explain his actions regarding the firing of a proposed SPC on September 11, 2014. [REDACTED] stated that he has worked for the USM since 1998 and is second in command of police operations. [REDACTED] stated in his position he is responsible for overseeing the daily operational needs for the USM Police at Ft. Knox and that as part of his duties he also oversees the Police Training Division. Prior to [REDACTED] taking

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over the Training division duties; he was the ATO. During the summer of 2014 a committee was formed at the USM to review the firearms policies and qualification courses of fire. As a result of the committee, a recommendation was made to load pistol magazines to a full 10 round capacity prior to the SPC instead of their current 6 round capacity.

[REDACTED] stated that in August of 2014, [REDACTED] the NTO at the Federal Law Enforcement Training Center (FLETC) at Glynco, GA, asked for feedback on the newly proposed SPC. [REDACTED] stated he sent Sergeant [REDACTED] an email letting him know that he could qualify with the Ft. Knox officers on September 11, 2014. [REDACTED] sent an email back to [REDACTED] acknowledging that he would attend. [REDACTED] stated that [REDACTED] sent [REDACTED] an email letting him know that they were planning to fire the proposed SPC for evaluation. [REDACTED] stated that he believed that [REDACTED] and [REDACTED] had discussed the qualification over the telephone and that [REDACTED] did not advise [REDACTED] not to shoot the proposed SPC. (Exhibit 9)

In a re-interview with TOIG, [REDACTED] stated that he is the NTC for the USM Police and is assigned to the FLETC in Glynco, GA. [REDACTED] stated that he is in charge of all of the USM Law Enforcement training and he also advises the USM Police Field Chiefs on policies. [REDACTED] stated that the USM had been reviewing a new firearms SPC for some time at the request of Deputy Chief [REDACTED] who wanted the USM Police to qualify with fully loaded 10 round magazines in their weapons like they carry on duty instead of the 6 round magazines currently being used in their annual SPC.

[REDACTED] stated that the proposed SPC had yet to be approved and he was asked by a TO from the Denver Mint whether to fire the proposed SPC for the fall qualifications. [REDACTED] stated that's why he sent out an email to all USM TO's that until this proposed SPC was approved that no one should fire the proposed SPC for qualification.

TOIG presented [REDACTED] with copies of emails he sent out to all USM TO's asking for feedback and to evaluate the proposed SPC. [REDACTED] was asked to clarify his earlier statement that he never asked anyone for feed back on the new SPC, nor did he authorize anyone to shoot this proposed SPC. [REDACTED] stated that he did send the newly proposed SPC out to the TO's and asked them to review it and evaluate it and send him feedback, but that he never told any one in the field to shoot the proposed SPC. [REDACTED] stated that as long as no USM TO's used the proposed SPC for qualifications, then he did not see any violation of USM policies or directives.

[REDACTED] was questioned as to how the proposed SPC could thoroughly be evaluated if it was not test fired. [REDACTED] stated that it could not truly be vetted without the actual shooting of the SPC. [REDACTED] added that all USM Police officers are authorized 1000 rounds of ammunition for practice per year and that the USM policy does not dictate how the rounds are fired, only that the rounds be fired on a USM supervised range. [REDACTED] stated that the USM Field Chiefs have the authority to control when and where their firearms' training is completed without receiving permission from USM Police HQ. (Exhibit 10)

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Referrals

N/A

Judicial Action

N/A

Findings

The investigation determined that the allegation was unsubstantiated. A TOIG review of Mint Directives MD10D-6 Weapons and Use of Force and MD 10D-9 Training, as well as interviews conducted of USM Police personnel, revealed that no unauthorized SPC was shot for qualification by any USM Police personnel and that USM Police personnel complied with Mint Directive MD10D-6 - Weapons and Use of Force, Section 7(d) Para 6 (a) (2) Training Ammunition, 1,000 rounds per FTE per year. The USM Directive does not dictate how the ammunition should be used, nor does it identify any specific course of fire be used while training with this ammunition.

Based on the findings of our investigation, it appears that no pertinent statute(s), regulation(s) and/or policy (ies) were violated or could be applied to the case.

Distribution

Dennis O'Connor, Chief, United States Mint Police

Signatures

Case Agent:

[REDACTED]

8/25/15
Date

Supervisor:

[REDACTED]

Jerome S. Marshall

26 AUG 2015
Date

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Exhibits

1. Complaint letter from Dennis O'Connor, Chief USM Police, dated December 3, 2014.
2. Copies of USM Police report 14-HQ-038, US Mint Directives MD10D-6 Weapons and Use of Force, MD 10D-9 Training, and miscellaneous emails.
3. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated March 24, 2015.
4. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 7, 2015.
5. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 7, 2015.
6. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 7, 2015.
7. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 7, 2015.
8. Memorandum of Activity, Interview of [REDACTED] [REDACTED] dated May 7, 2015.
9. Memorandum of Activity, Interview of [REDACTED] [REDACTED] [REDACTED] dated May 7, 2015.
10. Memorandum of Activity, Re-interview of [REDACTED] [REDACTED] dated July 10, 2015.

OFFICE OF
INSPECTOR GENERALDEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

AUG 21 2015

AUG 27 2015

MEMORANDUM FOR DENNIS P. O'CONNOR, CHIEF
UNITED STATES MINT POLICEFROM: Jerry S. Marshall [REDACTED]
Special Agent in ChargeSUBJECT: [REDACTED]
OIG Case Number: USM-15-1920-I

An inquiry was initiated by the U.S. Department of the Treasury, Office of Inspector General, Office of Investigations (TOIG), after receiving numerous anonymous complaints regarding [REDACTED] United States Mint (USM). It was alleged that [REDACTED] wasted agency funds by doing the following: choosing to take an airplane to Philadelphia rather than take a train or a car, refusing to share rides with other USM employees because of his self-perceived elite status, changing-out a green vehicle for a Chevrolet Suburban sport utility vehicle, reconstructing multiple office spaces into a single, cavernous office for himself, converting an employee smoking area into a private patio for his personal use, and referring to his staff lawyers as "my gingers".

TOIG interviewed three Attorneys' at the USM who are red heads and asked if any of them had ever been referred to as "gingers" by [REDACTED]. All three stated that [REDACTED] may have used the word "Ginger" in their presence but he was relating a story about [REDACTED] who has red hair and neither of the parents are red heads. All three Attorneys' stated that they would not be offended by the term since they use the term themselves jokingly with each other.

TOIG interviewed the USM Chief Financial Officer (CFO) who stated that the Facilities Manager reports to him and that [REDACTED] had requested a cost proposal for a list of renovations and equipment. The CFO stated that the only items that were approved from the list were lighting and coolers for the patio and he was considering another tent to move the smoking area. The CFO also approved the removal of a wall to combine two offices to make an executive office and the removal a cubicle to make a waiting area in front of the office. The CFO stated

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that the two coolers cost about \$100 and that the wall was removed by a USM contractor at a cost \$1250. The CFO stated that the extra executive office space was needed because [REDACTED] is hiring a Chief of Staff (COS) and that position is a Senior Executive Service (SES) position and is entitled to a space comparable to other SES's in the organization.

The CFO stated the lighting on the patio will not cost any additional funding because the USM pays an annual fee for maintenance and improvements to the landlord and the lighting will be paid for out of that existing budget. The CFO stated that the USM has a 16 passenger van and an electric car that is available to USM personnel to include [REDACTED] and these are the only two vehicles in use at the USM and no new vehicles have been purchased for [REDACTED].

The issue of [REDACTED] only using Delta Airlines while on official travel was addressed. The CFO stated that [REDACTED] does prefer to fly Delta, but is aware that if Concur books him on another airline then that is the airline he will travel. The CFO stated that as long as the travel falls within the Federal Travel Regulations (FTR) then [REDACTED] can fly Delta. A CFO staff member prepares [REDACTED]s travel requests and stated that the Concur system will make you justify the reason for not using the preferred carrier.

The CFO was questioned about [REDACTED] referring to his advisors as the "5 White Guys". The CFO stated that [REDACTED] must be referring to his Strategic Planning Meeting (SPM). CFO stated that the SPM consists of the Director of [REDACTED], [REDACTED], [REDACTED] and the [REDACTED] Deputy Director, [REDACTED], [REDACTED], [REDACTED] Director, [REDACTED] and [REDACTED] Senior Advisor to [REDACTED]. [REDACTED] is a political appointee assigned through the White House. This group meets to plan out the USM Strategic Plan but the CFO has not heard of the group being referred as the "5 White Guys".

The CFO was asked if he was aware of [REDACTED] trying to hire his friends or use contractors that he has worked with in the past. The CFO stated that if there is a position open at the USM, [REDACTED] may say that he knows someone that would be good for that position and may let him know that there is a vacancy announcement. Regarding the contractors, the CFO was aware of a contract for Strategic Planning that was an open completion bid that [REDACTED] stated that he knew someone who did that type of work. [REDACTED] is not the selecting official on this contract and he did not recommend any particular contractor nor did he tell anyone to select the contractor. The CFO stated that the contract has not been

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awarded yet, but the contractor that [REDACTED] as worked with in the past may be selected for the contract.

Our investigation determined that the allegations were materially unsubstantiated. TOIG conducted numerous document reviews and interviews and found no factual basis to support any allegations of misuse of funds or inappropriate conduct by [REDACTED]

As a result, TOIG determined that the allegations do not merit additional investigative resources, and the matter is being closed accordingly.

This information is being provided to your office for informational purposes only. If you have any staff requests, 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]

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